

E-017/M-89-216 VARYING RULE TO ALLOW CIP PROGRAM TO BE BASED ON
CALENDAR YEAR

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of the Request by Otter Tail Power Company for a Variance to the Commission's Conservation Improvement Program Rule 7840.0500

ISSUE DATE: April 27, 1989

DOCKET NO. E-017/M-89-216

ORDER VARYING RULE TO ALLOW CIP PROGRAM TO BE BASED ON CALENDAR YEAR

PROCEDURAL HISTORY

On March 17, 1989 Otter Tail Power Company (the Company) filed a request for a variance to allow the Company to plan, implement, and fund its Conservation Improvement Plan (CIP) Program on a calendar year basis, rather than the current September-August CIP year basis.

The Department of Public Service examined the proposal and recommended approval.

FINDINGS AND CONCLUSIONS

Minn. Rules, part 7840.0500 requires CIP utilities to make annual filings on or before May 1, proposing CIP projects for the coming CIP year. The traditional CIP year begins in the fall. The Company proposes that it begin making its annual filings on August 1 and implementing its projects on a calendar year basis. The Company states that placing its CIP program on the same budget year as the rest of its operations would simplify and improve its management of the program.

The Commission agrees that efficiency of operation is an important concern of the CIP process and sees no significant drawbacks to granting the Company's request. Since the majority of its customers are not space heating customers, it is not essential for the beginning of its CIP year to coincide with the beginning of the heating season, the rationale for the current CIP year.

Furthermore, the Commission has previously authorized the other two electric CIP utilities to make their annual filings on August 1 and to operate their programs on a calendar year basis. Processing

the CIP filings of all electric utilities at the same time will allow efficient use of Commission and Department resources.

The Commission will grant the requested variance, finding that enforcing the May 1 deadline would impose an excessive burden on the Company, that altering the filing date will not adversely affect the public interest, and that allowing an August 1 filing will not conflict with any requirement imposed by law.

ORDER

1. In the future Otter Tail Power Company may base its CIP program on the calendar year and may make its annual CIP filing on or before August 1 instead of May 1.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)