

G-008/CI-88-460 APPROVING INCLUSION OF RCS AUDIT EXPENSES IN TRACKER ACCOUNT AND REQUIRING REPORT ON POTENTIAL CIP PROJECT

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 Accounting for and Recovery of Conservation Expenses by Minnegasco, Inc.

In the Matter of the Implementation of an Energy Conservation Improvement Program for Minnegasco, Inc.

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ORDER APPROVING INCLUSION OF RCS
AUDIT EXPENSES IN TRACKER
ACCOUNT AND REQUIRING REPORT
ON POTENTIAL CIP PROJECT

PROCEDURAL HISTORY

On September 1, 1989 the Commission issued its ORDER MODIFYING AND APPROVING COST RECOVERY PROPOSAL AND REQUIRING FILING in the above-captioned matter. That Order authorized Minnegasco, Inc. (Minnegasco or the Company) to establish a tracker account to record differences between Conservation Improvement Program (CIP) expenses and recovery of those expenses from rates. On September 29, 1989 the Company filed a request to include in the tracker account expenses and revenues relating to Residential Conservation Service (RCS) audits, residential audits which are not part of the Company's approved CIP plan.

The matter came before the Commission on October 17, 1989.

FINDINGS AND CONCLUSIONS

RCS audits are residential audits which utilities were originally required by federal law to offer all residential customers for a nominal fee. The federal program has now expired, but Minnegasco continues to offer the audits, largely because it does not have any other service area-wide residential audit program. Demand is not high, since the audits have been offered for several years. Nevertheless, some customers do request such audits each year. The audits are valuable conservation tools, since they do enable residential customers to identify the conservation potential of their dwellings.

The Commission agrees with the Company that it should continue to offer the audits and that including their expenses and revenues in the CIP tracker account is consistent with the account's purpose and with the intent of the September 1 Order. The Commission will allow inclusion of RCS expenses and revenues in the CIP tracker account.

The Commission also believes the Company should consider instituting a service area-wide residential audit project as part of its Conservation Improvement Program. This would make its CIP a more accurate representation of its conservation efforts and would facilitate informed review of its annual CIP proposal. The Commission will require the Company to file a report on this possibility with its interim status reports, due January 1.

ORDER

1. Minnegasco, Inc. is authorized to include in its CIP tracker account expenses and revenues associated with Residential Conservation Service audits performed on or after September 1, 1989.
2. On or before January 1, 1990 the Company shall file a report detailing the results of its examination of the possibility of offering a service area-wide residential audit project as part of its Conservation Improvement Program.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Lee Larson
Acting Executive Secretary

(S E A L)