

G-004/M-92-599 ORDER ALLOWING COMPANY TO COMMENCE CIP TRACKER AS  
OF OCTOBER 1, 1992

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm	Chair
Tom Burton	Commissioner
Cynthia A. Kitlinski	Commissioner
Dee Knaak	Commissioner
Norma McKanna	Commissioner

In the Matter of the Proposal of  
Great Plains Natural Gas Company  
for Financial Incentives for  
Encouraging Demand-Side Resource  
Options

ISSUE DATE: January 19, 1993

DOCKET NO. G-004/M-92-599

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COMMENCE CIP TRACKER AS OF  
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**PROCEDURAL HISTORY**

On June 29, 1992, Great Plains Natural Gas Company (Great Plains or the Company) filed its proposal for a demand-side management (DSM) financial incentive program.

On December 9, 1992, the Commission issued its ORDER APPROVING DEMAND-SIDE MANAGEMENT FINANCIAL INCENTIVE PROGRAM WITH MODIFICATIONS AND REQUIRING FURTHER FILINGS. In that Order the Commission authorized a conservation improvement program (CIP) tracker account in which the Company could track all conservation expenditures for proposed future rate case recovery, beginning on the date of the Order.

On December 29, 1992, Great Plains filed a request for rehearing and reconsideration of the December 9, 1992 Order. In its petition Great Plains asked to be permitted to track its conservation expenditures as of the beginning of the current CIP year, October 1, 1992, rather than as of the Order date, December 9, 1992.

On January 8, 1993, the Department of Public Service (the Department) filed a letter in support of the Company's proposal. The matter came before the Commission on January 14, 1993.

## FINDINGS AND CONCLUSIONS

In its December 29, 1992 petition, Great Plains gave several reasons that it should be allowed to track CIP expenditures from the beginning of the current CIP year, October 1, rather than from the date of the Order, December 9. First, the Company argued that a disallowance of CIP expenditures from October 1 until December 9 was contrary to Minnesota law. The Commissioner of the Department approved the Company's CIP proposal with modifications on October 12, 1992, effective October 1, 1992, the beginning of the 1992-93 CIP year. Minn. Stat. § 216B.241, subd. 2(b) specifically provides for recovery of costs associated with CIP. From these facts Great Plains argued that a failure to allow CIP expenses from October 1 until December 9 would be contrary to the CIP statute.

Second, Great Plains argued that the Commission has carefully considered DSM financial incentive proposals because it recognizes that recovery of conservation costs can encourage utilities toward more aggressive CIP efforts. If a portion of the Company's CIP costs were disallowed, the Company's conservation efforts would be discouraged.

Third, Great Plains stated that its representatives were unable to attend the November 23, 1992 meeting, at which its DSM incentive proposal was considered, because of insufficient notice and a misunderstanding regarding a rescheduled meeting. Also, the fact that Great Plains' June 1992 DSM proposal was considered in December 1992, after the start of the CIP year, was beyond the Company's control.

The Commission finds that the Company's request to track CIP expenditures from October 1, 1992, is reasonable. Coordinating the commencement of tracking with the commencement of the current CIP year is appropriate in this case. Allowing the Company to track expenses retroactively is reasonable, because the Company will not be reaching past the commencement of its current, approved CIP year for recovery.

The Commission will change the date of commencement of the Company's CIP tracker from December 9, 1992 to October 1, 1992. In all other respects, the Commission's December 9, 1992 ORDER APPROVING DEMAND-SIDE MANAGEMENT FINANCIAL INCENTIVE PROGRAM WITH MODIFICATIONS AND REQUIRING FURTHER FILINGS remains unchanged.

ORDER

1. The Commission's December 9, 1992 ORDER APPROVING DEMAND-SIDE MANAGEMENT FINANCIAL INCENTIVE PROGRAM WITH MODIFICATIONS AND REQUIRING FURTHER FILINGS is modified as follows:

The Commission will authorize a CIP tracker account for the Company, in which the Company may track all conservation expenditures for proposed future rate case recovery, as of October 1, 1992.

All other terms of the December 9, 1992 Order remain unchanged.

2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster  
Executive Secretary

(S E A L)