

E-001/M-94-352 ORDER APPROVING FINANCIAL INCENTIVE FILING

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm	Chair
Tom Burton	Commissioner
Marshall Johnson	Commissioner
Cynthia A. Kitlinski	Commissioner
Dee Knaak	Commissioner

In the Matter of the Proposal of Interstate
Power Company Electric Utility for a Demand-
Side Management Financial Incentive
Mechanism

ISSUE DATE: July 14, 1994

DOCKET NO. E-001/M-94-352

ORDER APPROVING FINANCIAL
INCENTIVE FILING

PROCEDURAL HISTORY

On June 12, 1992, the Commission issued its FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER in Docket No. E-001/GR-91-605, a general rate case filed by Interstate Power Company Electric Utility (Interstate or the Company). In that Order the Commission approved the Company's proposed demand-side management (DSM) financial incentive mechanism with some modifications. The incentive mechanism went into effect on January 1, 1993.

On March 18, 1994, the Company filed its first calculation of lost revenues pursuant to the financial incentive plan. The filing contained a four-step plan for estimating energy savings of direct impact programs and a calculation of lost margins for 1993.

Under the Company's approved DSM plan, it would recover 50 percent of lost margins if it achieved less than 75 percent of its Conservation Improvement Program (CIP) goals. Interstate's filing revealed that it had achieved 22.8% of its CIP goals in 1993. It therefore proposed to recover 50 percent of its total 1993 lost margins of \$56,205.73 and accumulated carrying charges, for a total recovery of \$28,257.39.

On May 18, 1994, the Department of Public Service (the Department) filed comments regarding the Company's DSM filing. The Department agreed with the filing with the exception of the Company's carrying charge calculation. After the Company explained its calculations in a responsive filing, the Department recommended approval of the entire filing at the June 30, 1994, meeting.

The matter came before the Commission for consideration on June 30, 1994.

FINDINGS AND CONCLUSIONS

The Commission finds that Interstate's DSM filing satisfies the requirements established in the Commission's June 12, 1992 Order. The Company has fully and accurately detailed its estimated energy savings, lost margins, and carrying charges.

The Commission will approve Interstate's request to book lost margins and associated carrying charges totaling \$28,257.39 to its CIP tracker for 1993.

ORDER

1. The Commission approves Interstate's March 18, 1994, request to book lost margins and associated carrying charges totaling \$28,257.39 to its CIP tracker for 1993.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)