

Additional Decision Alternative for Docket No. E-015/M-12-1359

For the January 7, 2014 Commission Agenda Meeting, Agenda Item No. 6

After reviewing the January 7, 2014 staff briefing papers, the Department of Commerce (Department/DOC) discussed with staff its concerns with the original decision alternatives 5 and 6. Although it did not object to staff's decision alternatives, the Department suggested that the decision alternatives be expanded. Staff agreed with the Department and has included those alternatives herein.

As a result of its discussions with the Department, staff is adding the following to its original decision alternatives for the Commission to consider.

Staff is adding decision alternative 5a:

5a. Approve the CUE estimation program as a guide in determining the \$/foot charge for service extension of 1,000 feet or less revised on an annual basis through a compliance filing with the Commission. Direct Minnesota Power to annually calculate the \$/foot charge in the same manner used by MP in its compliance filing. MP would sample its prior year service extension installations and recalculate the \$/foot charge from the sample for its compliance petition. Approve the Department recommended CUE estimation program method for service extensions over 1,000 feet.

or

Staff is adding decision alternative 6a:

6a. Approve Minnesota Power's service extension cost estimation method to calculate the \$/foot charge that is based on MP's prior year actual experience from its service extension sample adjusted for known changes, such as labor costs for service extensions of 1,000 feet or less. Require MP to file an annual compliance petition updating the \$/foot charge. Approve the Department recommended CUE estimation program method for service extensions over 1,000 feet.