



Burl W. Haar, Executive Secretary

STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

**NOTICE OF COMMENT PERIOD ON DECOMMISSIONING COST
INVESTIGATION**

Issued: March 6, 2014

**In the Matter of a Commission Inquiry into Decommissioning Policies Related to
Depreciation**

PUC Docket Number: E,G-999/CI-13-626

Filings from Utilities due: April 7, 2014 at 4:30pm.

Comments on utility filings due: May 7, 2014 at 4:30pm.

Information to be provided by Utility Companies

- Provide an explanation of your company's plant decommissioning policies including the relationship of the policy to your company's depreciation expense and the calculation of the salvage portion of the depreciation expense.
- Provide a detailed explanation of how your company's decommissioning probabilities are determined.
- Explain the relationship between the decommissioning probability and the established life for the plant.
- Does your company use decommissioning probability in any other jurisdiction in which you operate?
- Provide any documentation on depreciation practices that provides support for the use of decommissioning probabilities.

Topic/s Open for Comment:

- Minnesota Rule 7825.0800 prescribes the straight-line method for calculating depreciation. Is the practice of a utility periodically adjusting its decommissioning cost accruals based on the probability of decommissioning occurring at the end of projected life consistent with this rule?
- Is there a dichotomy between setting a proposed life for plant and then determining there is only some percentage (such as 50%) chance of the plant being retired at the end of that life?
- Is it appropriate to adjust the amortization of decommissioning costs to reflect this uncertainty in remaining life calculations?

- If so, is the frequency or size of the adjustment relevant to the determination of whether the adjustments are appropriate?
- Are the reasons for using a probability of decommissioning still valid today?

Project Background: On July 31, 2013, the Minnesota Public Utilities Commission issued an Order to initiate an industry-wide investigation to review decommissioning policies, including policies governing the salvage portion of depreciation expense. To ensure informed decision-making, these complex issues require the comprehensive development and stakeholder participation available only in an industry-wide proceeding.

Submit Public Comments: E-mail to PublicComments.PUC@state.mn.us.

Persons without e-mail access may send by U.S. mail to Burl Haar, Executive Secretary, Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul MN 55101-2147. Please include the Commission's docket number in all communications.

Filing Requirements: Utilities, telecommunications carriers, official parties, and state agencies are **required** to file documents using the Commission's electronic filing system (eFiling). All parties, participants and interested persons are encouraged to use eFiling: www.puc.state.mn.us, select "eFiling," and follow the prompts.

Full Case Record: All documents filed in this docket are available on the Commission's website at www.puc.state.mn.us, select "Search eDockets," enter the year (13) and the docket number (626), select "Search."

Subscribe to the Docket: Receive notification when new documents are filed in this docket at www.puc.state.mn.us, select "Subscribe to a Docket," and follow the prompts.

Questions about this docket or Commission process and procedure? Contact Commission staff, Jerry Dasinger at jerry.dasinger@state.mn.us or 651-201-2235 or Ann Schwieger at ann.schwieger@state.mn.us or 651-201-2238.

Change your mailing preferences: E-mail docketing.puc@state.mn.us or call 651-201-2204.

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