

STATE OF MINNESOTA  
MINNESOTA ENERGY AGENCY

In the Matter of the Proposed	)	
Amendment of Rules of the	)	<u>STATEMENT OF NEED</u>
Minnesota Energy Agency Governing	)	<u>AND</u>
Electric Utility Information	)	<u>REASONABLENESS</u>
Reporting, 6 MCAR §§ 2.0201-2.0213	)	

The proposed rules are amendments to existing rules of the Minnesota Energy Agency (hereinafter "Agency"). The original rules were adopted on June 2, 1975. They were amended on March 28, 1977. The above-captioned rules represent the second time the original rules have been amended.

The need to adopt these amended rules arises for the following reasons:

1. The need for the director of the Agency (hereinafter the "director") to continuously improve and more adequately and precisely meet the forecasting and current energy statistical requirements mandated by state law.

This information is required to be collected by Minnesota Statutes section 116H.10, Forecasts, Statistics, and Information, Subdivisions 1 and 2.

Subdivision 1. In order to further the purposes of sections 116H.01 to 116H.15, the director shall develop and maintain an effective program of collection, compilation, and analysis of energy statistics. The statistical program shall be developed to insure a central state repository of energy data and so that the state may coordinate and cooperate with other governmental data collection and record keeping programs.

Subdivision 2. In addition to supplying such current statistical and short range forecasting information as the director may require, each utility, coal supplier, petroleum supplier and large energy facility in the state shall prepare and transmit

to the director by July 1, 1975, and every year thereafter, a report specifying in five, ten, and 15-year forecasts the projected demand for energy within their respective service areas and the facilities necessary to meet the demand.

The report shall be in a form specified by the director and contain all information deemed relevant by the director.

Minn. Stat. § 116H.10 Subds. 1 and 2 (1980).

2. Certain additions to the rules are needed to help the director better anticipate the level of statewide and geographical area energy demand and to help serve as a basis for long-range actions that the director may recommend to the legislature. This mandate for the director is required by subdivision 1(c) of section 116H.11 of Minnesota Statutes. This subdivision requires the director in his biennial report to identify:

(c) The anticipated level of statewide and geographical area energy demand for 20 years, which shall serve as the basis for long range action . . . .

3. Other additions to the rules are made to more adequately aid the director in estimating the reduction in annual energy consumption resulting from the state's various energy conservation measures. This mandate is in subdivision 1(f) of section 116H.11 of Minnesota Statutes. This subdivision requires the director in his biennial report to the legislature to identify:

(f) The estimated reduction in annual energy consumption resulting from various energy conservation measures . . . .

4. In some cases deletions are proposed because certain information requirements, which at one time were felt to be strongly needed, are no longer necessary.

In other cases certain information requirements were deleted because they are overly burdensome to the electric utilities involved

and of less-than-marginal value to the Agency.

5. In still other cases proposed changes to the existing rules are made to allow groups of utilities to make joint reports to the Agency and the Minnesota Environmental Quality Board (hereinafter "MEQB"). In the past major utilities were required to submit annual reports to both state agencies. This change helps the Agency meet its legislative mandate to "coordinate and cooperate with other governmental data collection and record keeping programs." Minn. Stat. § 116H.10, subd. 1 (1980).

6. In some cases changes are proposed to the existing rules to make consistent the reporting requirements of the Agency and the MEQB. In addition, changes are made to the rules to allow the utilities to provide only one listing when the reporting requirements of the Agency and the MEQB are similar. These changes help the director meet his legislative mandate to eliminate unnecessary duplication to the "extent feasible."

7. Finally, other proposed additions or deletions to the original rules are a direct result of greater expertise and knowledge of the electric utility industry developed through firsthand experience in collecting and analyzing energy forecasts and statistics.

It is submitted that the proposed amended rules as a whole are needed and reasonable for the reasons given. Each substantive change in the original rules is explained and justified rule-by-rule in the paragraphs that follow.

One general change made in the proposed rules is a one-year alteration in the time frame for the utilities' 15-year forecast. The current rules require data for the past year, present year and 15 subsequent years.

Under the proposed rules, the present year will be considered the first forecast year and data for only the next 14 years will be required rather than 15. The chief reason for the change is to make Agency and MEQB requirements identical, facilitating joint reporting by the utilities. In addition to creating uniformity between Agency and MEQB data, it will allow utilities to provide a single listing for certain similar informational requirements of the two state agencies.

This one-year change in the 15-year forecast requirement has been made in all the appropriate rules and is not explained in the discussion of individual rules.

In several instances throughout the proposed rules, the terms megawatt and megawatt-hour have been substituted for the terms kilowatt and kilowatt-hour. This change simplifies data entry and energy accounting procedures. One megawatt equals 1000 kilowatts. Similarly, one megawatt-hour equals 1000 kilowatt-hours. Rather than explain this change each time it occurs, it has been explained only at this point.

It should be noted that nonsubstantive changes in the rules, such as the reordering of items under a rule by a different number, letter, or letter style in the alphabet, are not explained or justified. Such changes in reordering by number, letter or letter style have occurred to make numerical, alphabetical or grammatical sense, or so as to conform to the rules of the State Register.

Changes of strictly a technical nature which do not alter the meaning of the rules are not deemed substantive; therefore, there is no explanation for this type of amendment.

The reasons that each proposed amended rule is reasonable and necessary follow.

6 MCAR § 2.0201 Purpose and applicability of these rules.

No substantive changes have been made.

6 MCAR § 2.0202 Definitions.

Definitions deleted completely were "Large Electric Generating Facility (LEGF)" and "Large High Voltage Transmission Lines (LHVTL)". These definitions are not used in the rules and do not describe the information that is collected with regard to generating facilities and transmission lines. The proposed rules require utilities to report data on all power plants and on all transmission lines over 200 kilovolts. The definitions deleted are outdated and if left in, might confuse those subject to the reporting requirements.

Among the new definitions which have been added are "capacity factor", "forced outage rate", and "operating availability". These terms describe methods for measuring and comparing the reliability and efficiency of individual base load power plants owned by the utilities. In proposed new rule 6 MCAR § 2.0208 A. 9., the Agency requires each utility to provide data for each of these measures. For this reason, the definitions of these technical terms have been added to the rules.

"Net generation" is another term which has been added to the rules. It was added to provide clarification since information on net generation is required within the rules.

The definition of "residential electric space heating customer" has been added to the rules so that utilities provide consistent information regarding the use of electricity for space heating homes.

The term "Minnesota Wisconsin Power Suppliers Group (MWPSG)" has been added to identify the utilities, later referred to in the rules, who may file joint reports to the Agency and the MEQB.

Finally, the definition of the term "municipal power agency" has been added to allow municipal utilities who have formed a legal entity called a "municipal power agency" to submit joint reports for their member utilities instead of separate reports.

6 MCAR § 2.0203 Registration.

One sentence has been added to this section to require each utility to update its registration statement each year. Some utilities, having once completed this registration statement, have left it blank in each succeeding year, allowing data collected on the original statement, such as phone numbers and contact people, to become outdated. In addition, Agency staff have been frustrated working with a report from a utility lacking certain basic information required in the registration statement.

6 MCAR § 2.0204 Reporting dates.

No substantive changes have been made.

6 MCAR § 2.0205 Federal reports filed by utilities.

No substantive changes have been made.

6 MCAR § 2.0206 Basic forecast and current data.

In an effort to reduce the number of data items collected under this

rule, we are proposing elimination of the requirement to forecast in-plant consumption of electricity over the next 15 years. This information was not used by staff. By eliminating it, fewer data items are required of the utilities. For the Agency's data system staff, fewer items need to be checked and entered into our computerized data base.

In a related change, we have stricken the term "gross generation" in 6 MCAR § 2.0206 B. 1. e. and propose to substitute "net generation". Net generation equals gross generation minus in-plant consumption. The reasons for this change are:

- 1.) Net generation is requested in other places in the rules. For consistency, we want utilities to always provide net generation whenever information on generation is requested.
- 2.) Agency staff has shown a greater interest in net generation figures than gross.
- 3.) By switching from gross generation to net generation, the Agency can maintain a helpful formula for the utilities in completing this section of the reporting requirements accurately. In forms completed by the utilities to fulfill these reporting requirements, they will be given instructions that: net generation minus transmission line, substation, and distribution losses; minus power delivered to other utilities; plus power received from other utilities should equal their Minnesota deliveries to ultimate consumers plus their non-Minnesota deliveries to ultimate consumers. With the removal of annual in-plant consumption from the items required to be reported, net generation must be reported instead of gross generation for the formula to work.

6 MCAR § 2.0207 The extended forecast.

Two utilities have been added to those required to file an extended forecast: United Minnesota Municipal Power Agency (UMMPA) and Southern Minnesota Municipal Power Agency (SMMPA). They have been added because these newly-formed power agencies have enough collective megawatt demand to be considered major utilities in the judgment of Agency staff. Both power agencies are major partners with NSP in seeking a certificate of need for the Sherco III power plant. SMMPA had a collective peak demand of 258 megawatts in 1979, while the utilities making up UMMPA had a collective peak demand of 48 megawatts. It is the belief of staff that both utilities should be required to provide the same information as other major utilities.

Another addition has been made in 6 MCAR § 2.0207 B. 1. In the past, utilities have been required to complete a 15-year forecast of their system sales of electricity, broken down by various end user categories. In addition, utilities have provided, at the request of the director of the Agency, a similar 15-year forecast for their Minnesota service area only. This forecast is broken down by end user categories and includes customer projections as well.

The change being proposed incorporates the Minnesota service area forecast (which is currently voluntarily collected) into the mandatory reporting requirements. The proposed change also requires utilities to include in their system forecast the number of customers in each end user category. The reason for the change is that it provides the Agency with each utility company's perspective on which type of customers will create growth in its electric sales and demand in its Minnesota service area. For instance, Minnesota Power Company and Cooperative Power Association may both expect growth.



Minnesota Power Company, however, may expect theirs to occur in sales to mining and taconite companies, while UPA may feel theirs will come from growth in residential sales in the metropolitan area's northern suburbs. It is important for the Energy Agency to know the categorial breakout of anticipated electric sales and the number of customers. This helps the Agency evaluate the accuracy of the assumptions which the forecast is based on. Minnesota Statutes section 116H.11 subdivision 1(a) requires the Agency to evaluate "the accuracy and acceptability of the energy forecasts received" from the utilities. In addition, the breakout by category helps identify emerging energy trends which the Agency is required to identify for its biennial report.

Minnesota Statutes section 116H.11 subdivision 1 requires the Agency to evaluate "statewide and geographical area energy need". A statewide electric forecast by the utility serves as a useful tool and resource in aiding the Agency in arriving at its own forecast of statewide and geographical energy needs. In addition, there is a great deal of interest on the part of the public and the legislature for Minnesota-service-area-only information.

While Minnesota service area information is of great interest and value, it is the utility's system forecast of demand and kilowatt-hour sales that ultimately affects how many power plants and transmission lines will be required. So to understand the utility, its operations and needs, system data as well as Minnesota service area data are needed. It is for this reason that both a system forecast and a Minnesota-service-area-only forecast are needed and reasonable.

Another proposed change in the rules occurs in 6 MCAR § 2.0207 B. 2. Currently utilities are asked to provide a breakdown of the demand for power by ultimate consumer categories at the time of last year's peak demand.

The words "last year" caused a problem because some utilities interpreted this to mean the last calendar year while other utilities interpreted it to mean the last "seasonal year" which ends on April 31. For planning purposes, utilities break the year into a summer season, May 1 through October 31, and a winter season of November 1 through April 31.

To clarify this point and to remove this inconsistency in reporting between different utilities, we struck the words "for the last year" and inserted language clearly asking for this information at the time of the last annual system peak demand. Utilities are familiar with this term and know that it means the period beginning May 1 of each year and ending April 31 of the following year. In addition, its meaning is included in the definition section.

Another proposed change in this rule is the deletion of 6 MCAR § 2.0207 B. 4. This rule has been of marginal value to the Agency since the most significant load factor information is the seasonal load factor which is already being reported under 6 MCAR § 2.0206 B. 1. h. Load factor measures the efficiency at which a utility's existing power plants are being used. A high load factor is generally felt to be desirable since it means that a utility is not experiencing wild gyrations between average load and peak load. Conversely, a low load factor indicates a peak demand substantially higher than the average load. Efforts to reduce or shift peak demand may be particularly important for utilities experiencing a low load factor. Since seasonal load factor information is collected in another section of the rules it was not felt necessary to collect it again in slightly different format. It should be noted that the public seldom requested this information and Agency staff did not object to its being dropped.

Finally, it should be noted that this information is still collected in each Certificate of Need hearing for new power plants and will continue to be collected.

Another change being proposed is the addition of language in 6 MCAR § 2.0207 B. 5., requiring utilities to list participation purchases as well as sales. This is largely a technical addition to the rules since it was inadvertently left out during the adoption procedure for the current rules. Utilities, as a matter of practice, have been reporting both participation purchases and sales for many years. Participation power purchases and sales consist of power sold or purchased from a specific generating unit or units for a period of six or more months on a continuously available basis. It differs from firm purchases and sales in that if the generating unit or units go down for maintenance, the seller is not obligated to provide substitute power.

One final change made in this rule is the addition to 6 MCAR § 2.0207 C. 3. a. of a requirement that utilities add to their discussion of assumptions used in their peak demand and energy forecast, current and anticipated saturation levels of major electric appliances and electric space heating within their service area.

This information addition is felt to be important in assessing the accuracy and reliability of each utility's forecast. Since information on this subject has not always been provided, Agency staff feel it is important to include it as a requirement. This proposed rule addition will require utilities to provide any information, data, or records the utility has available on current and anticipated saturation levels and any assumptions made by the utility forecast regarding saturation levels.

6 MCAR § 2.0208 Generating facilities.

In the proposed rules, we are recommending the deletion of current rule 6 MCAR § 2.0208 A. 3. and 4. This rule requires the utility in some instances to calculate the percentage of each type of primary and secondary fuel used in a power plant. This required an unnecessary calculation by the utility. Since each fuel and the amount used is already requested in a later subsection of this same rule, it is a simple procedure for Agency staff to make this calculation ourselves using standardized BTU equivalencies for the specific fuels used in the particular plant.

Another current rule recommended for deletion is 6 MCAR § 2.0208 A. 5. which requires a listing of the name plate capacity for all power plants. It was felt that this particular piece of information was no longer needed since we will continue to collect the name plate rating of each individual unit of the plant under proposed rule 6 MCAR § 2.0208 A. 8. The plant name plate capacity is simply an aggregation of these figures.

Proposed amended rule 6 MCAR § 2.0208 A. 3. will require utilities to list each power plant's summer and winter capacity. Since a power plant's actual capacity can be affected by whether it is summer or winter, it is appropriate to ask for both to get an accurate picture of a utility's true seasonal peaking capacity. In the past, the Agency received inconsistent responses from the various utilities when we requested just actual plant capacity covering the entire year. In addition, this change creates more uniformity and consistency in the Agency and MEQB reporting requirements. The MEQB requests summer and winter plant capacity data in their reporting requirements and with this change, the Agency will be requiring the same.

In proposed amended rule 6 MCAR § 2.0208 A. 4., the language "net megawatt-hours" has been substituted for "kilowatt hours" to clarify the type of generation data requested in this rule.

Another recommended addition under proposed rule 6 MCAR § 2.0208 A. 8. is a requirement that each utility provide information on the type of each unit (steam, hydro, diesel, etc.) within a power plant. This is an example of information requested often by Agency staff, but for which we have no current requirement. We often receive inquiries regarding how much steam or nuclear fired capacity we have in the state. Also knowing which units are steam-fired aids our Alternative Energy Division in evaluating a particular power plant's district heating capability.

Recommended for deletion under proposed rule 6 MCAR § 2.0208 A. 8. is the language requiring electric utilities to provide the name plate number, power factor, voltage, phase, and frequency for each generating unit in a power plant. This data does not change from year-to-year and since we have already collected this information in the past, it is no longer necessary to gather it again each year.

One final addition to this section is a new reporting rule which requires utilities to provide the "capacity factor", "operating availability", and "forced outage rate" for all base load power plants it owns, provided it keeps such records on its plants. These three terms represent measures of a plant's reliability. Agency staff are required to write Environmental Reports in connection with Certificates of Need for large electric generating plants. The reports require the assessment of the reliability of existing power plants and comparison of those reliabilities with proposed future power plants. For this reason, current data on the reliability of the state's existing base load power plants are needed.

Existing rule 6 MCAR § 2.0208 B. requires certain information to be reported on a utility's future power plants. We are recommending one deletion in this section of the rule. Specifically, the proposed rules recommend deleting the language in 6 MCAR § 2.0208 B. 2., which unrealistically requires the utility to provide the month as well as the year in which a proposed power plant will begin operation. From the Agency's standpoint, no level of detail greater than anticipated year is required. For this reason, month has been deleted as a requirement in the proposed rules.

Language has been added to rule 6 MCAR § 2.0208 B. 4. to require utilities to estimate the summer and winter plant capacities of proposed generating facilities. This amended language changes the character of this rule from requiring a single estimate of a future plant's capacity to getting a summer and winter estimate. The reasons for it parallel those offered earlier regarding the same changes made on the reporting requirements for existing power plants.

Additional language is also added to proposed rule 6 MCAR § 2.0208 B. 5. The added language clarifies the reporting rule which requires a utility to estimate the net generation that will be gained from a power plant during its first full calendar year of operation. This clarifying language was needed so that utilities would put a full year's data in this estimate instead of a partial year for a power plant scheduled to be completed during mid-year.

One final addition to this section on proposed power plants is the addition of rule 6 MCAR § 2.0208 B. 8. This rule requires the utility to list the type of unit or units in its proposed plant. The reason for this requirement is that it is important from a policy standpoint for Agency staff to know what type of generating facilities are being planned in the

future by the utilities. Whether future power plants will be coal-fired steam, nuclear or oil-fired diesel units is an important policy question. For this reason, this information is needed and reasonable.

Rule 6 MCAR § 2.0208 C. requires utilities to provide certain information on facilities that are going to be retired. In the proposed rules, language is deleted from 6 MCAR § 2.0208 C. 2. which requires utilities to report the year the plant began operation. Since this information is already reported for all presently existing facilities under 6 MCAR § 2.0208 A. 7., there is no need to repeat this information again if the utility plans to retire this particular plant or unit.

For similar reasons, the proposed rules delete current rules 6 MCAR § 2.0208 C. 4., 5., and 6. These rules deal with net generation, primary fuel used, and heat rate, all of which are repetitive of information already collected under 6 MCAR § 2.0208 A.

Under the proposed rules, the utility will be required to provide both summer and winter plant capacity instead of one annual capacity figure. This change is made so as to parallel the information requirements of present and future facilities.

The final section of rule 6 MCAR § 2.0208 deals with fuel requirements for current and future electric generation. Two changes have been made in 6 MCAR § 2.0208 D. 1. and 2. The first change requires the utilities to forecast electric generation by "net megawatt-hours" instead of "kilowatt-hours". Experience has proven that megawatt-hours are a more appropriate unit of measure to use than kilowatt-hours. The word "net" has been added to clarify to the utilities that we want net generation data and not gross generation. The latter has mistakenly been provided by some utilities in the past.

The second change is to include language which requires a forecast of hydro net generation as well as other primary fuels. The reason for this addition is that it is as important to know what net hydro generation will be, as to know what generation from any other fuel type will be. Since hydro was not specifically mentioned in the rule in the past, some utilities, who should have, did not submit a net hydro generation forecast.

6 MCAR § 2.0209 Transmission lines.

In this section two changes have been made throughout the proposed rule. The first is to strike the requirement that utilities list and provide information on transmission lines over 100 kilovolts and substitute in its place a 200 kilovolt minimum requirement for reporting. The reason for this change is the limited interest in and use of the data on transmission lines of between 100 and 200 kilovolts. In addition, it will create consistency between the MEQB reporting requirements and the Agency's. The net effect will be that major utilities will be able to provide one list of transmission lines in their joint report to the MEQB and the Agency, meeting both governmental units' reporting requirements.

The second change exempts utilities from providing information on the total length of the line and instead requires them to report only on the length of the line inside Minnesota. The reason for this change is again to achieve consistency with the MEQB reporting requirements. It was also felt that the length of the line outside of Minnesota was of only marginal value as information which the Agency should regularly collect.



6 MCAR § 2.0210 Other information reported annually.

Current rule 6 MCAR § 2.0210 B. requires utilities to provide a listing of all customers who use over 600,000 kilowatt-hours annually. Utilities who do not have 15 customers who use more than 600,000 kilowatt-hours annually are required to list their 15 largest customers. The change being recommended would exempt utilities from listing any customer who uses less than 600,000 kilowatt-hours. This would reduce the reporting burden on smaller utilities. In addition, the Agency has found very limited interest in the end use customers below the 600,000 kilowatt-hour level.

Current 6 MCAR § 2.0210 C. requires each utility to list its primary fuel suppliers and their address. In the proposed rule, we have added language which requires utilities to list the type of fuel they purchase from each primary fuel supplier. The reason for this addition is that while we currently receive the name of each primary fuel supplier, we do not always know what type of fuel they are providing to the utility. In cases of a coal or fuel oil shortage, it is important that we are able to quickly identify such companies by type of fuel supplied. In addition, inquiries made of this data are usually of a nature requiring us to provide information on who supplies a particular type of fuel to a particular utility or utilities.

The next change in the proposed rules is the deletion of current rule 6 MCAR § 2.0210 D. This rule required utilities to provide information with regard to contracts they had with other utilities. A description of the contract was required as well as the termination date. Only contracts

not listed in 6 MCAR § 2.0207 B. 5. and 6. need be reported in this section. Since major short term and long term agreements by the big utilities are individually listed in 6 MCAR § 2.0207 B. 5. and 6., only the smaller contracts and agreements are listed in this section. The primary usefulness of this information is to identify from whom or to whom electricity is being bought and sold. Similar information is collected as a part of 6 MCAR § 2.0208 E. which requires utilities to list total deliveries of energy between them. It was therefore felt that 6 MCAR § 2.0210 could be deleted without losing important information. This once again helps reduce the reporting burden on electric utilities without impairing the Agency's ability to provide information.

A proposed change designed to promote consistency within these rules and those of the MEQB occurs in proposed rule 6 MCAR § 2.0210 D. which requires a detailed service area map showing the inclusion of all transmission lines over 100 kilovolts. To be consistent with the rest of the proposed rules and those of the MEQB, we are proposing to require only the plotting of those lines over 200 kilovolts.

The next change occurs in proposed rule 6 MCAR § 2.0210 E. Recommended for deletion is the language requiring each utility to list each interconnection it has with other utilities and the total energy transfers occurring over each interconnection. Since utilities have many interconnections with a given utility this requirement simply provides too much data in a disaggregate fashion. Of much greater value is a simpler listing of total purchases and sales between different utilities which is what the proposed rule now requires. This aids Agency staff in determining which utilities are dependent on each other for power and

how much they purchase and sell each other.

In proposed rule 6 MCAR § 2.0210 G. language has been added. This language substitutes the name "Energy Information Administration of the U.S. Department of Energy" for the "F.P.C.". This is due to the fact that the F.P.C. is now called the Energy Information Administration, thus requiring us to make the name change.

Another change made in this same rule is to delete language from 6 MCAR § 2.0210 G. 1. which required utilities to report only Schedules 9 and 10 of their Form 12. With this change in language, utilities which file an F.P.C. Form Number 12 will be required to file this entire form with the Agency. As a matter of practice, all utilities currently do so and this will simply bring the rules into step with what now is being done. One other technical change made in the proposed rules deletes current rule 6 MCAR § 2.0210 G. 2. This rule required all utilities who filed a F.P.C. Form Number 12 A to provide the Agency with Schedules 3 and 4. The Energy Information Administration discontinued this form beginning in 1981. Therefore, it has been deleted from our reporting requirements.

The data collected on Schedule 4 of the Form 12 A required smaller utilities to break out their deliveries to ultimate consumers by end user categories such as residential, commercial, industrial, etc. Since this information is essential to the Agency if we are to monitor growth in annual electric sales in Minnesota, we have proposed adding a new rule 6 MCAR § 2.0210 J. This proposed rule requires utilities who are not otherwise required to provide an annual breakdown of their electric energy sales to do so.

One final addition to this section is proposed rule 6 MCAR § 2.0210 I.

This rule requires electric utilities to provide the number of customers using electricity for residential electric space heating and the total megawatt hours of electricity such customers use for all purposes. This rule simply formalizes what utilities currently voluntarily provide the Agency as a matter of practice. The importance of this information is that one of the great unknowns in Minnesota's energy picture is how many residential homes will either convert or hook up to electric energy in the future for home heating purposes. Since it takes a great deal of electric energy to heat a home, it can have a significant effect on future electric demand. Due to its effect on future electric energy demand, it is very important for the Agency to monitor the growth in the number of customers relying on this form of energy for their home heating. It should be noted there is one additional piece of information with regard to residential electric space heating that we are requesting for the first time. That piece of information is the number of residential units as well as customers. These numbers are slightly different because master-metered apartments may have 20 residential units yet be considered one residential customer. Since Agency staff work sometimes requires breaking down the state's total residential households by type of fuel used to heat them, it is important that we know the number of residential units as well as customers heating with electricity.

6 MCAR § 2.0211 Quarterly reports of energy delivered to ultimate consumers.

Two changes are proposed for this rule. The first is the addition

of language in rule 6 MCAR § 2.0211 A. The new language exempts municipal utilities with annual sales of less than 20 million kilowatt hours from filing quarterly reports on their sales to ultimate consumers broken down by end user categories. This exemption will affect 50 small electric utilities releasing them from their current obligation of providing quarterly reports. It will also mean Agency staff will have to enter 50 less reports per quarter into our computerized data base files. This exemption can be granted because the Agency can produce both its quarterly electric energy use reports and geographical energy reports without these small utilities.

The exempted utilities account for only 1 1/2 % of the state's total electric sales. Missing data can simply be factored in when the Agency produces its preliminary quarterly electric energy sales report.

Quarterly reports are also used to provide electric consumption data by geographic regions (such as counties and economic development regions). We will still be able to do this except geographic electric data will not be quite as current. The way this will be done is to merge last year's quarterly data with the annual data submitted by the exempted municipal utilities. This will give us a complete picture of electric energy we use in a particular region. Therefore, this change allows the Agency to exempt 50 electric utilities from the quarterly reporting requirements without losing any substantial information producing capability.

Another recommended change is the deletion of current rule 6 MCAR § 2.0211 B. This rule requires certain utilities to report quarterly the electric energy used by all of their customers who annually consume over 600,000 kilowatt hours. This rule also required that each large

customer had to be assigned a Standard Industrial Classification code. This information proved to be a burden on many of the electric utilities and of only marginal value to Agency staff. For this reason, its deletion seems to make sense.

6 MCAR § 2.0212 The Minnesota Wisconsin Power Suppliers Group (MWPSG).

The MWPSG is a committee set up by the major utilities serving the Minnesota Wisconsin area. This rule clearly allows the MWPSG to provide a joint report on behalf of their member utilities to the Agency and the MEQB as long as that report contains all the data required by this rule and is in a format acceptable to the director of the Agency. Secondly, the rule declares that certain Agency rules and MEQB rules are "similar" and that in these instances only one listing of the required data need be provided by the MWPSG in their joint report. Finally, it gives the director of the Agency authority to declare additional Agency rules as "similar" to those of the MEQB. At such time only one listing in the joint report would be required.

The reasons for this new rule are:

- 1.) it produces uniformity and consistency between the data received from the utilities by the Agency and the MEQB;
- 2.) it reduces duplicated reporting;
- 3.) its joint reporting provisions and single listings of similar data had been requested by the major utilities; and
- 4.) hearing examiner Allan Klein in 1977 recommended in adopting

the Agency's previous electric rules that a more coordinated approach that reduced potential duplication of information between the Agency's rules and those of the MEQB should be a goal of both governmental units.

6 MCAR § 2.0213 Corrections.

No substantive changes have been made.

6 MCAR § 2.0214 Federal or state data substitution for Energy Agency data requirements.

No substantive changes have been made.

Dated:

June 19<sup>th</sup>, 1981

Respectfully submitted,

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