
2015 COST OF SERVICE METHODOLOGY REVIEW

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Regarding the C10 allocator, confirm that this was used to allocate costs that are not the DSM portion of the curtailable costs. This is customer service cost. Explain what the seventy- seven hundred (7,700) number represents?

Response:

“C10 Customer Service General” allocates customer service costs only and does not include the cost of the Curtailable Rate Program (CRP). The higher C10 weighting factor for the curtailable compared to non-curtailable GSL customers is the result of departmental estimates of relative effort required.

The weighting column was added to the electronic model for the current Cost of Service Review to allow stakeholders to test different weighting factors. The allocation to each of the GSL curtailable subclasses is based on the 1.4% shares as determined in MIPUG/MH I-4a, with the 7,724 / 3,899 weighting factors and weighted customer count back calculated to match the allocators shown in PCOSS14-Amended.

The cost related to Public Accountability is allocated to all rate classes, 30% of which is shared equally among all classes; the remaining 70% is allocated based on each class’ revenues. The approach recognizes that a portion of regulatory costs are incurred for the benefit of all customer classes equally, and the remaining cost allocated based on revenue reflects that larger classes intuitively drive a greater portion of regulatory activities. For the equal share component, the GSL class in total is given a share equal to other classes, but it is then distributed evenly between the five subclasses (GSL 0-30kV, 30-100kV curtailable and non-curtailable, and GSL >100kV curtailable and non-curtailable).

The allocation of Consumer Consultation and Information provided in MIPUG/MH I-4a is a summary based on individual departmental estimates weighted by planned costs, as indicated below:

Class	Customer Service ¹	Customer Engineering Services – Inquiries	Customer Engineering Services – Inquiries Agricultural	Energy Services & Sales - Consultations	Key Accounts	Major Accounts	Common/ Admin ³	Weighted Totals
Res	45%	0%	0%	20%	0%	0%	88%	46%
GSS	35%	10%	33%	30%	0%	0%	12%	27%
GSM	10%	24%	33%	48%	7%	0%	0%	10%
GSL 0 - 30 kV	4%	20%	17%	2%	15%	65%	0%	7%
GSL 30-100KV	3%	16%	13%	0%	9%	25%	0%	4%
GSL 30-100KV Curt ²	1%	6%	4%	0%	3%	8%	0%	1%
GSL >100KV	1%	22%	0%	0%	62%	1%	0%	4%
GSL >100KV Curt	1%	2%	0%	0%	5%	1%	0%	1%
SEP	0%	0%	0%	0%	0%	0%	0%	0%
Lighting	0%	0%	0%	0%	0%	0%	0%	0%
Total	100%	100%	100%	100%	100%	100%	88%	100%
Planned Orders	12,677,114	769,625	198,525	890,289	710,924	831,513	3,342,488	

Note 1: Customer Service includes the costs related to line locates, safety watches, consumer consultations, building moves, and education/safety.

Note 2: Estimate has been provided for the GSL 30-100kV as a whole and is prorated between Curtailable and Non-Curtailable subclasses based on forecast energy

Note 3: Shares based on relative customer count