

MINUTES
YARKSTICK MECHANISM TASK FORCE
January 12, 1999

OVERVIEW: The Task Force (TF) reviewed and discussed the PBR process and issues as well as the TF Terms of Reference. Topics discussed included: fixed vs. common rules (e.g., local policies for contributed capital; rate setting and timing); power losses; process to appeal peer group assignments; yardstick grouping characteristics; specification of rate adjustment mechanism; and, dynamics of peer group re-calibration.

The TF noted that the data and analysis should pertain to the distribution lines activities of the utility.

ASSISNMENTS: TF representatives agreed to provide the following data and all other distributors will be asked to provide the data. If possible the data to be provided is for the 1988 to 1998 period, or as close to the 1988 start as possible:

- Total service area
- Rural service area
- Urban service area
- Population
- Municipal population
- Intermittent occupancy
- Number of total customers, kilowatt hours & revenues
- Number of residential customers, kilowatt hours & revenues
- Number of general service customers, kilowatt hours, kW & revenues
- Number of large power customers, kilowatt hours, kW & revenues
- Peak load
- Load factor
- Distribution losses
- Total kilometers of line
- OH/UG kilometers of line
- Kilometers of line by type (e.g., 3-phase)
- Number of substations
- Number of transformers
- Number of circuit links
- Generation assets within the utility
- Transmission system within the utility

After considering the discussion at the end of the meeting regarding the dynamic nature of the benchmark distribution we felt it would now be useful to directly calculate a historical productivity factor for the utilities under Yardstick regulation. Therefore, we would like to add information on employment and compensation.

- Number of own full-time employees
- Number of own part-time employees
- Number of own FTE employees
- Number of contract or outsourced “employees”
- Total labor compensation (i.e., wages, salaries, pension, fringe, bonuses, etc.)
- Total contract and outsourced labor expenses.

If some of this information is difficult to collect, please provide the information on total own employees, labor compensation and contract/outsourced expenses.

OUTSTANDING

ISSUES: Design of rates (adjustments) and associated issues of low income impact, new services, alignment of utility incentives, and dynamics of peer group benchmarks; embedded utility resale issue; shared services; confidentiality; and contributed capital.

SCHEDULE: TF will meet at 9:30 am on 1/27, 2/11, 2/25 and either 3/10 or 3/11.

