

APPENDIX A

LDC Coalition 2006 EDR Issues Prioritization

Original Board Staff List

**Priority
(H,M,or L)**

Description

	Priority (H,M,or L)	Description
1	H	Comparators and Cohorts
2	H	Test Year for Establishing Rate Base / Revenue Requirement
3	M	Load Forecast
4	H	Test Year adjustments
5	L	Weather Normalization
6	H	Return on Equity for 2006 rates
7	L	Debt/Equity structure
8	M	Debt Rate/Cost of Capital
9	L	Depreciation Rates
10	L	Transfer Pricing and Shared Corporate Services
11	L - M	Low Voltage and Wheeling Costs
12	H	2006 Taxes/PILS
13	L	Definition of Distribution Rate Base
14	H	Rate Base measurement date
15	M - H	Working Capital Component of Rate base
16	M	Capitalizing expenses
17	L	Capital Projects
18	L	Contributed Capital
19	L	No Cost Capital
20	L	Rate Setting treatment of capital gains
21	L	Distribution wires only expenses
22	L	Post retirement benefits and pensions
23	L	Site restoration and removal costs
24	L	Insurance expense
25	L	Bad Debt expense
26	L	Employee compensation and staffing
27	L	IT costs
28	L	Advertising,entertainment,charitable/political donations, employee dues, research and development
29	M	Specific Service Charges - Miscellaneous charges
30	Defer to Cost Allocation	Unmetered scattered load
31	Defer to Cost Allocation	Time of Use rates
32	Defer to Cost Allocation	Fixed/variable splits
33	L - M	2006 rate mitigation

New Issues

M	Rate Base treatment of Capital Contributions re: increased transformation capacity
L	Rate Base treatment of Shared Assets
L	Revenue recovery for transformation ownership
H	Treatment of increased wholesale metering costs
L	Standby Charges
L	Ancillary Revenue Treatment
L - M	Earnings Sharing Mechanisms
H	DSM erosion of distribution revenue
H	SSS Admin costs and charges
M	Dual regulatory regime
M	Impact of TSC changes on distribution
L - M	Rate Harmonization
H	Treatment of DSM assets in rate base
M	Distribution efficiency (dis)incentives
M	"Desired end state" may impact 2006 EDR
H	Rate year "anniversary date"
H	Update APH - more prescriptive accounting guidelines
L	1999 Financial loss treatment

**L=Low Priority
M=Medium Priority
H=High Priority**