

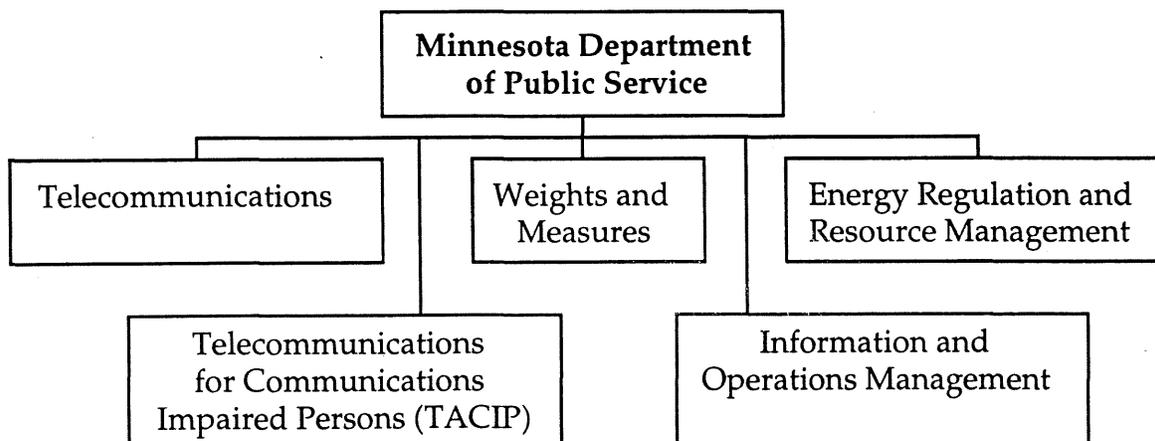


**MINNESOTA**  
**DEPARTMENT OF**  
**PUBLIC SERVICE**

**Minnesota Department of Public Service**  
**1998 Performance Report Executive Summary**

**MISSION:** The mission of the Minnesota Department of Public Service (DPS) is to efficiently provide public interest advocacy, enforcement and regulatory services for all Minnesota consumers and to expand economic opportunities while improving the environment and our quality of life.

The Department seeks to accomplish this mission through five key programs: Telecommunications, Weights and Measures, Information and Operations Management, Energy, and Telecommunications Access for Communication Impaired Persons (TACIP).



**MISSION:** The mission of the Minnesota Department of Public Service (DPS) is to efficiently provide public interest advocacy, enforcement and regulatory services for all Minnesota consumers and to expand economic opportunities while improving the environment and our quality of life.

Department of Public Service Spending and Staffing, Fiscal Year 1998

Program	Estimated Expenditures		Full-Time Staff	
	Dollars (in Thousands)	Percent of Total	Positions	Percent of Total
Telecommunications Regulation	\$908	6	10.9	9
Weights and Measures	3,041	19	43.0	34
Information and Operations Mgmt	1,614	10	23.4	18
Energy	4,126	25	48.2	38
TACIP	<u>6,547</u>	<u>40</u>	<u>1.4</u>	<u>1</u>
<b>Total</b>	<b>\$16,236</b>	<b>100%</b>	<b>126.9</b>	<b>100%</b>
General Fund	\$8,189			
Special Revenue	7,167			
Federal Fund	<u>880</u>			
<b>Total</b>	<b>\$16,236</b>			
Revenue Generated <sup>1</sup>				
Non-dedicated General Revenue <sup>2</sup>				
Gas & Electric Assessments	\$4,044			
Telephone Assessments <sup>3</sup>	1,474			
Weights & Measures Fees	1,523			
W&M Petroleum Inspection Fees <sup>4</sup>	2,915			
Other Dedicated Revenue	<u>1</u>			
<b>General Fund Revenues</b>	<b>\$9,956</b>			
Dedicated Revenue				
TACIP Surcharge	\$7,666			
Federal Indirect Cost	83			
Exxon (Federal Grant)	290			
Federal (SEP)	859			
Other Dedicated Revenue	<u>3</u>			
<b>Total Dedicated Revenue</b>	<b><u>8,901</u></b>			
<b>Total Revenue</b>	<b>\$18,858</b>			

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Source: DPS 2000-01 Biennial Budget

- 1 The revenues reported here are on a cash basis for FY 1998.
- 2 Also includes costs assessed on behalf of the Attorney General's Office for utility regulatory matters.
- 3 This fee is first deposited into a special revenue revolving account and then transferred to the general fund at the end of the fiscal year.
- 4 Collected on behalf of the DPS by the State Department of Revenue. (This revenue is not reflected on the DPS Biennial Budget Agency Revenue Summary.)

## TELECOMMUNICATIONS PROGRAM

**TELECOMMUNICATIONS PROGRAM  
EXPENDITURES AND STAFFING  
100% FEE RECOVERED  
(Dollars in Thousands)**

	<u>FY 1998</u>	<u>Percent of Department</u>
<b>Total Expenditures</b>	<b>\$908</b>	<b>5.59%</b>
<b>General</b>	<b>\$781</b>	
<b>From Special Revenue Funds</b>	<b>\$127</b>	
<b>Number of FTE Staff</b>	<b>10.9</b>	<b>8.59%</b>

### GOALS:

The Telecommunications program seeks to:

- Ensure that reliable telephone services are provided at just and reasonable rates in a nondiscriminatory manner throughout the state of Minnesota. (M.S. 237.09, 237.60)
- Promote the general economic welfare of Minnesota citizens through the development and advocacy of sound regulatory policies in proceedings before the Public Utilities Commission and Federal Communications Commission, in hearings conducted by the Minnesota Legislature and/or before the general public. (M.S. 216A)
- Collect, monitor, develop and distribute information that allows consumers of telephone services to make informed decisions concerning the telecommunications services that they purchase. (M.S. 237.02)
- Enforce the Orders of the Public Utilities Commission, Minnesota Statutes Chapter 237 and 216 and the Federal Communications Commission. Ensure an orderly transition between a monopoly telecommunications environment and a competitive telecommunications market throughout the state. (M.S. 216A.07, 237.16, 237.081, 237.74)

**TELECOMMUNICATIONS PROGRAM**

**OBJECTIVE:** The rate of increase in average price for local telephone service provided by a monopoly will not exceed general inflationary rates.

**Measure:** A comparison of the average annual revenue paid by Minnesota residential and business telephone access line customers with the rate of increase in the Consumer Price Index.

<u>F.Y.</u>	<u>Average Monthly Revenue Per Line</u>	<u>Annual Change</u>	<u>Annual CPI Change</u>
1997	\$36.64	-1.0%	+1.6%
1996	\$36.88	+0.7%	+1.8%
1995	\$36.64	-3.7%	+2.5%
1994	\$38.05	+2.8%	+2.3%
1993	\$35.91	+1.0%	+2.7%

\*\* DPS investigations into local telephone company earnings have led to \$15 million in rate reductions since 1991.

**OBJECTIVE:** Advocacy of responsible telecommunication policies before the Public Utilities Commission will continue within time frames established by Commission rules.

**Measure:** Number and percentage of completed dockets per year.

	<u>1995</u>		<u>1996</u>		<u>1997</u>		<u>1998</u>	
	<u>Coin Telephone</u>	<u>All Other</u>						
Filings Received by PUC	101	811	67	1071	104	1362	88	1428
Completions	101	796	64	977	100	1374	65	1358
Percentage Completed	100%	98%	96%	91%	96%	100%	74%	95%

**OBJECTIVE:** At least 95% of Minnesota households will have at least one working telephone.

**Measure:** Minnesota's results as calculated by the Federal Communications Commission and reported in its Monitoring Report, CC Docket No. 87-339.

Actual Performance	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
Percent Penetration	96.9%	97.1%	96.7%	96.1%	95.6%	97.3%	97.1%	96.9%

**TELECOMMUNICATIONS PROGRAM**

**OBJECTIVE:** Advocacy of responsible telecommunication policies before the Public Utilities Commission will continue within time frames established by Commission rules.

**Measure:** Percentage of Department recommendations accepted by PUC shall equal or exceed 90% of all Department recommendations.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>
Recommendations sent to PUC-Coin telephone	101	64	59	43
Accepted Recommendations-Coin telephone	101	64	59	73
Percentage Approved-Coin telephone	100%	100%	100%	100%
Recommendations sent to PUC-All other	811	1,071	1,362	1,428
Accepted Recommendations-All other	796	1,055	1,346	1,419
Percentage Approved-All other	98%	99%	99%	99%

**OBJECTIVE:** Responsible regulatory action will assist regulated telephone companies in the goal of maintaining credit ratings that will result in access to reasonably-priced capital.

**Measure:** Bond ratings of largest four regulated monopoly providers shall remain investment grade.\*

	<u>1992</u>	<u>1995</u>	<u>1998*</u>
U S WEST Communications, Inc.	Aa3	Aa2	A+
GTE Corp.	A3	A2	A
Sprint/United Telecommunications	Baa3	Baa3	B+
Frontier Telephone	A2-A3	A3	A+

\* ValueLine safety rating used for 1998 only. All four companies are considered to be investment grade.

## WEIGHTS & MEASURES PROGRAM

**WEIGHTS AND MEASURES PROGRAM  
EXPENDITURES AND STAFFING  
100% FEE RECOVERED  
(Dollars in Thousands)**

	<u>FY 1998</u>	<u>Percent of Department</u>
Total Expenditures	\$3,041	18.73%
General	\$3,041	
Number of FTE Staff	43	33.88%

### GOALS:

- Support businesses in Minnesota and elsewhere by offering precision physical measurement services certified by the National Institute of Standards and Technology (NIST) and accredited under ISO 9000, Guide 25. The Division's metrology laboratory provides measurement services in mass, volume, length, temperature, liquid density, solid density, and magnetic susceptibility. (M.S. 239.011)
- Ensure uniform and accurate commercial weighing and measuring in Minnesota: by inspecting and testing gasoline pumps, grocery scales, grain elevator scales, fertilizer scales, railroad scales, and a wide variety of other commercial weighing and measuring equipment; by inspecting packaged consumer commodities; by operating a voluntary registration program to allow privately employed service technicians to install and repair commercial weighing and measuring equipment; and by enforcing uniform, nationally recognized standards for weighing and measuring equipment and for packaged commodities. (M.S. 239.011)
- Assure the quality of motor fuels and heating fuels in Minnesota through a statewide sampling and testing program. Test petroleum product samples taken from refineries, terminals, distributors, and retail outlets. (M.S. 230.011 and 239.75)
- Recover the full operating cost of the Weights and Measures Division, including external overhead costs and previously unrecovered costs. (M.S. 239.101)

### DESCRIPTION OF SERVICES:

The Department of Public Service, Weights and Measures Division protects consumers and supports business in Minnesota's free enterprise markets by providing inspection and calibration services that:

- Promote and ensure equity and accuracy in weighing and measurement;
- Ensure petroleum product quality; and
- Provide precision physical measurement services to industry.

**WEIGHTS & MEASURES PROGRAM**

**OBJECTIVE:** To provide physical measurement services to businesses, at the highest levels of precision available in the United States, so that businesses can validate the accuracy, precision and quality of manufacturing processes and manufactured products, and to enable businesses to export to European Economic Community nations. (Minnesota Statutes, Section 239.011, subdivision 2)

**Measure:** Maintain NIST certification of the metrology laboratory and traceability of the State Standards to NIST.

Physical standards used in the laboratory must remain traceable to NIST standards. This unbroken chain of valid calibrations defines the value of the services provided by the laboratory. Continued traceability is dependent on meeting a wide range of NIST performance standards. Outcome will be measured by continued certification.

	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Certification by NIST	Yes	Yes	Yes	Yes	Yes	Yes
Traceability to NIST	Yes	Yes	Yes	Yes	Yes	Yes

**Measure:** Maintain accreditation of the metrology laboratory under ISO 9002 and ISO/IEC Guide 25. Minnesota Statutes, Section 239.011, requires the Division to maintain certification of the metrology laboratory, to the extent practicable, under appropriate ISO standards. This statutory requirement to pursue accreditation was enacted in 1993. Outcome will be measured by maintaining accreditation by the National Institute of Standards and Technology, National Voluntary Laboratory Accreditation Program (NIST/NVLAP).

	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
NIST/NVLAP Accreditation Actual	No	Yes	Yes	Yes	Yes	Yes
NIST:	US Department of Commerce, National Institute of Standards and Technology					
NIST/OWM:	US Department of Commerce, NIST, Office of Weights and Measures					
NVLAP:	US Department of Commerce, NIST, National Voluntary Laboratory Accreditation Program					

**Measure:** Maintain the lowest attainable statistical uncertainties for all measurement processes.

The Division's services have value to industry only if measurements are extremely precise. No measurement is perfect. However, we can determine with a high degree of certainty that the value of an individual measurement falls within a known range. Uncertainty is the statistical determination of this range. Measurements provided by the metrology laboratory fall within very narrow ranges.

	<u>F.Y. 1990</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998e</u>
Uncertainty improvements 1kg (parts per million)	446.7	34.9	34.9	34.9	34.9	34.9
Uncertainty improvements 100g (parts per million)	39.8	1.27	1.27	1.27	1.27	1.27
Uncertainty improvements 1g (parts per million)	0.3059	0.0127	0.0127	0.0127	0.0127	0.0127

**WEIGHTS & MEASURES PROGRAM**

**OBJECTIVE:** To protect Minnesota businesses and consumers from financial losses due to inaccurate measurement. (Minnesota Statutes, Section 239.011, subdivisions 1 and 2.)

Increasing numbers of commercial weighing and measuring devices will be installed. The DPS will maintain the best possible inspection frequency and the highest possible compliance rates.

**Measure:** Inspect annually, or as often as possible, all commercial weighing and measuring devices in Minnesota, and maintain high compliance rates.

	Actual F.Y. 1997	Actual F.Y. 1998	Est. F.Y. 1999	Est. F.Y. 2000	Est. F.Y. 2001
Gasoline Pumps in Use	45,000	47,000	50,000	56,000	58,000
Number Inspected	39,310	43,238	45,000	46,000	47,000
Compliance Rate	90%	90%	90%	90%	91%
Retail Scales in Use	14,000	14,250	14,500	14,700	14,900
Number Inspected	10,697	13,105	13,500	13,500	13,500
Compliance Rate	94%	94%	93%	92%	92%
LPG Meters in Use	1,500	1,500	1,500	1,500	1,500
Number Inspected	897	1,251	1,300	1,300	1,300
Compliance Rate	92%	92%	92%	92%	92%
Vehicle Scales in Use	4,500	4,676	4,750	4,800	4,800
Number Inspected	3,862	4,082	4,100	4,150	4,150
Compliance Rate	80%	80%	80%	80%	80%

**Measure:** Limit financial losses to consumers and businesses by maintaining or improving compliance. Inaccuracy causes financial losses to businesses or consumers. The Division treats all of these errors as losses without regard for the direction of the error.

	F.Y. 1996	F.Y. 1997	F.Y. 1998	F.Y. 1999e
	Dollars in (000s)			
Total Value of Metered Petro Deliveries	\$9,721,754	\$9,982,526	\$9,579,088	\$9,680,878
Total Losses from Delivered Petro Products	\$20,862	\$21,423	\$20,557	\$20,775
Total Value of Grain Weighing	\$9,707,282	\$9,981,556	\$9,599,865	10,932,700
Total Losses from Weighing Grain	\$23,079	\$23,656	\$22,608	\$25,747
Total Value of LPG Sold	\$368,155	\$381,600	\$392,413	\$404,950
Total Losses from Metered LPG	\$6,258	\$6,259	\$5,728	\$5,494
Total Values of Fertilizer Weighings	\$976,800	\$1,124,893	\$1,174,000	\$1,144,000
Total Losses from Fertilizer Weighings	\$750	\$863	\$778	\$778

**WEIGHTS & MEASURES PROGRAM**

**Measure: Enforce uniform, nationally recognized standards. (NEW MEASURE)** The Division is required by Minnesota Statutes, Section 239.101, to adopt and enforce uniform, nationally recognized standards. Throughout the United States, weights and measures regulations are enforced by states, counties and cities. However, it is vitally important for commerce that all of these state and local jurisdictions enforce the same requirements. Nationwide regulatory uniformity reduces manufacturers and marketing costs for manufacturing of weighing and measuring equipment, and for producers and packagers of weighed or measured commodities. The following table illustrates that the Division has maintained uniformity by adopting the four most essential components of the model laws and regulations published by the National Institute of Standards and Technology, and the National Conference on Weights and Measures.

	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999</u>
Model Weights and Measures Law	Yes	Yes	Yes	Yes	Yes	Yes
NIST Handbook-44	Yes	Yes	Yes	Yes	Yes	Yes
NIST Handbook-133	No	No	Yes	Yes	Yes	Yes
National Type Evaluation Program	No	No	Yes	Yes	Yes	Yes

**OBJECTIVE:** To protect Minnesota businesses and consumers by employing a wide range of techniques to ensure the quality of motor, heating and industrial fuels distributed in Minnesota. Promote air quality improvement by ensuring that motor fuels meet state and federal standards. (Minnesota Statutes, Section 239.011, Subdivision 2 and Sections 239.75 through 239.809)

**Measure: Maintain reasonable compliance rates.**

	<u>Actual F.Y. 1997</u>	<u>Actual F.Y. 1998</u>	<u>Est. F.Y. 1999</u>	<u>Est. F.Y. 2000</u>	<u>Est. F.Y. 2001</u>
Petro Product Tests Compliance Rate	16,400 98%	16,400 98%	16,400 98%	16,400 98%	16,400 98%
Oxy Gasoline Sold Compliance Rate	1.045x10 <sup>9</sup> 99.5%	2.093x10 <sup>9</sup> 99.5%	2.2x10 <sup>9</sup> 99.5%	2.4x10 <sup>9</sup> 99.5%	2.5x10 <sup>9</sup> 99.5%
Octane Tests Compliance Rate	3,500 98%	3,661 98%	3,600 98%	3,600 98%	3,600 98%
Petro Tanks Insp. Compliance Rate	12,000 99%	12,000 99%	12,000 99%	12,000 99%	12,000 99%

**WEIGHTS & MEASURES PROGRAM**

**OBJECTIVE:** To recover the full operating cost of the Weights and Measures Division, including external overhead costs and previously unrecovered costs.

**Measure:** Increase metrology laboratory income to recover the laboratory's current costs and to recover the initial investment, made in 1994, to upgrade laboratory equipment and services. (NEW MEASURE) The 1993 Minnesota Legislature authorized a large investment in the metrology laboratory to upgrade equipment and improve services. Laboratory equipment was upgraded in fiscal year 1994. At that time, the Division stated that it would need five years to increase its customer base to the point that laboratory income would equal costs.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999e</u>	<u>F.Y. 2000e</u>
Cost + Overhead	\$318,280	\$326,651	\$306,600	\$340,000	\$312,000	\$290,000
Income	\$160,033	\$188,609	\$244,500	\$296,300	\$310,000	\$330,000

**OBJECTIVE:** To recover the full operating cost of the Weights and Measures Division, including external overhead costs and previously unrecovered costs.

**Measure:** Increase the Division's income from weights and measures fees to recover the cost of providing weights and measures inspection services, including overhead costs and previously unrecovered costs. (NEW MEASURE) Minnesota Statutes, Section 239.101 requires the division to recover the full cost of its operations, including overhead costs and previously unrecovered costs, through two separate fee systems. Petroleum related costs, including petroleum quality testing, gas pump inspection and other meter inspection, are recovered by the Commissioner of Revenue through a fee of \$0.85 per thousand gallons of petroleum sold through Minnesota terminals. Other weights and measures costs, including scale inspection and package inspection, are recovered through direct user fees charged at the time of inspections.

	<u>FY1995</u>	<u>FY1996</u>	<u>FY1997</u>	<u>FY1998</u>	<u>FY1999e</u>
Non-Petroleum-Cost + Overhead	\$1,306,735	\$1,426,790	\$1,417,000	\$1,393,799	\$1,433,000
Non-Petroleum-Income	\$1,127,000	\$1,176,189	\$1,414,000	\$1,523,000	\$1,525,000
Petroleum-cost + Overhead	\$1,549,234	\$1,624,210	\$1,233,337	\$1,781,736	\$1,825,000
Petroleum-Income	\$2,615,496	\$2,504,880	\$2,214,000	\$2,327,000	\$2,112,000

**INFORMATIN & OPERATIONS MANAGEMENT PROGRAM**

**INFORMATION & OPERATIONS MANAGEMENT PROGRAM  
EXPENDITURES AND STAFFING  
87% FEE RECOVERED  
(Dollars in Thousands)**

	<u>FY 1998</u>	<u>Percent of Department</u>
<b>Total Expenditures</b>	<b>\$1,641</b>	<b>10.11%</b>
<b>General</b>	<b>\$1,484</b>	
<b>From Special Revenue Funds</b>	<b>\$130</b>	
<b>Number of FTE Staff</b>	<b>23.4</b>	<b>18.44%</b>

**GOAL:**

- Educate and inform the public regarding energy, weights and measures, and telecommunications. (M.S. 216B, M.S. 216C, M.S. 237, M.S. 239)

**DESCRIPTION OF SERVICES:**

The purpose of the Information and Operations Management Division is to provide for the efficient operation of the department, facilitate the smooth flow of information among divisions and to the public, and coordinate department activities with other governmental agencies and the private sector.

This program is responsible for the overall policy development, coordination and development of annual and long-range objectives, overall resource allocation and program evaluation. Management works with the Governor's Office, legislators and other government entities to produce and advance legislative initiatives regarding energy conservation, energy and telecommunications regulation, and such Weights and Measures issues as petroleum testing, scale inspection, etc. The measure of the management function is the degree to which the performance objectives of the three program divisions are accomplished.

This program also delivers general support services to the entire department by providing management, accounting, personnel, word processing, docket control, central files, document imaging, library, and computer support services. In general, centralized support services improve government efficiency by providing department-wide services that would require duplication of effort if performed individually by each division.

**ENERGY PROGRAM**

<b>ENERGY PROGRAM                      EXPENDITURES AND STAFFING                      79% FEE RECOVERED                      (Dollars in Thousands)</b>		
	<u>FY 1996</u>	<u>Percent of Department</u>
<b>Total Expenditures</b>	<b>\$5,010</b>	<b>33.51%</b>
<b>General</b>	<b>\$2,828</b>	
<b>From Federal Funds</b>	<b>\$747</b>	
<b>From Special Revenue Funds</b>	<b>\$1,435</b>	
<b>Number of FTE Staff</b>	<b>50</b>	<b>37.57%</b>

The Energy program has many functions including: (1) gas and electric utility regulation public interest regulatory advocacy which involves evaluation of utility company rate proposals, mergers, service proposals, service area disputes, integrated resource plans, conservation improvement plans, certificate of need applications for new facilities, nuclear waste disposal plans, nuclear decommissioning cost proposals, financial incentive regulation plans, forecasting future energy availability and consumption, external environmental costs associated with electric generating facilities, and utility company acquisition and merger proposals; (2) conservation loans and grants; (3) petroleum supply monitoring and emergency allocation authority; (4) development and enforcement of energy conservation codes and standards; and (5) research, development, and implementation of renewable energy resources.

**GOALS:**

- Advocate for meeting Minnesota’s energy needs at the lowest societal cost, while ensuring affordable and reliable energy services. (M.S. 216A, M.S. 216B)
- Encourage more competition and customer choices where possible while pursuing governmental intervention where the state can best advance the following goals: state economic development; environmental quality; risk mitigation through resources diversity; energy education, access to investment capital; and acceleration of new technologies to the market. (M.S. 216A, M.S. 216B)
- Improve the efficiency of Minnesota’s energy use, measured in Btus per real dollar of gross state product, by at least 30% by the year 2020 while lowering the total energy cost per real dollar of gross state product. (M.S. 216B, M.S. 216C)
- Promote a self-supporting, innovative energy industry with emphasis on renewable and other alternative energy development in Minnesota. (M.S. 216B, M.S. 2422-2424, and M.S. 216B.168)

**ENERGY PROGRAM**

**OBJECTIVE:** To advocate effectively before the PUC to set rates for service and to set rates of return on utility investment. A measure of the effectiveness of the DPS is the degree to which the Department's recommendations are accepted and adopted by the PUC.

**Measure:** To maintain the utilities' allowed return on equity within a range deemed to be reasonable for comparable utility companies so that the utility companies will be able to attract capital at reasonable cost.

Calendar Year and Company Name	Company Requested ROE	DPS Recommended Range ROE	PUC Approved ROE
CY1994 Minnesota Power	12.00%	11.00%	11.00%
CY1995 Minnegasco	12.00%	11.00%	11.00%
Interstate Power-Electric	11.75%	11.00%	11.00%
Interstate Power-Gas	11.75%	10.70%	10.75%
CY1996 Western Gas	11.00%	11.00%	11.00%
CY1997 NSP Gas	12.00%	6.18%	8.70%

**Measure:** The dollar value of reductions made to utility companies' requests for rate increases is one indication of the Department's success in consumer protection. The DPS goal is to achieve PUC approval of at least 75 percent of DPS recommended rate increase reductions. The following charts show information based on the calendar year in which the case was filed.

	C.Y. 1994	C.Y. 1995	C.Y. 1996	C.Y. 1997
<b>Chart 1 of 2</b>				
Company Requested Increase in (000s)	\$34,350	\$31,314	\$431	\$18,504
DPS recommended \$ reductions in (000s)	(\$12,100)	(\$16,742)	(\$309)	(\$13,616)
\$ reductions ordered by PUC in (000s)	(\$11,421)	(\$14,051)	(\$309)	(\$5,091)
% of DPS \$ reductions sustained by PUC	94%	83.9%	100%	71%
<b>Chart 2 of 2</b>				
Number of rate cases	1	3	1	1
Company increases requested in (000s)	\$34,350	\$31,314	\$431	\$18,504
DPS recommendations in (000s)	\$22,500	\$14,572	\$122	\$9,535
Amount allowed by PUC in (000s)	\$22,929	\$17,263	\$122	\$13,413

**ENERGY PROGRAM**

**OBJECTIVE:** Ensure that investor owned utilities meet statutorily required Conservation Improvement Program (CIP) spending levels by the end of 1995 and continue to meet their required spending levels in succeeding years.

**Measure:** Comparison of actual expenditures to the Commissioner's required budget goals.

	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>
	(Dollars in Thousands)					
Required utility CIP investment	\$26,593	\$28,901	\$31,209	\$34,184	\$33,684	\$35,447
Actual utility CIP investments	\$52,466	\$65,353	\$81,905	\$70,566	\$54,512	\$49,444

**Measure:** Comparison of annual kWh (kilowatt hour) savings as a percentage of total kWh sales by all regulated electric utilities. Comparison of annual Mcf (thousand cubic feet) savings as a percentage of total Mcf sales by all regulated gas utilities

	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>
kWh savings in (000s)	464,610	495,552	377,209	487,149
kWh savings as % of sales	1.64%	1.75%	1.08%	1.20%
Mcf savings in (000s)	743	788	1,060	1,002
Mcf savings as % of sales	0.29%	0.31%	0.30%	0.30%

**OBJECTIVE:** Reduce the energy use and energy cost of local government buildings and services by providing low cost financing for energy efficiency projects.

**Measure:** Annual Energy Savings and Annual Energy Cost Savings

	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>
	(Dollars in Thousands)					
Actual Loans/\$	\$5,100	\$4,847	\$7,108	\$322	\$6,084	\$600
Goal Loan/\$	\$4,000	\$5,000	\$5,000	\$5,000	\$4,000	\$4,000
Annual Energy Cost Saving	\$571	\$714	\$1,047	\$47	\$896	\$88
Annual Energy Saving (MMBTU)	95,166	119.0	174.5	7.9	149.3	14.7

**ENERGY PROGRAM**

**OBJECTIVE:** Hold the rate of increase in rates from their 1994 levels to no more than the average rise for utility rates in Wisconsin, Iowa, North Dakota and South Dakota.

**Measure:** Percentage comparison of rate increases in Minnesota and those for the bordering states. Some increase in rates is inevitable, due to general inflation and rising demand, so the most appropriate measure of DPS success is to compare the long-term increase in utility rates with those of the bordering states of Wisconsin, Iowa, North Dakota, and South Dakota. The Department goal is to keep Minnesota's average annual increase in rates for each calendar year 1994 on should be at or below the average for those bordering states.

	<u>C.Y. 1994</u>	<u>C.Y. 1995</u>	<u>C.Y. 1996</u>	<u>C.Y. 1997</u>
Avg. Rate/kWh in MN	5.63	5.65	5.54	5.61
Avg. Rate/kWh in Border States	5.84	5.81	5.76	5.77
Avg. Annual & increase in MN		0.36	(1.95)	1.26
Avg. Annual % increase in Border States		-0.51	(.86)	.17
Avg. Rate/Mcf in MN	4.36	3.95	4.35	4.61
Avg. Rate/Mcf in Border States	4.56	4.10	4.37	4.85
Avg. Annual % increase in MN		-9.40	10.13	5.98
Avg. Annual % increase in Border States		-10.09	6.59	10.98

**OBJECTIVE:** Improve the efficiency of our energy use per real dollar of Gross State Product by 30 percent by 2020, while lowering the total energy cost per real dollar of Gross State Product.

**Measure:** Btus per real dollar of Gross State Product.

	<u>F.Y. 1993</u>	<u>F.Y. 1994</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>
Energy Use per GSP in (000s) of Btus/\$	10.964	10.737	10.907	11.000	11.214	11.305
% Change from 1990 (base year)	-3.69%	-5.68%	-4.19%	-3.39%	-1.49%	-0.69%

**TACIP PROGRAM**

<b>TACIP PROGRAM                      EXPENDITURES AND STAFFING                      100% FEE RECOVERED                      (Dollars in Thousands)</b>		
	<u>FY 1998</u>	<u>Percent of Department</u>
<b>Total Expenditures</b>	<b>\$6,547</b>	<b>40.32%</b>
<b>From Special Revenue Funds</b>	<b>\$46,547</b>	
<b>Number of FTE Staff</b>	<b>2</b>	<b>1.10%</b>

**GOAL:**

- To make the telephone network in Minnesota fully accessible to communication-impaired persons. (M.S. 237)

**DESCRIPTION OF SERVICES:**

The mission of the TACIP program is to provide access to the telecommunications network for people with hearing, speech or mobility impairments residing in Minnesota. The TACIP program accomplishes this goal through the Equipment Distribution Program (EDP) and the Minnesota Relay Service (MRS). The EDP distributes a variety of specialized telecommunication devices to eligible communication-impaired persons throughout the state. The MRS provides a statewide telecommunications relay service that offers a means of communication between the users of TTY/TDDs and all other telephone users. The two programs are funded by a twelve-cent surcharge on each telephone customer access line in Minnesota.

The Minnesota Relay Service (MRS) allows a person using a telecommunications device for the deaf (TTY/TDD) to communicate with any other telephone user. The service also works in reverse, allowing a person without a TTY/TDD to call a TTY/TDD user. Specially trained communication assistants (CAs) are available 24 hours a day, seven days a week, to relay calls. There is no extra charge to the user of the relay service.

The Equipment Distribution Program is responsible for distributing telecommunication devices to eligible Minnesota citizens, informing communication-impaired persons of service available through the program, providing training in the use of the telecommunication devices and maintaining the devices.

<b>MEASURE: WORKLOAD</b>				
<u>Measure</u>	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>
Number of incoming calls	824,281	867,606	866,966	918,993

**TACIP PROGRAM**

**GOAL:**

- To make the telephone network in Minnesota fully accessible to communication-impaired persons.

**OBJECTIVE:** To meet the required federal standards of performance.

**Measure:** To answer 85% of incoming calls within 10 seconds.

	<u>F.Y. 1995</u>	<u>F.Y. 1996</u>	<u>F.Y. 1997</u>	<u>F.Y. 1998</u>	<u>F.Y. 1999e</u>
Number of days meeting FCC standard answer time period					
Actual	321	308	337	364	365
Target	365	365	365	365	365