

7835.0600 SCHEDULE B.

Subpart 1. **Information required.** Schedule B must contain the information listed in subparts 2 to 6.

Subp. 2. **Planned utility generating facility additions.** Schedule B must contain a description of all planned utility generating facility additions anticipated during the next ten years, including:

- A. name of unit;
- B. nameplate rating;
- C. fuel type;
- D. in-service date;
- E. completed cost in dollars per kilowatt in the year in which the plant is expected to be put in service, including allowance for funds used during construction;
- F. anticipated average annual fixed operating and maintenance costs in dollars per kilowatt;
- G. energy costs associated with the unit, including fuel costs and variable operating and maintenance costs;
- H. projected average number of kilowatt-hours per year the plant will generate during its useful life; and
- I. average annual fuel savings resulting from the addition of this generating facility, stated in dollars per kilowatt.

Subp. 3. **Planned firm capacity purchases.** Schedule B must contain a description of all planned firm capacity purchases, other than from qualifying facilities, during the next ten years, including:

- A. year of the purchase;
- B. name of the seller;
- C. number of kilowatts of capacity to be purchased;
- D. capacity cost in dollars per kilowatt; and
- E. associated energy cost in cents per kilowatt-hour.

Subp. 4. **Percentage of line losses.** Schedule B must contain the utility's overall average percentage of line losses due to the distribution, transmission, and transformation of electric energy.

Subp. 5. **Net annual avoided capacity cost.** Schedule B must contain the utility's net annual avoided capacity cost stated in dollars per kilowatt-hour averaged over the on-peak

hours and the utility's net annual avoided capacity cost stated in dollars per kilowatt-hour averaged over all hours. These figures must be calculated as follows in items A to I:

A. The completed cost per kilowatt of the utility's next major generating facility addition, as reported in schedule B, must be multiplied by the utility's marginal capital carrying charge rate in the first year of investment. If the utility is unable to determine this carrying charge rate as specified, the rate of 15 percent must be used.

B. The dollar amount resulting from the calculation set forth in item A must be discounted to present value, as of the midpoint of the reporting year, from the in-service date of the generating unit. The discount rate used must be the incremental cost of capital.

C. The figure for average annual fuel savings per kilowatt described in subpart 2, item I must be discounted to present value using the procedure of item B.

D. The number resulting from the calculation in item C must be subtracted from the number resulting from the calculation in item B. This is the net annual avoided capacity cost stated in dollars per kilowatt at present value.

E. The net annual avoided capacity cost calculated in item D must be multiplied by 1.15 to recognize a reserve margin.

F. The figure determined from the calculation of item E must be increased by the present value of the anticipated average annual fixed operating and maintenance costs as reported in subpart 2, item F. The present value must be determined using the procedure of item B.

G. The figure determined from the calculation of item F must be increased by one-half of the percentage amount of the average system line losses as shown on schedule B.

H. The annual dollar per kilowatt figure, as calculated in accordance with item G, must be divided by the annual number of hours in the on-peak period as specified in schedule A. The resulting figure is the utility's net annual on-peak avoided capacity cost in dollars per kilowatt-hour.

I. The annual dollar per kilowatt figure resulting from the calculation specified in item G must be divided by the total number of hours in the year. The resulting figure is the utility's net annual avoided capacity cost in dollars per kilowatt-hour averaged over all hours.

Subp. 6. **Net annual avoided capacity cost.** If the utility has no planned generating facility additions for the ensuing ten years, but has planned additional capacity purchases, other than from qualifying facilities, during the ensuing ten years, schedule B must contain its net annual avoided capacity cost stated in dollars per kilowatt-hour averaged over the on-peak hours and the utility's net annual avoided capacity costs stated in dollars per

kilowatt-hour averaged over all hours. These must be calculated as follows in items A and B:

A. The annual capacity purchase amount, in dollars per kilowatt, for the utility's next planned capacity purchase, other than from a qualifying facility, must be discounted to present value as of the midpoint of the reporting year, from the year of the planned capacity purchase. The discount rate used must be the incremental cost of capital.

B. The net annual avoided capacity cost must be computed by applying the figure determined in item A to the steps enumerated in subpart 5, items D to I, excluding item F.

Subp. 7. **Avoidable capacity costs.** If the utility has neither planned generating facility additions nor planned additional capacity purchases, other than from qualifying facilities, during the ensuing ten years, the utility must be deemed to have no avoidable capacity costs.

Statutory Authority: *MS s 216A.05; 216B.08; 216B.164*

History: *9 SR 993*

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