

TECHNICAL CONFERENCE
ON
DSR JOINT RECOMMENDATION
Division of Public Utilities
October 26, 1993

Outline of the DSR Joint Recommendation's Main Elements

1. Starts a one year (1994) trial policy to compute net lost revenues (NLR) and amortize the amount in rates over future periods.
2. Establishes a NLR formula to use for the test.
3. Sets a \$2 million dollar ceiling on NLR.
4. Sets a DSR goal for 1994 at 40,000 MWh and 5.9 MW.
5. Set guidelines for classifying DSR costs into rate base and expense accounts.
6. Establishes a Collaborative of interested parties that will retain a consultant to assist it in the following tasks:
 - a. Evaluate the one year test and make recommendations for a DSR policy after 1994;
 - b. Evaluate statistical recoupling;
 - c. Evaluate options regarding incentive programs;
 - d. Evaluate the impact of DSR on non-participants;
 - e. Develop performance standards for DSR programs; and
 - f. Quantify the 1994 NLR using the Formula.

Note: The Joint Recommendation does not address how DSR program costs or Lost Revenues should be allocated between customers classes. The Collaborative will study this issue and present options to the Commission in its report.