

The Commission met on **Tuesday, May 17, 2005**, with Chair Koppendrayner and Commissioners Johnson, Nickolai, and Reha present, with Commissioner Pugh joining the meeting after the first item was heard.

Comment [COMMENT1]: Minutes by Carol Casebolt. 3 motions were made.

The following matters were taken up by the Commission.

P-421/AR-97-1544

In the Matter of Qwest Corporation's Alternative Form of Regulation Service Quality Plan

P-3009,3052,5096,421,3017/PA-99-1192

In the Matter of Qwest Corporation's Compliance with the Retail Service Quality Components of its Merger Agreement

Commissioner Nickolai moved that the Commission

1. approve Qwest's and the DOC's penalty calculation of \$103,330 related to Qwest's service performance for 2004, with \$57,930 as credits to affected customers for exchange-specific penalties, and \$45,400 as addition to the telecommunication fund for the statewide penalties; and
2. direct Qwest to issue the bill credits to customers in the affected exchanges and to add the statewide penalty to the telecommunications funds within 60 days.

The motion passed 4-0. Commissioner Pugh was not present for this vote.

Commissioner Pugh joined the meeting.

PT-6200/PA-05-332

In the Matter of Proposed Merger of Sprint Corp. and NextelCommunications, Inc.

Commissioner Nickolai moved to find that the proposed merger does not require Commission approval because the merger does not result in Sprint Corp., a telephone company, acquiring the property, capital stock, bonds, securities, or other obligations, or the franchises, rights, privileges, and immunities of any telephone company doing business within the state.

The motion passed 5-0.

G-008/GR-04-901

In the Matter of an Application by CenterPoint Energy Minnegasco, a Division of CenterPoint Energy Resources Corp., for Authority to Increase Natural Gas Rates in Minnesota

Commissioner Reha moved that the Commission take the actions set forth below:

1. Accept the CenterPoint/DOC Offer of Settlement as modified by the CenterPoint and OAG agreement that reduced membership dues expenses in the test-year cost-of-service by \$32,561, but with one or more of the following modifications:
 - A. Reduce the new Residential Monthly Basic (Customer) Charge from \$8.00 to \$6.50.
 - B. Modify CenterPoint's service quality plan as set forth below:
 1. Require (or clarify that) CenterPoint is to provide the information contained in its Minn. Rule 7820.0500 annual report on PUC "formal" complaints on a quarterly basis, and provide this same information on a quarterly basis for complaints from other state agencies and the Better Business Bureau.
 2. Require CenterPoint to begin reporting
 - the total number of calls its Call Center receives, and
 - the number of these calls that come into the dedicated line for emergencies, billing inquiries, credit/payment arrangements, and service connection/disconnection requests.
 3. Require CenterPoint to work with parties on reporting more detailed information about its Call Center complaints, including its emergency response times.
2. Approve the Large Commercial/Industrial Credit Policy Rider and grant the following variances to permit implementation:
 - A. Vary the rule that requires advance notice of service disconnections - Minn. Rule 7820.2400
 - B. Vary the rule that requires thirty-day billing periods and allow weekly billing - Minn. Rule 7820.3300
 - C. Vary the payment guarantee rule so that so that non-rule-based credit criteria may be used to require payment guarantees - Minn. Rule 7820.4200
 - D. Vary the deposit requirement rules for new and existing customers so that non-rule-based credit criteria may be used to require deposits - Minn. Rule, parts 7820.4200, and 7820.4300
 - E. Vary the rule that limits how long customer deposits may be held to

twelve-months, and allow surety bonds and letters of credit to be used as deposits -
Minn. Rule 7820.4500

- F. Vary the rule to allow the use of additional criteria to evaluate whether a customer has good credit - Minn. Rule 7820.4600
- G. Vary the rule to allow CenterPoint to obtain credit information without the customer's permission, and only require CenterPoint to send the customer a copy of this information if it is used to require the customer to enhance his credit - Minn. Rule 7820.4700
- H. Vary the requirement that CenterPoint provide its large volume customers with a fifteen day grace period to pay their bills - Minn. Rule 7820.5300

3. General Housekeeping & Compliance Issues

- A. State that the final order in this docket shall include a set of financial summaries for CenterPoint Energy that includes: a rate base summary, an operating income statement summary, and a gross revenue deficiency calculation.
- B. Require CenterPoint Energy to make the following compliance filings within 30 days of the date of the final order in this docket:
 - 1. Revised schedules of rates and charges reflecting the revenue requirement and the rate design decisions herein, along with the proposed effective date, and including the following information:
 - a. breakdown of Total Operating Revenues by type;
 - b. Schedules showing all billing determinants for the retail sales (and sale for resale) of gas. These schedules shall include but not be limited to:
 - (i) Total revenue by customer class;
 - (ii) Total number of customers, the customer charge and total customer charge revenue by customer class; and
 - (iii) For each customer class, the total number of commodity and demand related billing units, the per unit commodity and demand cost of gas, the non-gas unit margin, and the total commodity and demand related sales revenues.
 - c. Revised tariff sheets incorporating authorized rate design decisions;
 - d. Proposed customer notices explaining the final rates, and the monthly basic service charge.

2. A revised base cost of gas and supporting schedules incorporating any changes made as a result of this rate case, and automatic adjustments establishing the proper adjustments to be in effect at the time final rates become effective.
 3. A calculation of the CIP CCRCs based on the decisions made herein and schedules detailing the CIP tracker balance at the beginning of interim rates, the revenues (CCRC and CIP Adjustment Factor) and costs recorded during the period of interim rates, and the CIP tracker balance at the time final rates become effective.
 4. Copies (revised as necessary) of all standard customer service agreements and contracts for inclusion in CenterPoint Energy' tariff book.
 5. A proposal to make refunds of interim rates, including interest calculated at the average prime rate, to affected customers.
- C. Authorize comments on all compliance filings within 15 days of the date they are filed.
- D. On its own motion pursuant to Minn. Rule 7829.3100, grant Suburban Rate Authority a variance to the fifteen day time period for filing exceptions to the ALJ's report, in Minn. Rule 7829.2700, subpart 1, in order to accept SRA's late-filed exception comments, which were received at the Commission one-day after the fifteen day deadline.

The motion passed 4-1. Chair Koppendrayner voted no.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: JUNE 1, 2005

Burl W. Haar, Executive Secretary