

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Barbara Beerhalter	Chair
Cynthia A. Kitlinski	Commissioner
Norma McKanna	Commissioner
Robert J. O'Keefe	Commissioner
Darrel L. Peterson	Commissioner

In the Matter of the Request by Northern States Power Company for a Variance Until May 31, 1988 to Minnesota Rule 7820.3300

ISSUE DATE: July 7, 1988

DOCKET NO. G,E-002/M-88-345

ORDER APPROVING REFUND PLAN

PROCEDURAL HISTORY

On May 25, 1988 Northern States Power Company (NSP or the Company) requested that the Minnesota Public Utilities Commission (the Commission) vary its Meter Reading and Billing Periods Rule, Minn. Rules part 7820.3300.

The Company requested a rule variance to limit prorations to periods longer than 45 days until it completed a rerouting project for the Newport area located south of St. Paul. The project has resulted in the overbilling and underbilling of some customers due to changes in billing periods. The Company proposed to include a bill insert with the refund to all customers who were overbilled due to the Newport project in their June or July billing statements and has no plans to rebill underbilled customers. The rerouting project was completed at the end of May 1988.

On June 17, 1988, the Minnesota Department of Public Service (DPS) submitted its Report of Investigation and Recommendation recommending that the Commission approve the Company's request.

FINDINGS AND CONCLUSIONS

Minn. Rule part 7820.3300 provides that if the billing period is longer or shorter than 30 days by more than five days, the customer's bill shall be prorated on a daily basis. NSP indicated that it has deviated from the rule since December 18, 1986 by limiting prorations to billing periods shorter than 25 days or longer than 45 days. Another change of prorated bills from 25 to 20 days occurred on January 21, 1987. On May 27, 1988, NSP raised the 20-day period to 25 days, thus complying with one part of the rule. The requested variance would delay lowering the 45-day period to 35 days until

May 31, 1988.

The Commission will not rule on the variance request as it was not timely filed. The Commission notes that NSP has assured the Commission that it will seek prior Commission approval for rule variances for meter reading and billing periods for all future rerouting projects.

The Commission notes that only charges calculated on a 30-day cycle are affected by the length of the billing period. Therefore, proration affects those charges that are calculated every 30 days. For residential customers those charges include the customer charge and the conservation rate break credit. For commercial and industrial customers those charges include the customer charge and the demand charge. Customers affected by the Newport rerouting project benefited when NSP limited proration to billing periods longer than 45 days. The Company benefited when it limited proration to billing periods shorter than 20 days. Therefore, Newport area customers with 36- to 45-day bills have been underbilled and customers with 20- to 24-day bills have been overbilled.

The Commission finds that NSP's refund proposal is reasonable as it will protect those ratepayers who have been overbilled and will avoid customer confusion that could result from rebilling customers who have been underbilled. The Commission will approve NSP's proposal to make refunds to all customers who were overbilled and not to rebill those customers who were underbilled.

#### ORDER

1. The proposal of Northern States Power Company to make refunds in June and July, 1988 billing statements to all customers who were overbilled due to the Company's Newport rerouting project is hereby approved.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen  
Executive Secretary

(S E A L)