

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 Petition of Northern States Power Company for Authority to Change its Schedule of Rates for Gas Utility Service Within the State of Minnesota

ISSUE DATE: March 16, 1988

DOCKET NO. G-002/GR-86-160

ORDER APPROVING REFUND PLAN AS MODIFIED

PROCEDURAL HISTORY

On January 27, 1987 the Commission issued its Order in the above-captioned Northern States Power Company (NSP or the Company) general rate case. On April 1, 1987 the Commission issued its Order After Reconsideration and Rehearing. On December 31, 1987, the Commission issued its Order Approving Compliance Filing, Approving Customer Notice, and Requiring Refund Plan.

That refund plan was to refund those portions of interim rates and compliance rates attributable to the Company's position on two issues it lost on judicial review, capital structure and delay in payments. The Company had collected rates reflecting its position on these issues during the interim rates period and under stay while the issues were on appeal. The Supreme Court affirmed the Commission, necessitating the refund.

On February 8, 1988 the Company submitted its refund plan. The Department of Public Service (DPS) examined the refund proposal and recommended approval. The DPS also recommended that the Commission require NSP to submit a report on the actual refund distribution.

On February 12, 1988, NSP submitted a revision to Schedules 3 and 4 of its original refund plan.

FINDINGS AND CONCLUSIONS

The Commission must decide whether to approve the proposed refund plan.

Five schedules were attached to the refund proposal. Schedule 1 explains the method of effecting the refund. Schedule 2 calculates the percentage applicable to incremental revenue and gives the

equivalent factors applicable to total bills. Schedule 3 calculates firm and interruptible interest factors. Schedule 4 shows typical residential and commercial/industrial refunds. Schedule 5 shows the message which will appear on customer bills, notifying them of the refund.

The Commission finds that the amount of the refund computed by the Company is accurate and should be approved. The revisions submitted on February 12, 1988 correct the Company's original interest computations, are accurate, and should be approved. The proposed customer notice, a one-line message on the bill, is adequate in light of the size of this refund. The Commission concludes that NSP's refund plan, as modified, should be approved.

The Commission has consistently required the submission of a report following the distribution of refunds, as recommended by the DPS, and will do so again here.

ORDER

1. NSP's refund plan, as modified by its filing of February 12, 1988, is approved.
2. Within 30 days of the completion of the refund, NSP shall submit a report summarizing the refund to the Commission and the DPS.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)