

G-010/M-89-374SUSPENDING PROPOSED RATES

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 Midwest Gas
to Change its Rates for Service Installations
and Residential Gas Main Extensions

ISSUE DATE: July 25, 1989

DOCKET NO. G-010/M-89-374

ORDER SUSPENDING PROPOSED RATES

PROCEDURAL HISTORY

On May 26, 1989, Midwest Gas (the Company) filed a petition with the Minnesota Public Utilities Commission (the Commission) to change its rates and terms for service installations and residential main extensions. The Company proposed to increase the length of main extensions which a customer can receive without charge from 70 to 250 feet and to lower the rate per foot charged for extensions greater than 250 feet. The Company also proposed to increase slightly the rate per foot for service lines from the main to the customer meter in excess of 85 feet.

On July 10, 1989, the Department of Public Service (Department or DPS) filed a letter asking the Commission to suspend the proposed rates pursuant to Minn. Stat. § 216B.16 (1988) so that the Department could complete its analysis of the filing.

In a letter dated July 6, 1989, the DPS informed the Company that it would ask the Commission to suspend the proposed rates while the Department completed its review. The Department also stated its understanding that the Company was already charging the lower proposed rates in violation of the 60 day notice requirement of Minn. Stat. § 216B.16, subd.1 (1988). The DPS directed the Company to stop offering unauthorized and illegal rates.

On July 24, 1989, the Company made a three-part request of the Commission:

1. That the Commission allow Midwest Gas to implement the rate reductions associated with the main extension tariff on July 26, 1989.
2. That the rate increases associated with the service line extension tariff be implemented upon final Commission approval and issuance of an Order.
3. That the Commission grant Midwest Gas authority to offer the proposed rate reductions

associated with the main extension tariff to all Minnesota customers who have received new service since January 1, 1989. Midwest Gas will re-compute each customer's charge during the period January 1, 1989 to July 26, 1989 and will refund the difference.

The Commission met to consider this matter on July 25, 1989. Prior to that meeting, the Company and the DPS narrowed the issue to the question of whether the proposed rate reductions associated with main extensions should be suspended.

FINDINGS AND CONCLUSIONS

The Commission must decide whether to grant the Department's request to suspend the Company's proposed rates.

This matter is governed by Minn. Stat. § 216B.16 (1988). Minn. Stat. § 216B.16, subd. 1 (1988) provides: "Unless the commission otherwise orders, no public utility shall change a rate which has been duly established under this chapter, except upon 60 days notice to the commission." Minn. Stat. § 216B.16, subd.2 (1988) authorizes the Commission to suspend the operation of a proposed rate schedule for a period not longer than 10 months beyond the initial filing date.

The Commission agrees with the Department that the operation of this tariff should be suspended until the Department has had full opportunity to examine Midwest Gas' filing. While the Commission affirms the statutory goal of prompt action on proposed rate reductions, its obligation to ensure just and reasonable rates is paramount and would not be served by allowing this tariff to go into effect without adequate review. The Commission will, therefore, suspend the operation of the tariff changes under Minn. Stat. § 216B.16, subd.2 (1988).

The rates in effect at the time of the tariff filing will remain in effect during the suspension period.

ORDER

1. Midwest Gas' tariff filing of May 26, 1989 is hereby suspended pending further review by the Department of Public Service and action by the Commission.
2. The rates in effect at the time of the tariff filing shall remain in effect during the suspension period.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Mary Ellen Hennen
Executive Secretary

(S E A L)