

E-015/GR-87-223 DEFERRING COMPLIANCE FILING AND REQUIRING STATUS REPORT

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

In the Matter of the Petition of Minnesota Power and Light, d/b/a Minnesota Power, for Authority to Change its Schedule of Rates for Retail Electric Service in Minnesota

ISSUE DATE: May 18, 1990

DOCKET NO. E-015/GR-87-223

ORDER DEFERRING COMPLIANCE FILING AND REQUIRING STATUS REPORT

PROCEDURAL HISTORY

On March 1, 1988, the Commission issued its FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER in the above-captioned general rate case. Among other things, the Commission ordered Minnesota Power (the Company) to file an updated proposal for the treatment of post-shipment mine closing costs which addressed certain specified concerns within two years of the issue date of the order. In the Matter of the Petition of Minnesota Power and Light, d/b/a Minnesota Power, for Authority to Change its Schedule of Rates for Retail Electric Service in Minnesota, Docket No. E-015/GR-87-223, FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER (March 1, 1988), page 112, Ordering Paragraph 9.

On or before March 21, 1988, the following parties filed timely petitions for rehearing: Minnesota Power (MP or the Company), the Minnesota Department of Public Service (the Department), Eveleth Taconite Company and Eveleth Expansion Company, d/b/a Eveleth Mines (Eveleth), and joint intervenors designated as Inland Group.

On March 21, 1988, the Commission issued its ORDER GRANTING PETITIONS FOR REHEARING AND VARYING TIME FOR REPLIES. In that Order the Commission granted all petitions for reconsideration and rehearing and varied the Rules of Practice and Procedure to establish a uniform filing deadline for replies to these petitions.

On May 16, 1988, after review and consideration of all pleadings, briefs, and evidence submitted, the Commission issued its ORDER AFTER RECONSIDERATION AND REHEARING, revising its March 1, 1988 Order with respect to several issues. With respect to the mine closing report, the Commission maintained this requirement as stated in the March 1, 1988 Order but set the due date

for the report two years from the issue date of the ORDER AFTER RECONSIDERATION AND REHEARING. MP, Docket No. E-015/GR-87-223, ORDER AFTER RECONSIDERATION AND REHEARING (May 16, 1988), page 16, Ordering Paragraph 9.

On January 30, 1990, the Company submitted a letter to the Commission indicating that it would make the compliance filing as directed, on or before May 16, 1990.

On April 18, 1990, the Company filed its request to defer the compliance filing to a later date.

On April 19, 1990, the Commission noticed parties to this docket that the Commission would consider this matter at its May 8, 1990 Capsule Meeting and requested comments be filed on or before April 30, 1990. No comments were received during this comment period and the matter came before the Commission for consideration on May 8, 1990.

FINDINGS AND CONCLUSIONS

The Commission's May 16, 1988 Order established May 16, 1990 as the due date for the compliance filing at issue, an updated proposal for the treatment of post-shipment mine closing costs.

However, the Company is currently engaged in arbitration with its primary coal supplier, Peabody Coal Company and in support of its request to defer the compliance filing, the Company states that the arbitration will provide answers to many questions raised by the Commission in its rate case order. The Company states that the arbitration is expected to take from 6 to 8 months and requests that it be allowed to defer the compliance filing until 45 days following the completion of arbitration.

The Commission is persuaded that the delay may well result in more concrete information upon which to finally decide this issue. Accordingly, the Commission will defer the filing of this proposal, as requested by the Company. However, because the time extension is somewhat open-ended (45 days after the conclusion of arbitration), the Commission will require the Company to submit an update to the Commission and the parties regarding the progress of the arbitration proceeding within 6 months from the issue date of this order. In all other respects, the Company's responsibilities under the previous general rate orders remain unchanged.

ORDER

1. Within 45 days of the completion of its arbitration with Peabody Coal Company, Minnesota Power and Light Company shall file with the Commission, and serve upon all parties, its updated proposal for the treatment of post-shipment mine closing costs which addresses the

concerns specifically set forth in the Commission's March 1, 1988 FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER in this matter.

2. Within 6 months from the issue date of this Order, Minnesota Power and Light Company shall file with the Commission and serve upon all parties a report regarding the progress of the arbitration proceeding.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)