

G-008/GR-92-400 ORDER ACCEPTING FILING AND SUSPENDING RATE

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm	Chair
Tom Burton	Commissioner
Cynthia A. Kitlinski	Commissioner
Dee Knaak	Commissioner
Norma McKanna	Commissioner

In the Matter of the
Application of Minnegasco,
Division of Arkla, Inc., for
Authority to Increase its
Rates for Natural Gas Service
in the State of Minnesota

ISSUE DATE: August 17, 1992
DOCKET NO. G-008/GR-92-400
ORDER ACCEPTING FILING AND
SUSPENDING RATES

PROCEDURAL HISTORY

On July 2, 1992, Minnegasco (or the Company) filed a petition seeking a general rate increase of \$24,822,800, or approximately 5.5%, effective September 1, 1992. Knowing that the Commission may suspend the proposed rate schedules, the Company also proposed an interim rate schedule, to be effective September 1, 1992. The interim rate request would increase revenues by \$18,231,000, or approximately 4.1% of current retail revenues.

On July 20, 1992, the Department of Public Service (the Department) submitted comments. The Department recommended that the Commission accept the Company's rate case filing, with two comments. First, the Department recommended that within 15 days of the date of this Order Minnegasco file revised or supplemental schedules showing the correlation between current, interim and proposed tariffs. Second, the Department asked for a schedule showing how the Company's jurisdictional allocation factors for its Minnesota rate base were calculated. The Company satisfied these requirements with supplemental filings on July 30 and July 13, 1992.

The matter came before the Commission on August 13, 1992.

FINDINGS AND CONCLUSIONS

General Finding

The Commission finds that Minnegasco's filing is sufficient for

the purposes of filing a general rate case under Minn. Stat. § 216B.16 (1992) and Minn. Rules, parts 7825.3100 to 7825.4600 (1991), with the addition of certain supplemental filings discussed below.

The filed information will be subject to additional examination and scrutiny during the contested case hearing process which will follow. Acceptance of the filed information does not imply a guarantee of acceptance of the requested rates.

Requirements from the Previous Order

The Order arising from the Company's last general rate case did not impose any additional filing requirements for the present proceeding. In the Matter of the Application of Minnegasco for Authority to Increase Its Rates for Natural Gas Service in the State of Minnesota, Docket No. G-008/GR-82-249, FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER.

Requirements from Pending Proceedings

DOCKET NO. G-008/M-91-1015

On August 11, 1992, the Commission issued its ORDER ALLOWING DEFERRED ACCOUNTING TREATMENT AND REQUIRING INFORMATION in Docket No. G-008/M-91-1015, In the Matter of a Request by Minnegasco for Approval of Deferred Accounting for Manufactured Gas Plant Site Investigation, Monitoring, and Remediation Costs. In that Order the Commission allowed Minnegasco deferred accounting treatment of its manufactured gas plant costs, starting January 1, 1992. The Commission also required Minnegasco to file, within 30 days of the Order, the following information for each cleanup site within the Minnesota jurisdiction:

1. Support for manufactured gas plant site investigation and cleanup costs including costs to date, recovery options, and accounting treatment to date;
2. A complete analysis of the insurance recovery potential;
3. The complete history of property transfers;
4. The work schedule and cost projection for each site; and
5. The identity of any other parties involved.

Because Minnegasco has proposed a mechanism for recovery of its cleanup costs as part of this general rate case, the Commission will require the Company to file the information requested in the above five questions as part of this proceeding.

In the G-008/C-91-942 docket, the Commission is conducting an investigation into the allocation of costs between Minnegasco's regulated and non-regulated activities, and other business activities that may affect Minnegasco's regulated ratepayers. At this time, the Minnesota Alliance for Fair Competition has filed its report on Minnegasco's appliance sales and service activity, and Minnegasco has filed its response. The Commission finds that the issues of cost allocations between regulated and non-regulated Company enterprises should be pursued within the current general rate case proceeding. Specifically, the Department should investigate these issues to determine if costs are being fairly allocated by the Company. The Commission will therefore order interested parties to address cost allocation between regulated and non-regulated services within this general rate case proceeding. Any filings in this proceeding must also be filed in the ongoing investigation docket.

Contested Case Proceeding and Interim Rates

By separate Order the Commission has found that contested case proceedings are necessary for adequate examination of the Company's rate increase proposal. See NOTICE AND ORDER FOR HEARING entered in this docket on this date. During the contested case proceeding the Commission may require Minnegasco to produce additional information within ten days of service of any information request by the Department or any other party.

Under Minn. Stat. § 216B.16, subds. 1 and 2 (1992), the rates proposed by the Company become effective 60 days from filing, unless they are suspended by the Commission. The Commission finds that it cannot resolve all issues regarding the reasonableness of the proposed rates within this 60 day period and that the public interest requires suspension. The Commission will establish interim rates for the suspension period, under Minn. Stat. § 216B.16, subd. 3 (1992), by separate Order.

ORDER

1. The July 2, 1992 rate increase petition of Minnegasco is accepted as sufficient for the purposes of filing a general rate case under Minn. Stat. § 216B.16 (1992) and Minn. Rules, parts 7825.3100 to 7825.4600 (1991).
2. The Department of Public Service shall conduct an investigation into the reasonableness of the rate changes proposed by the Company.

3. All parties to this proceeding may serve information requests on any other party. Information requests shall be answered within ten days of receipt.
4. The operation of the proposed rate schedule is suspended under Minn. Stat. § 216B.16, subd. 2 (1992), until the Commission has issued a final determination in the matter.
5. The Company shall give written notice, as approved by the Commission, of the proposed change in rates to the governing body of each municipality and county in the area affected and shall submit an affidavit of such service to the Commission within 45 days of the service date of this Order.
6. The Company shall give individual written notice to all customers (including contract customers) of the proposed increase. This customer notice shall be included as an insert in the first bill rendered after the effective date of the interim rates as set by future Commission Order. The Company shall submit the proposed notice, and any other billing inserts proposed for the billing cycle, for prior Commission approval.
7. The Commission authorizes the Executive Secretary to enter Orders on behalf of the Commission varying time requirements for the filing of pleadings and other documents and determining the conduct of this proceeding, according to the standards set forth in Minn. Rules, part 7830.4400 (1991). Any party adversely affected by such an Order shall file a motion for reconsideration, vacation, or modification, no later than ten days from the date of its entry or one day before any filing deadline or occurrence of an act directed in such Order. Such motions will be heard by the Commission.
8. Minnegasco shall file the information requested in Docket No. G-008/C-91-1015, as explained in the body of this Order.
9. The Department and other interested parties shall address the issues of cost allocations between Minnegasco's regulated and non-regulated enterprises in this general rate case.
10. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)

ATTACHMENT A

BEFORE THE MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS
100 Washington Square, Suite 1700
Minneapolis, Minnesota 55401-2138

FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION
780 American Center Building
150 East Kellogg Boulevard
St. Paul, Minnesota 55101

In the Matter of the Application MPUC Docket No.
of Minnegasco, Division of Arkla, G-008/GR-92-400
Inc., for Authority to Increase
its Rates for Natural Gas Service in OAH Docket No.
the State of Minnesota

NOTICE OF APPEARANCE

Date of Hearing: 9:30 A.M., Thursday, August 27, 1992

Name and Telephone Number of Administrative Law Judge:

Judge Richard C. Luis
(612) 349-2542

TO THE ADMINISTRATIVE LAW JUDGE:

You are advised that the party named below will appear at the above hearing.

NAME OF PARTY:

ADDRESS:

TELEPHONE NUMBER:

PARTY'S ATTORNEY OR OTHER REPRESENTATIVE:

OFFICE ADDRESS:

TELEPHONE NUMBER:

SIGNATURE OF PARTY OR ATTORNEY: _____

DATE: _____