

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 Northern States Power Company
for Authority to Increase Its
Rates for Electric Service in
the State of Minnesota

ISSUE DATE: December 14, 1992

DOCKET NO. E-002/GR-92-1185

ORDER ACCEPTING FILING AND
SUSPENDING RATES

PROCEDURAL HISTORY

I. Proceedings to Date

On November 2, 1992 Northern States Power Company (NSP or the Company) filed a petition seeking a general rate increase in retail electric rates of \$119,000,000, or 8.98%, effective January 1, 1993. In a memorandum issued November 2, the Commission asked interested persons to file comments on whether the Commission should accept the filing as substantially in compliance with applicable filing requirements and whether the matter should be referred to the Office of Administrative Hearings for contested case proceedings.

The Department of Public Service and the Residential Utilities Division of the Office of the Attorney General filed comments which recommended accepting the filing and referring the matter for contested case proceedings.

The North American Water Office (NAWO) filed comments which recommended rejecting the filing. NAWO claimed the filing is based on flawed regulatory policies which fail to recognize the full costs of current generation technologies and therefore fail to require utilities to use the resource mix imposing the lowest cost on society. Until these regulatory flaws are corrected, NAWO contended, it is impossible to calculate NSP's, or any other company's, revenue requirement with any accuracy.

The matter came before the Commission on December 10, 1992.

FINDINGS AND CONCLUSIONS

II. Filing Accepted

Having examined the filing and having considered the comments of the parties, the Commission finds that the filing substantially complies with the statute, Minn. Stat. § 216B.16 (1990); applicable rules, Minn. Rules, parts 7825.3100 through 7825.4600; and past Commission Orders on future NSP rate case filings. This is a finding as to form only; it implies no judgment on the merits of the application.

The Commission recognizes the importance of the issues raised by NAWO but finds that at this point the Commission is not determining the merits of the issues raised by the parties, but rather the completeness of NSP's filing, pursuant to Minnesota statutes and rules.

III. Rates Suspended; Discovery Time Frames Established

Under Minn. Stat. § 216B.16, subds. 1 and 2 (1990), 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 (1990), by separate Order.

By separate Order the Commission has found that contested case proceedings are necessary for adequate examination of the merits of the application. See NOTICE AND ORDER FOR HEARING entered in this docket on this date. Although the Company's filing meets the statutory requirements to begin a rate case proceeding, intervening parties may need further information to evaluate the Company's proposed rate increase. Similarly, the Company may need further information to analyze other parties' positions. The Commission will therefore require the Company and other parties to produce additional information within ten days of service of any information request by the Department or any other party.

IV. Final Rates Limited to Amount Stated in Notice

In its Notice of Change in Rates the Company stated its proposed rate increase was \$119 million; the accompanying schedules and workpapers supported an increase of \$119.138 million. The Commission finds that the Company's Notice of Change in Rates

controls and that any final rate increase cannot exceed the amount set forth there.

ORDER

1. The November 2, 1992 rate increase petition of Northern States Power Company is accepted as being in proper form and substantially complete.
2. The operation of the proposed rate schedule is hereby suspended under Minn. Stat. § 216B.16, subd. 2 (1990), until the Commission has issued a final determination in this case.
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. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)