

G-011/M-91-989 ORDER REQUIRING FURTHER FILING

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm	Chair
Tom Burton	Commissioner
Marshall Johnson	Commissioner
Cynthia A. Kitlinski	Commissioner
Dee Knaak	Commissioner

In the Matter of Peoples Natural
Gas Company's Request to
Establish a Tariff for Repairing
and Replacing Farm-Tap Lines

ISSUE DATE: October 5, 1993

DOCKET NO. G-011/M-91-989

ORDER REQUIRING FURTHER FILING

PROCEDURAL HISTORY

On December 19, 1991, Peoples Natural Gas Company (Peoples or the Company) proposed a tariff entitled Farm-Tap Fuel Line Repair/Replacement Rate to clarify its responsibilities for the repair and maintenance of customer-owned fuel (farm-tap) lines running from the interstate pipeline to the customer's premise.

On October 26, 1992, the Commission issued its ORDER REJECTING PROPOSAL, ALLOWING SERVICE, AND REQUIRING FURTHER FILINGS.

On May 25, 1993, in response to the Company's various compliance filings in this docket, the Commission issued its ORDER APPROVING TARIFF LANGUAGE, REQUIRING INSPECTIONS, AND REQUIRING CUSTOMER BROCHURE.

On June 4, 1993, Peoples petitioned the Commission to reconsider its decision in the May 25, 1993, ORDER APPROVING TARIFF LANGUAGE, REQUIRING INSPECTIONS, AND REQUIRING CUSTOMER BROCHURE.

On June 12, 1993, the Minnesota Department of Public Service (the Department) submitted its answer to Peoples' petition for reconsideration.

On June 21, 1993, the Commission issued its ORDER GRANTING RECONSIDERATION to allow more time for the review of the Company's petition and the comments from other parties.

On June 30, 1993, Steve Sweney, Gas Program Manager for the Minnesota Office of Pipeline Safety (Pipeline Safety or MnOPS), submitted a 15 point memo outlining his view of what an appropriate farm-tap safety inspection program would entail.

On July 2, 1993, at Peoples' request, Commission Staff met with representatives of the Company, the Department, the Office of Attorney General-Residential Utilities Division (OAG-RUD) and Pipeline Safety. Peoples requested the meeting to determine whether it would be possible to resolve any of the disputed issues amongst the interested parties before bringing this docket before the Commission for the third time. The Company and Pipeline Safety met on an additional day to discuss what should be included in a farm-tap safety inspection program.

On August 5, 1993, the Company submitted its amended petition for reconsideration and a proposal for a farm-tap safety inspection program.

On September 30, 1993, the Commission met to consider this matter.

FINDINGS AND CONCLUSIONS

At the September 30, 1993 hearing regarding this matter, Peoples informed the Commission that it wished to revise the proposal for a farm-tap safety inspection program that it had filed with the Commission on August 5, 1993. The Company indicated that following discussions with the Office of Pipeline Safety (MnOPS) the Company and MnOPS were agreed that the inspection program should be revised in four respects. There is nothing currently on file with the Commission regarding those changes.

To allow review consistent with the seriousness of the safety issues involved in this matter, the Commission will require the Company to refile its proposal, revised as agreed to between it and MnOPS. The refiled proposal, of course, should address the related cost recovery and repair financing issues and explain in sufficient detail how it intends to evaluate each farm-tap line for potential hazards, including leaks and corrosion, and determine whether maintenance and repairs are necessary.

Upon receipt of the revised proposal, the Commission will schedule another hearing at which it will consider this entire matter. The issues that will be before the Commission at that time, then, will include

- 1) whether the revised inspection plan is acceptable;
- 2) whether Peoples' cost recovery proposal¹ should be

¹ Peoples proposed that it be allowed to recover its inspection costs on a current basis from its farm-tap customers

approved in this proceeding, denied in this proceeding, modified in this proceeding, or deferred for consideration in its next rate case; and

- 3) whether Peoples should be required to provide its customers with financing for mandatory repairs and/or replacement of gas lines.

ORDER

1. Within 30 days of this Order, Peoples shall file a detailed inspection program proposal revised pursuant to agreement between the Company and the Minnesota Office of Pipeline Safety.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Susan Mackenzie
Acting Executive Secretary

(S E A L)

as soon as the program is implemented.