

G-008/GR-93-1090 ORDER ACCEPTING FILING AND SUSPENDING RATES

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 the Application of Minnegasco, a Division of Arkla, Inc. for Authority to Increase its Rates for Natural Gas Service in the State of Minnesota	ISSUE DATE: January 26, 1994
	DOCKET NO. G-008/GR-93-1090
	ORDER ACCEPTING FILING AND SUSPENDING RATES

**PROCEDURAL HISTORY**

On November 5, 1993, Minnegasco, a Division of Arkla, Inc. (Minnegasco or the Company) filed a petition seeking a general rate increase of \$22,772,000 or approximately 3.6 percent, effective January 4, 1994. Knowing that the Commission generally suspends proposed rate schedules and orders a contested case proceeding on those proposals, the Company also proposed an interim rate schedule to be effective on January 4, 1994. The interim rates would increase present revenues by \$16,864,000 or approximately 2.7 percent.

On November 8, 1993, the Commission issue a memorandum asking 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.

On November 19, 1993, the Minnesota Department of Public Service (the Department) filed its comments recommending that the Commission reject the Company's filing as incomplete.

On November 22, 1993, Minnegasco filed schedules showing changes to filed expense amounts that resulted from the Commission's decision regarding certain accounting issues in the Company's previous rate case, Docket No. G-008/GR-92-400.

On November 30, 1993, Minnegasco filed a Reply to the Department's Comments of November 19, 1993.

On December 9, 1993, the day the Commission met to consider the adequacy of Minnegasco's filing, the Company filed a supplement

to its case.

On December 14, 1993, the Department filed its Comments on the Company's December 9, 1993 supplemental filing.

On December 16, 1993, the Commission issued its ORDER FINDING FILING INCOMPLETE based on its December 9, 1993 review of the matter. In its Order, the Commission noted that the Company's December 9, 1993 filing was untimely filed for consideration on that day and that without the supplement its filing was incomplete. The Commission did not speculate on the effect of the supplemental filing and reserved review of that filing for a later date.

On December 22, 1993, the Commission met and took up this matter once again.

### **FINDINGS AND CONCLUSIONS**

#### Acceptance of Filing

Having examined all of Minnegasco's filings in this matter to date and having considered the comments of the Department, the Commission finds that, as of the Company's December 9, 1993 supplemental filing, the Company has substantially complied with the statute, Minn. Stat. § 216B.16 (1992); applicable rules, Minn. Rules, parts 7825.3100 through 7825.4600; and past Commission Orders on future Minnegasco rate case filings. This is a finding as to form only; it implies no judgment on the merits of the application.

#### Suspension of Rates

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.

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.

#### Additional Information

Minn. Rules, Part 7825.4500 states:

Upon review of a utility's notice of a change in rates or subsequent thereto, the Commission may request a utility to provide additional information to supplement the information prescribed by parts 7825.3800 to 7825.4400 within a reasonable time as determined by the Commission.

In its initial filing, the Company provided financial information schedules prescribed by Rules 7825.3800 through .4400 using 1992 as the most recent fiscal year and 1993 as the projected fiscal year. Commission Staff and intervenors will be better able to analyze the financial information for the test year if the Company provides the actual information for 1993. Accordingly, the Commission will direct the Company to file revised schedules required under Minn. Rules, Parts 7825.3800 through .4400 with 1993 as the most recent fiscal year and 1994 as the projected fiscal year. The revised schedules will be due one week from the date of this Order. See Ordering Paragraph 4, d.

In addition, the Commission will require certain other helpful information as specified in Ordering Paragraph 4.

#### Coordination With MAC Complaint Docket

The investigation of Minnegasco's non-regulated appliance sales and service activities (Docket No. G-008/C-91-942, also known as the MAC Complaint Docket) has not yet been completed. However, the evidentiary hearings were completed in October 1993 and the Administrative Law Judge filed his Report and Recommendation on January 14, 1994. It is likely that the matter will come before the Commission for consideration in late February. From a timing perspective, therefore, the goal of incorporating the Commission's decision in the MAC Complaint Docket in the rate case seems achievable if plans are promptly made.

In these circumstances, the Commission will direct Minnegasco not to wait for the Commission to make the allocation decisions in the MAC Complaint Docket but to include in its filings or testimony in this rate case an explanation of how it expects to incorporate the Commission's allocation decisions and how the financial results can be verified by other parties. See Ordering Paragraph 4, c.

ORDER

1. The November 5, 1993 rate increase petition of Minnegasco, a Division of Arkla, Inc., as amended on December 9, 1993, is accepted as being in proper form and substantially complete as of December 9, 1993.
2. The operation of the proposed rate schedule is hereby suspended under Minn. Stat. § 216B.16, subd. 2 (1992), 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. Within one week of this Order, the Company shall file
  - a. a list identifying which witnesses are sponsoring the written information and schedules included in the Company's December 9, 1993 supplemental filing;
  - b. a list of terms used in its filing to allow the parties to properly interpret the information in the various schedules;
  - c. a detailed explanation of how it expects to accomplish the task of incorporating the Commission's allocation decisions from the MAC docket and how the financial results can be verified by other parties; and
  - d. revised schedules required under Minn. Rules, Parts 7825.3800 through .4400 with 1993 as the most recent fiscal year<sup>1</sup> and 1994 as the projected fiscal year.
5. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

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<sup>1</sup> The 1993 most recent fiscal year would be prepared using eleven months of actual and one month of estimated financial data for 1993.