

ISSUE DATE: October 2, 1995

DOCKET NO. G-002/M-95-196

ORDER APPROVING TARIFF SHEET REVISIONS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Joel Jacobs
Tom Burton
Marshall Johnson
Dee Knaak
Don Storm

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Request by Northern States
Power Company Gas Utility to Revise Gas
Rate Book Sheet Nos. 3-1 and 1-1

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PROCEDURAL HISTORY

On March 3, 1995, Northern States Power Company - Gas Utility (NSP or the Company) filed for approval of revised Gas Rate Sheet Nos. 3-1 and 1-1.

On May 3, 1995, the Minnesota Department of Public Service (the Department) filed comments recommending approval with modifications.

On May 15, 1995, the Company filed reply comments clarifying comments and correcting three errors on Sheet No. 3-1. Specifically, the Company removed the surcharge designation from Clear Lake, added the surcharge designation to Nisswa, and added an "N" designation for Glyndon as a new addition to the list of areas serviced.

On August 31, 1995, the Commission met to consider this matter.

FINDINGS AND CONCLUSIONS

A. NSP's Proposed Revisions

In its initial filing in this matter, NSP requested approval for Sheet No. 3-1, a revised index of the Company's Service Area, and Sheet No. 1-1, a revised Table of Contents.

The Index: The revised index (Sheet No. 3-1) included new communities served in the Brainerd Lakes Area in Crow Wing and Cass counties. In its index, NSP designated communities in which it charged the Lakes Area new area surcharge (NAS) with a double asterisk. Among the cities identified on its tariff sheets as subject to the Lakes Area NAS were Baxter and Brainerd.

Table of Contents: The Company also updated its table of contents (Sheet No. 1-1) to

include the New Area Service Rider and a Surcharge Rider No. 2.

B. The Department's Comments

Consistent with its comments in Docket No. G-002/M-94-156, the Department argued that the cities of Baxter and Brainerd, identified on the revised tariff sheet as subject to the Lakes Area NAS, were in fact not included in the original Lakes Area (new area service) project. However, because the Department saw no detriment to any NAS ratepayers from the inclusion of Baxter and Brainerd in the original Lakes Area project, it recommended that the Commission allow the two cities to be included and allow NSP to retain the surcharges already collected provided that they are treated the same as other surcharges for the project.

In addition, the Department noted that NSP had added nine other cities to the list of towns served by its system without mentioning it in the text of its filing and that one of the nine new cities so listed (Taylors Falls) was not in fact served by the Company.

The Department recommended approval of the Table of Contents (Sheet No. 1-1) and the index (Sheet No. 3-1) revised to

- 1) exclude Taylors Falls from the list of new towns served and
- 2) reflect the Commission's decisions regarding inclusion of Baxter and Brainerd in the Lakes Area project, and the Company's request for a NAS for Taylors Falls.¹

C. NSP's Reply Comments

NSP attached a revised Sheet No. 3-1 correcting miscellaneous errors regarding Clear Lake, Nisswa, and Glyndon. Regarding Taylors Falls, NSP clarified that the tariff page listing Taylors Falls was a list of all cities where the Company had municipal franchises to provide gas service, not cities where it actually provided service. As to Baxter and Brainerd, the Company alleged that since the Commission had approved a NAS tariff for all customers served by NSP in Cass and Crow Wing counties, the listing of these two cities on Sheet No. 3-1 was proper. To clarify the matter, the Company requested confirmation that the language on Rate Sheet 5-21 does not prevent the Company from collecting the surcharge from customers in townships or unincorporated areas of Crow Wing and Cass counties.

In sum, NSP requested that the Commission approve the rate sheets as corrected and reject the Department's recommended conditions.

E. Commission Analysis

¹ On May 5, 1995, NSP filed a petition seeking authorization to impose a New Area Surcharge (NAS) for Taylors Falls.

1. Baxter and Brainerd

In an Order issued October 2, 1995 in Docket No. G-002/M-94-156, the Commission rejected NSP's contention that its collection of the Lakes Area NAS in the cities of Baxter and Brainerd was authorized by the Commission's May 13, 1994 Order in that matter. That decision applies directly to the current case and indicates that the Company's proposed tariff, which identified Baxter and Brainerd as cities where it was authorized to collect the Lakes Area NAS, was in error.

The Order proceeded, however, to approve the expansion of the Lakes Area project to include those two cities. As a consequence, the inclusion of Baxter and Brainerd on the list of areas where the Company is authorized to collect the Lakes Area NAS is now correct and will be approved.

2. Pine River

In the same Order, the Commission also approved extending the Lakes Area project to include Pine River. Therefore, in this Order, the Commission will approve identifying Pine River on the tariff as an area in which the Company is authorized to collect the Lakes Area NAS.

3. Pleasant Lake

The City of Pleasant Lake is misidentified on the Company's proposed tariff. The Company has listed Pleasant Lake as subject to the Lakes Area project surcharge. This city, which is located southwest of St. Cloud, is not part of the Lakes Area project. The Company will be required to file a revised index making this correction.

4. Taylors Falls

NSP's explanation that it included Taylors Falls on Sheet No. 1-1 (the index) because it was a city for which the Company had a franchise to provide gas service is unacceptable. The first sentence of the index states:

Northern States Power Company supplies gas service at retail in the State of Minnesota in communities listed below.

In light of this sentence, it was incorrect for the Company to list Taylors Falls on that page. However, information subsequently provided by NSP indicates that the Company likely will be actually providing gas service in Taylors Falls by the time this Order issues. Therefore, the Commission will approve inclusion of Taylors Falls on the index.

ORDER

1. The 23rd Revision of Sheet No. 1-1 and the 12th Revision of Sheet No. 3-1, as corrected

and submitted by Northern States Power Company (NSP or the Company) with its May 15, 1995 reply comments and further corrected in this Order, is approved. In particular, the revisions shall include the following:

- a. *Baxter and Brainerd* will be listed on Sheet No. 3-1 as subject to the Lakes Area NAS per the Commission's October 2, 1995 Order in Docket No. G-002/M-94-156;
 - b. *Pine River* will be listed on Sheet No. 3-1 as subject to the Lakes Area NAS per the Commission's October 2, 1995 Order in Docket No. G-002/M-94-156;
 - c. *Lake Pleasant* will not be listed on Sheet No. 3-1 as subject to the Lakes Area NAS and its Area Office will be changed from Nisswa to Northwest; and
 - d. *Taylor's Falls* will be listed in the index, Sheet No. 1-1.
2. The Commission hereby clarifies that the townships and unincorporated areas shown on the project map (as revised to include Baxter, Brainerd, and Pine River) within the project area are subject to the surcharge.
 3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)