

**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

**Gregory Scott  
Edward A. Garvey  
Joel Jacobs  
Marshall Johnson  
LeRoy Koppendrayer**

**Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner**

**In the Matter of a Petition by Peoples  
Natural Gas Company and Northern  
Minnesota Utilities, Divisions of UtiliCorp  
United Inc., for Authority to Increase  
Natural Gas Rates in Minnesota and to  
Consolidate the Two Utilities**

**ISSUE DATE: September 29, 2000  
DOCKET NO. G-007,011/GR-00-951  
ORDER ACCEPTING FILING AND  
SUSPENDING RATES**

**PROCEDURAL HISTORY**

**On May 12, 2000, Peoples Natural Gas Company (Peoples) and Northern Minnesota Utilities (NMU) (collectively, the Companies), both operating divisions of Utilicorp United Inc., filed a combined rate case and a request to consolidate the operations and certain aspects of the rate schedules of the two utilities.<sup>1</sup>**

**On July 18, 2000, the Commission issued its ORDER ACCEPTING RATE CASE FILING AS OF FUTURE COMPLETION DATE<sup>2</sup> which identified various deficiencies in the Companies' May 12, 2000 filing and allowed the Companies to refile their case whenever the filing could be made substantially complete.**

**On August 11, 2000, the Companies refiled their general rate case. The Companies requested a rate increase of \$9,846,647 per year or 6.24% over existing rates for the two companies combined. The proposed increase for Peoples is \$8,461,405 or approximately 7.20%. The proposed increase for NMU is \$1,385,242 or approximately 3.45%. The Companies proposed a forecasted test year ending December 31, 2000.**

**In a notice issued August 11, 2000, the Commission asked interested persons to file**

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<sup>1</sup> In the Matter of a Petition By Peoples Natural Gas Company and Northern Minnesota Utilities, Divisions of UtiliCorp United Inc., for Authority to Increase Natural Gas Rates in Minnesota and to Consolidate the Two Utilities, Docket No. G-007,001/GR-00-517.

<sup>2</sup> Ibid.

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 (OAH) for a contested case hearing.

On August 21, 2000, the Department of Commerce (DOC) submitted comments recommending the Commission accept the Companies' filing as complete and recommended the Commission refer this matter to the OAH for a contested case proceeding.

On August 23 and 28, 2000, the Companies submitted exhibits to pre-filed direct testimony of Robert D. Adkins, Michael McLaughlin, Nicholas Schwartz, and Mark Straub which had been inadvertently omitted from the August 11, 2000 filing. On August 28, 2000 the Companies also submitted Section E, Schedule 1, p.1 of pp.1-2 of the Information Requirements.

On August 24, 2000, the Companies submitted reply comments agreeing with the DOC's recommendation that the filing be determined substantially complete and that the case be referred to the OAH for a contested case hearing.

The matter came before the Commission on September 21, 2000.

### FINDINGS AND CONCLUSIONS

Having examined the filing and having considered the comments of the Department and the responses of the Companies, the Commission finds that the filing substantially complies with the statute, Minn. Stat. § 216B.16; applicable rules, Minn. Rules, parts 7825.3100 to 7825.4600, and Commission Orders. This is a finding as to form only; it implies no judgment on the merits of the application.

Under Minn. Stat. § 216B.16 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 therefore suspend the operation of the proposed rate schedule under Minn. Stat. § 216B.16, subd. 2.

By separate Order the Commission has found that contested case proceedings are necessary for adequate examination of the merits of the proposed rate change. See NOTICE AND ORDER FOR HEARING entered in this docket on this date. Rates will remain suspended until the conclusion of those proceedings.

The Commission will establish interim rates for the suspension period, under Minn. Stat. § 216B.16, subd. 3, by separate Order.

### ORDER

1. **The August 11, 2000 rate increase petition of Peoples Natural Gas Company and Northern Minnesota Utilities, Divisions of Utilicorp United Inc., 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, until the Commission has issued a final determination in this case.**
3. **This Order shall become effective immediately.**

**BY ORDER OF THE COMMISSION**

**Burl W. Haar  
Executive Secretary**

**(S E A L)**

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