

Service List - Minnegasco (3/25/94)  
OAH Docket No. 7-2500-8406-2  
PUC Docket No. G-008/GR-93-1090  
(One copy each unless noted otherwise)

Richard C. Luis  
Administrative Law Judge  
Office of Administrative Hearings  
Suite 1700, 100 Washington Square  
Minneapolis, MN 55401-2138  
(Original and 1 copy)

Gary R. Cunningham  
Assistant Attorney General  
1200 NCL Tower  
445 Minnesota Street  
St. Paul, MN 55101-2130

Edward J. Schwartzbauer  
Administrative Law Judge  
5200 Lincoln Drive, #211  
Edina, MN 55436

Peter H. Grills  
O'Neill, Burke, O'Neill, Leonard  
and O'Brien  
800 Norwest Center  
55 East Fifth Street  
St. Paul, MN 55101

Dr. Burl W. Haar  
Sc  
ott Wilensky  
Executive Secretary  
Minnesota Public Utilities Commission  
Suite 350, 121 7th Place East  
St. Paul, MN 55101-2147  
(13 copies)

Joshua Wirtschafter  
Mark A. R. Chalfant  
Assistant Attorneys General  
1200 NCL Tower, 445 Minnesota St.  
St. Paul, MN 55101-2130

Roxanne Colby  
Minnesota Dept. of Public Service  
Suite 200, 121 7th Place East  
St. Paul, MN 55101  
(5 copies)

James M. Strommen  
Holmes and Graven  
470 Pillsbury Center  
Minneapolis, MN 55402

Douglas W. Peterson  
Miggie E. Cramblit  
Law Department, Minnegasco  
201 South Seventh Street  
Minneapolis, MN 55402

James J. Bertrand  
Leonard, Street & Deinard  
Suite 2300  
150 S. Fifth Street  
Minneapolis, MN 55402

Paul Ruxin  
Jones, Day, Reavis & Pogue  
North Point  
901 Lakeside Avenue  
Cleveland, Ohio 44114

Stephen R. Yurek  
Dahlen, Berg & Co.  
2150 Dain Bosworth Plaza  
60 South Sixth Street  
Minneapolis, MN 55402

James D. Larson  
Wurst, Pearson, Larson, Underwood  
and Mertz  
One Financial Plaza, Suite 1100  
120 South Sixth Street  
Minneapolis, MN 55402-1803

Peter H. Grills  
O'Neill, Burke, O'Neill, Leonard  
& O'Brien  
800 Norwest Center  
55 East Fifth Street  
St. Paul, MN 55101

Dr. Burl W. Haar  
Executive Secretary  
MN Public Utilities Commission  
Suite 350, 121 7th Place East  
St. Paul, MN 55101-2147

Roxanne Colby  
MN Department of Public Service  
Suite 200, 121 7th Place East  
St. Paul, MN 55101

Douglas Peterson  
Law Department, Minnegasco  
201 South Seventh Street  
Minneapolis, MN 55402

Miggie E. Cramblit  
Law Department, Minnegasco  
201 South Seventh Street  
Minneapolis, MN 55402

Paul Ruxin  
Jones, Day, Reavis & Pogue  
North Point  
901 Lakeside Avenue  
Cleveland, Ohio 44114

Stephen R. Yurek  
Dahlen, Berg & Co.  
2150 Dain Bosworth Plaza  
60 South Sixth Street  
Minneapolis, MN 55402

Gary R. Cunningham  
Assistant Attorney General  
1200 NCL Tower  
445 Minnesota Street  
St. Paul, MN 55101-2130

Scott Wilensky  
Assistant Attorneys General  
1200 NCL Tower  
445 Minnesota Street  
St. Paul, MN 55101-2130

Joshua Wirtschafter  
1200 NCL Tower  
445 Minnesota Street  
St. Paul, MN 55101-2130

Mark Chalfant  
1200 NCL Tower  
445 Minnesota Street  
St. Paul, MN 55101-2130

James M. Strommen  
Holmes and Graven  
470 Pillsbury Center  
Minneapolis, MN 55402

James J. Bertrand  
Leonard, Street and Deinard  
150 S. Fifth Street, Suite 2300  
Minneapolis, MN 55402

James D. Larson  
Wurst, Pearson, Larson, Underwood

and Mertz  
One Financial Plaza, Suite 100  
120 South Sixth Street  
St. Paul, MN 55402-1803

Edward J. Schwartzbauer  
Administrative Law Judge  
52  
Edina, MN 55436

OAH Docket No. 7-2500-8406-2  
PUC Docket No. G-008/GR-93-1090

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Application of  
Minnegasco, a Division of Arkla, Inc.,  
to Increase its Rates for Natural Gas  
Service in Minnesota

ORDER GRANTING  
PETITIONS TO INTERVENE

On March 1, 1994, the Administrative Law Judge issued a Prehearing Order in the above-entitled matter, which Order, at § 1, granted Petitions to Intervene by entities who had filed such Petitions prior to preparation of the Order.

Paragraph 3 of the Prehearing Order set Monday, March 14, 1994 as the deadline for filing of Petitions to Intervene on behalf of any other persons or entities.

Two other entities have petitioned to intervene in the interim, the Minnesota Alliance for Fair Competition (MAC) and the Regents of the University of Minnesota, on March 7 and March 14, 1994, respectively. No Notices of Objection have been filed. The Petitions to Intervene noted herein comply in full with the provisions of Minn. Rule 1400.6200, Subpart 1.



St. Paul, MN 55101

Douglas Peterson  
Miggie E. Cramblit  
Law Department, Minnegasco  
201 South Seventh Street  
Minneapolis, MN 55402

Paul Ruxin  
Jones, Day, Reavis & Pogue  
North Point  
901 Lakeside Avenue  
Cleveland, Ohio 44114

Stephen R. Yurek  
Dahlen, Berg & Co.  
2150 Dain Bosworth Plaza  
60 South Sixth Street  
Minneapolis, MN 55402

Subscribed and sworn to before me  
this 13th day of May, 1994.

---

Notary Public

Gary R. Cunningham  
Assistant Attorney General  
1200 NCL Tower  
445 Minnesota Street  
St. Paul, MN 55101-2130

Scott Wilensky  
Joshua Wirtschafter  
Mark Chalfant  
Assistant Attorneys General  
1200 NCL Tower  
445 Minnesota Street  
St. Paul, MN 55101-2130

James M. Strommen  
Holmes and Graven  
470 Pillsbury Center  
Minneapolis, MN 55402

James J. Bertrand  
Leonard, Street and Deinard  
150 S. Fifth Street, Suite 2300  
Minneapolis, MN 55402

James D. Larson  
Wurst, Pearson, Larson, Underwood  
and Mertz

One Financial Plaza, Suite 100  
120 South Sixth Street  
St. Paul, MN

Peter H. Grills  
O'Neill, Burke, O'Neill, Leonard  
and O'Brien  
800 Norwest Center  
55 East Fifth Street  
St. Paul, MN 55101

---

Laurie L. Clos

TDD: 612/341-7346

May 13, 1994

Dr. Burl W. Haar  
Executive Secretary  
MN Public Utilities Commission  
Suite 350, 121 7th Place East  
St. Paul, MN 55101-2147

RE: In the Matter of the Application of Minnegasco, a Division of  
Arkla,  
Inc., to Increase its Rates for Natural Gas Service in Minnesota;  
OAH  
Docket No. 7-2500-8406-2; PUC Docket No. G-008/GR-93-1090

Dear Dr. Haar:

Enclosed and served upon you by mail is the Administrative Law Judge's  
Order Dismissing Motion to Compel Discovery in the above-entitled matter.

Very truly yours,

RICHARD C. LUIS  
Administrative Law Judge

Telephone: 612/349-2542

RCL:llc

cc: All Counsel and Parties

Enclosure

OAH Docket No. 7-2500-8406-2  
PUC Docket No. G-008/GR-93-1090

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Application of  
Minnegasco, a Division of Arkla, Inc.,  
to Increase its Rates for Natural Gas  
Service in Minnesota

ORDER GRANTING MOTION FOR  
LEAVE TO MAKE ERRATA FILING  
AND DIRECTING FURTHER FILINGS

On February 11, 1994, Minnegasco ("Company", "Utility") filed a Motion for Leave to Make Errata Filing with the Administrative Law Judge. No party has filed an objection to the Motion. Under Minn. Rule 1400.6600 any party wishing to contest a motion must file a written response within 10 days. No party has filed to contest this Motion. The Motion seeks inclusion in the rate case record of adjustments necessary to be in compliance with the PUC's Order Denying\_Petition in Docket No. G-008/M-93-800 (11-23-93) and Order\_Rejecting\_Accounting\_Treatment\_in\_Compliance\_Filings in Docket No. G-008/GR- 92-400 (11-29-93). These adjustments are part of Schedule 1 attached to the Motion, which includes errata adjustments to correct inadvertent errors in the Company's filed rate case. The overall revenue impact of the proposed adjustments is a reduction in proposed revenue requirement of approximately \$350,000. The proposed Errata Filing includes also, at Schedule 2 attached to the Motion, corrections to previously-filed rate case information that do not affect the Company's proposed revenue requirement. Some relate to errors found

on Schedules where the actual revenue requirement calculations were done correctly.

On December 22, 1993, the Public Utilities Commission accepted Minnegasco's rate case filing in this matter, effective December 9, 1993. In connection with accepting the filing, the Commission order Minnegasco to file, among other items: (1) 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 (2) revised schedules required under Minn. Rules, pts. 7825.3800-.4400 with 1993 as the most recent fiscal year (using 11 months of actual and one month of estimated financial data for 1993). See Order Accepting Filing and Suspending Rates (1-26-94). Minnegasco submitted its filing complying with this Commission Order on January 14, 1994. The filing includes the schedules required, developed after consultation with PUC staff regarding clarification of the Commission's intent, showing calculation of the revenue requirement, also the Company's explanation of how it expects to incorporate the allocation decisions from the MAC docket into this rate case and how the results can be verified by other parties. At the Prehearing Conference in this matter on February 1, 1994, counsel for the Company stated that while the Commission's Order gave the Company a week, through February 2, 1994, to file documents complying with its Order, the Company would rely on its filing of January 14 to comply with the Order and sought comments from other parties to this case.

On February 23, 1994, the PUC met and voted on various issues in the MAC v. Minnegasco docket (G-008/C-91-942). The provisional minutes of the Commission's meeting indicate the PUC voted 5-0 "to find that it is appropriate to assign a value to good will as used by the unregulated entity, and to refer the determination of that value to the Company's ongoing rate case. In the determination of value, one alternative would be expressing the value as a percentage of revenues." As a result of that vote, it is necessary to set up a filing schedule to cause the record of this case to contain data sufficient to decide the issue. The Commission voted also on other contested allocation issues and set various deadlines for compliance with its (future) Order in the MAC v. Minnegasco case and implementation of its decisions within the context of that docket. It made no decision in this rate case's docket, no part of which was on its agenda for February 23.

The Administrative Law Judge, having taken the above-noted matters under advisement, hereby makes the following:

ORDERS

1. The Company's Motion for Leave to Make Errata Filing of February 11, 1994 is GRANTED and the filing of Schedules 1 and 2 attached to the Motion is accepted, effective with this Order. Any comments by intervenors on the effect of this filing shall be filed with the balance of Intervenor Direct Testimony on March 29, 1994.

2. The parties are ORDERED to submit any testimony in response to the Company's January 14, 1994 filing noted above on or before March 18, 1994. The Company shall respond with testimony, if any, on March 29, 1994, the same deadline set for filing of Intervenor Direct Testimony. There will be no surrebuttal on this issue. In the interim, parties with concerns about the methodology proposed by the Company for incorporation of the Commission's allocation decisions from MAC's docket into this case, and as to how the financial results can be verified are directed to contact counsel for the Company informally and communicate those concerns. The Company shall file any modifications to its January 14 proposal with the Administrative Law Judge and the Intervenor as soon as they are developed, and the Administrative Law Judge, after determining if the Intervenor need a period extending beyond March 18, 1994 to respond, will so order accordingly.

3. On or before April 11, 1994, the Company shall file with the Administrative Law Judge testimony and exhibits designed to incorporate the allocation decisions made by the Public Utilities Commission in the MAC\_v. Minnegasco docket into this rate case. Intervenor shall file a response to Minnegasco's filing on or before May 2, 1994, the date set for filing of Surrebuttal testimony herein.

4. The Company and Intervenor are ORDERED to file with the Administrative Law Judge and other parties testimony and any schedules supporting that testimony on the issue referred to this matter by the Commission in its vote on February 23, 1994, i.e. determination of a value of Minnegasco's good will as used by the unregulated appliance sales and service operations. That testimony shall include formulae or methodologies used to develop the value as a percentage of revenues or rate base, should the Commission choose to adopt a "percentages" approach as opposed to determining a specific monetary value. For purposes of this filing, the concept o

Dated this 2nd day of March, 1994.

---

RICHARD C. LUIS  
Administrative Law Judge

MEMORANDUM

The Administrative Law Judge considered not specifying a schedule for

filing specific allocation data to comply with the Commission's Order(s) in the MAC\_v.\_Minnegasco docket and "incorporate the results" of the Commission's decisions in that case into this rate case. In the absence of a written Order from the Commission, and given his review of the provisional minutes of the February 23 PUC meeting, the Administrative Law Judge is unable to determine whether the parties will be able to incorporate MAC\_v.\_Minnegasco results into the record of this case on time to use that data to set rates in the context of this docket. The minutes indicate that proposed revisions to the Company's Cost Apportionment Manual and all other compliance filings must be made "within 30 days of the Order". Past practice indicates a several-week period prior to issuance of the Order, and adding 30 days to that for compliance seems too far into the tight schedule in this case to complete the record herein for the issue to be litigated properly, absent a stipulation on "incorporation" of the MAC\_v.\_Minnegasco results. The issue is compounded by the Commission's request that the subject of "cost allocation between regulated and non-regulated services" not be settled (Notice\_and\_Order\_for\_Hearing, pp. 3-4). The amount of time needed for Minnegasco to develop the data and schedules necessary to "incorporate" the MAC\_v.\_Minnegasco results is uncertain, as is the time needed by Intervenor to review the proposals. As a result, the parties are requested to keep the Administrative Law Judge informed about whether the above-ordered dates are realistic in terms of making a proper record. If it is unrealistic to make a proper record within the April 11 - May 2 deadlines ordered herein, the Judge will adjust the schedule in an effort to accomplish that end before the case is returned to the PUC.

It is noted that counsel for Minnegasco have informed the Judge that the Company believes it can file its actual "incorporation of the Commission's allocation decisions" by April 11, the same date as set herein for initial (simultaneous) filings on the "good will" issue. The Company suggests further that Intervenor can respond and/or comment in a filing on May 2, 1994, the date set for Surrebuttal (and the second "good will" filing) herein. At the time of issuing this Order, the Judge had directed counsel for the Intervenor for their assessment of whether the Company's schedule gave the parties sufficient time to file a response three weeks later. Counsel for those OAG and DPS have indicated that May 2 is sufficient time, depending on the complexity of the filing and the extent their clients may disagree with the Company's filing. Based on that, the Judge decided to Order a specific schedule for filings on this issue. See Part 3 of the above Order.

It is recognized that the Intervenor may not be able to assess the Company's filing in time to file responsively before the evidentiary hearing convenes. In that case, cross-examination of witnesses on this issue may not take place. Alternatively, the parties could agree to file testimony before



2150 Dain Bosworth Plaza  
60 South Sixth Street  
Minneapolis, MN 55402  
Eric Swanson  
Assistant Attorney General  
1200 NCL Tower  
445 Minnesota Street  
St. Paul, MN 55101-2130

Scott Wilensky  
Joshua Wirtschafter  
Mark Chalfant  
Assistant Attorneys General  
1200 NCL Tower  
445 Minnesota Street  
St. Paul, MN 55101-2130

James M. Strommen  
Holmes and Graven  
470 Pillsbury Center  
Minneapolis, MN 55402

James J. Bertrand  
Leonard, Street and Deinard  
150 S. Fifth Street, Suite 2300  
Minneapolis, MN 55402

---

Subscribed and sworn to before me  
this 19th day of April, 1994.

Laurie L. Clos

---

Notary Public

TDD: 612/341-7346

April 19, 1994

Dr. Burl W. Haar  
Executive Secretary  
MN Public Utilities Commission  
Suite 350, 121 7th Place East  
St. Paul, MN 55101-2147

RE: In the Matter of the Application of Minnegasco, a Division of  
Arkla,  
Inc., to Increase its Rates for Natural Gas Service in Minnesota;  
OAH  
Docket No. 7-2500-8406-2; PUC Docket No. G-008/GR-93-1090

Dear Dr. Haar:

Enclosed and served upon you by mail is the Administrative Law Judge's  
Order Granting Motion for Leave to Make Second Errata Filing and Update  
Certain  
Required Filing Schedules in the above-entitled matter.

Very truly yours,

RICHARD C. LUIS  
Administrative Law Judge

Telephone: 612/349-2542

RCL:llc

cc: All Counsel and Parties

TDD: 612/341-7346

April 8, 1994

TO: ALL COUNSEL AND PARTIES

RE: Minnegasco General Rate Case - Procedures After Initial  
Mediation Session; OAH Docket No. 7-2500-8406-2, PUC Docket  
No. G-008/GR-93- 1090

I have been in communication with the parties and Administrative Law Judge Edward J. Schwartzbauer regarding the mediation session conducted in this matter on Wednesday, April 6, 1994.

The parties agreed that the Company will provide a comprehensive written settlement proposal on April 11, 1994. If the parties believe that offer represents a good faith effort and advances the possibility of a substantial settlement, the undersigned Administrative Law Judge will exercise authority granted at Minn. Stat. § 216B.16, subd. 1a to extend the procedural schedule in this matter by 18 days,

Filings due April 11 to be due April 29:

Rebuttal due April 22 to be due May 10;

2 Surrebuttal and filings responding to April 11 (29) filings due May  
to be due May 20;

an Evidentiary hearing commencing May 5 to commence May 24 (extended  
extra day to accommodate travel by counsel and witnesses);

The public hearings remain as scheduled originally.

If the parties do not believe that the Company's offer provides a further opportunity to resolve the issues addressed, IT IS ORDERED that the filings due April 11 will be due April 13, and all other procedural dates will remain unchanged. Any party objecting to the April 11 offer of the Company with respect to these issues must notify me, or in my absence, Administrative Law Judge Allan W. Klein (612-341-7609), by 4:30 p.m. on April 12, 1994.

All Counsel and Parties  
1994  
Page 2

April 8,

Please note that the above schedule reflecting an 18-day extension is subject to adjustment if necessary to accommodate space availability and Commissioners' and PUC staff commitments to deliberations in the general rate

case filed by Minnesota Power, on which a final decision is now due November 4, 1994.

Thank you for your cooperation, and continued good luck in your efforts to resolve substantial portions of this matter.

Very truly yours,

RICHARD C. LUIS  
Administrative Law Judge  
Telephone: 612/349-2542

RCL:llc

cc: Dr. Burl W. Haar  
Edward J. Schwartzbauer

TDD: 612/341-7346

April 8, 1994

TO: ALL COUNSEL AND PARTIES  
FROM: RICHARD C. LUIS  
Administrative Law Judge  
RE: Minnegasco General Rate Case - Company's Motion for Second Errata Filing and Updated Filing Schedules; OAH Docket No. 7-2500-8406-2, PUC Docket No. G-008/GR-93-1090

Please take note that the deadline for objection to Minnegasco's Motion for Leave to Make Second Errata Filing and Update Certain Required Filing Schedules is April 14, 1994. If there is no objection to the Motion, it is the

intent of the Administrative Law Judge to grant the Motion and require any reply to the filing and schedules be submitted at the time of filing of Rebuttal Testimony. That date is set currently for April 22, 1994 (subject to change to May 10, if an extension of the procedural schedule results due to settlement discussions). Since I will be out of the office until April 18, 1994, this Memorandum is issued to alert the parties to the potential reply deadline on April 22.

Thank you.

RCL:llc

cc: Edward Schwartzbauer  
Dr. Burl W. Haar

OAH Docket No. 7-2500-8406-2  
PUC Docket No. G-008/GR-93-1090

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Application of  
Minnegasco, a Division of Arkla, Inc.,  
to Increase its Rates for Natural Gas  
Service in Minnesota

ORDER GRANTING MOTION FOR  
LEAVE TO MAKE SECOND ERRATA FILING  
AND UPDATE  
CERTAIN REQUIRED FILING SCHEDULES

On March 29, 1994, Minnegasco filed a Motion for Leave to Make Second Errata Filing and Update Certain Required Filing Schedules with the Administrative Law Judge. Under Minn. Rule 1400.6600 any party wishing to contest a motion must file a written response within ten days. No party has filed to contest this Motion.

The portion of the Motion seeking leave to make a Second Errata filing seeks inclusion in the rate cas

The portion of the Motion seeking leave to Update Certain Required Filing Schedules relates to information not available until recently regarding the cost of capital of Arkla, Inc. Schedules D-1(a), D-2(a)(1) and D-2(d)(1) attached to the Motion specify the updated information relating to capitalization and cost of capital, long-term debt balances and cost, and

short-term debt balances and cost, respectively.

The Administrative Law Judge, having taken the above-noted matter under advisement, hereby makes the following:

ORDER

Minnegasco's Motion for Leave to Make Second Errata Filing and Update Certain Required Filing Schedules of March 29, 1994 is GRANTED and the filing of Schedules 1, 2, D-1(a), D-2(a)(1) and D-2(d)(1) attached to the Motion is accepted, effective with this Order. Any comments by intervenors on the effect of this filing shall be filed with the balance of Rebuttal Testimony on April 22, 1994.

Dated this 19th day of April, 1994.

---

RICHARD C. LUIS  
Administrative Law Judge

TDD: 612/341-7346

May 3, 1994

Douglas W. Peterson  
Senior Attorney  
MINNEGASCO  
201 South 7th Street  
Minneapolis, MN 55402

RE: Minnegasco Rate Case - Company's Motion for Leave to Allow Rebuttal on Revised Allocations; OAH Docket No. 7-2500-8406-2; PUC Docket No.

G-008/GR-93-1090

Dear Mr. Peterson:

Please allow this letter to acknowledge my receipt of the Company's Motion for Leave to Allow Rebuttal on Revised Allocations, filed with me April 26, 1994. In that connection, it is my present intention to allow Minnegasco or any other party to rebut any May 2, 1994 responses filed pursuant to Paragraph 3 of my March 2, 1994 Order Granting Motion for Leave to Make Eratta Filing and Directing Further Filings. The Motion, for leave to rebut any response to the Company's April 11, 1994 filing of testimony and exhibits designed to incorporate the Commission's allocation decisions in the Mac\_v.\_Minnegasco docket will be granted if no party objects to me, in writing, by the close of business, May 4, 1994. Notice of any objection shall be made to all parties. Pursuant to the Motion, Rebuttal, if any, is due May 9, 1994.

Thank you.

Very truly yours,

RICHARD C. LUIS  
Administrative Law Judge

Telephone: 612/349-2542

RCL:llc

cc: All Counsel and Parties

OAH Docket No. 7-2500-8406-2  
PUC Docket No. G-008/GR-93-1090

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Application of  
Minnegasco, a Division of Arkla, Inc.,  
to Increase its Rates for Natural Gas  
Service in Minnesota

Dated this 3rd day of April, 1994.

---

RICHARD C. LUIS  
Administrative Law Judge

TDD: 612/341-7346

May 3, 1994

Dr. Burl W. Haar  
Executive Secretary  
MN Public Utilities Commission  
Suite 350, 121 7th Place East  
St. Paul, MN 55101-2147

RE: In the Matter of the Petition of Minnegasco to Increase its Rates  
for  
Natural Gas Service in Minnesota - Extension of Procedural  
Schedule;  
OAH Docket No. 7-2500-8406-2; PUC Docket No. G-008/GR- 93-1090

Dear Dr. Haar:

On May 3, 1994

Minn. Stat. P 216B.16, subd. 1a authorizes the Commission or the Office  
of  
Administrative Hearings to extend the procedural schedule in a general rate  
case up to 60 days "in order to permit the parties to engage in settlement  
discussions". I am persuaded such an extension is appropriate now to allow  
the  
parties to progress further with a settlement that will save future hearing  
time and expense. Therefore, I herewith issue the following:

ORDER

IT IS HEREBY ORDERED that the Request to Extend the Procedural Schedule filed by Minnegasco, the Department of Public Service, the Office of Attorney General and Minnesota Energy Consumers in this matter is GRANTED. This Order POSTPONES the start of the evidentiary hearing in this matter to Thursday, May 12, 1994 and EXTENDS the deadline for final determination of a schedule of rates by the Commission until October 17, 1994. This Order does not apply to any filing deadlines for testimony, argument or rebuttal on pending rate case issues.

Dated this 3rd day of May, 1994.

---

RICHARD C. LUIS  
Administrative Law Judge

I thank the parties for their cooperation and wish them good fortune in the settlement discussions.

Very truly yours,

RICHARD C. LUIS  
Administrative Law Judge

Telephone: 612/349-2542

RCL:llc

cc: All Counsel and Parties

OAH - Interoffice  
Memorandum

DATE: May 3, 1994

TO:

FROM:

RE:

As you know the library has recently been cleaned and reorganized. In

addition to having all Minnesota law located together and Workers' Compensation

items together, there are shelves specifically set up by topic:

Administrative

Law, Family Law, Dictionaries, Medical Reference Material, etc. Please pay attention to the labels on the shelves when you replace materials. All dictionaries should be placed on the the shelf labeled "Dictionaries" not on the shelf labeled "Medical Reference Material." If you are not sure where to place an item, please ask the librarian (Laurie Clos).

Please be respectful of others using the library. When you are finished working in the library, replace items to their proper place and take your things with you. To prolong the life of the computer, please place the dust cover over the keyboard.

If you would like something new to be added to library please give it to Laurie.

TDD: 612/341-7346

May 4, 1994

James D. Larson  
Wurst, Pearson, Larson, Underwood & Mertz  
One Financial Plaza, Suite 1100  
120 South Sixth Street  
Minneapolis, MN 55402-1803

Douglas W. Peterson  
Senior Attorney  
Minnegasco Legal Division  
201 South Seventh Street  
Minneapolis, MN 55402

Paul Ruxin  
Jones, Day, Reavis & Pogue  
901 Lakeside Avenue  
North Point  
Cleveland, Ohio 44114

RE: Minnegasco General Rate Case - MAC's Motion to Compel Discovery Responses and Objection to Proposed Rebuttal Testimony; OAH Docket No. 7-2500-8406-2; PUC Docket No. G-008/GR- 93-1090

Dear Counsel:

This letter sets a schedule for disposing of two matters at issue between Minnegasco and MAC related to prefiled testimony in this case. It confirms telephone conversations and/or messages left with counsel on Tuesday, May 3, 1994.

On April 28, 1994, I announced by letter that any party opposing Minnegasco's Motion for Leave to Allow Rebuttal on Revised Allocations had until May 4, 1994 to file a written objection to that effect with me. MAC file

On April 29, 1994 MAC filed a Motion to Compel Discovery Responses, which Motion requested, in the alternative, a complete response to MAC Information Request No. 33 or that the Supplemental Direct Testimony of Company Witness Peter J. Slocum be stricken in its entirety.

James D. Larson  
1994  
Douglas W. Peterson  
Paul Ruxin  
Page 2

May 4,

In order to resolve these two matters before the start of the evidentiary hearing (now postponed to May 12, 1994), counsel are ORDERED to file any further arguments on the issues outlined in the two preceding paragraphs with me by 2:00 p.m. on Thursday, May 5, 1994. Filing by FAX (612/349-2665) is acceptable. Specifically, Minnegasco should respond to the arguments raised in Mr. Larson's Motion to Compel, Mr. Larson should state why a Rebuttal filing by Minnegasco on Revised Allocations would prejudice MAC, and both sides can use the opportunity to expand any arguments made in their filings to date on these issues. Specifically, Minnegasco should address why Mr. Slocum's previous evaluation reports, even if privileged and confidential as between Norwest and its respective clients, cannot be produced in this proceeding with appropriate protective guidelines. Mr. Larson should address why a sanction so severe as striking of Mr. Slocum's testimony in its entirety is appropriate, as opposed to allowing his testimony to stand and arguing it should be accorded lesser weight. Do the parties have some suggestion of how to resolve the impasse, such as agreeing to allow MAC to examine Slocum's methodology, as revealed in

the sought-after reports, without disclosing specific financial information on the clients involved?

Oral argument is also set on these matters at the Office of Administrative Hearings, Suite 1700, 100 Washington Square Building, Minneapolis, Minnesota, beginning at 9:30 a.m. on Friday, May 6, 1994. If I find on Thursday afternoon that the written submissions are sufficient, I will contact counsel and cancel Friday's oral argument.

Please take note that due to MAC's filing of an objection, the Rebuttal date of May 9, 1994 proposed in the Company's original Motion of April 26 is continued indefinitely, or could be cancelled, pending resolution of these matters.

Thank you for your cooperation.

Very truly yours,

RICHARD C. LUIS  
Administrative Law Judge

Telephone: 612/349-2542

RCL:llc

cc: All Counsel and Parties

OAH Docket No. 7-2500-8406-2  
PUC Docket No. G-008/GR-93-1090

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Application of  
Minnegasco, a Division of Arkla, Inc.,  
for Authority to Increase its Rates  
for Natural Gas Service in Minnesota

ORDER GRANTING COMPANY'S  
MOTION FOR LEAVE TO ALLOW REBUTTAL

ON REVISED ALLOCATIONS

On April 26, 1994, Minnegasco (the "Company") filed with the Administrative Law Judge a Motion for Leave to Allow Rebuttal on Revised Allocations. The Company requested a filing date for the requested Rebuttal Testimony of May 9, 1994, should the Motion be granted.

On April 28, 1994, the Administrative Law Judge issued a letter granting parties opposed to the Motion a period to file their objections, through May 4, 1994.

On May 2, 1994, the Minnesota Alliance for Fair Competition (MAC) filed an objection to the Company's Motion, stating that the requested change in the schedule "would be prejudicial to it". The Company filed a written response to MAC's objection on May 6, 1994. No other parties have participated in this Motion.

Having taken

ORDER

The Motion of Minnegasco for Leave to Allow Rebuttal on Revised Allocations is GRANTED. The Company and any other parties interested shall file Rebuttal Testimony in response to the May 2, 1994 testimony of Department of Public Service witness Bender regarding issues discussed at pages 20 and 21 of her testimony and/or to the May 2, 1994 testimony of MAC witness Fietek regarding the issue discussed at pages 3 and 4 of his testimony on Monday, May 16, 1994.

Dated this 12th day of May, 1994.

---

RICHARD C. LUIS  
Administrative Law Judge

MEMORANDUM

MAC argues that allowing Minnegasco to rebut the testimony filed by intervenors on whether the Company complied with the allocation decisions made by the Commission in its March 24, 1994 Order in the MAC\_v.\_Minnegasco complaint docket (G-008/C-91-942) prejudices it because the Company is receiving an additional opportunity to testify. MAC emphasizes that intervenors will have no opportunity to respond to that testimony. It

characterizes such a "one-sided expansion" of testimony as a violation of its due process rights.

The Administrative Law Judge does not agree with MAC's argument. He is persuaded that the Company should have the opportunity to rebut in order to develop a full and complete record on which to base a decision, and that this concern outweighs the unfairness alleged by MAC. The Judge does not believe this result is unfair because intervenors had the opportunity (an opportunity seized on May 2 by MAC and the DPS) to analyze and comment on the Company's April 13 "compliance" filing, a process viewed by the Judge as analogous to filing Intervenor Direct Testimony in response to a general rate increase filing. In a fashion similar to Rebuttal Testimony responding to Intervenor Direct, the Company and any other party interested may now rebut. Due process has not been violated because MAC and all other intervenors were allowed to comment on May 2. Any further filings are within the discretion of the Administrative Law Judge, and that discretion has been exercised to allow an opportunity to assemble a more complete record.

The April 13 filing in issue was ordered by the Judge so that the pre-filed documents in this case could include the Company's incorporation into proposed rates of the allocation decisions reached in the earlier complaint docket (compliance filings in the complaint docket itself were not due until 30 days after the Commission's March 24, 1994 Order in that case). All interested parties were allowed "rebuttal" on the Company's filing, and no further filings were ordered initially. MAC argues that granting this Motion gives Minnegasco an extra round of testimony on this issue. The Judge views granting the Motion as allowing a utility that has made a broad-based compliance filing the opportunity to respond in specific to any criticism(s) of the filing. He is convinced fairness requires the Company to have that opportunity, and that the accompanying opportunity to the intervenors has already been granted and was utilized in filing the testimony on May 2, as referenced in the above ORDER paragraph.

RCL

OAH Docket No. 7-2500-8406-2  
PUC Docket No. G-008/GR-93-1090

STATE OF MINNESOTA  
OFFICE OF ADMINISTRATIVE HEARINGS  
FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Application of  
Minnegasco, a Division of Arkla, Inc.,  
for Authority to Increase its Rates  
for Natural Gas Service in Minnesota

ORDER DISMISSING  
MOTION TO COMPEL DISCOVERY

The above-entitled matter came on for Oral Argumen

This matter arises pursuant to a Motion filed on April 29, 1994 to  
Compel  
Minnegasco to provide a copy of the financial evaluation report for each  
valuation performed by Mr. Slocum since 1990. The Company objected, noting  
that the documents are privileged as between Norwest and the clients of  
Norwest  
which were evaluated, except for the report on American Sharecom, which  
report  
was brought into the public domain by litigation last year.

During the course of the Argument, counsel for Minnegasco presented the  
Administrative Law Judge (and has served on MAC's counsel) redacted copies of  
all engagement letters setting out the confidentiality agreements between  
Norwest Corporate Finance (a division of Norwest Bank Minnesota, N.A.) and  
the  
clients for whom the witness has performed financial valuations while at  
Norwest since 1990, and a copy of the valuation report prepared by Mr. Slocum  
for American Sharecom, Inc. In response to MAC Information Requests 18, 32  
and  
33, the Company had already provided the trial testimony of Mr. Slocum from a  
District Court trial involving the value of American Sharecom. Counsel for  
the  
Company indicated that if production of any further reports was ordered, even  
for in camera review, the Company would withdraw from Mr. Slocum's April 13  
testimony the reference to other valuation reports made in Schedule 1 (the  
statement of his qualifications and experience) attached to the witness's  
Supplemental Direct Testimony filed on April 13.

Having taken the matter under advisement and based upon all the  
proceedings herein, the Administrative Law Judge makes the following:

ORDER

The April 29, 1994 Motion by the Minnesota Alliance for Fair Competition  
to Compel Discovery Responses of Minnegasco is DISMISSED.

Dated this 13th day of May, 1994.

---

RICHARD C. LUIS  
Administrative Law Judge

MEMORANDUM

The Administrative Law Judge is persuaded that the report of Mr. Slocum on the valuation of American Sharecom, Inc. as of March 31, 1992, along with the transcript of the witness's trial testimony from December 1993 in litigation involving the same client, all of which have been provided to MAC, is sufficient to provide the facts relied on by Minnegasco to support its claim that Mr. Slocum is qualified to evaluate goodwill for the purposes of this proceeding. Given what has been disclosed, MAC is in position to challenge Mr. Slocum's claims of expertise and, if necessary, to challenge his recommendations on cross-examination. It is noted that the Company's decision not to rely on the fact that Slocum has made other reports while at Norwest, if ordered to cooperate in the production of those reports, indicates a willingness to forego a potential opportunity to bolster the qualifications of its witness.

RCL