

Minnesota Attorney General: Administrative Rules Proceedings

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ADMIN 1000 (REV. 4/77)

STATE OF MINNESOTA

DEPARTMENT Public Service

Office Memorandum

TO : Michael B. Miller
Special Assistant
Attorney General

DATE: 5/15/78

FROM : Sharon A. Schmidt

PHONE: 6007

SUBJECT: PSC Rules 279-336: Gas and Electric Utilities

With reference to your January 9, 1978 memorandum, the above-captioned rules and following documents are hereby returned to you for approval and filing with the Secretary of State:

- Amended Findings, Conclusions and Order, dated 5/1/78
- Memorandum of Rod Wilson, dated 5/15/78
- Amended Order, dated 5/1/78
- Page 8 of Rules, Rev'd 5/8/78
- Rules Resolution
- Certificate of Commission's Adoption of Rules Resolution, dated 5/15/78
- Hearing Record

The Amended Findings, Conclusions and Order support Minn. Rule PSC 313A.5 as adopted by the Commission on September 12, 1977. The memorandum of Rod Wilson submits that Minn. Rule PSC 326A.7 as adopted by the Commission on September 12, 1977 is the rule recommended by the hearing examiner.

After you returned the rules in January, the Commission amended Minn. Rule PSC 300A. Attached is an amended order containing findings in support of this amendment. Also attached is a revised page 8 which incorporates the amendment.

The Rules Resolution and Certificate of Commission's Adoption of Rules Resolutions reflect the actions taken by the Commission on February 1, April 10 and May 1, 1978. I am also returningto you the original documents submitted to you on November 30th in support of the adopted rules just in case you find it necessary to review all or part of the record.

As we discussed earlier, Mike, our Department budgeted for the printing of these rules in FY '78. Therefore, it is important that the attached rules have an effective date no later than the middle of June '78 so that I can get the rules to the printer before the end of June. I must have the changes to the proposed rules to the State Register on or before June 5th. Any assistance you can give me along the line of a speedy review will be appreciated.

/ss

BEFORE THE MINNESOTA PUBLIC SERVICE COMMISSION

Richard J. Parish	Chairman
Ruth R. Cain	Commissioner
Arlen I. Erdahl	Commissioner
Katherine E. Sasseville	Commissioner
Juanita R. Satterlee	Commissioner

In the Matter of the Proposed Amendment of Certain Existing Rules and the Proposed Adoption of New Rules Relating to Electric and Gas Utilities.	DOCKET NO. A-8117-16 Minn. Reg. PSC 279-336

AMENDED FINDINGS, CONCLUSIONS AND ORDER FOR CUSTOMER SERVICE STANDARDS FOR PUBLIC GAS AND ELECTRIC UTILITIES

On September 12, 1977, the Minnesota Public Service Commission ("Commission") issued an Order adopting certain rules in the above-entitled matter. On Page 15-16 of the Setpember 12, 1977 Order, the Commission found and concluded in part as follows:

> The Commission herein adopts the Hearing Examiner's recommendations with respect to proposed PSC 313 and incorporates by reference the Examiner's Findings and Conclusions on said rule with the exception of PSC 313A.5 which requires a complete itemization of all charges incurred at all levels of customer usage. The Commission hereby concludes that such information is essential in order for retail customers to make rationale decisions regarding their consumption, while at the same time not imposing an undue burden on the utility. The Commission points out that part B of 313 expressly permits the Commission to accept a utility from the requirements of this rule.

The Commission, while reaching the same conclusion as stated in its September 12, 1977 Order, herein amends its findings regarding PSC 313A.5 as follows.

The Commission herein adopts the Hearing Examiner's recommendations with respect to PSC 313, and incorporates by reference the Examiner's Findings and Conclusions on said rule with the exception of PSC 313A.5 which requires a complete itemization of all charges incurred at all levels of customer usage. The Statement of Need, in reference to 313A.5 states that this is a completely new provision. It would require a customer's billing statement to contain a complete itemization of all charges incurred at all levels of customer usage. The Statement of Need maintains that this information is necessary so that a customer could, with the aid of a copy of the applicable rate schedule, readily compute his bill. On present bills, a customer can only calculate his average rate which is never equal to the price of additional energy consumed or conserved. This price information required under the proposed rule is essential so that retail customers will be able to make rationale decisions regarding their usage. The provision contemplates that the customer's total consumption will be broken down according to separate rate blocks, and the charge for

each consumption in each block set forth. This information will enable the customer to determine how much he pays for service at the different usage levels.

John Schneider, on behalf of the Utilities Division of the Department of Public Service, gave oral testimony at the hearing. He stated that on the information currently found on utility billing statements, a customer can only calculate his average rate. This average rate is never equal to the price of additional energy consumed or conserved. Schneider submitted that the price information required under the proposed rule is absolutely essential so that retail customers will be able to make rationale decisions regarding their usage. Every day customers are in the market for durable goods for such purposes as refrigeration, space heating and cooling, air movement, etc. The choice of these goods can best be made when the purchaser has the price information required by the proopsed billing form according to Schneider. Schneider cited a hypothetical customer using 900 kilowatt hours. Schneider maintains that this customer would be much more interested in the fact that additional kilowatts of electricity to run an electric space heating appliance would cost 3.41¢ compared with the average price of 4.05¢ which he determined from his bill. These decisions, which place long-lived demands upon the utility and long-term billing impacts on customers, deserve to be made with full consideration given to the price of energy and its attendant billing impact.

Opposition to proposed rule 313A.5 was expressed by Minnegasco, NSP, and Peoples Natural Gas. Minnegasco, in written comments, submitted that the proposed requirement is unnecessary, confusing to the customer, will be expensive to implement and will provide no useful information to the customer. Minnegasco states that the rule assumes that a customer has a current rate schedule in his possession to make a check calculation. It contends that customer doubts as to bill accuracy will not be removed by making a number of calculations for each portion of the customer's bill as would be required by the rule. Minnegasco submits that it has qualified customer accounting representatives who assist all customers who wish to check the accuracy of the amount of the bill. They also provide current rate schedules upon the request of anyone who wants a copy. Minnegasco also argues that it has just completed a complete redesign of its bill, changed the form of the bill and reprogramed its computer to accommodate the requirements of the existing PSC rule. Another change would simply further confuse all the customers for the benefit of the few who may want to see an arithmetic computation of each segment of the bill. Minnegasco submits that it would have to completely change its bill form and lease an additional expensive computer to achieve these ends. The cost of redesigning the bill and owning or leasing additional expensive computer equipment cannot be justified when compared with the small benefit to the few customers who may question the computation of their bill. Finally,

Minnegasco contends that it is doubtful that the tracing of the calculation of each step or block of energy consumption in the bill will generate any stronger or meaningful economic signal to the customers in his recognition of the total amount of his bill.

NSP states that under the existing rule, a customer can make such calculations with respect to additional units of energy consumed or conserved. NSP contends that this proposed rule will increase the bill size from its present 8 1/2 inches to as much as 16 1/2 inches. Further, that under the proposed rule, if consumption for more than one electric or gas meter is to be shown, the bill becomes correspondingly longer or two bills must be sent thus increasing the mailing cost. NSP claims that if the proposed subsection is adopted, its anticipated expenses will be on an initial estiamted propograming cost of $50,000, and an increased annual expense for bill stock printing of $127,000. NSP also argues that no evidence was introduced that the customers are presently having difficulty in understanding their bills or that the proposed change will be used by customers to reduce consumption or to make selective appliance purchases.

Peoples Natural Gas states that this requirement would be expensive to implement, time consuming to administer and not of any particular benefit to the majority of a utility's customers. Peoples states that many customers' bills contain detail of items other than charges for current consumption such as taxes, charges for merchandise, even-pay amounts, refunds, adjustments, charges for service calls, connection charges, interest on deposits, split billing, 60 day bills, etc. If a utility is required to detail charges at the various levels of consumption, it could force the utility to group other charges on the bill. This might result in greater confusion on the part of the customer receiving such a bill. Peoples also states that it has only recently completed at a substantial expense a revision of its bill format and billing procedures to meet the Commission's present requirements in this area. Peoples estimated that it would further increase the cost of doing business in Minnesota by some $5,000 to develop the program changes required in the bill calculation and bill print programs necessary to comply with the proposed requirements. Peoples also estimated that the additional time required to print the detail by steps on the bill would cost $100 per month. Finally, Peoples submit that those few customers who presently have any interest in the charges by the various levels of consumption have availed themselves of the details needed to make such calculations. Peoples presently makes copies of rate schedules available to all who request them and provides an assistance to any customer who inquire about the computation of their bills.

The Commission hereby concludes that as utility costs continue to escalate, it becomes increasingly important to the consumer to know precisely the cost of additional unit of energy conserved or consumed, not only to make rationale decisions concerning their consumption but also in the purchase of durable appliances using energy. Under the present billing requirements,

only average price information can be obtained. While utilties may sustain additional expenses for requiring such information on its bills, the Commission concludes that this additional meaningful information to the consumer outweighs the added expense which might be incurred. The Commission would point out that if indeed such a requirement poses an undue hardship on a utility, part B of Rule 313 expressly permits the Commission to except a utility from the requirements of this rule.

NOW, THEREFORE, IT IS ORDERED that:

ORDER

The September 12, 1977 Order of the Commission be and is hereby amended as set forth above.

BY ORDER OF THE COMMISSION

/S/ LEO J. AMBROSE
Secretary

SERVICE DATE: MAY 1 1978

(S E A L)

ADMIN 1000 (REV. 4/77)

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : Michael B. Miller
Special Assistant Attorney General

DATE: 5/15/78

FROM : Rod Wilson RW
Special Assistant Attorney General

PHONE: 0413

SUBJECT: **PSC RULES 279-336 GAS AND ELECTRIC UTILITIES**

This is in reference to your memorandum to Larry Salustro dated January 9, 1978 (a copy of which is attached). You stated with regard to rule 326A.7 that the agency in its Findings of Fact agreed with the Hearing Examiner's recommendation to add the language "if requested by the customer", but apparently made an oversite in failing to add it in the rules as adopted, and that this addition should be made. Upon review of the Hearing Examiner's recommended Findings of Fact, which were adopted by the agency, the Hearing Examiner did not recommend adoption of this phrase based upon my reading of his findings. After discussing the recommendation to add the phrase "if requested by a customer", the Hearing Examiner states:

> This subsection, as proposed by the Commission, is not unreasonable and does not place an undue burden upon the utilities. If a customer is required to make a deposit, he is entitled to know, in writing, why that deposit is being required, and under what conditions, if any, the deposit will be diminished upon return. The rule, as proposed by the Commission, is necessary and reasonable.

(At page 43-ge).

It is my view then, the Hearing Examiner did not recommend adoption of this phrase so the rule as adopted is correct.

RW/bm

BEFORE THE MINNESOTA PUBLIC SERVICE COMMISSION

Richard J. Parish	Chairman
Ruth R. Cain	Commissioner
Arlen I. Erdahl	Commissioner
Katherine E. Sasseville	Commissioner
Juanita R. Satterlee	Commissioner

In the Matter of the Proposed Amendment of Certain Existing Rules and the Proposed Adoption of New Rules Relating to Electric and Gas Utilities.

Docket No. A-8117-16
Minn. Reg. PSC 279-336

AMENDED ORDER

On September 12, 1977, the Minnesota Public Service Commission ("Commission") issued an Order adopting certain rules in the above-entitled matter. On page 14 of the September 12, 1977 Order, the Commission found in part as follows:

> The Commission herein adopts the Hearing Examiner's recommendation with respect to proposed PSC-300A, B, C, D, and E, and incorporates by reference the Examiner's findings and conclusions on said rules. For the reasons discussed above, the Commission has determined that the existing landlord-tenant rule contained in PSC 298(c) should be retained and renumbered 300 E, and therefore, PSC 300 F as proposed is not adopted.

The Commission has determined that the September 12, 1977 Order should be amended to delete this paragraph and substitute in its place the following findings:

> The Commission herein adopts the Hearing Examiner's recommendations with respect to proposed PSC 300 B, C, D, and E, and incorporates by reference the Examiner's Findings and Conclusions on said rules. For the reasons discussed above, the Commission has determined that the existing landlord-tenant rule contained in PSC 298(c) should be retained and renumbered 300 E, and therefore, PSC 300 F as proposed is not adopted.
>
> The Commission herein adopts the Findings, Conclusions and Recommendations of the Hearing Examiner with respect to proposed PSC 300A which pertain to that aspect of the proposed rule which provides that notice of impending action by the utility shall be by first class mail, and that a representative of the utility must make an affidavit under oath that he deposited in the mail the notice properly addressed to the customer.
>
> The Commission, however, has decided not to adopt that part of the proposed PSC 300 A which would allow a utility company to send notice of impending action to either the address where service is rendered or the address where the bill is sent if different from the address where service is rendered. Under the existing PSC 300(a) a utility company is required to send notice of impending action to the address where service is rendered and to the address where the bill is sent if different from the address where service is rendered. In the Commission's Statement of Need it was stated that requiring notice to be sent to both the service address and the mailing address has caused problems on many accounts because mail is not deliverable to many service locations such as bulk oil stations, irrigation accounts, storage buildings and other unmanned service sites. It was also stated that there has been unnecessary duplication for those customers that have a street address but have their mail sent to a post office box. On reflection the Commission has determined that these problems are not sufficient to warrant a change in the existing rule. Utilities

companies should continue to send notice of impending action to both the address where service is rendered and the address where the bill is sent if different from the address where service is rendered.

NOW, THEREFORE, IT IS ORDERED THAT:

ORDER

The September 12, 1977 Order of the Commission be and is hereby amended as set forth above; and

IT IS FURTHER ORDERED that PSC 300A proposed by the Commission be and is hereby modified as set forth in Appendix A attached hereto, to implement the amended findings of the Commission, and as modified, PSC 300 A is hereby adopted by the Commission.

BY ORDER OF THE COMMISSION

/s/ LEO J. AMBROSE
Secretary

SERVICE DATE: MAY 1 1978

(SEAL)

ATTACHMENT "A"

A. Where required by these rules, notice of impending action by the utility shall be by first class mail. Notice shall be sent to the address where service is rendered ~~or~~ and to the address where the bill is sent if different from the address where service is rendered. A representative of the utility must make an affidavit under oath that he deposited in the mail the notice properly addressed to the customer.

(12 a.m. to 12 p.m.) temperature as recorded by the National Weather Service at its first order station nearest the residence is to be 32 degrees fahrenheit (0 degrees celsius) or lower.

B. If a residential service has been disconnected and not restored to service by the close of business on the disconnect date when the predicted 24-hour (12 a.m. to 12 p.m.) temperature as reported by the National Weather Service at its first order station nearest the residence is to be 32 degrees fahrenheit (0 degrees celsius) or lower, the utility shall inform the customer that the appropriate local welfare department has emergency services and may provide financial assistance; in addition, the utility shall notify the local law enforcement department and the appropriate county welfare department. In these instances, the utility shall provide the name, address and telephone number at which the service was disconnected.

PSC 300 Notice: Other time requirements

A. Where required by these rules, notice of impending action by the utility shall be by first class mail. Notice shall be sent to the address where service is rendered **and to the address where the bill is sent if different from** the address where service is rendered. A representative of the utility must make an affidavit under oath that he deposited in the mail the notice properly addressed to the customer.

B. All notice required by these rules must precede the action to be taken by at least five (5) days excluding Sundays and legal Holidays. No notice may be given until the condition of which it informs, presently exists.

C. In lieu of mailing, notices may be delivered by a representative of the utility. Such notices must be in writing and receipt of them must be signed by the customer, if present, or some other member of the customer's family of

RULES RESOLUTIONS

A-8117-16 It was voted to adopt, pursuant to the authority vested in the Commission by Minn. Stat. Section 15.0412 (1974), Minn. Reg. PSC 279-336, otherwise identified as Customer Service Standards. The Commission Secretary was directed to transmit the aforesaid rules to the Attorney General for approval.

A-8117-16 It was voted, on motion by Commissioner Sasseville, to adopt the following resolution: WHEREAS, the Minnesota Public Service Commission has learned of an adverse and unanticipated impact on utility customers resulting from the amendment of Rule 300A, THEREFORE, BE IT RESOLVED that the amended Rule 300A be withdrawn and that the former Rule 300A remain in effect.

A-8117-16 It was voted to rescind the action taken on February 1, 1978 in Item 182 (q.v.) and substitute, in lieu thereof, the following: WHEREAS the Public Service Commission has learned of an adverse and unanticipated impact on utility customers which would result from that aspect of the proposed amendment to Rule 300(a) which would allow a utility company to send notice of impending action to either the address where service is rendered or to the address where the bill is sent, if different from the address where service is rendered; THEREFORE, BE IT RESOLVED that the amended Rule 300A be changed as follows, to withdraw that part of the proposed amendment which would remove the requirement under the current rule that notice be sent to both the address where service is rendered and the address where the bill is sent, if different from the address where service is rendered: A. Where required by these rules, notice of impending action by the utility shall be by first class mail. Notice shall be sent to the address where service is rendered and to the address where the bill is sent if different from the address where service is rendered. A representative of the utility must make an affidavit under oath that he deposited in the mail the notice properly addressed to the customer.

A-8117-16 It was voted to approve two orders relating to Electric and Gas Utility Rules. The Findings of Fact pertaining to proposed Rule 313A.5, which requires a complete itemization of all charges incurred at all levels of customer usage are amended to provide more support for the proposed rule. A separate order contains amended Findings of Fact in regard to proposed Rule 300A which would withdraw that part of the proposed rule which would allow utilities to discontinue sending notices of impending action to both the billing address and the address where service is received, if different from the billing address. The orders were adopted by Resolution and the Secretary of the Commission was directed to transmit these orders to the Office of the Attorney General for approval.

CERTIFICATE OF COMMISSION'S

ADOPTION OF RULES RESOLUTIONS

I, Sharon A. Schmidt, do hereby certify that I am acting secretary of the Public Service Commission, a Commission duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of the resolutions adopted at four meetings of the Public Service Commission duly and properly called and held on September 12, 1977, February 1, 1978, April 10, 1978 and May 1, 1978; that a quorum was present at said meetings; that a majority of those present voted for the resolutions; that said resolutions are set forth in the minutes of said meetings and have not been rescinded or modified.

1381. A-8117-16 It was voted to adopt, pursuant to the authority vested in the Commission by Minn. Stat. Section 15.0412 (1974), Minn. Reg. PSC 279-336, otherwise identified as Customer Service Standards. The Commission Secretary was directed to transmit the aforesaid rules to the Attorney General for approval.

182. A-8117-16 It was voted, on motion by Commissioner Sasseville, to adopt the following resolution: WHEREAS, the Minnesota Public Service Commission has learned of an adverse and unanticipated impact on utility customers resulting from the amendment of Rule 300A, THEREFORE, BE IT RESOLVED that the amended Rule 300A be withdrawn and that the former Rule 300A remain in effect.

524. A-8117-16 It was voted to rescind the action taken on February 1, 1978 in Item 182 (q.v.) and substitute, in lieu thereof, the following: WHEREAS the Public Service Commission has learned of an adverse and unanticipated impact on utility customers which would result from that aspect of the proposed amendment to Rule 300(a) which would allow a utility company to send notice of impending action to either the address where service is rendered or to the address where the bill is sent, if different from the address where service is rendered; THEREFORE, BE IT RESOLVED that the amended Rule 300A be changed

as follows, to withdraw that part of the proposed amendment which would remove the requirement under the current rule that notice be sent to both the address where service is rendered and the address where the bill is sent, if different from the address where service is rendered: A. Where required by these rules, notice of impending action by the utility shall be by first class mail. Notice shall be sent to the address where service is rendered and to the address where the bill is sent if different from the address where service is rendered. A representative of the utility must make an affidavit under oath that he deposited in the mail the notice properly addressed to the customer.

637. A-8117-16 It was voted to approve two orders relating to Electric and Gas Utility Rules. The Findings of Fact pertaining to proposed Rule 313A.5, which requires a complete itemization of all charges incurred at all levels of customer usage are amended to provide more support for the proposed rule. A separate order contains amended Findings of Fact in regard to proposed Rule 300A which would withdraw that part of the proposed rule which would allow utilities to discontinue sending notices of impending action to both the billing address and the address where service is received, if different from the billing address. The orders were adopted by Resolution and the Secretary of the Commission was directed to transmit these orders to the Office of the Attorney General for approval.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 15th day of May, 1978.

Sharon A. Schmidt

Sharon A. Schmidt

AMENDMENTS TO THE
MINNESOTA RULES AND REGULATIONS
RELATING TO THE PUBLIC SERVICE COMMISSION

GAS AND ELECTRIC UTILITIES PSC 279-336

Chapter Eleven

PSC 279 Remains the same.

PSC 280 Reserved for Future Use.

PSC 281 Customer information. The utility is responsible for informing its customers of the following information as prescribed by following provisions:

A. A sign or notice, which shall be approved by the Commission, posted prominently and conspicuously at all utility office locations open to the general public. The sign or notice shall state where, when, and to whom a complaint is to be directed, and the address of the Public Service Commission and its availability for mediation upon written request

B. The utility shall, at its expense, publish "customer information," that will be offered to each new customer, and upon request, to any existing customer. This "customer information" must be submitted to the Commission for approval. This "customer information" must, at a minimum, include the following:

1. The utility's own customer policies governing the following areas.

a. bill collections,

b. notice of disconnection,

c. disconnection of service,

d. reconnection of service,

e. deposit and guarantee requirements, and

f. meter reading procedures.

2. The rate schedule pertaining to the customers of that area. The current

rate schedule as required by PSC 310(c) may be attached to the "information" to meet this requirement.

3. The title, addresses and phone numbers of the department(s) of the utility to which complaints should be directed, including a telephone number for customers to call in emergency situations or a concise statement as to where such information can be obtained.

4. The information contained in PSC 282 B. and PSC 303.

5. This statement: "The Minnesota Public Service Commission regulates this utility and is available for mediation upon written request", and the address of the Minnesota Public Service Commission.

C. The utility's billing statements to its customers must contain this information:

1. This statement: "Register any inquiry or complaint at . . . " (and list the address and telephone number of the utility, designating where the customer may initiate an inquiry or a complaint, or a concise statement as to where such information can be obtained).

2. A notice to customers of the availability upon request of the "customer information."

PSC 282 Complaint procedures.

A. The utility shall establish such procedures whereby qualified personnel shall be available during regular business hours to receive and, if possible, resolve all customer inquiries, requests and complaints.

B. If any complaint cannot be promptly resolved, the utility shall contact the customer within five (5) business days and at least once every fourteen (14) calendar days thereafter, and advise the customer regarding the status

of its investigation until:

1. the complaint is mutually resolved; or

2. the utility advises the customer of the results of its investigation and final disposition of the matter; or

3. the customer files a written complaint with the Public Service Commission or the courts.

C. When the Public Service Commission forwards a customer complaint to the utility, the utility shall notify the Commission within ten (10) business days regarding the status or disposition of the complaint.

PSC 283 Remains the same.

PSC 284 Reporting requirement.

A. Each utility shall file an annual report on or before May 1 with the Utilities Division of the Public Service Commission containing the following information:

1. The total numbers of resolved and unresolved complaints by class of service and type of complaint.

2. The total number of customers in each class of service and the total number of customers who initiated service during the past year.

3. The names, addresses, and telephone numbers of personnel designated and authorized to receive and respond to the requests and directives of the Public Service Commission regarding customer inquiries, service requests and complaints. The utility shall keep this information current and if changes occur, the utility must inform the Commission immediately of these changes.

B. This report will be an "official" document and all information must

be verifiable and available for inspection and investigation by Commission staff.

C. The utility must provide upon notice by the Commission, an up-to-date report of this type prior to any hearing before the Commission, or upon any official request of the Commission.

D. The Commission shall initially mail copies of the type of form to be used for this report to all utilities regulated hereunder.

PSC 285 Remains the same.

PSC 286 Reserved for future use.

PSC 287 Reserved for future use.

PSC 295 Definitions.

A. "Disconnection of service" means an involuntary cessation of utility service to a customer.

B. "Temporary Disconnection" means a voluntary cessation of utility service and applies specifically to PSC 298 C. This is not a permanent termination of service.

C. "Customer" means any person, firm, association or corporation, or any agency of the Federal, State or local government, being supplied with service by a utility, subject to the jurisdiction of this Commission.

PSC 296 Extension of service.

A. Each utility shall file a plan in its tariff application for the installation of extensions to main and service lines where such facilities are in excess

of those included in the regular rates for service and for which the customer shall be required to pay all or part of the costs.

B. No electric utility shall extend service beyond its service area to customers who require a connected load less than two thousand (2,000) kilowatts. Extension of service outside of a utility's service area shall in all cases be governed by Laws of 1974, ch. 479, §§ 39-44.

C. Extension of any electric service outside of a utility's service area but which does not extend into another utility's service area, shall be as directed by the Commission.

PSC 297 Remains the same.

PSC 298 Disconnection of service.

A. Disconnection of service with notice-permissible reasons. With notice a utility may disconnect service to any customer for any reason stated below. Notice must comply with the requirements of PSC 300:

1. For failure of the customer to pay a bill for utility service, but only when the amount of the customer's outstanding bill equals or exceeds the amount of the customer's deposit,

2. For failure of the customer to meet the utility's deposit and credit requrements,

3. For failure of the customer to make proper application for service,

4. For customer's violation of any of the utility's rules on file with the Commission,

5. For failure of the customer to provide the utility reasonable access to its equipment and property,

6. For customer's breach of the contract for service between the utility

and the customer,

7. For failure of the customer to furnish such service, equipment and/or rights of way necessary to serve the customer as shall have been specified by the utility as a condition of obtaining service,

8. When determined by the Commission as prescribed by relevant state or other applicable standards or after individual hearing upon application of any person that customer is willfully wasting service through improper equipment,

9. When necessary for the utility to comply with any order or request of any governmental authority having jurisdiction.

B. Disconnection of service without notice-permissible reasons. Without notice a utility may disconnect service to any customer for any reason stated below:

1. In the event of an unauthorized use of or tampering with the utility's equipment,

2. In the event of a condition determined to be hazardous to the customer, to other customers of the utility, to the utility's equipment, or to the public.

C. Temporary disconnection of service. A utility may temporarily disconnect service to a customer otherwise entitled to disconnect service, upon written request by said customer. Temporary disconnection of service for this reason does not require refund of deposit nor interruption of interest.

D. Non-permissible reasons to disconnect service. A utility may not disconnect service to any customer for any reason stated below:

1. Delinquency in payment for services rendered to a previous customer who occupied the premises unless the customer continues to occupy the premises,

2. Failure to pay for merchandise, appliances or services not approved by the Commission as an integral part of the utility service,

3. Failure to pay for a different class of service,

4. Failure to pay for a bill based on concurrent charges from another meter,

5. Failure to pay for a bill to correct a previous underbilling due to an inaccurate meter or billing error if the customer agrees to payment over a reasonable period of time.

E. Landlord-tenant rule. In situations where the service is rendered at an address different from the mailing address of the bill, or where the utility has reason to know that a landlord-tenant relationship exists and that the landlord is the customer of the utility; and where the landlord as customer would otherwise be subject to disconnection of service; the utility may not disconnect service until the following actions have been taken:

1. Where it is feasible to so provide service the utility, after providing notice as required in these rules, shall offer the occupant the opportunity to subscribe for service in her or his own name. If the occupant then declines to so subscribe, the utility may disconnect service pursuant to the rules.

2. A utility shall not attempt to recover from a tenant, or condition service to a tenant with the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

PSC 299

A. Notwithstanding the provisions of PSC 298 A and B, no utility shall disconnect residential service, if said disconnection effects the primary heat source of the premises:

1. If the predicted 24-hour (12 a.m. to 12 p.m.) temperature as reported by the National Weather Service at its first order station nearest the residence is to be zero degrees fahrenheit (-18 degrees celsius) or lower; nor

2. On a Friday or a day before a legal holiday if the predicted 24-hour

(12 a.m. to 12 p.m.) temperature as recorded by the National Weather Service at its first order station nearest the residence is to be 32 degrees fahrenheit (0 degrees celsius) or lower.

B. If a residential service has been disconnected and not restored to service by the close of business on the disconnect date when the predicted 24-hour (12 a.m. to 12 p.m.) temperature as reported by the National Weather Service at its first order station nearest the residence is to be 32 degrees fahrenheit (0 degrees celsius) or lower, the utility shall inform the customer that the appropriate local welfare department has emergency services and may provide financial assistance; in addition, the utility shall notify the local law enforcement department and the appropriate county welfare department. In these instances, the utility shall provide the name, address and telephone number at which the service was disconnected.

PSC 300 Notice: Other time requirements

A. Where required by these rules, notice of impending action by the utility shall be by first class mail. Notice shall be sent to the address where service is rendered **and to the address where the bill is sent if different from** the address where service is rendered. A representative of the utility must make an affidavit under oath that he deposited in the mail the notice properly addressed to the customer.

B. All notice required by these rules must precede the action to be taken by at least five (5) days excluding Sundays and legal Holidays. No notice may be given until the condition of which it informs, presently exists.

C. In lieu of mailing, notices may be delivered by a representative of the utility. Such notices must be in writing and receipt of them must be signed by the customer, if present, or some other member of the customer's family of

a responsible age or the utility representative must make an affidavit under oath that he delivered the notice to the customer or his residence.

D. A record of all notices and all affidavits required by these rules must be kept on file by the utility and must be made available to the Commission.

E. Disconnection notices shall contain the date on or after which disconnection will occur, reason for disconnection, and methods of avoiding disconnection in normal easy to understand language.

PSC 301 Manner of Disconnection

A. Service may be disconnected only in conjunction with a personal visit by a representative of the utility to the address where the service is rendered and an attempt to make personal contact with the customer at the address. If the address is a building containing two or more dwelling units, the representative shall make a personal visit to the door of the customer's dwelling unit within the building. If security provisions in the building preclude free access on the part of the representative, the representative shall attempt to gain access to the building from the caretaker, for the purpose of attempting to make personal contact with the customer. The representative of the utility shall at all times be capable of receiving payment, if nonpayment is the cause of the disconnection of service, or the representative shall be able to certify that the cause of disconnection has been remedied by the customer.

PSC 302 Reconnection of service.

A. In the event service has been disconnected for valid cause by the utility, the utility may charge a reconnect fee based on the cost of reconnection as stated in the utility's tariff on file with the Commission.

B. Notwithstanding the above provision, the utility shall not charge a reconnect fee for disconnection of service pursuant to PSC 298 B. 2.

PSC 303 Disputes. Whenever the customer advises the utility's designated representative prior to the disconnection of service that any part of the billing as rendered or any part of the service is in dispute, the utility shall:

A. Investigate the dispute promptly.

B. Advise customer of investigation and its result.

C. Attempt to resolve dispute.

D. Withhold disconnection of service until the investigation is completed and the customer is informed of the findings in writing.

E. Upon the findings of the utility, the customer must submit payment in full of any bill which is due.

F. If the dispute is not resolved to the satisfaction of the customer, he or she must submit the entire payment and may designate the disputed portion to be placed in escrow to the utility. Such payment shall be called an "escrow payment."

G. Escrow payments.

1. To submit a payment in escrow, the customer must make payment of the amount due as shown on the bill through an "escrow payment form," clearly marked and provided by the utility.

2. The "escrow payment form" must provide space for the customer to explain why the utility's resolution of the dispute is unsatisfactory to the customer. The form must be in three (3) copies, one of which will be retained by the customer.

3. A copy of the "escrow payment form" must be forwarded by the customer to the Public Service Commission.

4. Any escrow payment to the utility may be applied by the utility as any normal payment received by the utility.

5. After escrow payment has been made, the customer and the utility may

still resolve the dispute to their mutual satisfaction.

6. By submitting the "escrow payment form" to the Commission, the customer shall be deemed to have filed an informal complaint against the utility, pursuant to the Commission's Rules of Practice (PSC 500-521).

7. Upon settlement of the dispute, any sum found to be entitled to be refunded to the customer shall be supplemented by a eight (8%) per cent per annum interest charge from the date of payment to the date of return by the utility.

H. The customer may apply to the utility to waive its right to disconnect. If the utility refuses to waive its right to disconnect, the customer may apply to the Commission for emergency status. If the Commission determines the customer has a probable claim in the dispute and that hardship may result in the event of disconnection of service, it may declare an emergency status to exist and order the utility to continue service for a period not to exceed thirty (30) days.

I. Notwithstanding anything herein to the contrary, the utility shall not be obligated to suspend discontinuance of service upon the filing for review with the Commission, unless the customer shall pay, when due, all current bills rendered during the pendency. If, following the first filing for review with the Commission, the same customer or any other person, files for any subsequent review by the Commission pertaining to the same account, such subsequent filings shall not relieve the customer from the obligations to pay for service rendered after the first filing. If subsequent requests for review are filed during the pendency of the first review, all designated disputed payment or portions thereof made after the first filing shall be considered to be made into escrow.

PSC 310 Remains the same.

PSC 311 Meter reading and billing periods.

A. Readings of all meters used for determining charges to customers shall be made each month unless otherwise authorized by the Commission upon petition by the utility. The term "month" for meter reading and billing purposes is the period between successive meter reading dates which shall be as nearly as practicable to thirty (30) day intervals. When a utility is unable to gain access to a meter, it shall leave a meter reading form for the customer.

B. A utility may permit the customer to supply meter readings on a form supplied by the utility, providing a utility representative reads the meter at least once every twelve (12) months or at an interval determined upon petition to the Commission and when there is a change in customers and when requested by the customer. This form should advise the customer of the utility's responsibilities to read the meter.

C. If the billing period is longer or shorter than the normal billing period by more than five (5) days, the bill shall be prorated on a daily basis.

PSC 312 Remains the same.

PSC 313 Billing content.

A. Bills rendered periodically to customers for electric and gas service shall include, but are not limited to, the following information:

1. The present and last preceding meter readings;
2. The date of the present reading;
3. Identification of the applicable rate schedule;
4. The number and kinds of units metered;
5. A complete itemization of all charges incurred at each level of customer

usage;

6. The amount of the bill;

7. The date on which the bill will become delinquent;

8. Any late fee, if applicable;

9. If an estimated bill, clear and conspicuous language identifying the bill as an estimated bill;

10. The amount of state and local taxes separately itemized;

11. Fuel or power adjustment clause separately itemized, if applicable;

12. The information required by PSC 281 C.

B. If a utility is unable to comply with any provisions of PSC 313 A. within twelve (12) months of the effective date of the rule, the utility shall petition the Commission for either a temporary exception or a permanent exemption. The petition shall include the justification for non-compliance, the duration of the desired exception, and the plan for compliance.

PSC 314 Adjustment of bills, electric.

A. Inaccurate meters.

1. Whenever any meter is found upon test to have an average error of more than two (2%) per cent fast, the utility shall refund to the customer the overcharge. Whenever any meter is found upon test to have an average error of more than two (2%) per cent slow, the utility may charge for electricity consumed, but not included in the bills previously rendered. The refund or charge for both fast and slow meters shall be based on corrected meter readings for a period equal to one-half the time elapsed since the last previous test, but not to exceed six months, unless it can be established that the error was due to some cause, the date of which can be fixed with reasonable certainty,

in which case the refund or charge shall be computed to that date, but in no event for a period longer than one (1) year.

2. When the average error cannot be determined by test because the meter is not found to register or is found to register intermittently, the utility may charge for an estimated amount of electricity used, which shall be calculated by averaging the amounts registered over corresponding periods in previous years or in the absence of such information, over similar periods of known accurate measurement preceding or subsequent thereto, but in no event shall such charge be for a period longer than one (1) year.

3. If the recalculated bills indicate that more than one ($1) dollar is due an existing customer or two ($2) dollars is due a person no longer a customer of the utility, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or as credit on a bill. Credits shall be shown separately and identified. If a refund is due a person no longer a customer of the utility, a notice shall be mailed to the last known address and the utility, upon demand made within three (3) months thereafter shall refund the amount due.

4. If the recalculated bills indicate that the amount due the utility exceeds ten ($10) dollars, the utility may bill the customer for the amount due. The first billing rendered shall be separated from the regular bill and the charges explained in detail.

5. If a customer has called to the utility's attention his doubts as to the meter's accuracy and the utility has failed within a reasonable time to check it, there shall be no back billing for the period between the date of the customer's notification and the date the meter was checked.

B. Billing errors.

1. When a customer has been overcharged or undercharged as a result of incorrect reading of the meter, incorrect application of rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reasons, the amount of the overcharge shall be refunded to the customer or the amount of the undercharge may be billed to the customer. The refund or charge, in no event, shall exceed one year, unless the date the error occurred can be fixed with reasonble certainty, in which case the refund or charge shall be computed from that date, but in no event for a period longer than one (1) year.

2. If the recalculated bills indicate that more than one ($1) dollar is due an existing customer or two ($2) dollars is due a person no longer a customer of the utility, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or credit on a bill. Credits shall be shown separately and identified. If a refund is due a person no longer a customer of the utility, a notice shall be mailed to the last known address and the utility, upon demand made within three (3) months thereafter shall refund the amount due.

3. If the recalculated bills indicate that the amount due the utility exceeds ten ($10) dollars, the utility may bill the customer for the amount due. The first billing rendered shall be separated from the regular bill and the charges explained in detail.

PSC 315 Adjustment of bills, gas.

A. Inaccurate meters.

1. Whenever any meter is found upon test to have an average error of

more than two (2%) per cent fast, the utility shall refund to the customer the overcharge. Whenever any meter is found upon test to have an average error of more than two (2%) percent slow, the utility may charge for the gas consumed, but not included in bills previously rendered. The refund or charge for both the fast and slow meter shall be based on the corrected meter reading for a period equal to one-half the time elapsed since the last previous test, but not to exceed six months, unless it can be established that the error was due to some cause, the date of which can be fixed with reasonable certainty, in which case the refund or charge shall be computed from that date, but in no event, for a period longer than one (1) year. The average error for a meter tested shall be defined as one-half the algebraic sum of the error at full-rated flow plus the error at check flow.

2. When the average error cannot be determined by test because the meter is not found to register or is found to register intermittently, the utility may charge for an estimated amount of gas used, which shall be calculated by averaging the amounts registered over corresponding periods in previous years or in the absence of such information, over similar periods of known accurate measurement preceding or subsequent thereto, but in no event shall such charge be for a period longer than one (1) year.

3. If the recalculated bills indicate that more than one ($1) dollar is due an existing customer or two ($2) dollars is due a person no longer a customer of the utility, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or as credit on a bill. Credits shall be shown separately and identified. If a refund is due a person no longer a customer of the utility, a notice shall be mailed to the last known address and the utility, upon demand made within three (3) months thereafter shall refund

the amount due.

4. If the recalculated bills indicate that the amount due the utility exceeds ten ($10) dollars, the utility may bill the customer for the amount due. The first billing rendered shall be separated from the regular bill and the charges explained in detail.

5. If a customer has called to the utility's attention his doubts as to the meter's accuracy and the utility has failed within a reasonable time to check it, there shall be no back billing for the period between the date of the customer's notification and the date the meter was checked.

B. Billing errors.

1. When a customer has been overcharged or undercharged as a result of incorrect reading of the meter, incorrect application of rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reasons, the amount of the overcharge shall be refunded to the customer or the amount of the undercharge may be billed to the customer. The refund or charge, in no event, shall exceed one year, unless the date the error occurred can be fixed with reasonable certainty, in which case the refund or charge shall be computed from that date, but in no event for a period longer than one (1) year.

2. If the recalculated bills indicate that more than one ($1) dollar is due an existing customer or two ($2) dollars is due a person no longer a customer of the utility, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or as credit on a bill. Credits shall be shown separately and identified. If a refund is due a person no longer a customer of the utility, a notice shall be mailed to the lst known address

and the utility, upon demand made within three (3) months thereafter shall refund the amount due.

3. If the recalculated bills indicate that the amount due the utility exceeds ten ($10) dollars, the utility may bill the customer for the amount due. The first billing rendered shall be separated from the regular bill and the charges explained in detail.

PSC 317-324 Reserved for future use.

PSC 325 Guarantee of payment.

The utility shall not require deposit or guarantee of any customer or applicant for service who has established good credit. Deposit or guarantee of payment requirements as prescribed by the utility must be based upon standards which bear a reasonable relationship to the assurance of payment.

A. "New service" means service extended to or requested by any customer who has not received service as a customer for the preceding six (6) months. A utility shall not require a cash deposit or other guarantee of payment as a condition of obtaining new service unless a customer has an unsatisfactory credit or service standing with the utility due to any of the following:

1. The customer or applicant has outstanding a prior utility service account with the utility which at the time of request for service remains unpaid and not in dispute.

2. The service of a customer or applicant has previously been disconnected for any permissible reason which is not in dispute.

3. The credit history as provided in these rules demonstrates that payment cannot be assured. The determination of an adequate credit history must be

determined by objective criteria which shall be filed with the Commission in the utility's tariff. Such criteria must bear a reasonable relationship to the assurance of payment.

B. "Existing service" means service presently being extended to a customer or which has been extended to a customer within the past six (6) months. A utility shall not require a cash deposit or other guarantee of payment as condition of continuing existing service unless a customer has an unsatisfactory credit or service standing with the utility due to either of the following:

1. The service of the customer has been disconnected or has been liable for disconnect for nonpayment of a bill which is not in dispute.

2. The service of a customer has been disconnected or has been liable for disconnect for any permissible reason which is not in dispute.

PSC 326 Permissible means of guaranteeing payment.

A. Deposit. When required, a customer may assure payment by submitting a deposit.

1. A deposit shall not exceed an estimated two-months gross bill or existing two-months' bill where applicable.

2. All deposits shall be in addition to payment of an outstanding bill or a part of such bill as has been resolved to the satisfaction of the utility except where such bill has been discharged in bankruptcy.

3. Interest shall be paid on deposits in excess of $20.00 at the rate of six percent per year compounded annually. Interest on deposits shall be payable from the date of deposit to the date of refund or disconnection. The utility may, at its option, pay the interest at intervals it chooses but at least annually, by direct payment, or as a credit on bills.

4. The deposit shall be refunded to the customer after twelve (12) consecutive

months of prompt payment of all utility bills. The utility may, at its option, refund the deposit by direct payment or as a credit on the bill.

5. With notice any deposit of a customer may be applied by the utility to a bill when the bill has been determined by the utility to be delinquent.

6. Upon termination of service, the deposit with accrued interest shall be credited to the final bill and the balance shall be returned within forty-five (45) days to the customer.

7. A utility shall not require a deposit of any customer without explaining in writing why that deposit or guarantee is being required and under what conditions, if any, the deposit will be diminished upon return. Each utility shall issue a receipt of deposit to each customer from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is unavailable.

B. Guarantee of payment.

1. The utility may accept, in lieu of a deposit, a contract signed by a guarantor satisfactory to the utility whereby payment of a specified sum not exceeding the deposit requirement is guaranteed. The term of such contract shall be for no longer than twelve (12) months, but shall automatically terminate after the customer has closed and paid his or her account with the utility, or at the guarantor's request upon sixty (60) days' written notice to the utility.

2. Upon termination of a guarantee contract or whenever the utility deems same insufficient as to amount or surety, a cash deposit or a new or additional guaranteee may be required for good cause upon reasonable written notice to the customer. The service of any customer who fails to comply with these requirements may be disconnected upon notice as prescribed in PSC 300.

3. The utility shall mail the guarantor copies of all disconnect notices sent to the customer whose account he or she has guaranteed unless the guarantor

waives such notice in writing.

PSC 327 Good credit and impermissible reasons for requiring a guarantee of payment.

A. Good credit. The utility may determine whether a customer has established good credit with the utility, except as herein restricted: A customer, who within the last twelve (12) months has not had his service disconnected for nonpayment of a bill and has not been liable for disconnect for nonpayment of a bill which is not in dispute, shall be deemed to have established good credit.

B. Impermissible reasons for requiring a deposit or a guarantee of payment.

1. A utility shall not require a deposit or a guarantee of payment based upon income, home ownership, residential location, employment tenure, nature of occupation, race, color, creed, sex, marital status, age, national origin, or any other criteria which does not bear a reasonable relationship to the assurance of payment of which is not authorized by these rules.

2. No utility shall use any credit reports other than those reflecting the purchase of utility services to determine the adequacy of a customer's credit history without the permission in writing of a customer. Any credit history so used shall be mailed to the customer in order to provide the customer an opportunity to review the data. Refusal of a customer to permit use of a credit rating or credit service other than that of a utility shall not affect the determination of the utility as to that customer's credit history.

PSC 328 Reserved for future use.

PSC 329-334 Reserved for future use.

PSC 335 Information available to customers and the public.

A. The utility shall retain customer billing, complaint, payment and deposit records for the length of time necessary to permit the utility to comply with the Commission's regulations; provided the utility shall retain these records for not less than three (3) years. A customer's own billing, complaint, payment and deposit records shall be available to that customer.

B. Each utility shall have available for existing customers and applicants for service such information as is needed to obtain and maintain adequate, timely, and efficient service.

C. Each utility shall furnish additional information as the customer may reasonably request.

PSC 336 Remains the same.

APPROVED AS TO FORM AND LEGALITY

MAY 19 1978 19____

WARREN SPANNAUS, ATTORNEY GENERAL

BY /s/ Michael B. Miller

SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
MAY 22 1978
Joan Anderson Growe
Secretary of State

10:45 p.m.

BEFORE THE MINNESOTA PUBLIC SERVICE COMMISSION

Karl F. Rolvaag	Chairman
Ronald L. Anderson	Commissioner
Arlen I. Erdahl	Commissioner
Richard J. Parish	Commissioner
Katherine E. Sasseville	Commissioner

In the Matter of the Proposed Amendment of Certain Existing Rules and the Proposed Adoption of New Rules Relating to Weights and Measures, Electric Utilities, Gas Utilities, Telephone Utilities, and Motor Vehicle Transportation.	DOCKET NO. A-8117-16 STATEMENT OF NEED Gas and Electric Utilities Customer Service Standards, Minn. Reg. PSC 279-336 [New and Amendments]

The Public Service Commission of the Department of Public Service, State of Minnesota, (hereinafter "Commission") proposes to amend its existing regulations governing the customer service standards for public electric and gas utilities under its jurisdiction. The existing rules are found at Minn. Reg. PSC 279-336, and became effective on February 11, 1976.

The need to adopt these rules arises because of the Minnesota Public Utilities Act, Minn. Laws 1974, Ch. 429. The rules and the Act are a response to public concern over the consumption of natural gas and electric service, the need for reliable service at reasonable rates, and the financial and economic ability of public utilities to continue providing such services at reasonable rates. The authority of the Commission to promulgate these rules is found under Minn. Stat. § 216A.05 (1975 Supp.) and Minn. Stat. § 216B.08 (1974). Minn. Stat. § 216B.08 (1974) provides that:

> The Commission is hereby vested with the powers, rights, functions, and jurisdiction to regulate in accordance with the provisions of Laws 1974, Chapter 429 every public utility as defined herein. The exercise of such powers, rights, functions, and jurisdiction is prescribed as a duty of the Commission. The Commission is authorized to make rules and regulations in furtherance of the purposes of Laws 1974, Chapter 429.

Minn. Stat. § 216B.01 (1974) also relates to the need and authority of the Commission to promulgate these rules, providing in part as follows:

> It is hereby declared to be in the public interest that public utilities be regulated as hereinafter provided in order to provide the retail customers of natural gas and electric service in this state with adequate and reliable services at reasonable rates, consistent with the financial and economic requirements of public utilities and their need to construct facilities to provide such services or to otherwise obtain energy supplies, to avoid unnecessary duplication of facilities which increases the cost of service to the consumer and to minimize disputes between public utilities which may result in inconvenience or diminish efficiency in service to the consumers. . .

The need to adopt amendments to the existing rules arises out of a number of facts. The Commission assumed statewide jurisdiction over public gas and electric utilities on January 1, 1975. In order to meet its statutory responsibility of insuring adequate and reliable service at reasonable rates, the Commission promulgated the existing rules governing customer service standards. Every public utility operating in this state has been operating under the gas and electric existing rules since their February 11, 1976 effective date. During this period its experience has shown that the existing rules are deficient in a number of areas. Certain rules are unenforceable. Other rules are ambiguous. In addition, some of the rules are grammatically incorrect. In short, the Commission feels that a complete review of the existing customer service rules is necessary in order to fulfill its above-stated statutory obligation. The need for each amendment will be discussed in detail below.

CUSTOMER INFORMATION AND COMPLAINTS

PSC 280 is being deleted in its entirety because it duplicates the requirements of PSC 282, which, as amended, outlines the procedure under which a utility will handle a customer complaint or inquiry.

PSC 281 is being amended to clarify ambiguous language. PSC 281A as amended states clearly and concisely that the customer information sign must state where, when, and to whom a complaint is to be directed along with the address of the Public Service Commission and its availability for mediation upon written request. Every gas and electric utility operating under the guidelines of the existing rules (Minn. Reg. PSC 279-336) is required to have signs in its office with this information. The amendment to PSC 281A is being offered for the limited purpose of clarification. The amendment does not involve a substantive change in the existing rules.

PSC 281A is being amended to clarify ambiguous language. PSC 281B as amended, requires every utility to publish customer information booklets. The amendment specifies the minimum amount of information to be included in these booklets. Every gas and electric utility operating under the guidelines of the existing rules (Minn. Reg. PSC 279-336) is required to have customer information booklets available for its customers. The amendment to PSC 281B is being offered for the limited purpose of clarification and does not involve a substantive change in the existing rule. The amendement does not alter the policy under which the rule was implemented in the past.

PSC 281C is being amended in recognition of the fact that the amount of space on a utility's billing statement is limited. PSC 281C.1 requires that every utility billing statement must state the address and telephone number of the utility and designate where the customer may initiate an inquiry or a complaint. The amendment to PSC 281C.1 allows the utility to summarize the above information. The amendment will be extremely useful where the utility maintains several offices or departments dealing with customer inquiries and complaints. In this circumstance the utility could adequately inform the customer whom to contact by merely directing him to the telephone book listings under the name of the utility. The amendment to PSC 281C is being offered for the limited purpose of clarification. The amendment does not alter the policy under which the rule was implemented in the past.

PSC 282 as amended constitutes a consolidation of several existing PSC rules. PSC 282, which was originally entitled "Personnel Procedures Required", has been amended to read "Complaint Procedures". Under PSC 282, as amended, there will be contained the requirements currently set forth in Minn. Reg. PSC 280, PSC 282, PSC 286 and PSC 287. PSC 282A represents the consolidation of Minn. Reg. PSC 280 and PSC 282. PSC 282B represents the consolidation and the reorganization of Minn. Reg. PSC 286. PSC 282C represents the consolidation of Minn. Reg. PSC 287. This amendment does not involve a substantive change in the existing rules. This amendment does not alter the policy under which the rules were implemented in the past.

Minn. Reg. PSC 284 requires each public utility to file an annual report within sixty (60) days after the end of each calendar year. The report must contain the total numbers of resolved and unresolved complaints by class of service and type of complaint along with the average time period to resolve each type of complaint. The Commission proposes to amend this rule to extend the filing date for this annual report from sixty (60) days after the end of each calendar year to May 1. The need to extend the filing date arises because the beginning months of a calendar year are normally when a utility is most busy compiling and submitting other annual reporting forms. In addition, the May 1 filing date coincides with the filing date for the proposed financial annual report (PSC 410-418). A utility will be able to file one report with the Commission which will meet all of the Commission's annual filing requirements. PSC 284A.1

deletes the requirement that the average time period to resolve each type of complaint must be reported. There currently is no need for this data. Any figures reported would be meaningless since the circumstances involved in resolving the complaints are unknown.

SERVICE EXTENSION, DISCONNECTION AND RESTORATION

Minn. Reg. PSC 296(b) is being deleted in its entirety. Minn. Reg. PSC 296(b) provides that:

> The utility shall make all extensions within its service area within ninety (90) days after a person requests service or upon application by the utility; and for good cause shown, the Commission may extend the period for not to exceed another ninety (90) days.

The need for the deletion of Minn. Reg. PSC 296(b) arises from the fact that as it now reads the rule is ambiguous. First, the rule does not indicate whether it applies to a gas utility, an electric utility or both. If the rule applies to a gas utility, it is ambiguous since a gas utility does not have a "service area" as that term is defined in Minn. Stat. § 216B.28, subd. 6 (1974). Second, the rule fails to define what is meant by the terms "extensions" and "service area". Third, the rule appears to be a liberal rewording of Minn. Stat. § 216B.04 (1974), which provides that:

> Every public utility shall furnish safe, adequate, efficient and reasonable service, provided that service shall be deemed adequate if made so within 90 days after a person requests service. Upon application by a public utility, and for good cause shown, the Commission may extend the period for not to exceed another 90 days.

The rule would make mandatory a requirement that all extensions be completed within 90 days and, with Commission approval, within 180 days. The statute, on the other hand, can be construed as merely establishing a guideline for determining adequate service and not as a mandatory time period for making extensions of service. The situation could arise under which a utility could be considered to be providing reasonable service without necessarily making an extension of new service. This situation presently exists where certain gas utilities in this state are unable to hook-up new residential or other classes of customers due to the shortage of natural gas. Those utilities' inability to make new extensions of service could be considered reasonable in light of this natural gas shortage. In short, it is necessary that Minn. Reg. PSC 296(b) be deleted to avoid any future conflict between this rule and the above-quoted statutory provision.

Minn. Reg. PSC 296(c) is being deleted in its entirety. This rule was originally proposed as a modifier of Minn. Reg. PSC 296(b). The rule outlines the conditions under which the Commisison may grant the 90 day extension set forth in Minn. Reg. PSC 296(b). Since Minn. Reg. PSC 296(b) is being deleted in its entirety Minn. Reg. PSC 296(c) is unnecessary.

Minn. Reg. PSC 298, Disconnection of Service, outlines the permissible and the non-permissible reasons for disconnecting service to a customer. The rule also specifies when notice is required prior to the disconnection of service. As the rule presently now exists, it is deficient because it is not readily understandable. For example, Minn. Reg. PSC 298(a) lists the permissible reasons for disconnecting service. However, each permissible reason for disconnection is qualified by a notice or no notice requirement. It is contended that the present format is confusing to the reader.

In order to correct this possible source of confusion, PSC 298 has been rewritten into four distinct subdivisions. PSC 298A is etitled "Disconnection of Service with Notice - permissible reasons." Under PSC 298A are listed the same permissible reasons for disconnecting service with notice that are found under Minn. Reg. PSC 298(a) (2), (3), (4), (7), and (8). The amendment to Minn. Reg. PSC 298 does not involve any substantive change in the above listed subdivisions of the rule.

Minn. Reg. PSC 298(a)(1) provides as follows:

> With notice a utility may disconnect service for nonpayment of bill only when the amount of the deposit plus accrued interest has been used to satisfy the incurred obligations.

This rule contemplates that utility service cannot be disconnected for nonpayment until any deposit held by the utility is applied to the liability and extinguished. The Commission feels that such a limitation should not be placed upon the right to terminate service.

This requirement could and does place a substantial burden on a defaulting customer. The purpose of obtaining a security deposit is to protect paying customers against losses incurred because of nonpaying customers. If a nonpaying customer's deposit is first applied to his unpaid account and his service is thereafter terminated, in order to accomplish

the purpose of securing a deposit under the conditions established by Minn. Reg. PSC 326(a)(2), service would not be re-established until the customer has paid all remaining liability and had made an additional deposit. It appears that it would be easier for the defaulting customer to re-establish service by being obligated to pay outstanding liabilities only as opposed to additionally being obligated to make another deposit. To waive the requirement for additional deposit under these conditions would defeat the purpose for taking the deposit in the first instance.

For the above-stated reason, Minn. Reg. PSC 298(a)(1) has been amended to read as follows:

> With notice a utility may disconnect service to any customer for any reason stated below. Notice must comply with the requirements of PSC 300:
>
> 1. For failure of the customer to pay a bill for utility service when due.

In addition, Minn. PSC 298(a)(1) has been renumbered PSC 298A.1.

PSC 298A.3 and A.8 are completely new subdivisions of PSC 298. PSC 298A.3 provides that with notice a utility may disconnect service to any customer who has failed to make a proper application for service. This subdivision governs the situation where a person desires to subscribe to service under an assumed or fictitious name. This subdivision also governs the situation where a person desires that service be continued under the name of a customer who no longer desires service in his name. The intent of these proposed additions is to prevent the perpetration of a fraud on the utility. PSC 298A.9 allows the utility to disconnect service in order to comply with any order or request of any governmental authority having jurisdiction. Police and fire officials have in the past requested that service be disconnected to certain premises for safety or other reasons. This subdivision clears up the ambiguity faced by a utility in complying with these requests.

PSC 298B is entitled "Disconnection of Service without Notice - permissible reasons". Under PSC 298B are listed the same permissible reasons for disconnnection without notice that are currently found at Minn. Reg. PSC 298(a)(5) and (6). This amendment does not involve an substantive change in the existing rule.

PSC 298C is entitled "Temporary Disconnection of Service." The rule provides that a utility may temporarily disconnect service to a customer otherwise entitled to disconnect service, upon written request by the said. This provision is currently found at Minn. Reg. PSC 298(a)(9). This amendment does not involve any substantive change in the existing rule.

PSC 298D lists the non-permissible reasons to disconnect service. This amendment encompasses the requirements currently stated in Minn. Reg. PSC 298(b) (1), (2), (3), (6) and (7). This amendment does not involve any substantive change in these existing subdivisions of the rule.

Minn. Reg. PSC 298(b)(4) provides:

> A utility may not disconnect service to a customer for failure to pay a charge billed because of an inaccurate meter, unless the customer, upon request of the utility have agreed upon the amount due, or the amount due has been determined by these regulations, the Public Service Commission or the courts.

As the rule now reads, Minn. Reg. PSC 298(b)(4) is in direct conflict with the dispute and escrow payment procedures set forth at Minn. Reg. PSC 303. Assume the situation where the customer believes that his meter is inaccurate and the utility, after proper testing, determines that the meter is accurate.

Further assume that the customer still contends that the meter is inaccurate and refuses to pay his bill. Pursuant to Minn. Reg. PSC 298(b)(4), the utility would be prohibited from disconnecting service because the customer and the utility could not agree upon the amount of the bill. The Commission would not be involved in the dispute because the customer has not filed an escrow payment form as provided in these rules. The utility's only recourse would be to file a lawsuit against the customer for services rendered. It was intended that all disputes between a utility and its customers be processed under the procedure set forth in Minn. Reg. PSC 303. It is for this reason that Minn. Reg. PSC 298(b)(4) should be deleted in its entirety.

Similarly, Minn. Reg. PSC 298(b)(5) should be deleted in its entirety. If a customer desires to dispute his estimated bill, the proper procedure for him to follow is the filing of an escrow payment form with the Commission. As stated above, it is the intention of the Commission that all disputes involving billing be handled by the vehicle established under the Commission's own rules.

Minn. Reg. PSC 298(c), commonly referred to as the "Landlord-Tenant Rule", has been amended and now appears under the notice provisions of PSC 300. The landlord-tenant rule will be discussed along with the other notice requirements at a later point in this statement.

Minn. Reg. PSC 299, commonly referred to as the "Cold Weather Rule," should be deleted in its entirety for several reasons. First, the rule prohibits a utility from disconnecting service on a day when the low temperature within the previous day fell below zero degrees fahrenheit. Assume that the low temperature within the previous day was above zero degrees fahrenheit. The utility could then disconnect the next day (assuming proper notice) regardless of what the temperature is on the day of disconnection. It is submitted that the present rule offers little, if any, protection against disconnection during extremely cold weather. This is especially true given the fact that the temperature has been known to drop below zero degrees fahrenheit overnight in this state.

Minn. Reg. PSC 299(a)(2) prohibits a utility from disconnecting service on a Friday or day before a legal holiday if the low temperature during the previous day fell below 32 degrees fahrenheit. Again it is submitted that it is meaningless to determine whether or not service can be disconnected on a given day based upon the temperature of the previous day.

Minn. Reg. PSC 299(b) provides that if a residential service has been disconnected and not restored to service by the close of business on the disconnect date when the low temperature during the previous day fell below 32 degrees

fahrenheit, the utility must inform the local law enforcement department and the appropriate county welfare department by the close of business on the same date. The Commission has received numerous requests from both local law enforcement agencies and county welfare agencies asking that the Commission define what responsibility those agencies have under the rule. The jurisdiction of the Commission does not encompass the regulation of local law enforcement agencies and county welfare agencies. The Commission cannot order those agencies to act on behalf of a utility customer whose service has been disconnected as described above. Although the rule does not specifically state that local law enforcement and county welfare agencies must act in this event, an inference can be drawn that those agencies are required to make some affirmative response when receiving such information from the utilities. It is for the above stated reasons that Minn. Reg. PSC 299 should be deleted in its entirety.

Minn. Reg. PSC 300 defines what constitutes adequate notice as that term is used in these rules. Minn. Reg. PSC 300(a) requires that all notices of disconnection must be certified mail. Certified mail requires a receipt signed by the addressee. If the addressee is not at home or refuses to answer the knock of the postman, a note is left in the addressee's mail box stating that the letter awaits him at the local postal station. In most cases, the customer who receives this certified letter is aware that he has not paid for his utility service. Further, there is every reason to believe that this customer has received his bills at the address to which they were mailed unless they were returned by the postal department. Pursuant to the present rule, this customer's service cannot be terminated unless he receives and signs for a certified letter, signs a receipt for personal service of the notice, or the utility has made three attempts to contact him previously.

The Commission notes that it has been the experience of the utilities operating under this rule that a person intent on avoiding payment of his utility bill will not sign a receipt for a certified letter or travel to the local postal station to receive notice that his utility service is about to be disconnected. It is submitted that the requirement of certified mail will not enhance the prospects of receiving notice and will only be used as a tool by those who do not intend to pay. Another important factor to consider in determining the method of mailing to be used is cost. At today's rate, the cost of mailing a certified letter is $.73 each. An additional $.25 per letter is charged if a return receipt is requested.

The cost of mailing a first class letter is $.13 each. A large saving can be insured by eliminating the certified mail requirement and still insure that the customer is receiving adequate notice prior to disconnection.

The requirement that notice be sent to both the service address and the mailing address has also caused problems on many accounts because mail is not deliverable to many service locations such as bulk oil stations, irrigation accounts, storage buildings and other unmanned service sites. There has also been an unnecessary duplication for those customers that have a street address but have their mail sent to a post office box.

In light of the above-stated reasons, Minn. Reg. PSC 300(a) has been amended to provide that notice of disconnection will be by first class mail. Notice will be sent to the address where the service is rendered or to the address where the bill is sent if different from the address where service is rendered. A representative of the utility will make an affidavit under oath that he deposited in the mail the notice properly addressed to the customer.

Minn. Reg. PSC 300(b) is being amended to clarify the fact that the holidays referred to are legal holidays.

Minn. Reg. PSC 300(c) is being amended to clarify the fact if the utility chooses to personally deliver notices and if the customer refuses to sign for receipt of the notice, the utility representative must make an affidavit under oath that he delivered the notice to the customer or his residence. This procedure will ensure that the customer receives adequate notice and that the utility is protected from the claim that no notice was given prior to disconnection.

Minn. Reg. PSC 300(d) is being amended to require the utility to keep a record of all notices and all affidavits required by the rules. Under this rule a utility will not be required to keep a copy of all notices and affidavits. The rule merely requires that a record keeping system be established. For example, when a disconnect notice is mailed to a customer, the mailing could be noted on his credit record with the utility. It would then be a simple process to determine if and when notice was sent to that customer.

The amendment to Minn. Reg. PSC 300(e) is being offered to clarify the fact that the date of disconnection appearing on the disconnection notice is the date on or after which service can be disconnected. In other words, the disconnect date appearing on the notice is the earliest date on which disconnection can occur.

Minn. Reg. PSC [redacted]0(f) provides that a utility sh[redacted] compensate a customer for any reasonable damages suffered which result from the action taken, if notice was required and it was incorrectly given. This provision is being deleted in its entirety. This Commission does not have the subject matter jurisdiction to award damages in a civil cause of action. Whether a violation of any Commission rule would constitute negligence as a matter of law is an issue that must be decided by the courts. In addition, only the trier of fact can award monetary damages. It appears that the Commission exceeded its rulemaking authority by promulgating this provision. It is for these reasons that the provision in question should be repealed.

An additional provision should be added to PSC 300. This provision would govern the notice requirements in the landlord-tenant relationship currently governed by Minn. Reg. PSC 298(c). The present regulation (Minn. Reg. PSC 298(c)) is an attempt to protect tenants from the difficulties of termination of service because of a defaulting landlord, particularly an absentee landlord. The existing rule provides that service to the landlord cannot be terminated unless where "feasible" the occupant shall be offered an opportunity to subscribe for service in her or his own name. The rule was intended to apply to single and multiple dwellings. In the case of a multiple dwelling, the master meter which covers the heating source, hall lights, laundry room, and other common facilities is generally carried in the landlord's name, although there are circumstances where the landlord is billed for service to the individual apartments as well. Assuming a twenty-unit multiple dwelling building, this rule implies that each tenant must be afforded an opportunity to subscribe for the service to the master meter prior to termination due to landlord default, unless such situation would be deemed not feasible (which is not defined). The existing rule is deficient for several reasons. First, the task of contacting each individual tenant to determine whether he or she is desirous of being responsible for utility service for the entire building is unreasonable. To fulfill the requirements of this rule, each tenant would have to be contacted prior to termination; an undertaking which, if not impossible, would be extremely expensive.

Secondly, because of the current deposit rules, it would be difficult, if not impossible, for a utility to obtain a deposit from an individual tenant to secure payment of bills which could amount to hundreds of dollars per month. Thirdly, the rule's legality is questionable. The rule allows the utility and the tenant, neither having any ownership

interest in the property, to establish a contractual relationship for utility service thereto without a hearing or order from the Commission or the courts.

To correct the above-stated deficiencies, Minn. Reg. PSC 298(c) should be deleted in its entirety. To insure that tenants receive notice prior to the disconnection of the landlord's service, PSC 300F should be adopted. The amendment requires the utility to make a good faith attempt to notify the tenants prior to disconnection. It is recognized that it may be a great hardship for a utility to know the names of each individual tenant of a building. It is the intent of this amendment that some form of notice addressed to "occupant" or in the alternative, some form of notice posted on the premises would constitute adequate notice.

Minn. Reg. PSC 301 is being amended to eliminate the requirement that service may not be disconnected if personal contact or contact by certified mail with the customer has not been obtained unless the utility has attempted on at least three (3) separate occasions in good faith to obtain personal contact. In view of the fact that PSC 300A as amended eliminates the certified mail requirement, Minn. Reg. 301(a) should be deleted in its entirety.

PSC 301B is a completely new provision. This provision provides that service cannot be disconnected on any Friday, Saturday, Sunday or legal holiday, or at any time when the utility's business offices are not open to the public. This provision is needed to insure that a disconnected customer has access to the utility, the banks, the welfare agencies, the Public Service Commission as well as other appropriate bodies for assistance in having service restored. Prohibiting disconnection of service on Fridays will insure that customers will not be disconnected at the start of a weekend. This provision is especially needed in light of the fact that the current "Cold Weather Rule" is being deleted in its entirety.

Minn. Reg. PSC 302 is being amended to clarify ambiguous language. PSC 302A states that a utility may charge a reconnect fee based on the cost of reconnection. PSC 302B states that a utility cannot charge a reconnect fee for disconnection of service pursuant to PSC 298B.2. This provision is currently found at Minn. Reg. PSC 298(a)(6).

Minn. Reg. PSC 303 outlines the dispute procedure to be followed by the utility and establishes the escrow payment plan for disputing bills. PSC 303G.6 is being amended to clarify the fact that by submitting the "escrow payment form" to the Commission, the customer has filed an informal complaint against the utility. The complaint will then be processed pursuant

to the Commission's Rules of Practice (Minn. Reg. PSC 500-521). In light of the above amendment Minn. Reg. PSC 303(g)(7) is no longer necessary.

Minn. Reg. PSC 303(g)(8) provides that upon settlement of a disputed bill in escrow, any sum found to be entitled to be refunded to the customer shall be supplemented by a payment by the utility of a fee of ten (10%) per cent of the amount found in error. As noted before, the Commission does not have the authority to award damages. It is submitted that the ten (10%) per cent fee provided by Minn. Reg. PSC 303(g)(8) is an award of punitive damages and, therefore, it exceeds the jurisdiction of the Commission. The rule should be replaced with PSC 300G.7, which provides that any sums found to be entitled to be refunded to the customer shall be supplemented by a six (6%) per cent per annum interest charge from the date of payment to the date of return by the utility.

PSC 303I is a completely new rule. The rule is necessary to clarify the fact that the utility is not obligated to suspend discontinuance of service upon the filing for review with the Commission, unless the customer pays, when due, all current bills rendered during the pendency. The amendment also provides that all designated disputed payments or portions made after the first filing for review shall be considered to be made into escrow.

SERVICE BILLING

Minn. Reg. PSC 311(b) provides that a self-read utility must read its meters at least once every twelve (12) months, upon a change in customers and upon customer's request. A number of electrical co-operatives are experiencing great difficulty in complying with this annual meter reading requirement. When a utility is operating in many counties, it is difficult to get a reader to every customer once every twelve months. Many utilities operate within a driving distrnce of up to 50 miles away from their headquarters. Such driving distances have become a sizable cost to the utilities. In addition, the rule does not take into consideration the situation in Minnesota where the reading of meters may be impossible because of inclement weather. The original intent of Minn. Reg. PSC 311(b) was to insure that billing errors due to inaccurate meter readings or other meter malfunctions would be discovered at reasonably short intervals. The intent of Minn. Reg. PSC 311(b) to protect the customers from extraordinarily large bills has been transferred to PSC 314 and PSC 315. Accordingly, Minn. Reg. PSC 311(b) should be deleted from the Commission's current rules.

Minn. Reg. PSC 313 governs the content and information required to be stated in the bills. With the required information the customer will be able to understand the factors upon which his bill is based. Such procedures are consistent with the requirement that a customer should be provided with reasonable service, and the requirement that bills should be accurate. Minn. Reg. PSC 313 is being amended by outlining the information required on the billing statement. The outline is necessary to make the rule readily understandable. The information required by PSC 313A.1, 2, 3, 4, 6, 7, 8, 9, 10, 11, and 12 is currently required under the existing rule.

PSC 313A.5 is a completely new provision. This provision would require that a customer's billing statement contain a complete itemization of all charges incurred at all levels of customer usage. This information is necessary so that a customer could, with the aid of a copy of the applicable rate schedule, readily compute his bill. A customer is entitled to know how much he pays for service at the different usage levels.

PSC 313B is a completely new rule. This rule allows any utility, which is unable to comply with any provisions of PSC 313A within twelve (12) months of the effective date of this rule, to petition the Commission for either a temporary exception or a permanent exemption. Any petition should include the justification for non-compliance, the duration of the desired exception, and the plan for compliance. This rule is necessary to insure an equitable transition period for the implementation of PSC 313A. Every utility in the state will not be able to meet PSC 313A requirements immediately. Many utilities will have to redesign their billing statements to meet the requirements. Some utilities will have to reprogram their billing procedure. Other utilities have a large supply of billing forms on hand. To dispose of these forms would be wasteful. PSC 313B should be adopted for these reasons.

PSC 314 and PSC 315 are companion regulations which relate to the adjustment of bills and billing errors for electric and gas utilities respectively. In promulgating the current regulations, the Commission relied upon the regulations in existence in other states since the rules involved a very technical area. The proposed amendments are based upon the current regulations of the State of South Dakota. The existing rules are being amended to clarify ambiguous language and to make the rules equitable for all concerned parties.

PSC 314A.1 provides that if any meter is found upon test to have an average error of more than two (2%) per cent fast, the utility shall refund to the customer the overcharge. If any meter is found upon test to have an

average error of more than two (2%) per cent slow, the utility may charge for the electricity consumed, but not included in the bills previously rendered. The rule further provides that any refund or charge must be based on corrected meter readings for a period equal to one-half the time elapsed since the previous test, but not to exceed six months, unless it can be established that the error was due to some cause, the date of which can be fixed with reasonable certainty, in which case the refund or charge must be computed to that date, but in no event for a period longer than three years. PSC 314A.1 is necessary because the existing rules are deficient. Minn. Reg. PSC 314(a)(1) makes an unnecessary distinction between the average error for a var meter or watthour meter and the average error for a demand meter. It is submitted that the tolerance level of error for meters should not vary with this type of meter.

PSC 314(b) provides in part "the recalculation of bills may be based on the average monthly consumption and the inaccuracy may be assumed to have existed for a period equal to one-half the time elapsed since the meter was installed or since the last previous test, whichever is later." However, application of this standard is limited by the next sentence which provides "Adjustments to slow meters shall be limited to the preceding 6 months except that a longer period may be authorized by the Commission."

The first part of the above-quoted language was apparently adopted from Wisconsin PSC 113.17(b) and the second part from North Dakota Rule 12(b). What the drafter of this section has done is applied the Wisconsin rule to "fast meters" and the North Dakota rule to "slow meters". Hence, if a meter operates fast, requiring a customer refund, the rule affording the customer the largest refund is applied. If the meter has operated slowly, resulting in an undercharge, the rule allowing the least payment has been used. No justification can be found for this unusual and discriminatory treatment. Both Wisconsin and North Dakota apply the same rule to each situation.

First it is to be noted that all bills which cannot be collected will simply increase the cost of service to other customers. Secondly, it is to be noted that a customer being served through a slow meter has received and used more electric service than that for which he has paid. In recalculating and rebilling the customer for this service, he is being asked only to pay for something he has used and from which he received benefit. If he is entitled to receive a refund for service he did not receive or use over a given period of time because of a "fast meter", he should be obligated to pay

for the service he received and used over the same period of time. The standard to be applied should be the same in each case. As proposed, PSC 314A.1 corrects the deficiencies currently found in the rules.

PSC 314A.2 provides that when the average error cannot be determined by test, the utility may charge for an estimated amount of electricity used. The estimated amount of electricity used should be calculated by the amounts registered over corresponding periods in previous years or over similar periods of known accurate measurement, but in no event should the period be longer than three years. The rule encompasses the existing provision (Minn. Reg. PSC 314(a)(3)) with one minor modification. The amendment establishes a time limit on the period used in calculating usage. The existing rule is deficient in this respect.

PSC 314A.3, 4, and 5 are necessary to clarify ambiguous language found in the existing regulations. These amendments are being offered for the limited purpose of clarification. These amendments do not involve substantive changes in the existing rule. These amendments do not alter any policy under which the rules have been implemented in the past.

PSC 314B governs the procedure used to adjust bills for errors due to billing errors. This amendment adopts the same changes that have been proposed for PSC 314A. The need for the amendment arises out of the deficiencies of Minn. Reg. PSC 314(b). The present rule provides that a utility may not bill for the amount of the undercharge which occurred more than six months prior to adjustment. In the case of an overcharge, the present rule does not establish a time limit for determining the amount to be refunded. No justification can be found for this unusual and discriminatory treatment. The proposed amendment would eliminate this inequity. The amendment provides that any refund or charge due to billing errors shall, in no event, exceed one year, unless the date the error occurred can be fixed with reasonable certainty, in which case the refund or charge shall be computed from that date, but in no event for a period longer than three years.

PSC 315 as amended governs the adjustment of gas bills for errors due to inaccurate meters and billing errors. This amendment incorporates the changes being proposed as amendments in PSC 314. The need for the amendment arises out of the deficiencies of the present rule (Minn. Reg. PSC 315).

Minn. Reg. PSC 315(a)(1) and (3), like its companion regulation, Minn. Reg. PSC 314(a)(1) and (2), provides that if a meter operates fast, requiring a customer refund, the customer is afforded the largest refund possible. If on the other hand, the meters have operated slowly, resulting in an undercharge, the customer is subjected to the least possible payment. No justification can be found for this unusual and discriminatory treatment.

PSC 314A.1 corrects this deficiency. This amendment provides that the refund or charge for both the fast and slow meter shall be based on the corrected meter reading for a period equal to one-half the time elapsed since the last previous test, but not to exceed six months, unless it can be established that the error was due to some cause, the date of which can be fixed with reasonable certainty, in which case the refund or charge shall be computed from that date, but in no event, for a period longer than three years. The amendment establishes a maximum time period of six months for the adjustment of bills due to either fast or slow meters, unless the date the error occurred can be shown. However, in no event can the period be longer than three years. The intent of this provision is to insure that the customer has adequate protection against extraordinarily high bills due to meter defects, and at the same time to protect the utility against extraordinary losses due to meter defects and tampering.

PSC 315A.2 provides that when the average error cannot be determined by test, the utility may charge for an estimated amount of gas used. The estimated amount of electricity used should be calculated by the amounts registered over corresponding periods in previous years or over similar periods of known accurate measurement, but in no event should the period be longer than three years. This rule encompasses the existing provision (Minn. Reg. PSC 315(a)(4)) with one minor modification. The amendment establishes a time limit on the period used in calculation usage. The existing rule is deficient in this respect.

PSC 315A.3, 4, and 5 are necessary to clarify ambiguous language found in the existing regulations. These amendments are being offered for the limited purpose of clarification. These amendments do not involve substantive changes in the existing rule.

PSC 315B governs the procedure used to adjust bills for errors due to billing errors. This amendment adopts the same changes that have been proposed for PSC 315A. The need for the amendment arises out of the deficiencies of Minn. Reg. PSC 315(b). This rule provides that a utility may not bill for the amount of an undercharge which occurred more than six months prior to adjustment. In the case of an overcharge, the present rule does not establish a time limit for determining the amount to be refunded. No justification can be found for this unusual and discriminatory treatment. The proposed amendment would eliminate this inequity. The amendment provides that any refund or charge due to billing errors shall, in no event, exceed one year, unless the date the error occurred can be fixed with reasonable certainty, in which case the refund or charge shall be computed from that date, but in no event for a period longer than three years.

Deposit and Guarantee Requirements

Minn. Reg. PSC 325-328 contain the deposit and guarantee requirements of the Commission. The purpose of a security deposit is to protect paying customers against losses incurred because of nonpaying customers. If losses increase because of increased numbers of bankruptcies and changing attitudes of some customers regarding the payment of utility bills and accounts receivable increase, utilities may be required to increase the number of deposits taken to minimize losses. The deposit rules of the Commission should be sufficiently flexible to meet existing and changing credit conditions.

Minn. Reg. PSC 325 begins "The utility shall not require a case deposit or other guarantee of any customer who has established good credit." However, both Minn. Reg. PSC 325(a) and PSC 325(b) recite that deposits can be secured only if the customer has an unsatisfactory credit rating. These references appear to be inconsistent and perhaps given over to too much editorializing rather than practical application.

No criteria can be found in the existing rules defining what constitutes good credit. It is submitted that the determination of whether the applicant has good credit with a particular utility should be made solely by that utility. If the utility determines, in its judgment, that the

applicant has established good credit with that utility, it would grant the request for service without a deposit or guarantee requirement. Conversely, if the utility determines lack of established good credit, it could require a deposit or guarantee. The important point to note is that the utility should have the right to judge whether or not the applicant satisfies the requirement of established good credit. It is for this reason that Minn. Reg. PSC 325 should be deleted in its entirety and replaced with PSC 325 as proposed.

Minn. Reg. PSC 326 outlines the permissible means of guaranteeing payment. This rule provides that when required a customer may assure payment by submitting a deposit. The existing rule appears to be in conflict with Minn. Stat. § 325.637 (1974) which was enacted by the 1974 Legislature. This statute regulates utilities as to customer deposits. PSC 326A should be adopted to reconcile any conflict between the Commission's rules and state law.

PSC 326A.1 provides that a deposit shall not exceed an estimated two months' gross bill or existing two months' bill where applicable. This provision is found in the existing rules.

PSC 326B.2 provides that all deposits shall be in addition to payment of an outstanding bill or a part of such bill as has been resolved to the satisfaction of the utility. The existing rules begin "As a condition of obtaining service . . ." This language is unnecessary since a deposit and payment of an outstanding bill may be required as a condition of either obtaining or continuing service.

PSC 326B.3 provides that interest shall be paid on deposits in excess of $20.00 at the rate of six per cent per year. Interest on deposits shall be payable form the date of deposit to the date of refund or disconnections. The utility may, at its option, pay interest at intervals it chooses but at least annually, by direct payment, or as a credit on bills. This provision is necessary to reconcile the conflict between the current rule (Minn. Reg. PSC 326(a)(3)) and Minn. Stat. § 325.637, subd. (b) (1974).

PSC 326B.4 provides that the deposit shall be refunded to the customer after twelve consecutive months of prompt payment of all utility bills. The utility may, at its option, refund the deposit by direct payment or as a credit on the bill. This provision is necessary to clarify the ambiguity found in the existing rule.

PSC 326B.5 provides that with notice any deposit of a customer may be applied by the utility to a bill when the bill has been determined by the utility to be delinquent. This amendment eliminates the requirement that a utility may not disconnect service nor demand an additional deposit until the deposit has been refunded or until the balance has been entirely used to pay an outstanding bill of the customer. This amendment is necessary for the reasons stated on page 5 of this Statement in support of PSC 298A.1.

PSC 326A.6 provides that upon termination of service, the deposit with accrued interest shall be credited to the final bill and the balance shall be returned within 45 days to the customer. The existing rule requires that upon termination the balance shall be returned within 10 days to the customers. The amendment changes the 10 day return requirement to a 45 day return requirement. This amendment is necessary to reconcile the conflict between the current rule and Minn. Stat. Sec. 325.637, Subd. (a) (1974).

PSC 326B.7 provides that at the time deposit is made the utility must furnish the customer with a written receipt specifying under what conditions, if any, the deposit will be diminished upon return. This amendment coincides with Minn. Stat. Sec. 325.637, Subd. (c)(1974).

As noted above the current deposit rules are deficient in that the rules fail to define what consitutes good credit. In order to correct this defect, Minn. Reg. PSC 327 has been amended. This amendment provides that the utility may determine whether a customer has established good credit, except as herein restricted: A customer who within the last 12 months has not had his service disconnected for nonpayment of a bill and has not been liable for disconnect for nonpayment of a bill which is not in dispute, shall be deemed to have established good credit. This amendment allows the utility to collect a deposit from any person who has not established good credit with that utility. This amendment does not require the utility to undertake an extensive and costly credit check of every applicant for new service. As noted above, the Commission's deposit rules should be flexible to meet existing and changing credit conditions.

Minn. Reg. PSC 328 is being deleted in its entirety. The rule states that the terms dispute and disconnect are defined in PSC 303 and PSC 295. A quick check will show that PSC 303 does not define "dispute" nor does PSC 295 define "disconnect."

PUBLIC RECORD ACCESS

Minn. Reg. PSC 335(a) is being deleted in its entirety because it duplicates the requirement of PSC 281B. In addition, the rule is being deleted because it is costly and next to impossible for the utility to keep current customer information booklets at every establishment where a customer may pay his bill. Utility bills can be paid at a number of different locations which do not operate under the control of the utility. PSC 281B requires that the utility must furnish customer information booklets to all new customers and to existing customers upon request. PSC 281C requires that the utility's billing statement inform the customer of the availability of customer information. It is submitted that the customer has been adequately informed of his rights and liabilities without the added expenses of Minn. Reg. PSC 335(a).

Likewise, Minn. Reg. PSC 335(b) should be deleted in its entirety because it duplicates the requirement of PSC 281A.

Minn. Reg. PSC 335(e) and PSC 335(f) should be deleted in its entirety because these rules duplicate the requirements of PSC 310B.

Dated: January 14, 1977

CERTIFICATE OF COMMISSION'S AUTHORIZING RESOLUTION

I, Leo J. Ambrose, do hereby certify that I am secretary of the Public Service Commission, a Commission duly authorized under the laws of the State of Minnesota, and that the following is a true, complete and correct copy of the resolutions adopted at a meeting of the Public Service Commission duly and properly called and held on the 8th day of December, 1976 and amended at a meeting of the Public Service Commission duly and properly called and held on the 13th day of December, 1976; that a quorum was present at both meetings; that a majority of those present voted for the resolutions and the amendment thereto; that the resolutions as amended have not been rescinded or modified:

1600. A-8117-16 It was voted to authorize and direct Commission Secretary Lawrence J. Anderson to sign the documents required for the convening of a Rules Hearing on February 8, 1977.

1601. A-8117-16 It was voted to approve an Order for Hearing in the matter of the proposed amendment of certain existing rules and the proposed adoption of new rules relating to Weights and Measures, Electric Utilities, Gas Utilities, Telephone Utilities and Motor Bus and Truck Transportation. A division was called on proposed Rule 504. The vote was AYE: Anderson, Parish; NAY: Erdahl

1602. A-8117-16 It was voted to approve a Notice of Hearing setting the dates of February 8, 1977 through February 11, 1977 as the time for a hearing on the proposed amendment of rules to which reference was made in Items 1600 and 1601.

1604. A-8117-16 It was voted to amend the minutes of December 8, Item 1601, to delete reference to Rule 504.

Leo J. Ambrose

PSC Exhibit No. 1
File No. PSC-77-011
Date 2/8/77

COMMISSION
ORIGINAL

RECEIVED
JAN 14 1977
OFFICE OF HEARING EXAMINERS

BEFORE THE MINNESOTA PUBLIC SERVICE COMMISSION

Karl F. Rolvaag	Chairman	Approved of record
Ronald L. Anderson	Commissioner	12/8/1976
Arlen I. Erdahl	Commissioner	
Richard J. Parish	Commissioner	
Katherine E. Sasseville	Commissioner	Secretary

In the Matter of the Proposed Amendment of Certain Existing Rules and the Proposed Adoption of New Rules Relating to Weights and Measures, Electric Utilities, Gas Utilities, Telephone Utilities, Motor Vehicle Transportation.

DOCKET NO. A-8117-16

ORDER FOR HEARING

It appearing that because of recent changes in regulatory functions, a need for provisions which will allow more effective use of department personnel, a necessity for clarifying some ambiguities in existing rules and a requirement that some obsolete rules be made current, the Minnesota Public Service Commission deems it necessary to propose amendments to existing rules and to propose adoption of some new rules under the authority granted by Minn. Stat. (1974) Section 216A.05.

IT IS THEREFORE ORDERED:

O R D E R

That a public hearing on rules relating to the above-captioned matters will be convened in the Large Hearing Room, Seventh Floor, American Center Building, 160 East Kellogg Boulevard, St. Paul, Minnesota 55101, on Tuesday, February 8 through Friday, February 11, 1977, commencing at 9:30 a.m., (CST) each day and continuing until all representatives of associations or other interested groups or persons have had an opportunity to be heard; and

IT IS FURTHER ORDERED that notice of said hearing be given to all representatives of associations or other interested groups or persons who have registered their names with the Secretary of State for that purpose; and

IT IS FURTHER ORDERED that notice of said hearing be published in the State Register.

BY ORDER OF THE COMMISSION

/s/ LAWRENCE J. ANDERSON
Secretary

Dated: DEC 8 1976

(S E A L)

COMMISSION
ORIGINAL

RECEIVED
JAN 14 1977
OFFICE OF HEARING
EXAMINERS

BEFORE THE MINNESOTA PUBLIC SERVICE COMMISSION

Karl F. Rolvaag	Chairman
Ronald L. Anderson	Commissioner
Arlen I. Erdahl	Commissioner
Richard J. Parish	Commissioner
Katherine E. Sasseville	Commissioner

Approved of record
12/8/1976
Secretary

In the Matter of the Proposed Amendment of Certain Existing Rules and the Proposed Adoption of New Rules Relating to Weights and Measures, Electric Utilities, Gas Utilities, Telephone Utilities, Motor Vehicle Transportation.

DOCKET NO. A-8117-16

DOCUMENT OF AUTHORITY

WHEREAS, the Minnesota Public Service Commission has pursuant to Minn. Stat. (1974) Section 15.0411, Subd. 3, directed that a rules hearing be held; and

WHEREAS, Minnesota Reg. H.E. 102(b) (3) requires that a person signing such an order must have authorization from the agency ordering the hearing; and

WHEREAS, this Document of Authority must accompany the papers submitted to the Chief Hearings Examiner.

IT IS THEREFORE ORDERED:

ORDER

That, by unanimous vote, the Minnesota Public Service Commission hereby authorizes and directs its Secretary, Lawrence J. Anderson, to sign, on behalf of the Commission, the Order for Hearing and Notice of Hearing required by the above-cited rule.

BY ORDER OF THE COMMISSION

/s/ LAWRENCE J. ANDERSON
Secretary

Dated: DEC 8 1976

(S E A L)

BY
DEPUTY SECRETARY

BEFORE THE MINNESOTA PUBLIC SERVICE COMMISSION

Karl F. Rolvaag	Chairman
Ronald L. Anderson	Commissioner
Arlen I. Erdahl	Commissioner
Richard J. Parish	Commissioner
Katherine E. Sasseville	Commissioner

In the Matter of the Proposed Amendment of Certain Existing Rules and the Proposed Adoption of New Rules Relating to Weights and Measures, Electric Utilities, Gas Utilities, Telephone Utilities, and Motor Vehicle Transportation.

DOCKET NO. A-8117-16

NOTICE OF HEARING

NOTICE IS HEREBY GIVEN that a public hearing in the above-captioned matter will be held in the Large Hearing Room, Seventh Floor, American Center Building, 160 East Kellogg Boulevard, St. Paul, Minnesota 55101, on Tuesday, February 8 through Friday, February 11, 1977, commencing at 9:30 a.m. (CST) each day and continuing until all representatives of associations or other interested groups or persons have been given an opportunity to be heard.

The proposed rules will be heard as follows: Gas and Electric proposed rules on February 8; Telephone proposed rules on February 9; Weights and Measures proposed rules on February 10; and Motor Vehicle Transportation rules on February 11.

Any interested person, representative of an interested group or other parties affected may participate in the hearing. Statements, either oral or in writing, may be submitted at the hearing. Statements or briefs may be submitted by parties who do not appear at the hearing. The original of such material must be filed with Examiner Bernard Singer, Office of Hearing Examiners, 1745 University Avenue, St. Paul, Minnesota 55104 (phone: 612/296-8117). In addition, the record of the hearing will remain open for twenty (20) days following adjournment for the filing of such written statements or briefs.

The proposals, if adopted, would:

I.

Revise Minn. Reg. PSC 279-336 (Gas and Electric Utilities Customer Service Rules and Standards) to clarify ambiguous provisions, specify customer complaint procedures, eliminate cold weather disconnection prohibition, substantially change disconnect procedures and penalties, eliminate utility penalty in customer disputes, revise escrow procedures, expand required billing content, revise inaccurate meter and back billing provisions, limit responsibility for over and under-charges, revise deposit requirements.

II.

Adopt a rule to be designated Minn. Reg. PSC 410 to provide for the filing of annual reports by gas and electric utilities. The proposed rule would provide a focal point for collecting financial, customer service and engineering information; furnish a basic source document for use in rate cases and other regulatory proceedings; furnish a basic source document for the preparation of external and internal reports; and furnish a basic source document for the evaluation of correspondence with various gas and electric utility companies.

III.

Adopt a new rule to be designated Minn. Reg. PSC 420 requiring gas and electric utilities to include in the Uniform System of Accounts moneys expended by lobbyists during the course of their activities. This rule would require disclosure and documentation of expended funds so the amount spent by utilities will be available for consideration in rate matters as an expenditure.

IV.

Adopt a new rule to be designated Minn. Reg. PSC 215 relating to depreciation certification for telephone utilities to provide a uniform system of control and review over depreciation practices of telephone companies.

V.

Revise Minn. Reg. PSC - Chapter Seven for the purpose of clarifying existing rules by grouping them according to subject matter and providing telephone customers the same safeguards and protection furnished by gas and electric utility companies and requiring telephone companies to include in the Uniform System of Accounts moneys expended by lobbyists during the course of their activities. Where possible, regulations will be standardized so they apply in a similar manner to telephone, gas and electric utilities. Adoption of all or part of this proposal will necessitate re-numbering of the rules in Chapter Seven.

VI.

Amend Minn. Reg. PSC 120 to adopt by reference National Bureau of Standards Handbook 44 - 4th Edition, 1976. The following sections of Handbook 44 will be affected by adoption of this proposal:

(Note: NEW means "Changed," "Renumbered" or "In Addition To" the present Code H-44, 3rd edition.)

NEW GENERAL CODE

G-A.2.
G-S.1.
G-S.2.
G-S.3.
G-S.5.2.2.
G-S.5.2.3.
G-S.5.3.1.
G-S.5.5.
G-S.5.6.
G-S.6.
G-S.7.
G-N.2.
G-UR.1.1.
G-UR.1.2.
G-UR.3.2.
G-UR.3.3.
G-UR.3.4.
G-UR.4.1.
G-UR.4.2.
G-UR.4.3.
G-UR.4.4.
G-UR.4.5.

NEW SCALE CODE

A.1.
S.1.1.
S.1.4.
S.1.4.1.
S.1.5.
S.1.6.
S.1.6.1.
S.1.6.2.
S.1.6.3.
S.1.6.4.
S.1.7.
S.1.7.1.
S.1.7.2.
S.2.
S.2.1.2.
S.2.1.3.
S.2.1.4.
S.2.1.5.
S.2.3.
S.2.4.
S.2.4.1.
S.2.5.
S.2.5.1.
S.2.6.
S.2.6.1.
S.2.10.
S.4.2.
S.4.3.
S.6.3.
S.6.4.
N.1.3.4.
N.1.3.5.
N.1.3.6.
N.3.
SR.3.
SR.4.
SR.4.1.
SR.4.2.
SR.5.
SR.6.
SR.7.
SR.7.1.
SR.7.2.
SR.8.
T.1.
T.1.1.
T.1.2.
T.1.3.
T.1.4.
T.1.5.
T.1.6.
T.1.7.
T.2.1.
T.2.2.
T.2.3.
T.2.3.1.
T.2.3.2.
T.2.5.
T.2.6.
T.2.7.
T.2.8.
T.2.9.
T.3.1.
T.3.2.
T.3.3.
T.3.4.
T.3.5.
T.3.6.
T.3.6.1.
T.3.6.2.
T.3.6.3.
T.3.8.
T.3.8.1.
T.3.8.2.
UR.1.1.
UR.1.1.4.
UR.1.1.5.
UR.1.1.6.
UR.1.1.7.
UR.1.1.8.
UR.2.3.
UR.2.4.
UR.2.5.
UR.2.6.
UR.2.6.1.
UR.2.6.2.
UR.3.1.
UR.3.2.1.
UR.3.5.1.
UR.3.5.2.
UR.4.1.
UR.4.3.
UR.4.4.

Entire Code on BELT-CONVEYOR SCALES.

NEW CODE ON WEIGHTS

A.1.
A.2.
A.3.

NEW CODE for LIQUID MEASURING DEVICES

A.1.
A.2.
A.3.
S.1.4.2.
S.1.4.4.
S.1.4.5.
S.1.4.6.
S.1.5.2.
S.2.1.
S.2.5.1.
S.2.6.
S.2.6.1.
S.2.6.2.
S.2.6.3.
S.2.6.4.
S.2.7.
S.2.7.1.
S.4.3.2.
N.1.
N.4.1.
N.4.2.2.
N.5.
T.1.1.
Table #1
UR.1.1.
UR.1.1.1.
UR.2.4.
UR.2.5.
UR.3.2.
UR.3.3.
UR.3.4.
UR.3.5.
UR.3.5.1.
UR.3.5.2.
UR.3.5.3.

NEW CODE for VEHICLE TANK METERS

A.1.
A.2.
A.3.
S.2.2.1.
S.3.
S.4.
S.4.1.
S.4.2.
S.5.
S.5.1.
S.5.2.
S.5.3.
S.5.4.
N.1.
N.4.1.1.
N.4.2.
N.4.3.
N.4.4.
Table #2
UR.1.3.
UR.2.2.
UR.2.3.

NEW CODE for LIQUEFIED PETROLEUM GAS/LIQUID MEASURING DEVICES

A.1.
A.2.
A.3.
S.1.1.5.
S.1.4.4.
(delete S.1.4.4.
from old book)
S.2.6.1.
S.2.7.
S.3.1.
N.4.2.2.
UR.2.4.
UR.2.4.1.
UR.2.4.2.
UR.2.5.
UR.2.6.

NEW CODE for LIQUEFIED PETROLEUM GAS/VAPOR MEASURING DEVICES

Entire Code.

NEW CODE on CRYOGENIC LIQUID-MEASURING DEVICES

Entire Code.

LIQUID MEASURES

A.1.
A.2.
A.3.

NEW CODE for VEHICLE TANKS USED AS MEASURES

Entire Code.

NEW CODE for FARM MILK TANKS

A.1.
A.2.
A.3.
S.2.2.
S.2.2.1.
S.2.2.2.
S.2.3.
S.3.5.3.
N.5.
T.2.
T.3.
T.4.
(delete UR.3. in old book)

NEW CODE for MEASURE CONTAINERS

A.1.
A.2. (delete S.4.2.1. in old book)
A.3. (delete S.4.2.2. in old book)
S.2.

NEW CODE for MILK BOTTLES

A.1. Change Table #1
A.2. T.2.
A.3. New Table #2
S.4.1.
S.4.2.

NEW CODE for LUBRICATING OIL BOTTLES

A.2.
UR.1.

GRADUATES

A.2.
S.3.
Table #3 changed

LINEAR MEASURES

A.2.
T.2.

NEW CODE for ODOMETERS

A.1.
A.3.
N.1.1.
N.1.2.
N.1.3.1.
N.1.3.2.
N.1.3.3.
UR.1.

NEW CODE for TIMING DEVICES

Entire Code.

FABRIC MEASURING DEVICES

A.1.
A.2.
A.3.
S.2.1.3.

NEW CODE for WIRE & CORDAGE MEASURING DEVICES

A.2.
S.1.
S.2.3.
S.3.3.
N.1.
N.2.
UR.1.1.
UR.2. (table #1 changed)
UR.2.2.
UR.2.3.
UR.2.4.

TAXIMETERS

A.3.
N.1.3.1.
UR.2.

NEW CODE for DRY MEASURES

A.1.
A.2.
A.3.
A.4.

NEW CODE for BERRY BASKETS and BOXES

A.2.

VII.

To eliminate in their entirety, Minn. Reg. PSC 106 pertaining to Coupled-in-Motion Weighing Systems of railroad freight cars, Minn. Reg. PSC 123 relating to Vehicle Tanks, and Minn. Reg. PSC 124 relating to provisions for sealing Liquid-Measuring Devices.

VIII.

Amend Minn. Reg. PSC 122 to provide a requirement that straight approaches to motor truck scales be hard surfaced in both ends of the scale.

IX.

Adopt a new rule to be designated Minn. Reg. PSC 128 providing for a voluntary registration of persons authorized to service commercial weighing and measuring devices. Such registrants would be authorized, after making necessary repairs, to remove official rejection tags or marks placed on a weighing or measuring device and allow such device to be placed in service until such time as an official inspection or test can be made. This proposed rule would further provide for reciprocity agreements with any other state or states having similar registration requirements; for the payment of a registration fee; the issuance of a registration certificate; certification of standards and testing equipment used by registrants; and publication of an official list of registered service persons.

X.

Amend Minn. Reg. PSC 2(m) to allow permit contract and irregular route common carriers to commingle cargo provided the carrier holds both types of authority.

XI.

Amend Minn. Reg. PSC 2(o) to eliminate the requirement for a hearing when a petroleum carrier or permit carrier of petroleum products is ordered to install a recording device following a violation of law or rule.

XII.

Amend Minn. Reg. PSC 2(s)(3)(aa) by deleting paragraph (aa-1). This amendment will apply the provisions of paragraph (aa) to carriers holding an authority as Irregular Route Common Carrier, Petroleum Carrier, Regular Route Common Carrier, Interstate Carrier, Charter Carrier and Livestock Carrier.

XIII.

Revise a portion of Minn. Reg. PSC 5 (Safety: General Application - Safety Regulations) to incorporate changes in the Code of Federal Regulations, Title 49, dated October 1, 1975. This proposed rule will also correct the mailing address of the Public Service Commission.

Upon written request, you will be furnished with one free copy of that portion of the proposed rules (with existing language bracketed and new language in boldface) in which you have an interest. Your request stating specifically those proposed rules desired should be mailed to the Department of Public Service at the address given in this order. The agency's authority to promulgate the proposed rules is contained in Minn. Stat. (1974) Section 216A.05.

A Statement of Need and a Statement of Evidence are available for review at the office of the Secretary of the Public Service Commission on the Seventh Floor of the American Center Building, 160 East Kellogg Boulevard, St. Paul, Minnesota. The Statement of Need explains the need for and the justification of the proposed amendments. The Statement of Evidence (as required by Minn. Reg. HE 103(i)) summarizes the evidence which will be presented by the Department in support of the proposals. A copy of these statements will be furnished upon written request to the Commission Secretary. A copy of Handbook 44 is available for reference at the same location. Additional copies can be secured only from

the Superintendent of Documents, U.S. Government Printing Office, Washington, DC 20402.

Pursuant to Minn. Stat. (1974) Section 10A.03, any individual who engages for pay or other consideration in representing persons or associations attempting to influence administrative action such as the promulgation of these rules, must register with the State Ethics Commission as a lobbyist within five days of the commencement by such individual of the activity.

BY ORDER OF THE COMMISSION

/s/ LAWRENCE J. ANDERSON
Secretary

DATED: December 30, 1976

(S E A L)

ORIGINAL DOCUMENT IS EXHIBIT 3 and will be filed with rules on Gas Electric

STATE OF MINNESOTA)
) SS
COUNTY OF RAMSEY)

AFFIDAVIT

Sharon A. Schmidt, being first duly sworn, upon oath deposes and says:

1) That she is an employee of the Minnesota Public Service Commission of the State of Minnesota.

2) That on the 28th day of December, 1976, she went to the Secretary of State's office for the State of Minnesota and requested a current list of all representatives of associations or other interested groups or persons who have registered their names with the Secretary of State for the purpose of obtaining notices of public hearings relating to the promulgation of rules pursuant to Minn. Stat. 1971, Section 15.0412.

3) That on the 28th day of December, 1976, in response to the above request, the Secretary of State provided her with such a list, a copy of which is attached to the Certificate of the Secretary of State and incorporated herein by reference.

4) That on the 5th day of January, 1977, the State Register published a copy of the notice of hearing and proposed rules in Volume 1 pursuant to Minn. Stat. 1971, Section 15.0412.

Further affiant sayeth not.

Sharon A. Schmidt

Subscribed and sworn to before me
a notary public this 14th day of
January, 1977.

Mary E. Swanson

MARY E. SWANSON
NOTARY PUBLIC—MINNESOTA
RAMSEY COUNTY

PSC Exhibit No. 5
File No. PSC-77-011
Date 2/8/77

RECEIVED
JAN 14 1977
OFFICE OF HEARING EXAMINERS

STATE OF MINNESOTA)
) ss
COUNTY OF RAMSEY)

CERTIFICATION

In the Matter of the Proposed Amendment of Certain Existing Rules and the Proposed Adoption of New Rules Relating to Weights and Measures, Electric Utilities, Gas Utilities, Telephone Utilities, and Motor Vehicle Transportation.

Docket No. A-8117-16

H.E. No. PSC-77-011

I hereby certify that the attached 503 labels & one sheet constitute the complete list of persons, associations, and other interested groups who as of 7:45 o'clock, a.m. this 28th day of December, 1976, have requested pursuant to M.S. 1971, Section 15.0412, that their names be placed on file with the Secretary of State for the purpose of receiving notice of public hearing on proposed rules on the subject captioned above.

Joan Anderson Growe
JOAN A. GROWE
SECRETARY OF STATE

By: Cecil Dion

PSC Exhibit No. 4
File No. PSC-77-011
Date 2/8/77

RECEIVED
JAN 14 1977
OFFICE OF HEARING EXAMINERS

STATE OF MINNESOTA)
) ss
COUNTY OF RAMSEY)

AFFIDAVIT OF MAILING

RULES HEARING

Audrey Gustafson, being first duly sworn, deposes and says;

That on the 30th day of December, 1976, at the City of St. Paul, County of Ramsey, State of Minnesota, s(he) served the attached Notice of hearing

Docket No. A-8117-16 by depositing in the United States Mail at said City of St. Paul, a true and correct copy thereof, properly enveloped, with postage prepaid, to all persons at the addresses shown on the attached mailing list.

Audrey Gustafson
Audrey Gustafson

Subscribed and sworn to before me
this 30th day of December,
1976.

Muriel J. Volpe
Notary Public

MURIEL J. VOLPE
Notary Public, Ramsey County, Minn.
My Commission Expires, Jan. 26, 1978

STATEMENT OF COMPLIANCE WITH
MANUAL OF RULE MAKING PROCEDURES

MINN. RULES PSC 279-336

I, Rod Wilson, do hereby declare that I have examined the proposed rules relating to Gas and Electric Utilities Customer Service Standards, Minn. Rules PSC 279-336, and all related documents and that, based on them and my personal familiarity with the applicable procedures, the Manual of Rule Making Procedures has been followed.

Rod Wilson

Rod Wilson
Special Assistant
Attorney General

MINNESOTA PUBLIC SERVICE COMMISSION

Dated: November 23, 1977

BEFORE THE MINNESOTA PUBLIC SERVICE COMMISSION

Karl F. Rolvaag	*Chairman*
Arlen I. Erdahl	*Commissioner*
Richard J. Parish	*Commissioner*
Katherine E. Sasseville	*Commissioner*
Juanita R. Satterlee	*Commissioner*

In the Matter of the Proposed Amendment of Certain Existing Rules and the Proposed Adoption of New Rules Relating to Weights and Measures, Electric Utilities, Gas Utilities, Telephone Utilities, Motor Vehicle Transportation and Rules of Practice.	*DOCKET NO. A-8117-16* *MINN. RULES PSC 410-418* *(ANNUAL REPORTS BY ELECTRIC AND GAS UTILITIES)*

ORDER ADOPTING RULES

The above entitled matter came on for hearing before the Minnesota Public Service Commission on the 8th day of February, 1977, in the Large Hearing Room, American Center Building, 160 East Kellogg Boulevard, St. Paul, Minnesota 55101, after proper notice required by Minn. Stat. § 15. 0412(1976) was served upon all persons, associations and other interested groups registered with the Secretary of State for that purpose.

After affording interested persons an opportunity to present written and oral data, statements and arguments, having heard all of the testimony, having considered all of the evidence adduced and applicable statutory standards and having confirmed the need for the above captioned rules and the reasonableness thereof,

NOW, THEREFORE, IT IS ORDERED THAT:

1. The Report of the Hearing Examiner as it relates to the proposed Rules, Minn. Rules PSC 410-418 is adopted in its entirety as the Commission's final decision except for Finding of Fact No. 16, on page 8-9GE, in place of which the Commission substitutes the following paragraph:

> *16. The spokesman for Northern States Power Company testified at the hearing that Rules 412(B)(1) and 416(B)(1) be amended to allow, at the utilities option, depreciation accruals and reserves to be maintained on a functional rather than primary account basis. The Hearing Examiner accepted this position and recommended that the rules be amended on this point. The Commission does not agree.*
>
> *The rules as originally proposed have the advantages of the greater detail of the primary accounts and greater uniformity from utility to utility on an FPC-specified primary account basis rather than by utility-specified functional classifications. This is a desireable factor, in the Commission's view. Also, in the existing Minn. Rule, PSC 361, relating to depreciation certification, the Commission requires utility companies to have their depreciation practices certified by the Commission. In those rules the Commission requires that assets be grouped by primary rather than functional account because of the greater*

similarity of assets and service lives in the primary classifications. The Commission noted at that time that this was not required by either the REA or FPC because neither agency requires depreciation certification on a regular basis. The Commission also suggested at that time that electric and gas utilities should begin to prepare corporate ledger entries and balance sheets using depreciation accruals and reserves by primary account.

The rule as proposed is reasonable in view of the need for uniformity and in view of the ongoing depreciation certification regulation.

2. *The Rules proposed by the Commission are modified to implement the Examiner's Findings of Fact and Conclusions and the Commission's Finding in paragraph 1 above, and as modified, the Rules are hereby adopted by the Commission.*

/s/ LEO J. AMBROSE
By the Secretary

DATED: AUG 8 1977

RULES RESOLUTIONS

A-8117-16 It was voted to adopt, as amended, the report of a hearing examiner recommending approval of Gas and Electric Rules (Accounting and Annual Report: PSC 410-418). The order as adopted substitutes one paragraph relating to the allocation by primary (not functional) accounts.

A-8117-16 It was voted to adopt, pursuant to the authority vested in the Commission by Minn. Stat. Section 15.0421 (1974), Minn. Reg. PSC 279-336, otherwise identified as Customer Service Standards. The Commission Secretary was directed to transmit the aforesaid rules to the Attorney General for approval.

CERTIFICATE OF COMMISSION'S

ADOPTION OF RULES RESOLUTION

I, Sharon A. Schmidt, do hereby certify that I am acting secretary of the Public Service Commission, a Commission duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of the resolutions adopted at two meetings of the Public Service Commission duly and properly called and held on the 8th day of August, 1977 and the 12th day of September, 1977; that a quorum was present at said meetings; that a majority of those present voted for the resolutions; that said resolutions are set forth in the minutes of said meetings and have not been rescinded or modified.

1200. A-8117-16 It was voted to adopt, as amended, the report of a hearing examiner recommending approval of Gas and Electric Rules (Accounting and Annual Report: PSC 410-418). The order as adopted substitutes one paragraph relating to the allocation by primary (not functional) accounts.

1381. A-8117-16 It was voted to adopt, pursuant to the authority vested in the Commission by Minn. Stat. Section 15.0421 (1974), Minn. Reg. PSC 279-336, otherwise identified as Customer Service Standards. The Commission Secretary was directed to transmit the aforesaid rules to the Attorney General for approval.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 28th day of October, 1977.

Sharon A. Schmidt

Sharon A. Schmidt

PSC-77-011-BS
A-8117-16

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS

FOR THE PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE PROPOSED AMENDMENT OF CERTAIN EXISTING RULES AND THE PROPOSED ADOPTION OF NEW RULES RELATING TO ELECTRIC AND GAS UTILITIES.	REPORT AND MEMORANDUM OF THE CHIEF HEARING EXAMINER

WHEREAS, a hearing was held on February 8, 1977, before Bernard Singer, a Hearing Examiner of the State Office of Hearing Examiners, on the above-entitled matter in compliance with Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Report of Hearing Examiner made pursuant to Minn. Stat. § 15.052, Subd. 3, was issued to the Public Service Commission on May 16, 1977; and

WHEREAS, the Public Service Commission has now determined to adopt rules pursuant to Minn. Stat. § 15.0412, Subd. 4; and

WHEREAS, the Public Service Commission has submitted said rules to the Chief Hearing Examiner for review pursuant to Minn. Stat. § 15.052, Subd. 4, and Rule HE 107; and

WHEREAS, the Chief Hearing Examiner finds that the final proposed rules are not substantially different from those proposed at the public hearing and that the Public Service Commission has met all requirements of Minn. Stat. § 15.0412, Subd. 4.

NOW, THEREFORE, upon receipt of this Report and Memorandum, the Public Service Commission has the responsibility of submitting the complete hearing record and the rules as adopted by the Commission to the Attorney General and to publish in the State Register, all pursuant to Minn. Stat. § 15.0412, Subd. 4.

Dated this 10th day
of November, 1977.

Duane R. Harves

DUANE R. HARVES
Chief Hearing Examiner

M E M O R A N D U M

The Public Service Commission has submitted the rules they propose to adopt following public hearings, with one exception. In the Notice of Hearing and in the rules as proposed to be adopted, the Public Service Commission had proposed a separate rule relating to the recording and reporting of lobbying expenses. That proposal has no affect on any of the rules submitted on October 31 and which are the subject matter of this Report and Memorandum. That proposal will be the subject matter of a subsequent filing with the Chief Hearing Examiner pursuant to Minn. Rule HE 108.

With respect to Minn. Rule PSC 299 (the cold weather rule), the Commission, in its Notice of Hearing and published proposals, had proposed to delete the rule in its entirety. They now propose to amend the rule rather than repeal it. The Chief Hearing Examiner is of the opinion that to do so is not a substantial change which would require a new Notice of Hearing and hearing as none of the criteria contained in Minn. Rule HE 108 can be said to be affected. This particular rule was the one which was discussed the most at the hearing and in written comments by not only the affected utilities but by members of the public. All classes of persons were represented at the hearing. The rule does not go to a new subject matter nor does the final rule make a major substantive change that was not raised by the original Notice of Hearing in such a way as to invite reaction at the hearing. Quite the contrary! More time was spent on this rule at the hearing than any other rule. Lastly, while the rule is different from the presently-existing rule, the changes are minor and the rule is not fundamentally different from the existing rule.

DRH

BEFORE THE MINNESOTA PUBLIC SERVICE COMMISSION

Karl F. Rolvaag	Chairman
Arlen I. Erdahl	Commissioner
Richard J. Parish	Commissioner
Katherine E. Sasseville	Commissioner
Juanita R. Satterlee	Commissioner

In the Matter of the Proposed Amendment of Certain Existing Rules and the Proposed Adoption of New Rules Relating to Electric and Gas Utilities.

DOCKET NO. A-8117-16
Minn Reg. PSC 279-336

FINDINGS, CONCLUSIONS AND ORDER FOR CUSTOMER SERVICE STANDARDS FOR PUBLIC GAS AND ELECTRIC UTILITIES

The above captioned matter as it relates to the proposed Minnesota Public Service Commission Rules concerning the customer service standards for public gas and electric utilities came on for hearing before Bernard Singer, Hearing Examiner, on February 8, 1977, at 9:30 a.m. in the Large Hearing Room, American Center Building, St. Paul, Minnesota, after proper notice as required by Minn. Stat. § 15.0412 (1976) had been served upon all persons registered with the Secretary of State for that purpose.

After affording interested persons an opportunity to present written and oral data, statements and arguments, having considered all of the evidenced adduced and upon the records, files and proceedings herein, and applicable statutory standards, and having confirmed the need for the above captioned rules and the reasonableness thereof, the Commission makes the following:

FINDINGS OF FACT

The statuory authority to adopt rules on this subject is set forth in the Minnesota Public Utilities Act, Minnesota Laws 1974, Chapter 429, codified at Minn. Stat. § 216B.08 (1976):

> The Commission is hereby vested with the powers, rights, functions, and jurisdiction to regulate in accordance with the provisions of laws 1974, Chapter 429 every public utility as defined herein. The exercise of such powers, rights, functions, and jurisidiction is prescribed as a duty of the Commission. The Commission is authorized to make rules and regulations in furtherance of the purposes of Laws 1974, Chapter 429.

Minn. Stat. § 216B.01 (1976) also relates to the need and authority of the Commission to promulgate these rules:

> It is hereby declared to be in the public interest

> that public utilities be regulated as hereinafter provided in order to provide the retail customers of natural gas and electric service in this state with adequate and reliable services at reasonable rates, consistent with financial and economic requirements of public utilities and their need to construct facilities to provide such services or to otherwise obtain energy supplies, to avoid unnecessary duplication of facilities which increases the cost of service to the consumer and to minimize disputes between public utilities which may result in inconvenience or diminish efficiency in service to the consumers. . .

The Commission assumed statewide jurisdiction over public gas and electric utilities on January 1, 1975. In order to meet its statutory responsibility of insuring adequate and reliable service at reasonable rates, the Commission promulgated the existing rules governing customer service standards. Every public gas and electric utility providing service in this state has been operating under the existing rules since they became effective February 11, 1976. Since that time, the Commission's experience has shown that certain of the rules are deficient in a number of areas and that a complete review of the existing customer service standard rules is necessary in order to fulfill its statutory obligation.

These rules are intended to apply to investor-owned and cooperatively-owned utilities as provided in Minn. Stat. § 216B.02, subd. 4 (1976). The proposed amendments generally concern (but are not limited to) customer complaint procedures, disconnection of service, cold weather disconnection prohibition, customer dispute-escrow payments plan, billing content, adjustment of bills for inaccurate meters and billing errors, and deposit requirements.

DISCUSSION OF RULES AND RELEVANT FACTS RELATING TO EACH

PSC 280, 281, 282, 284, 285, 286, 287, 295, 296

The Commission herein adopts as its own Order, the Recommendations of the Hearing Examiner on the above noted rules and adopts by reference and incorporates as a part of its Order the Examiner's Findings and Conclusions on said rules.

PSC 298

The Commission herein adopts the Hearing Examiner's Recommendations with respect to proposed PSC 298 A, B, C, and D, and here incorporates by reference the Examiner's Findings and Conclusions on said rules with the exception of existing PSC 298(c), the "landlord-tenant rule", discussed below.

PSC 298 (c). LANDLORD-TENANT RULE

The rule as proposed deleted PSC 298 (c) (the "landlord-tenant

rule") and in its stead the Commission had proposed PSC 300 F.:

> F. In addition to the above notice requirements, where the utility has reason to know that a landlord-tenant relationship exists and that the landlord is the customer of the utility, and where the landlord as the customer would otherwise be subject to disconnection of service, the utility shall make a good faith attempt to inform the tenants of the utility's intent to discontinue such service. Notice required by this provision must precede the action to be taken by at least five (5) days excluding Sundays and legal holidays.

As expressed in the Statement of Need, the present regulation (298(c)) is an attempt to protect tenants from the difficulties of termination of service because of a defaulting landlord. However, the Commission contended the existing rule to be deficient for several reasons. First, the task of contacting each individual tenant to determine whether he or she is desirous of being responsible for utility service for the entire billing is unreasonable. To comply with the rule, each tenant would have to be contacted prior to termination which the Commission in the Statement of Need contended was an undertaking which, if not impossible, would be extremely expensive. Second, because of the current deposit rules, it would be difficult, if not impossible, for a utility to obtain a deposit from an individual tenant to secure payment of bills which could amount to hundreds of dollars per month. Finally, the Commission questioned the legality of the existing rule, arguing that the existing rule allows the utility and the tenant, neither having any ownership interest in the property, to establish a contractual relationship for utility service thereto without a hearing or order from the Commission or the courts. For these reasons the Commission proposed that the existing rule be deleted in its entirety. In its stead, the Commission proposed PSC 300 F (quoted above). In oral comments at the hearing, the Commission staff stated that the intent of the rule was that some form of notice addressed to "occupant" or in the alternative some form of notice posted on the premises would constitute adequate notice under the proposed rule.

BENCO Electric Cooperative filed written comments in support of the proposed deletion. Northern States Power Company ("NSP") also supports the proposed deletion of PSC 298(c). However, NSP questions that the proposed rule is a reasonable alternative. NSP contends that if mailing notice to "occupant" means one notice can be mailed to the

multiple dwelling subject to termination, the proposal is workable, however, if mailing notice to occupant requires that a separate notice be mailed to each tenant of a multiple dwelling unit it contends the proposal is unreasonable. NSP states that such mailing would require identification of each individual apartment number in each multiple dwelling unit in Minnesota. It therefore recommends posting of notice as provided in the Minneapolis and St. Paul ordinances as a method for notifying tenants in multiple dwelling units of pending termination of utility service and recommends that PSC 300 F be amended to so provide.

State Senator Tim Penney filed written comments in opposition to the deletion of the landlord-tenant rule. He contends that the existing language provides protection for tenants of landlords who fail to pay utility bills, and that the proposed amendment would allow the utility to disconnect a tenant's service for the landlord's non-payment without offering that tenant the opportunity to subscribe for service in his or her own name. Senator Penney contends that when a utility intends to disconnect a tenant's service because the landlord has failed to pay the bill, it is not an imposition on the utility to have it inform the tenants of their right to subscribe for such service. In a landlord-tenant situation such as this, the tenant is not obligated to pay a bill due by his landlord, yet that same tenant would be expected to suffer the consequences by experiencing disconnection of service, due to his landlord's failure to pay. Senator Penney contends that if a utility can supply notice of intent to disconnect to the tenants of 20 or 30-unit apartment buildings, that same utility could just as easily notify tenants of their right to subscribe for service in their own name. Senator Penney also disputes the Commission staff's argument that the existing rule is questionable legally, maintaining that utilities currently contract directly with tenants to provide service.

The Department of Public Service, in written comments, stated that when presented with a non-paying landlord, utilities simply follow the path of least resistence by providing the landlord with the required notice and then disconnecting service. The Department contends that because it proved unfeasible to provide the tenants with individual service, the utility is excused from affording any of the tenants the opportunity of a notice of impending service disconnection. It maintains that any effective

remedy to the tenant's utility shut-off problem must accomplish several objectives. It must first present the disconnection of service to the tenant. Second, it must provide a method of payment of future bills which is equitable to the utility, the tenant, and the landlord. Third, it must provide a method by which the utility can attempt to recoup some of the loss suffered by the landlord's refusal to pay. The Department also states that the remedy to a great extent depends on the size of the apartment structure. In a small building which has either separate meters or where the tenants have a close relationship, the present regulation is a viable remedy since it allows the tenants to assume service in their own names. However, the Department argues that while it seems that the present rule provides a reasonable solution to the problem, it is equally clear that the present rule is impossible to enforce in larger buildings with many units and only one meter. It contends that the solution in this situation lies in some type of receivership action either by the tenants individually or by the tenants as the third party beneficiaries of the contract between the landlord and the utility. The Department proposes legislation as a solution to the problem. Finally, the staff states that unless the tenant knows the landlord has defaulted and has the opportunity to protect both property and contract rights, any remedy is likely to be too late.

The Legal Aid Society of Minneapolis states that PSC 298(c) should not be deleted. It contends that the Statement of Need deals only with a hypothetical 20-unit building having one master meter, and while this unusual situation may create some problems, it also may not because the present language regarding feasibility can easily be construed to cover this situation. It contends that a much more typical situation involves a two, three or four-unit building where the chance to have service maintained is meaningful. It states that the Statement of Need categorizes as "unreasonable" the need to contact each tenant about maintaining service, however, the Legal Aid Society argues that it is much more unreasonable to jeopardize the tenant's family due to the landlord's dereliction, if there is any possible alternative. It feels the present rule provides such an alternative.

The Legal Aid Society suggests that if the number of cases involving large multiple dwellings is great enough to require a change

in the rule a narrow change could be drafted allowing for an "occupant" mailing, plus posting in a common area one month before a scheduled termination in buildings with more than ten units on one meter. The Legal Aid Society alleges that NSP is not complying with the present rule, that instead of giving each tenant an opportunity to pick up service in his own name, without paying the landlord's arrearage, NSP posts a notice in the building stating that termination is imminent and suggesting that the tenants pay their rent money to NSP. The Legal Aid Society states that while it is true that Minneapolis has an ordinance permitting a tenant to do this, it is clear that the posted notice does not comply with the present rule. The Legal Aid Society in response to the argument in the Statement of Need regarding the legality of a rule permitting a utility and a tenant to contract directly for service to a residence, maintains that it happens every day in every city of the state, and that no court would let a defaulting landlord raise such an issue.

Vusumuz Zulu, on behalf of the Pilot City Regional Center in Minneapolis, also opposed deletion of the landlord-tenant rule. Mr. Zulu complained that five days notice prior to disconnection is an insufficient amount of time and that tenants ought to be given a right to assume bills in their own name.

Mr. Joel Fisher on behalf of Ramsey County Legal Assistance also testified that the landlord-tenant rule should be retained in its entirety.

Based on the testimony of those persons opposed to the deletion of the present landlord-tenant rule (PSC 298(c)), the Commission is of the view that, while not perfect, the existing landlord-tenant rule better deals with the problem of a delinquent landlord than the proposed rule (PSC 300 F) in attempting to avoid the problem of a tenant unknowingly being disconnected for his landlord's arrearages on the utility bill. The Commission agrees with the Legal Aid Society that with respect to the hypothetical 20-unit building on a master meter, that the language "where feasible" can be construed to avoid this potential difficulty. In fact, it is the Commission's understanding that this has been the interpretation given to this rule. Therefore, the Commission concludes that the existing PSC 298 (c) should be retained and renumbered PSC 298 E, and proposed

PSC 300 F not be adopted.

PSC 299 COLD WEATHER RULE

The Commission proposed to delete this rule in its entirety, and made a number of arguments for deleting the rule in the Statement of Need and at the hearing. First, that the rule is poorly drafted as demonstrated by the following hypothetical: where the low temperature on the day prior to disconnection of service was above zero degrees fahrenheit, the utility could then disconnect on the following day regardless of what the temperature is on the day of disconnection. The Commission therefore contends that the present rule offers little, if any, protection against disconnection during extremely cold weather. To rebut the suggestion that the present deficiency in draftsmanship can be corrected by amending the rule to provide that a utility may not disconnect service on any day when the temperature falls below zero degrees fahrenheit, the Commission contends that this proposal fails to recognize the need for an ascertainable standard for determining when service can be disconnected during the cold weather. The Commission staff argued that for a utility to have to forecast whether or not the temperature on the disconnect day will fall below zero degrees is an unreasonable burden to place upon any utility operating in this state.

The Commission staff also contends that the current rule is deficient in that it fails to delineate the important distinction between electricity and natural gas used for life support systems as opposed to non-life support systems. The Commission staff submits that energy used for heating purposes is a life support system, and if the Commission so desires, this type of service could be prohibited from disconnection during the winter. However, under the present rule, non-life support systems, for example, electricity for lighting in a landlord-tenant situation where the landlord provides the heat, the utility cannot disconnect electrical lighting service to a tenant, even though there would be no danger to the occupants because the landlord is providing the heat.

With respect to PSC 299 (b), the Commission staff states that it has received numerous requests from both local law enforcement agencies and county welfare agencies asking that the Commission define what responsibility those agencies have under this rule. The Commission staff argues that

the Commission's jurisdiction does not encompass regulation of these agencies, and therefore, the Commission cannot order those agencies to act on behalf of a utility customer whose service has been disconnected as described above. While the rule does not specifically state that these agencies must act in this contingency, the Commission staff argues that inferentially those agencies are required to make some affirmative response when receiving such information from the utilities.

Mr. Jeremy Lane, on behalf of the Minneapolis Legal Aid Society, was opposed to the deletion of the cold weather rule. Mr. Lane contended that the poor drafting of the existing rule is not a legitimate reason for deleting it. Rather, Mr. Lane contends that the existing rule should be stronger in its protection of the consumer. To correct this deficiency, Mr. Lane would amend the rule to provide that if the temperature on the date of the intended disconnect will fall below zero degrees as forecasted by the United States Weather Bureau for that locality, there can be no disconnection.

With respect to PSC 299 (b), Mr. Lane contends that the reasoning in the Statement of Need is faulty in part and false in part in that while the PSC cannot tell local agencies what to do with the information, this is no reason not to give the agencies the information. He also contends that the fact is that local agencies are quite capable of accepting a certain amount of responsibility to deal with the information. Mr. Lane points out that the State Department of Public Welfare has already dealt with the problem by initiating a regulation dealing with this matter, and cited the Commission to State DPW Instructional Bulletin 76-46, issued December 20th of 1976, setting up specific procedures for handling the referrals.

Ms. Barbara Strom, Director of Assistance Payments for the Minnesota Department of Public Welfare, submitted a formal proposed revision to PSC 299, which would in effect maintain the existing provisions with the change that rather than having the utility companies notify the welfare departments of those individuals whose service has been terminated, the utility companies would notify the recipient of the availability of welfare services that may be applicable to them. Ms. Strom gave various reasons in support of her proposal. First, that there have been signficant changes

in the last ten years in the public welfare approach to dealing with problems, one of which is that public welfare is like any other public service. Secondly, that based on comments from people that have been contacted by the welfare departments, there is some feeling that their privacy is being invaded when they have a welfare worker calling on them. Thirdly, that once a customer's name is submitted to the welfare department, it becomes subject to the State's Data Privacy Act which means that information on that individual currently would be classified as public information available to anyone. Ms. Strom states that there are no regulatory or statutory safeguards that can protect this name from being public information unless the person becomes an active recipient. Consequently, the possibility exists that there would be a request from some member of the public for copies of the list furnished by the utility companies and that the welfare agencies would be obliged to furnish that information.

Ms. Strom also states that welfare agencies have a multitude of public responsibilities which must be met through tax funds and that the public cost of administering the provisions of the cold weather rule through the welfare agencies may be inordinately high in relation to the benefit. However, Ms. Strom states that deleting the safeguards provided by the cold weather rule presents an unnecessary risk to a number of people. She therefore suggested the following amendments which she feels represents a practical sharing of responsibility between the individual, the utility companies, and the welfare agencies.

(a) Notwithstanding the provisions of PSC 298(a), no utility shall disconnect residential service:

(1) on a day when the low temperature within the previous day as reported by the National Weather Service at its First Order Station nearest the residence fell below zero degrees Fahrenheit, nor

(2) on a Friday or day before a legal holiday if the low temperature during the previous day as reported by the National Weather Service at its First Order Station nearest the residence fell below 32 degrees Fahrenheit.

(b) If a residential service has been disconnected and not restored to service by the close of business on the disconnect date when the low temperature during the previous day as reported by the National Weather Service at its First Order Station nearest the residence fell below 32 degrees Fahrenheit, the utility shall inform the ~~local-law-enforcement-department-and-the-appropriate county-welfare-department-by-the-close-of-business-on the-same-date.--The-information-provided-shall-be:~~

~~(1)--the-billing-name-and-service-address-at-which-the service-was-disconnected;-and-(2)--that-a-threat-to health-and-life-might-exist-to-persons-occupying-the premises.~~ customer that the appropriate local welfare department has emergency services and may provide financial assistance.

Ms. Ann Darby from the Minneapolis Urban League also testified in opposition to deletion of the cold weather rule.

Mr. Zulu on behalf of the Minneapolis Pilot City Regional Center, was opposed to deletion of the cold weather rule. Mr. Zulu suggested using the wind chill factor as determining when utility service may not be disconnected rather than absolute degrees.

Mr. Richard Auld of the Minnesota Office of Consumer Services also testified in opposition to deletion of the cold weather rule. Mr. Auld agreed that the present rule is ineffectively drafted, however, recommends a redrafting of this portion of the rule to base its operation on the weather of the proposed day of disconnection and on a temperature of 32 degrees fahrenheit rather than zero degrees. Mr. Auld states that if the Commission intends to allow utility disconnections during cold weather for failure to pay bills, he submits that there is a need for requirement of notification of some designated third party in addition to notification to the customer. Mr. Auld suggests that the utility could require the names and telephone numbers of relatives or friends who could be contacted in the event of an emergency.

Mr. Joel Fisher, on behalf of Ramsey County Legal Assistance, stated his position that the cold weather rule is necessary and should not be deleted. However, he suggests that the rule be amended to make the temperature which is subject to question the temperature of the day of disconnection. Mr. Fisher also supports the retention of PSC 299 (b) contending that it is absolutely necessary to notify the welfare and police agencies. Mr. Fisher argues that the law enforcement and welfare agencies do in fact have an obligation to people whose lives and health are in danger from disconnection of utility service during winter.

In written comments, the Department of Public Service staff submitted that the cold weather rule as it now reads makes disconnections and consequently collections difficult if not impossible during the winter months. Further, the necessity of securing weather information and recording this information with disconnect notice requirements makes disconnection very cumbersome.

Without the threat of disconnection, the utilities' bad debt expense increases and this additional expense must then be assumed by the utilities' paying customers. Also, the staff contends that proposals to use wind chill factors and weather forecasts would create great record-keeping and enforcement problems. Furthermore, the requirement to notify welfare and law enforcement officials is very difficult especially in rural communities. The Department staff also submits that proposed PSC 301 B which provides that utility service cannot be terminated on any Friday, Saturday, Sunday or legal holiday, or at any time when the utilities' offices are not open to the public, provides additional time to secure financial assistance. The Department staff finally states that if the Commission determines that the proposed PSC 301 B does not adequately address cold weather situations, it then concurs with NSP's recommendation of a proposed amendment to the existing cold weather rule.

NSP, in written comments, stated that the existing regulations, in conjunction with proposed PSC 301 B, fully advises customers of their rights, remedies and liabilities, and that any customer who chooses not to pay for utility service does so with full advance notice of the consequences. NSP also states that it has long had its own winter disconnection procedures which it uses in addition to those presented by existing PSC 299. NSP's procedure is that when the twenty-four hour predicted low temperature is to be 20 degrees or colder, and if the disconnection in any way affects the primary heat source of the premises, a personal contact must be made with an adult at the premises subject to disconnection twenty-four hours in advance of disconnection. NSP states that if the Commission does not consider proposed PSC 301 B to adequately address cold weather situations, it recommends that any "cold weather rule" incorporate the following provisions:

> "If disconnection affects the primary heat source of the premises:
>
> "1. Utility service cannot be disconnected if the predicted twenty-four hour (12:00 a.m. to 12:00 p.m.) temperature as reported by the National Weather Service at its First Order Station nearest the residence is to be zero degrees Fahrenheit or lower."
>
> "2. If the predicted twenty-four hour (12:00 a.m. to 12:00 p.m.) temperature as reported by the National Weather Service at its First Order Station nearest the residence is to be 20 degrees Fahrenheit or lower, a representative of the utility must make personal contact with an adult at the premises to be disconnected at least twenty-four hours in advance of disconnection."

NSP also states that any limitation on disconnection of service

during cold weather should be confined to disconnections affecting the primary heat source of the premises. It maintains that termination of electric service to apartments where heat is supplied through a central heating system does not constitute a health hazard due to adverse weather conditions. NSP's experience has been that apartment renters are more transient than house dwellers and are more susceptible to changing locations and names, leaving unpaid utility bills. Finally, NSP opposes the suggestion of the representative of the Minnesota Department of Public Welfare that utilities be obligated to notify customers subject to disconnection that public assistance might be available.

Sherry Chenoweth, Director of the Minnesota Office of Consumer Services, filed written comments opposed to the deletion of the cold weather rule. She stressed the severity of Minnesota winters and the need for a uniform policy concerning winter disconnection. She also stated that to base the operation of a shut-off prohibition on the weather of the day previous to disconnection offers the consumer inadequate protection. She recommends redrafting this portion of the rule to base its operation on the weather of the proposed day of disconnection and on the temperature of 32 degrees fahrenheit rather than zero degrees fahrenheit. Mrs. Chenoweth also stressed the need for a requirement of notification of some designated third party in addition to notification of the user.

The Minnesota Department of Public Welfare in written comments recommended that the cold weather rule be retained but amended to require the utility, in the event residential service has been disconnected and not restored to service on the disconnect day when the low temperature fell below 32 degrees fahrenheit, to inform the customer that the appropriate local welfare department has emergency services and that it provides financial assistance, rather than the information presently contained in PSC 299 (b).

The Ramsey County Welfare Department recommended that 299 (b) be amended to read as follows:

> If a residential service . . . fell below 32 degrees fahrenheit the utility shall inform the local law enforcement department and the appropriate county welfare department only when there is information available that a threat to health and life might exist to persons occupying the premises. In these instances the utility shall provide the name, address and telephone number at which the service was disconnected.

Otter Tail Power Company filed written comments recommending

deletion of the cold weather rule.

State Senator Tim Penney also filed written comments opposed to the deletion of the cold weather rule. While he agrees that the present requirement of basing disconnection on the prior day's weather is inadequate protection, he feels that this is no reason to delete the rule. Senator Penney also maintains that while the PSC does not have the authority to require that certain action be taken by welfare and law enforcement agencies, this is no reason not to require the utility to furnish such information. Senator Penney proposed the following amendment to the rule which he feels would more adequately protect consumers:

PSC 299 Cold Weather Rule

(a) No utility shall disconnect residential service:
(1) on a day when the low temperature as forecast by the National Weather Service at its First Order Station nearest the residence is expected to fall below zero degrees fahrenheit, nor
(2) on a Friday or day before a legal holiday if the low temperature as forecast by the National Weather Service at its First Order Station nearest the residence is expected to fall below 32 degrees fahrenheit.
(b) If a residential service has been disconnected and not restored to service by the close of business on the disconnect date when the low temperature as forecast by the National Weather Service at its First Order Station nearest the residence is expected to fall below 32 degrees fahrenheit, the utility shall inform the local law enforcement department and the appropriate county welfare department by the close of business on the same date. The information provided shall be: (1) the billing name and service address at which the service was disconnected; and (2) that a threat to health and life might exist to persons occupying the premises.

A review of all the statements and testimony presented with regard to the cold weather rule persuades the Commission that the rule should not be deleted but rather amended in an attempt to rectify problems existing under the present rule. Therefore, the Commission amends PSC 299 to read as follows:

(a) Notwithstanding the provisions of PSC 298 A and B, no utility shall disconnect residential service, if said disconnection affects the primary heat source of the premises:

(1) If the predicted 24-hour (12 a.m. to 12 p.m.) temperature as reported by the National Weather Service at its first order station nearest the residence is to be zero degrees fahrenheit (-18 degrees celsius) or lower; nor (2) on a Friday or a day before a legal holiday if the predicted 24 hour (12 a.m. to 12 p.m.) temperature as recorded by the National Weather Service at its first order station nearest the residence is to be 32 degrees fahrenheit (0 degrees celsius) or lower.

(b) If a residential service has been disconnected

and not restored to service by the close of business on the disconnect date when the predicted 24-hour (12 a.m. to 12 p.m.) temperature as reported by the National Weather Service at its first order station nearest the residence is to be 32 degrees fahrenheit (0 degrees celsius) or lower, the utility shall inform the customer that the appropriate local welfare department has emergency services and may provide financial assistance; in addition, the utility shall notify the local law enforcement department and the appropriate county welfare department. In these instances, the utility shall provide the name, address and telephone number at which the service was disconnected.

PSC 300

The Commission herein adopts the Hearing Examiner's Recommendations with respect to proposed PSC 300 A, B, C, D and E, and incorporates by reference the Examiner's Findings and Conclusions on said rules. For the reasons discussed above, the Commission has determined that the existing landlord-tenant rule contained in PSC 298(c) should be retained, and therefore, PSC 300 F as proposed is not adopted.

The Commission had also proposed to delete the existing PSC 300(f), which provides that a utility shall compensate a customer for any reasonable damages suffered which result from the action taken, if notice was required and it was incorrectly given. In its Statement of Need, the Commission stated that it lacked subject matter jurisdiction to award damages in a civil cause of action, and that it apparently had exceeded its rule-making authority in promulgating this rule.

The Legal Aid Society in written comments argues that PSC 300(f) should not be deleted and that the Statement of Need mistakes the situation in that it does not award damages but merely confirms the existence of a cause of action. Further, they state that the courts must still hear and resolve factual disputes, and determine damages.

The Commission concludes that existing PSC 300(f) is superfluous in that it simply restates the common law in that violation of a statute (or agency regulation which has the force and effect of law) constitutes negligence per se and for this reason feels that PSC 300(f) should be deleted.

PSC 301 A.

The Commission herein adopts the Hearing Examiner's recommendation with respect to proposed PSC 301 A, and here incorporates by reference the Examiner's Findings and Conclusions on said rule.

PSC 301 B.

This rule was proposed in lieu of the cold weather rule, PSC

and not restored to service by the close of business on the disconnect date when the predicted 24-hour (12 a.m. to 12 p.m.) temperature as reported by the National Weather Service at its first order station nearest the residence is to be 32 degrees fahrenheit (0 degrees celsius) or lower, the utility shall inform the customer that the appropriate local welfare department has emergency services and may provide financial assistance; in addition, the utility shall notify the local law enforcement department and the appropriate county welfare department. In these instances, the utility shall provide the name, address and telephone number at which the service was disconnected.

PSC 300

The Commission herein adopts the Hearing Examiner's Recommendations with respect to proposed PSC 300 A, B, C, D and E, and incorporates by reference the Examiner's Findings and Conclusions on said rules. For the reasons discussed above, the Commission has determined that the existing landlord-tenant rule contained in PSC 298(c) should be retained and renumbered 300 E, and therefore, PSC 300 F as proposed is not adopted.

The Commission had also proposed to delete the existing PSC 300(f), which provides that a utility shall compensate a customer for any reasonable damages suffered which result from the action taken, if notice was required and it was incorrectly given. In its Statement of Need, the Commission stated that it lacked subject matter jurisdiction to award damages in a civil cause of action, and that it apparently had exceeded its rule-making authority in promulgating this rule.

The Legal Aid Society in written comments argues that PSC 300(f) should not be deleted and that the Statement of Need mistakes the situation in that it does not award damages but merely confirms the existence of a cause of action. Further, they state that the courts must still hear and resolve factual disputes, and determine damages.

The Commission concludes that existing PSC 300(f) is superfluous in that it simply restates the common law in that violation of a statute (or agency regulation which has the force and effect of law) constitutes negligence per se and for this reason feels that PSC 300(f) should be deleted.

PSC 301 A.

The Commission herein adopts the Hearing Examiner's recommendation with respect to proposed PSC 301 A, and here incorporates by reference the Examiner's Findings and Conclusions on said rule.

PSC 301 B.

This rule was proposed in lieu of the cold weather rule, PSC

299. As the Commission has resolved to retain and modify the cold weather rule as discussed above, 301 B is therefore unnecessary and will not be adopted.

PSC 302

The Commission herein adopts the Hearing Examiner's recommendation with respect to proposed PSC 302, and here incorporates by reference the Examiner's Findings and Conclusions on said rule.

PSC 303

The Commission herein adopts the Hearing Examiner's recommendation with respect to proposed PSC 303, and incorporates by reference the Examiner's Findings and Conclusions on said rule with the exception of PSC 303G.7. Based on the testimony, the Commission is of the view that a more reasonable interest charge as applied to customer refunds should be 8%.

PSC 311

The Commission proposed to delete subsection b of the existing rule which provides that a self-read utility must read its meters at least once every 12 months upon a change in customers, and upon a customer's request. A number of electrical cooperatives are opposed to this rule because of their apparent difficulty in complying with this annual meter reading requirement. They contend that when a utility is operating in many counties it is difficult to get a reader to every customer once every twelve months.

The original intent of this subsection was to insure that billing errors, due to inaccurate meter readings or other meter malfunctions, would be discovered at reasonably short intervals. While the Commission staff contends that the intent of this subsection to protect the customers from extraordinarily large bills has been transferred to PSC 314 and 315, the Commission disagrees and concludes that some check is necessary in order to reduce possible errors as much as possible. Therefore the Commission concludes that PSC 311(b) as it presently reads should be retained. The Commission points out that there is a provision within the existing rule for utilities who are unable or have difficulties in reading the meter once every 12 months to petition the Commission for a longer interval of time.

PSC 313.

The Commission herein adopts the Hearing Examiner's recommendations with respect to proposed PSC 313, and incorporates by reference the Examiner's Findings and Conclusions on said rule with the exception of PSC 313A.5

which requires a complete itemization of all charges incurred at all levels of customer usage. The Commission hereby concludes that such information is essential in order for retail customers to make rationale decisions regarding their consumption, while at the same time not imposing an undue burden on the utility. The Commission points out that part B of 313 expressly permits the Commission to except a utility from the requirements of this rule.

PSC 314 and 315

The Commission herein adopts the Hearing Examiner's recommendation with respect to PSC 314 and 315, and incorporates by reference the Examiner's Findings and Conclusions on said rule with the exception that the Commission concludes that permitting readjustments for bills up to three years is too long a time period and provides no incentive for insuring meter accuracy, and therefore concludes that the appropriate time limitation should be one year.

PSC 325.

The existing PSC 325 states that a utility shall not require a cash deposit or other guarantee of any customer who has established good credit. It further states that deposits can be secured only if the customer has an unsatisfactory credit rating. The Commission staff contends that these references are inconsistent and involve too much editorializing rather than practical application. No criteria is stated in the existing rules as to the definition of good credit. The Commission staff argues that the determination of whether the applicant has good credit with a particular utility company should be made solely by that company. If the company determines that the applicant has good credit with that utility it would grant service without a deposit or guarantee requirement. Conversely, if the utility determines lack of established good credit, it could require a deposit or guarantee. It was the Commission staff's opinion that the utility should have the right to judge whether or not the applicant satisfies the requirement of established good credit, and for this reason recommends deletion of the existing PSC 325 in its entirety and replaced with the proposed rule.

In written statements filed after the hearing, the Legal Aid Society argued that the existing rules should be retained and unchanged. Its rationale is that the unregulated subjective opinion of a utility under

the proposed rule will be the only standard by which deposit requirements may be judged. The Legal Aid Society maintains that the present rule very wisely attempts to establish objective standards against which a decision by the utility can be measured. While conceding that defining "good credit" is a difficult and inexact task, it would be no more less difficult under the proposed rule, since the same phrase is the core of that rule also. The Society maintains that the only difference is that under the proposed rule the utilities will be the judges of their own conduct. Finally, the Society argues that given the fact that the record of the utilities in this area has been less than exemplary (attempts have been made in the past to require welfare recipients to pay deposits), there is no compelling reason for departing from the general rule in this situation.

The Commission concludes that the arguments of the Legal Aid Society are persuasive, and that to permit the utilities to formulate their own deposit standards and requirements may well lead to instances of discrimination, and that the existing rule will better foster uniformity of application. Therefore, the existing PSC 325 is retained.

PSC 326, 327, 328 and 335.

The Commission herein adopts the Hearing Examiner's recommendations with respect to PSC 326, 327, 328 and 335, and incorporates by reference the Examiner's Findings and Conclusions on said rules.

CONCLUSIONS

1. That the Commission gave due, timely and proper notice of the hearing herein. All other substantive and procedural requirements of the statute and applicable rules have been fulfilled.

2. The Public Service Commission has statutory authority to adopt the proposed rules.

3. The Commission has demonstrated the need for and the reasonableness of the proposed rules as amended.

Based upon the foregoing Conclusions, the Commission makes the following

ORDER

That the proposed rules be modified as suggested in the Findings and that, so modified, they be adopted.

BY ORDER OF THE COMMISSION

/s/ LEO J. AMBROSE
Secretary

DATE: SEP 12 1977

(S E A L)

Proposed PSC 280

30. That PSC 280, regarding complaint procedures, be deleted in its entirety since the requirements set forth in that rule are duplicated in proposed PSC 282, which, as amended, outlines the procedure under which a utility will handle a customer complaint or inquiry. Said deletion is reasonable and necessary.

Proposed PSC 281

31. That because of the length and controversy of some sections of this proposal, each section of the original proposal will be treated separately below.

PSC 281A

32. PSC 281A, as amended, states clearly and concisely that the customer information sign must state where, when and to whom a complaint must be directed along with the address of the Public Service Commission and its availability for mediation upon written request. Every gas and electric utility operating under the existing rules is required to have signs in its office with this information. The amendment is being offered for the limited purpose of clarification, does not involve a substantive change in the existing rule and is reasonable.

PSC 281B

33. This rule, as amended, requires every utility to publish customer information booklets. Subsection (1) of this rule sets out the requirement for utilities' customer policies in six different areas to be included in this information. The Commission asserts that the amendments to PSC 281B are being offered for the limited purpose of clarification and do not involve a substantive change in the existing rules. The Commission alleges that the current rule is deficient in that it doesn't specify what is to be included in the customer information rules. PSC 281B requires that a utility shall publish its customer information "at its expense". Peoples Natural Gas Company contends that (a) the initial preparation and subsequent periodic updating of such material could easily generate costs which would outweigh the benefits of such information, and (b) that if the phrase "at its expense" is intended to mean that the utilities are to make

such information available to their customers "as part of the utility's service covered by the utility's rates", that the foregoing language be substituted for the words "at its expense". They assert that this recommended change is intended to avoid a possible interpretation as to the effect that the expense of preparing such information is to be a "below the line" cost to be excluded from the utility's cost of service.

The ambiguity which is claimed by Peoples does not actually exist in the reading of the rule, and the words "at its expense" are easily interpreted as an expense of the public utility in doing business. For that reason, the rule, as proposed by the Commission, should be adopted.

PSC 281B.3.

34. This rule requires the title, address and telephone number of the department of the utility to which complaints should be directed, including a telephone number for customers to call in emergency situations and adds the additional wording "or a concise statement as to where such information can be obtained". Northern States Power Company claims that the proposed amendment is reasonable and will not constitute a hardship for utility customers. On the other hand, the Legal Aid Society of Minneapolis argues that said rule should not be amended as the present rule attempts to put all necessary information in the customer's hands at one time, and the amendment would weaken that policy. The Commission claims that some of the larger utilities are unable to print all of the information of the different telephone numbers that they have for their different departments on the information form; in that case, the practice is to put a concise statement advising customers to consult the telephone directory to find this information. The Commission has accepted this in the past as compliance with the rule. The rule, as proposed, is reasonable and is not weakened by the proposed amendment.

PSC 281B.4.

35. This rule requires that the customer information include the rules and regulations of the Public Service Commission concerning complaints and customer relations. It specifically

identifies PSC 282B and 303 for inclusion. The Legal Aid Society of Minneapolis contends that the rule should be expanded to require inclusion of the information contained in PSC 298 (disconnection of service rules); PSC 299 (cold weather rule); PSC 300 (notice: Other time requirements); PSC 301 (manner of disconnection); and PSC 302 (reconnection of service). They state that unless the customer knows his rights, he will be severely hampered in enforcing those rights and that the present information booklets are totally inadequate to inform the customer of his rights.

The requirements of PSC 281B.1 include the necessity for a utility to set out its policies governing, among other areas, notice of disconnection, disconnection of service, and reconnection of service. In the customer information booklet, the customer will have an opportunity to learn the utility's own customer policies governing these areas without the additional inclusion of PSC's 298, 299, 300, 301 and 302 as a specific requirement of subsection (4). The rule, as proposed by the Commission, is reasonable.

PSC 281B.5.

36. This subsection deletes the requirement that the deposit and guarantee standards of the utility be included in the "customer information". The reason for the deletion is that this requirement is now included in proposed PSC 281B.1. The rule adds the requirement of a statement that the Minnesota Public Service Commission regulates this utility and is available for mediation upon written request and the address of the Minnesota Public Service Commission. The rule, as proposed, including the aforementioned deletion, is reasonable.

PSC 281C

37. This rule relates to information which utilities must include in their billing statements and includes the wording "or a concise statement as to where such information can be obtained". The Commission claims that larger utilities find it difficult to list all phone numbers of various departments on billing statements, and the proposed amendment will allow them to comply with

the rule. NSP, one of the largest utilities in Minnesota, conducts its operations through numerous geographic divisions and subdivisions. They have numerous district or area offices located within these geographical subdivisions, and each of these offices has separate telephone listings and addresses in the local telephone directory. If each telephone number and address were to be set forth on bill statements, it would be necessary for NSP to have printed 44 separate bill statements and to code all customer accounts in these 44 areas so that each customer in each area was provided with appropriate telephone number and address. They argue that a customer is more likely to dispose of or lose his bill stub than his telephone directory. They further argue that no evidence was introduced at the hearing that any one of their 976,000 customers was unable to reach the company by telephone or mail. They submit that the proposed amendment to PSC 281C.1. is reasonable and will not constitute a hardship for their customers.

38. The Legal Aid Society of Minneapolis takes issue with the alleged lack of space on the bill to print this information and argues that there is a sound policy for giving customers this information on the bill. They further state that the proposed change will make it more difficult for customers to register complaints and there is no need for the proposed amendment.

39. That the proposed PSC 281C, as amended by the Commission, is reasonable and should be adopted.

Proposed PSC 282

40. PSC 282, as amended, constitutes a consolidation of several existing PSC rules. The rule contains the requirements currently set out in PSC 280, 282, 286, and 287. Subsection C provides that when the Commission forwards a customer complaint to the utility, the utility shall notify the Commission within five (5) business days regarding the status or disposition of the complaint. Peoples Natural Gas Company urges that this rule be changed to enlarge the period to ten days, claiming that five days is inadequate considering mail service, and the frequent need for the recipient office to check with another office for

additional information. The proposed amendment to subsection C by Peoples Natural Gas is based on sound reasoning and should be adopted by the Commission. The rule, as amended, is reasonable and necessary.

Proposed PSC 284, 285, 286, 287, 295

41. That the proposed rules drew no criticism or public comment, either during or after the hearing, and are reasonable and necessary.

Proposed PSC 296

42. The Commission proposes changes in the existing PSC 296 by the deletion of subsections (b) and (c). The rule relates to extension of service, and the Commission states the need for the deletion arises from the fact that the rule presently is ambiguous in that it does not indicate whether it applies to a gas or electric utility or both, and if it applies to gas utilities, it is ambiguous because gas utilities do not have service areas as defined in Minn. Stat. § 216B.10, subd. 6. Secondly, the Commission states that the rule fails to define what is meant by the terms extensions and service areas and that the rule is merely a liberal re-wording of Minn. Stat. § 216B.04. The present rule makes mandatory a requirement that all extensions be completed within 90 days, and with the Commission's approval, an additional 90 days. The statute, on the other hand, is construed by the Commission as merely establishing a guideline for furnishing adequate service and not as a mandatory time period for making extensions of service. The Legal Aid Society of Minneapolis opposes the deletion of subdivisions B and C for two reasons. First, that the requirements of Minn. Stat. § 216B.04 can be construed as mandatory, and if the utilities find compliance with the statute impossible, they should seek an amendment to the statute. Secondly, any ambiguity in the term "service area" can be resolved by clarifying the definition rather than deleting the regulation.

43. The Commission disagrees with this statutory construction. In the event the statute is construed as setting forth a mandatory service extension requirement, the Commission still

paying customers. If the non-paying customer's deposit is first applied to his unpaid account, and his service thereafter is terminated, in order to accomplish the purpose of securing the deposit under the conditions established by the existing rule, service would not be re-established until the customer had paid all remaining liability and had made an additional deposit. The Commission asserts that it would be easier for the defaulting customer to re-establish service by being obligated to pay outstanding liabilities only as opposed to additionally being obligated to make another deposit. To waive the requirement for an additional deposit under these conditions would defeat the purpose for taking the deposit in the first instance. They maintain that the present PSC 298(a)(1) is totally inconsistent with the concept of security deposits. Applying security deposits to arrears prior to disconnection would be the equivalent of converting security deposits into prepayments. Under the proposed rule, service would be disconnected when the amount of the deposit equalled or exceeded the outstanding bill. At this point, the customer has the option to either make another deposit or allow his service to be disconnected. This procedure would protect paying customers from non-paying customers and fulfill the purpose of security deposits. The intent of the amendment, as stated by the Commission, is that a utility may disconnect service for non-payment of bill only when the amount of the billing equals or exceeds the amount on deposit with the utility. In its written comments submitted within the 20-day period after the hearing, Commission recommends that PSC 298A.1. be amended to read as follows:

> For failure of the customer to pay a bill for utility service, but only when the amount of the customer's outstanding bill equals or exceeds the amount of the customer's deposit.

The proposed amendment omits the words "when due" after the word "service" as originally proposed by the Commission.

46. Northern States Power Company submitted a rather lengthy memorandum with respect to the present inadequacies and ambiguities in the existing PSC 298 and asserted that the proposed amendments addressed these defects and should be adopted. Otter

supports the deletion of the rule, contending that there is no need for a rule when the legislature has clearly spoken on the matter. The Commission's position is that the situation governed by the rule is covered by Minn. Stat. § 216B.04, and there is no justifiable need to duplicate the provisions of the statute by the promulgation of the rule. Also, the reason for the deletion of subsection C is that this rule was proposed as a modifier of subsection B. Since subsection B is proposed to be deleted in its entirety, it then follows that subsection C is unnecessary. Minnesota Gas Company supports the proposed amendment to PSC 296.

The rule, as proposed, including the deletions of subsections B and C from the existing rule, is reasonable and should be adopted.

Proposed PSC 298

44. PSC 298 outlines the permissible and non-permissible reasons for disconnecting service to a customer. The rule also specifies when notice is required prior to the disconnection of service. The present rule, according to the Commission, is not readily understandable, and proposed PSC 298 is a total revision of the existing rule into four subdivisions:

A. Disconnection of service with notice - permissible reasons;

B. Disconnection of service without notice - permissible reasons;

C. The temporary disconnection of service;

D. Non-permissible reasons to disconnect service.

PSC 298A

45. PSC 298A eliminates the provision in existing PSC 298 (a) which requires that the utility must apply a customer's deposit and accrued interest to any liability of the customer and return any remaining balance to the customer within ten days of disconnection. PSC 298A.1. eliminates the provision of the existing PSC 298(a)(1) which provides that utility service can be disconnected for non-payment only when the amount of the deposit, plus accrued interest, has been used to satisfy the incurred obligations. The purpose of obtaining a security deposit is to protect paying customers against losses incurred because of non-

Tail Power Company stated that the proposed rule should be modified to allow disconnection for non-payment of a bill when the amount of the billing exceeds the amount on deposit with the company as set forth in the new Commission-proposed rule. They strongly object to a requirement for the application of the deposit prior to disconnection.

47. State Senator Tim Penny, in written comments submitted after the hearing, suggested that the real reason for the proposed amendment is a desire to help the utility and not the consumer. He asserts that the proposed amendment would allow the utility to disconnect service much sooner because the deposit would not have to be used first to satisfy the incurred obligation. Therefore, action under the proposed amendment would actually cost the customer more because he would have to pay to have service reconnected. . . Service that had been disconnected, even though he may have had enough money on deposit with the utility to satisfy the incurred obligation. He therefore argued that the proposed amendment would prohibit a customer from using his own money for the purpose for which it was given to the utility. He contends that the existing language in PSC 298(a) and 298(a)(1) should be retained because deleting it would deprive consumers of the protection that the deposit requirement was designed to provide. He also disagrees with the proposed amendments to PSC 298(c)(1) and (2) (Landlord-tenant rule) as it would allow the utility to disconnect a tenant's service for the landlord's non-payment even without offering that tenant the opportunity to subscribe for service in his or her own name. He stated that the proposed amendments would require the utility to only make a good faith attempt to advise tenants of their intent to discontinue service. He stated that the existing language provides tenants at least some protection against having their service disconnected when a landlord fails to meet his obligation.

48. The Legal Aid Society of Minneapolis argued that the present language in PSC 298(a)and (a)(1) should be retained with the exception that PSC 298A.1. should specify that nonpayment of a bill means "nonpayment of the customer's bill for utility service"; PSC 298A.2. should be amended to include the words "for

failure of the customer to meet the deposit and credit requirements contained herein." This rule is subject to the requirements of PSC 298A.1.; PSC 298A.3. should be amended to spell out that it relates to customerswho fraudulently deceive the utility by attempting to apply for service under a false name or in the name of a person who does not want service in his name; PSC 298A.9. should be amended to limited compliance with "the lawful order of any governmental authority"; and PSC 298(b)(4) should not be deleted but should be added to proposed 298B.

49. The rule, PSC 298, as proposed by the Commission, corrects the defects and ambiguities in the present existing PSC 298, and there is no necessity for the adoption of the recommendations of the Legal Aid Society of Minneapolis with respect to this rule. Even though there is commendable merit in the proposals and arguments of the Legal Aid Society, the rules, as proposed, are not so ambiguous as to have a need for the additional proposed language of the Legal Aid Society.

That PSC 298, as proposed by the Commission, is necessary and reasonable.

Proposed PSC 299

50. On February 11, 1976, PSC 299, commonly called the "Cold Weather Rule", became effective. The Public Service Commission now proposes the deletion of said rule in its entirety. They state as reasons for its deletion, that the rule makes disconnection and consequently collections difficult, if not impossible during the winter months. The rule prohibits a utility from disconnecting service on a day when the low temperature within the previous day, as reported by the National Weather Service at its first order station nearest the residence, fell below zero degrees Fahrenheit. The Commission contends that the present rule offers little, if any, protection against disconnection during extremely cold weather. The rule also prohibits a utility from disconnecting service on a Friday or a day before a legal holiday if the low temperature during the previous day fell below 32° Fahrenheit, as reported by the National Weather Service at its first order station nearest the residence. The

reasonable and necessary and should be adopted by the Commission.

Proposed PSC 300

58. This rule defines what constitutes adequate notice as that term is used in the rules. The Commission is proposing a new PSC 300A and the deletion of the existing PSC 300(a). They also propose amendments to PSC 300(b) to be known as PSC 300B; PSC 300(c) to be known as PSC 300C; PSC 300(d) to be known as PSC 300D, and PSC 300(e) to be known as PSC 300E. In addition, they propose a new PSC 300F and the deletion of the existing PSC 300(f).

PSC 300A

59. The existing PSC 300(a) requires that all notices of disconnection must be by certified mail. Certified mail requires a receipt signed by the addressee. If the addressee is not home, or refuses to answer the knock of the postman, a note is left in the addressee's mailbox stating that the letter awaits him at the local postal station. The notice of disconnection must be sent to the address where service is rendered and to the address where the bill is sent, if different from the address where service is rendered. The Commission notes that it has been the experience of the utilities operating under this rule that a person intent on avoiding payment of his utility bill will not sign a receipt for a certified letter or travel to the local post station to receive notice that his utility service is about to be disconnected. The requirement of certified mail will not enhance the prospects of receiving notice and will only be used as a tool by those who do not intend to pay. Another factor is the high cost of mailing a certified letter ($.73) vs. first class mail ($.13). A large saving can be insured by eliminating the certified mail requirement and still insure that the customer is receiving adequate notice prior to disconnection. In light of the above-stated reasons, the Commission proposes an amendment to PSC 300(a) to provide that notice of disconnection will be by first class mail only. Notice will be sent to the address where the service is rendered or to the address where the bill is sent if different from the address where service is rendered. A representative of

the utility will make an affidavit under oath that he deposited in the mail the notice properly addressed to the customer.

60. Minnesota Power & Light Company has maintained a record of returns of letters sent out by each method. They have determined that approximately 18% of those notices sent out by certified mail have been returned while less than one percent of those sent out by first class mail are returned as undelivered to the customer. Otter Tail Power Company contends that the existing rule has increased mailing and labor costs which are assumed by all customers of the utility. The value of the rule as it presently exists appears to be in question simply because of the utility's customers refusing to accept certified mail. It is submitted that a greater number of customers would actually receive the notice and would read the notice if it was sent by first class mail. Benco Electric Company also agrees to the deletion of the requirement for certified mail.

61. State Senator Tim Penny contests the arguments of the Commission for the proposed amendments. He states that most customers would rather bear the added expense of certified mail than face disconnection because they did not receive notice by first class mail and that said amendment is particularly dangerous in light of the proposed deletion of the cold weather rule. Cost of certified mail is not an adequate argument for making a change that could have disastrous results.

62. NSP strongly urges that the proposed PSC 300A be adopted. All bills, including those containing "reminder notices" and "important notices" are presently mailed by NSP by first class mail. During the period June 1, 1976 to December 31, 1976, NSP mailed, by certified mail, 149,046 Notices of Disconnection. Twenty-four percent of these notices of disconnection were returned by the post office as undeliverable. During the same period of time, all notices which were mailed by first class mail to the same people at the same addresses, less than one percent were returned by the post office department as undeliverable. That includes 313,286 "important notices" mailed in the metropolitan area alone. They strongly argue that the additional expense is

not warranted by the results achieved.

63. That PSC 300, as proposed by the Commission, is necessary and reasonable.

PSC 300B, 300C, 300D, 300E

These rules drew little criticism or comment and are reasonable as amended.

PSC 300F

The present PSC 298(c) is an attempt to protect tenants from the difficulties of termination of service because of a defaulting landlord, particularly an absentee landlord. That rule provides that service to the landlord cannot be terminated unless where "feasible", the occupant is offered an opportunity to subscribe for service in his own name. The proposed PSC 300F is a new provision that addresses itself to notice of disconnection of service. The existing rule is deficient for several reasons: First, the task of contacting each individual tenant to determine whether he or she is desirous of being responsible for utility service for the entire building is unreasonable. Secondly, because of the current deposit rules, it would be difficult, if not impossible, for a utility to obtain a deposit from an individual tenant to secure payment of bills which could amount to hundreds of dollars per month. Third, the rule of legality is questionable as it allows the utility and the tenant, neither having any ownership interest in the property, to establish a contractual relationship for utility services thereto without a hearing or order from the Commission or the courts. The proposed rule requires the utility to make a good faith attempt to notify tenants prior to disconnection. Such notice required by this provision must precede the action to be taken by at least five days, excluding Sundays and legal holidays.

64. NSP fully agrees with the Commission that the existing rule is defective; however, they question that the proposed rule is a reasonable alternative. They are strongly of the opinion that the posting of notices as provided in the Minneapolis and St. Paul ordinances is an excellent way for notifying tenants in multiple dwelling units of pending termination of utility

service and recommend that proposed 300F be amended to so provide.

65. That the proposed PSC 300F is reasonable and necessary and a good faith attempt could include the posting of notices to inform the tenants without any additional language in the rule.

Proposed PSC 301

66. This rule deals with the manner of disconnection of service and the Commission proposes the elimination of the existing PSC 301(a) which contains the requirement for the utility to attempt, on at least three separate occasions, in good faith to obtain personal contact with the consumer in the event personal contact or contact is not made by certified mail. The Commission contends that by adopting disconnection notice by first class mail, it will be presumed that the mail is delivered and the customer received notice. The proposed subsection B is a new subsection which provides that service shall not be disconnected for nonpayment of bills on any Friday, Saturday, Sunday or legal holiday, or at any time when the utility's business offices are not open to the public. The Commission amended the proposed subsection at the hearing to include the wording "for nonpayment of bills".

67. People's Natural Gas Company takes issue with PSC 301A which provides in part that a representative of the utility shall, at all times, be capable of receiving payment. They allege that such a procedure will encourage chronically slow paying customers to ignore collection notices and wait until the utility representative appears in person to shut off service.

68. NSP agrees that the existing PSC 301(a) be totally deleted, stating that first class mail is a far better vehicle for providing notice than certified mail. They further state that mailing notices of disconnection by first class mail and a personal visit to the premises at the time of disconnection provides a wholly adequate and much more satisfactory method of communication than existing PSC 301(a).

69. The Legal Aid Society of Minneapolis argues that the existing PSC 301(a) should not be deleted because the rule puts no intolerable burden on the utilities and ordinary mail is, in

many instances, not adequate to insure notice. They further contend that the present rule could be misinterpreted, as applied to a multiple dwelling, to mean that the utility representative need not go to the door of a customer's apartment unit inside the building. Since the purpose of the personal visit requirement is to give the customer one last chance to remedy the cause of the proposed disconnection, they suggest that the rule should be clarified to eliminate any misunderstanding by amending the first sentence of PSC 301A by adding the following language following the word "rendered":

> "and an attempt to make personal contact with the customer at the address. If the address is a building containing two or more dwelling units, the representative shall make a personal visit to the door of the customer's dwelling unit within the building. If security provisions in the building preclude free access on the part of the representative, the representative shall attempt to gain access to the building from the caretaker, for the purpose of attempting to make personal contact with the customer."

70. The above wording, as proposed by the Legal Aid Society of Minneapolis, is reasonable and necessary to avoid any misinterpretation of the rule and should be incorporated into the rule as adopted. That PSC 301A and B, as amended, are reasonable and necessary.

Proposed PSC 302

71. This rule is being amended to clarify ambiguous language. There is no substantial change in the body of the rule and there were no public comments or criticism with reference to the proposed change. That the amendment to the existing rule is reasonable and necessary.

Proposed PSC 303

72. This rule outlines the dispute procedures to be followed by the utility and establishes the escrow payment plan for disputing bills. The Commission asserts that this is not a collection device solely for the benefit of the utility. The rule places an affirmative duty on the part of the utility to resolve all disputes regarding billing prior to the disconnection of service. The amendments to this rule are found in subdivision G.6. and G.7.

73. PSC 303G.6. is being amended to clarify the fact that by submitting the escrow payment form to the Commission, the customer has filed an informal complaint against the utility, pursuant to the Commission's Rules of Practice. In light of the above amendment, the existing PSC 303(g)(7) is no longer necessary. If a customer desires to dispute his estimated bill, the proper procedure for him is the filing of an escrow payment form with the Commission. The rule as proposed is reasonable and necessary and should be adopted.

PSC 303G.7.

74. This rule provides that upon settlement of the dispute, any sums found to be entitled to be refunded to the customer shall be supplemented by a 6% per annum interest charge from the date of payment to the date of return by the utility. The Legal Aid Society of Minneapolis proposes that this rule should be deleted and the present PSC 303(g)(8) should be retained. They state that the penalty rule is simply an incentive to the utilities to keep accurate records and not to overcharge; if the only penalty was a requirement that interest be paid at the legal rate, there would be no penalty at all, and thus no incentive. They contend that the existing PSC 303(g)(8), which is proposed to be deleted, includes a penalty of ten percent of the amount found in error and the ten percent rule is a reasonable regulation in furtherance of the statutory goals.

75. The opposite view was expressed by Pickens, Mather & Company in their written comments filed after the hearing in which they submit that, given current interest rates, and the likelihood that future interest rates will continue to be in excess of six percent, the proposed revision in effect offers the utility a very expensive form of borrowing. They assert that a more equitable approach would be a rate equal to the rate of return permitted the utility by the Commission with respect to the class of customers in which the customer receiving a refund fits. Also, they argue that a penalty should be imposed in addition to the interest charged in the event that the refund is payable by virtue of the failure of the utility to comply with the regulations and/or orders of the Commission.

76. Proposed PSC 303I is a completely new rule and is necessary to clarify the fact that the utility is not obligated to suspend discontinuance of service upon the filing for review with the Commission, unless the customer pays, when due, all current bills rendered during the pendency. It also provides that all designated disputed payments of portions made after the first filing for review shall be considered to be made in escrow.

77. That the proposed PSC 303 is supported by the Commission's Statement of Need and is reasonable and should be adopted.

Proposed PSC 311

78. The Commission proposes deletion of subsection (b) of the existing rule which provides that a self-read utility must read its meters at least once every 12 months upon a change in customers, and upon a customer's request. A number of electrical cooperatives are experiencing great difficulty in complying with this annual meter reading requirement. When a utility is operating in many counties, it is difficult to get a reader to every customer once 12 months. In addition, the rule does not take into consideration the situation in Minnesota where the reading of meters may be impossible because of inclement weather. The original intent of this subsection was to insure that billing errors, due to inaccurate meter readings, or other meter malfunctions, would be discovered at reasonably short intervals. The intent of the subsection to protect the customers from extraordinarily large bills has been transferred to PSC 314 and 315. Accordingly, the Commission proposes deletion of subsection (b) from the existing rules. That the proposed deletion is necessary and reasonable and should be adopted.

Proposed PSC 313

79. The Commission proposes that the existing rule be amended completely in that it adopts an outlined procedure. The rule governs the content and information required to be stated in the utility bills and should enable the customer to understand the factors upon which his bill is based. The rule is amended by outlining the information required on the billing statement. The information required under subsections A.1., .2, .3, .4, .6, .7,

.8, .9, .10, .11 and .12 is currently required under the existing rule, and the utilities already have this information readily available on their billing statements. The proposed subsection A.5. is a new provision requiring that a customer's billing statement contain a complete itemization of all charges incurred at all levels of customer usage. At the present time, a customer can only calculate his average rate which is never equal to the price of additional energy consumed or conserved. The price information required under the proposed rule is essential so that retail customers will be able to make rational decisions regarding their usage. The provision contemplates that the customer's total consumption will be broken down according to separate rate blocks, and the charge for consumption in each block set forth. With the aid of a copy of the applicable rate schedule, a customer could readily compute and check his bill. This information is necessary so that a customer can make an intelligent decision regarding how to conserve energy.

80. Minnesota Gas Company opposes the proposed PSC 313A.5. because the rule assumes that a customer must have a current rate schedule in his possession to make a check calculation. Customer doubts as to bill accuracy will not be removed by making a number of calculations for each portion of the customer's bill as would be required by this rule. Minnesota Gas Company claims that they have qualified customer accounting representatives who assist all customers who wish to check the accuracy of the amount of the bill. They also provide current rate schedules upon request to anyone who wants a copy. They argue that they have just completed a complete re-design of their bill, changed the form of the bill and re-programmed the computer to accommodate the requirements of the existing PSC rule. The new bill form has been in use only a few months, and the customers are just starting to become familiar with it. Another change would simply further confuse all the customers for the benefit of the few who may want to see an arithmetic computation of each segment of the bill. They would have to completely change their bill form and lease an additional expensive computer to achieve

these ends. The cost of re-designing the bill and owning or leasing the additional expensive computer equipment cannot be justified when compared with the small benefit to the few customers who may question the computation of their bill. They further argue that it is doubtful that the tracing of the calculation of each step or block of energy consumption in the bill will generate any stronger or meaningful economic signals to the customers and his recognition of the total amount of his bill.

81. Northern States Power Company opposes the proposed section A.5. alleging that under the existing rule, a customer can make such calculations. The proposed subsection will increase the bill size from its present 8 1/2" to as much as 16 1/2". Under the proposed subsection, if consumption from more than one electric or gas meter is to be shown, the bill becomes correspondingly longer or two bills must be sent thus increasing mailing costs. NSP claims that if the proposed subsection is adopted, its anticipated expenses will be in an initial estimated programming cost of $50,000, and an increased annual expense for bill stock and printing of $127,000. They argue that no evidence was introduced that customers are presently having difficulty in understanding their bills or that the proposed change will be used by customers to reduce consumption or to make selective appliance purchases.

82. That the proposed rule section, PSC 313A.5. should not be adopted in light of the evidence presented by the utility companies. Based upon the arguments, testimony and exhibits introduced by the companies, the adoption of this subsection would create an undue hardship upon the companies, would create excessive costs and would not simplify explanations of the billing charges to the utility's customers.

83. Proposed PSC 313B is a new rule which allows any utility which is unable to comply with any of the provisions of PSC 313A within 12 months of the effective date of this rule to petition the Commission for either a temporary exemption or a permanent exemption. The Commission contends this rule is necessary to insure an equitable transition period for the implementation of

PSC 313A. The Commission's reasoning is that if 313A.5. is adopted, many utilities will have to re-program their billing procedures and dispose of whatever billing forms they have in stock on hand. It is for that reason that they stress that PSC 313B be adopted. However, if the Commission deletes proposed subsection A.5. from PSC 313, as recommended above, there will be no necessity for the inclusion of subsection B as there will be no transition period necessary for the conversion to bills containing complete itemizations of all charges incurred at all levels of customer usage. For that reason, subsection B should be deleted from the proposed rule.

Proposed PSC 314 and 315

84. PSC 314 and 315 are companion regulations which relate to the adjustment of bills and billing errors for electric and gas utilities, respectively. Since these proposed rules involve a highly technical area, the Commission relied upon regulations now in existence in other states. The proposed amendments are based upon the current regulations in South Dakota. The existing rules are primarily being amended to clarify ambiguous language and to make the rules equitable for all concerned parties. Proposed PSC 314 deals with the adjustment of bills by electric utilities because of inaccurate meters or billing errors. Proposed PSC 315 deals with adjustment of bills for gas utilities because of inaccurate meters or billing errors. The existing rule was drafted in part from the Wisconsin Public Service Commission rule and in part from the North Dakota Public Service Commission rule. What the draftsman did was to apply the Wisconsin rule to "fast meters" and the North Dakota rule to "slow meters". Hence, if a meter operates fast, requiring a customer refund, the rule affording the customer the largest refund was applied. If the meter operated slowly, resulting in an undercharge, the rule allowing the least payment has been used. The Commission found no justification for this unusual and discriminatory treatment and feels that the standard to be applied should be the same in each case. As proposed, the new rules correct the deficiencies as stated.

85. Northern States Power Company agrees with the Commission that these two sections are probably the most confusing, inadequate and arbitrary sections of the customer service rules. The purpose of the sections is to establish procedures for collecting undercharges and the refund of overcharges arising as a result of inaccurate meters and billing errors. They also agree that the new proposed rules are far superior to the existing rules. NSP asserts that the proposed rules deal with all parties fairly by establishing uniform applications. Customers who have used more utility service than that for which they have paid should, within uniform limitations, be obligated to make payment so that their utility usage is not subsidized by other customers. Conversely, customers who have been overcharged for utility service should, within uniform limitations, be entitled to refund for the same period that would have been subject to a charge. The new proposed rules will accomplish this end. Also, the new proposed rules establish for all categories a maximum time limit of liability. They establish statutes of limitation for the purpose of establishing limits on rights and liabilities.

86. State Senator Tim Penny takes issue with the proposed PSC 314 and 315, asserting that since the accuracy of meters and bills are matters under the control of the utility, the rules should provide the utility with some incentive to keep their meters and bills as accurate as possible. He maintains that the existing rules were designed to be self-enforcing by providing the utilities with such incentive; the proposed rules provide no such incentive. He takes issue with the reasoning to amend the existing rules PSC 314 and 315. He argues that the proposed amendments would give an unfair advantage to a utility company that fails to keep meters and bills as accurate as possible.

87. The Legal Aid Society of Minneapolis also contends that PSC 314(b) and PSC 315 should not be amended to the extent proposed. They argue that where an error results from equipment failure, the customer should be given the benefit of the doubt so that every effort will be made to avoid a customer being overcharged for utility equipment failure.

88. That the Public Service Commission, in its statement of need, has presented ample testimony and justification for the proposed amendments to PSC 314 and 315 and has thoroughly documented the reasonableness and necessity for the proposed changes in these two rules.

Proposed PSC 325

89. The existing PSC 325 states that a utility shall not require a cash deposit or other guarantee of any customer who has established good credit. It further states that deposits can be secured only if the customer has an unsatisfactory credit rating. The Commission contends that these references are inconsistent and involve too much editorializing rather than practical application. No criteria is stated in the existing rules as to the definition of good credit. The Commission contends that the determination of whether the applicant has good credit with a particular utility company should be made solely by that company. If the company determines that the applicant has good credit, with that utility, it would grant service without a depositor guarantee requirement. Conversely, if the utility determines lack of established good credit, it could require a deposit or guarantee. The Commission has determined that the utility should have the right to judge whether or not the applicant satisfies the requirement of established good credit and for this reason, recommends deletion of the existing PSC 325 in its entirety and replaced with the proposed PSC 325. The rule, as proposed, is reasonable and necessary and should be adopted.

Proposed PSC 326

90. This rule outlines the permissible means of guaranteeing payment. The Commission contends that the existing rule appears to be in conflict with Minn. Stat. § 325.637 (1974) which was enacted by the 1974 legislature. This statute regulates utilities as to customer deposits. Subsection A.3. requires utilities to pay interest on deposits in excess of $20 at the rate of six percent per year. The Commission included this provision in the rule to reconcile the conflict between the existing PSC 326(a)(3) and Minn. Stat. § 325.637 (1974). The Legal

Aid Society of Minneapolis suggests that the phrase "compounded annually" should be inserted after the rate of interest of six percent per year, and that the phrase "in excess of $20" be deleted. They argue that deposit requirements should not be permitted to become a money-making proposition for the utilities and under the rule as proposed, they could. While the loss to a customer in an individual case might be small, the potential gain to the utility, when thousands of deposits may be pooled, is not. They argue that the proposed rule, including their proposed changes, would not place the rule in conflict with the statute because the statute does not prohibit paying interest on deposits under $20, nor does it prohibit compounding interest.

91. John H. Kraft, an attorney in Olivia, Minnesota, submitted a written comment to proposed PSC 326A.2. suggesting that an ambiguity must be corrected. The rule requires a deposit in addition to payment of an outstanding bill or a part of such bill as has been resolved to the satisfaction of the utility. He points out that utility companies can and have attempted to require an individual who has filed bankruptcy to not only pay a deposit but also to pay the unpaid balance of an existing bill which has been extinguished in bankruptcy proceedings and is no longer a valid legal debt. He proposes that the rule be amended, and it is agreed that the rule should be amended to read:

> PSC 326 A.2. All deposits shall be in addition to payment of an outstanding bill or a part of such bill as has been resolved to the satisfaction of the utility, except where such bill has been discharged in bankruptcy.

That the rule, as amended, is necessary and should be adopted.

92. That the proposed PSC 326A.3. should be amended to include the aforementioned recommendations of the Legal Aid Society of Minneapolis. That the proposed rule, including these recommendations, is reasonable.

93. The proposed PSC 326A.7. provides that a utility shall not require a deposit of any customer without explaining in writing why that deposit or guarantee is being required and under what conditions, if any, the deposit will be diminished upon

return. Peoples Natural Gas Company states that a utility should always be willing to give a customer an explanation as to why a deposit is requested, but that this is not necessary for all customers, many of whom understand the reasons for the deposit request. This places an unnecessary burden on the utility for a practice which has been in general use by utilities for many years. They suggest that the first sentence of section 7 be revised to include the phrase "if requested by a customer", a utility will explain in writing why a deposit is being required.

This subsection, as proposed by the Commission, is not unreasonable and does not place an undue burden upon the utilities. If a customer is required to make a deposit, he is entitled to know, in writing, why that deposit is being required, and under what conditions, if any, the deposit will be diminished upon return. The rule, as proposed by the Commission, is necessary and reasonable.

That the proposed PSC 326, as amended above, is reasonable and should be adopted.

Proposed PSC 327

93. This rule relates to good credit and impermissible reasons for guaranteeing payment. The Commission states that the present deposit rules are deficient in that they fail to determine what constitutes good credit, and in order to correct this defect, proposed PSC 327 has been amended. The amendment provides that a utility may determine whether a customer has established good credit. The amendment allows the utility to collect a deposit from any person who has not established good credit with that utility. It further states that "marital status" cannot be used as a reason for determining whether or not a deposit should be required of a utility customer. This is in keeping with the current state law on discriminatory practices and procedures. The amendment does not require the utility to undertake an extensive and costly credit check of every applicant for new service.

94. The Legal Aid Society of Minneapolis suggests that the title of proposed PSC 327 should read: "Good Credit and Impermissible Reasons for Requiring a Guarantee of Payment." That

suggestion is reasonable and should be adopted by the Commission as the rule title.

The Legal Aid Society of Minneapolis also proposes that the title to proposed 327B should be amended to read: "Impermissible Reasons for Requiring a Deposit or a Guarantee of Payment." That recommended title change is reasonable and should be adopted by the Commission.

Peoples Natural Gas Company questions the criteria set forth in subsection A for good credit. They recommend a better criteria would be "those customers who have not paid after the discount date on more than one occasion during the past 12-month period." They assert that this information is readily available from existing records and would provide a reliable measure of a customer's credit.

95. That the proposed PSC 327 sets forth adequate criteria for determination of good credit and the rule as proposed by the Commission, is reasonable and should be adopted.

Proposed PSC 328

96. This rule is being deleted in its entirety. It is a definition rule that states that the terms "dispute" and "disconnect" are defined in PSC 303 and 295. However, an examination of those two rules will reveal that there is no definition of these words included in those rules. The Commission contends that it is not necessary to include definitions of these two words within the rules. That the proposed deletion is necessary and reasonable and should be adopted.

Proposed PSC 335

97. The Commission proposes to delete subsection (a) of the existing rule because it duplicates the requirement of PSC 281B, as proposed, and, in addition, the rule is being deleted because it is costly and impossible for the utility to keep current customer information booklets at every establishment where a customer may pay his bill. Many utility bills are paid at locations which do not operate under the control of the utility, such as drug stores, supermarkets, etc. The Commission contends that the customer has been adequately informed of his rights

and liabilities without the added expenses to companies pursuant to PSC 335(a). They also propose the deletion of subsection (b) in its entirety because it duplicates the requirement of PSC 281. In addition, the Commission contends that it is costly and next to impossible for a utility to keep signs at every establishment where a customer must pay his bill. The Commission also proposes that subsections (e) and (f) be deleted from the existing rule because they duplicate the requirements currently found in PSC 310B.

98. That PSC 335, as proposed, is reasonable and necessary and should be adopted.

CONCLUSIONS

1. That the Commission gave due, timely and proper notice of the hearing herein. All other substantive and procedural requirements of the statute and applicable rules have been fulfilled.

2. The Public Service Commission has statutory authority to adopt the proposed rules.

3. With the exceptions noted in the Findings, the Commission has demonstrated the need for and the reasonableness of the proposed rules.

Based upon the foregoing Conclusions, the Hearing Examiner makes the following:

RECOMMENDATION

That the proposed rules be modified as suggested in the Findings, and that as modified, they be adopted.

Dated this 16th day of May, 1977.

BERNARD SINGER
Hearing Examiner

AMENDMENTS TO THE
MINNESOTA RULES AND REGULATIONS
RELATING TO THE PUBLIC SERVICE COMMISSION

GAS AND ELECTRIC UTILITIES PSC 279-336

Chapter Eleven

PSC 279 Remains the same.

PSC 280 Reserved for Future Use.

PSC 281 Customer information. The utility is responsible for informing its customers of the following information as prescribed by following provisions:

A. A sign or notice, which shall be approved by the Commission, posted prominently and conspicuously at all utility office locations open to the general public. The sign or notice shall state where, when, and to whom a complaint is to be directed, and the address of the Public Service Commission and its availability for mediation upon written request

B. The utility shall, at its expense, publish "customer information," that will be offered to each new customer, and upon request, to any existing customer. This "customer information" must be submitted to the Commission for approval. This "customer information" must, at a minimum, include the following:

1. The utility's own customer policies governing the following areas.

a. bill collections,

b. notice of disconnection,

c. disconnection of service,

d. reconnection of service,

e. deposit and guarantee requirements, and

f. meter reading procedures.

2. The rate schedule pertaining to the customers of that area. The current

rate schedule as required by PSC 310(c) may be attached to the "information" to meet this requirement.

3. The title, addresses and phone numbers of the department(s) of the utility to which complaints should be directed, including a telephone number for customers to call in emergency situations or a concise statement as to where such information can be obtained.

4. The information contained in PSC 282 B. and PSC 303.

5. This statement: "The Minnesota Public Service Commission regulates this utility and is available for mediation upon written request", and the address of the Minnesota Public Service Commission.

C. The utility's billing statements to its customers must contain this information:

1. This statement: "Register any inquiry or complaint at . . . " (and list the address and telephone number of the utility, designating where the customer may initiate an inquiry or a complaint, or a concise statement as to where such information can be obtained).

2. A notice to customers of the availability upon request of the "customer information."

PSC 282 Complaint procedures.

A. The utility shall establish such procedures whereby qualified personnel shall be available during regular business hours to receive and, if possible, resolve all customer inquiries, requests and complaints.

B. If any complaint cannot be promptly resolved, the utility shall contact the customer within five (5) business days and at least once every fourteen (14) calendar days thereafter, and advise the customer regarding the status

of its investigation until:

1. the complaint is mutually resolved; or

2. the utility advises the customer of the results of its investigation and final disposition of the matter; or

3. the customer files a written complaint with the Public Service Commission or the courts.

C. When the Public Service Commission forwards a customer complaint to the utility, the utility shall notify the Commission within ten (10) business days regarding the status or disposition of the complaint.

PSC 283 Remains the same.

PSC 284 Reporting requirement.

A. Each utility shall file an annual report on or before May 1 with the Utilities Division of the Public Service Commission containing the following information:

1. The total numbers of resolved and unresolved complaints by class of service and type of complaint.

2. The total number of customers in each class of service and the total number of customers who initiated service during the past year.

3. The names, addresses, and telephone numbers of personnel designated and authorized to receive and respond to the requests and directives of the Public Service Commission regarding customer inquiries, service requests and complaints. The utility shall keep this information current and if changes occur, the utility must inform the Commission immediately of these changes.

B. This report will be an "official" document and all information must

be verifiable and available for inspection and investigation by Commission staff.

C. The utility must provide upon notice by the Commission, an up-to-date report of this type prior to any hearing before the Commission, or upon any official request of the Commission.

D. The Commission shall initially mail copies of the type of form to be used for this report to all utilities regulated hereunder.

PSC 285 Remains the same.

PSC 286 Reserved for future use.

PSC 287 Reserved for future use.

PSC 295 Definitions.

A. "Disconnection of service" means an involuntary cessation of utility service to a customer.

B. "Temporary Disconnection" means a voluntary cessation of utility service and applies specifically to PSC 298 C. This is not a permanent termination of service.

C. "Customer" means any person, firm, association or corporation, or any agency of the Federal, State or local government, being supplied with service by a utility, subject to the jurisdiction of this Commission.

PSC 296 Extension of service.

A. Each utility shall file a plan in its tariff application for the installation of extensions to main and service lines where such facilities are in excess

of those included in the regular rates for service and for which the customer shall be required to pay all or part of the costs.

B. No electric utility shall extend service beyond its service area to customers who require a connected load less than two thousand (2,000) kilowatts. Extension of service outside of a utility's service area shall in all cases be governed by Laws of 1974, ch. 479, §§ 39-44.

C. Extension of any electric service outside of a utility's service area but which does not extend into another utility's service area, shall be as directed by the Commission.

PSC 297 Remains the same.

PSC 298 Disconnection of service.

A. Disconnection of service with notice-permissible reasons. With notice a utility may disconnect service to any customer for any reason stated below. Notice must comply with the requirements of PSC 300:

1. For failure of the customer to pay a bill for utility service, but only when the amount of the customer's outstanding bill equals or exceeds the amount of the customer's deposit,

2. For failure of the customer to meet the utility's deposit and credit requrements,

3. For failure of the customer to make proper application for service,

4. For customer's violation of any of the utility's rules on file with the Commission,

5. For failure of the customer to provide the utility reasonable access to its equipment and property,

6. For customer's breach of the contract for service between the utility

and the customer,

7. For failure of the customer to furnish such service, equipment and/or rights of way necessary to serve the customer as shall have been specified by the utility as a condition of obtaining service,

8. When determined by the Commission as prescribed by relevant state or other applicable standards or after individual hearing upon application of any person that customer is willfully wasting service through improper equipment,

9. When necessary for the utility to comply with any order or request of any governmental authority having jurisdiction.

B. Disconnection of service without notice-permissible reasons. Without notice a utility may disconnect service to any customer for any reason stated below:

1. In the event of an unauthorized use of or tampering with the utility's equipment,

2. In the event of a condition determined to be hazardous to the customer, to other customers of the utility, to the utility's equipment, or to the public.

C. Temporary disconnection of service. A utility may temporarily disconnect service to a customer otherwise entitled to disconnect service, upon written request by said customer. Temporary disconnection of service for this reason does not require refund of deposit nor interruption of interest.

D. Non-permissible reasons to disconnect service. A utility may not disconnect service to any customer for any reason stated below:

1. Delinquency in payment for services rendered to a previous customer who occupied the premises unless the customer continues to occupy the premises,

2. Failure to pay for merchandise, appliances or services not approved by the Commission as an integral part of the utility service,

3. Failure to pay for a different class of service,

4. Failure to pay for a bill based on concurrent charges from another meter,

5. Failure to pay for a bill to correct a previous underbilling due to an inaccurate meter or billing error if the customer agrees to payment over a reasonable period of time.

E. Landlord-tenant rule. In situations where the service is rendered at an address different from the mailing address of the bill, or where the utility has reason to know that a landlord-tenant relationship exists and that the landlord is the customer of the utility; and where the landlord as customer would otherwise be subject to disconnection of service; the utility may not disconnect service until the following actions have been taken:

1. Where it is feasible to so provide service the utility, after providing notice as required in these rules, shall offer the occupant the opportunity to subscribe for service in her or his own name. If the occupant then declines to so subscribe, the utility may disconnect service pursuant to the rules.

2. A utility shall not attempt to recover from a tenant, or condition service to a tenant with the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.

PSC 299

A. Notwithstanding the provisions of PSC 298 A and B, no utility shall disconnect residential service, if said disconnection effects the primary heat source of the premises:

1. If the predicted 24-hour (12 a.m. to 12 p.m.) temperature as reported by the National Weather Service at its first order station nearest the residence is to be zero degrees fahrenheit (-18 degrees celsius) or lower; nor

2. On a Friday or a day before a legal holiday if the predicted 24-hour

(12 a.m. to 12 p.m.) temperature as recorded by the National Weather Service at its first order station nearest the residence is to be 32 degrees fahrenheit (0 degrees celsius) or lower.

B. If a residential service has been disconnected and not restored to service by the close of business on the disconnect date when the predicted 24-hour (12 a.m. to 12 p.m.) temperature as reported by the National Weather Service at its first order station nearest the residence is to be 32 degrees fahrenheit (0 degrees celsius) or lower, the utility shall inform the customer that the appropriate local welfare department has emergency services and may provide financial assistance; in addition, the utility shall notify the local law enforcement department and the appropriate county welfare department. In these instances, the utility shall provide the name, address and telephone number at which the service was disconnected.

PSC 300 Notice: Other time requirements.

A. Where required by these rules, notices of impending action by the utility shall be by first class mail. Notice shall be sent to the address where service is rendered or to the address where the bill is sent if different from the address where service is rendered. A representative of the utility must make an affidavit under oath that he deposited in the mail the notice properly addressed to the customer.

B. All notice required by these rules must precede the action to be taken by at least five (5) days excluding Sundays and legal Holidays. No notice may be given until the condition of which it informs, presently exists.

C. In lieu of mailing, notices may be delivered by a representative of the utility. Such notices must be in writing and receipt of them must be signed by the customer, if present, or some other member of the customer's family of

a responsible age or the utility representative must make an affidavit under oath that he delivered the notice to the customer or his residence.

D. A record of all notices and all affidavits required by these rules must be kept on file by the utility and must be made available to the Commission.

E. Disconnection notices shall contain the date on or after which disconnection will occur, reason for disconnection, and methods of avoiding disconnection in normal easy to understand language.

PSC 301 Manner of Disconnection

A. Service may be disconnected only in conjunction with a personal visit by a representative of the utility to the address where the service is rendered and an attempt to make personal contact with the customer at the address. If the address is a building containing two or more dwelling units, the representative shall make a personal visit to the door of the customer's dwelling unit within the building. If security provisions in the building preclude free access on the part of the representative, the representative shall attempt to gain access to the building from the caretaker, for the purpose of attempting to make personal contact with the customer. The representative of the utility shall at all times be capable of receiving payment, if nonpayment is the cause of the disconnection of service, or the representative shall be able to certify that the cause of disconnection has been remedied by the customer.

PSC 302 Reconnection of service.

A. In the event service has been disconnected for valid cause by the utility, the utility may charge a reconnect fee based on the cost of reconnection as stated in the utility's tariff on file with the Commission.

B. Notwithstanding the above provision, the utility shall not charge a reconnect fee for disconnection of service pursuant to PSC 298 B. 2.

PSC 303 Disputes. Whenever the customer advises the utility's designated representative prior to the disconnection of service that any part of the billing as rendered or any part of the service is in dispute, the utility shall:

A. Investigate the dispute promptly.

B. Advise customer of investigation and its result.

C. Attempt to resolve dispute.

D. Withhold disconnection of service until the investigation is completed and the customer is informed of the findings in writing.

E. Upon the findings of the utility, the customer must submit payment in full of any bill which is due.

F. If the dispute is not resolved to the satisfaction of the customer, he or she must submit the entire payment and may designate the disputed portion to be placed in escrow to the utility. Such payment shall be called an "escrow payment."

G. Escrow payments.

1. To submit a payment in escrow, the customer must make payment of the amount due as shown on the bill through an "escrow payment form," clearly marked and provided by the utility.

2. The "escrow payment form" must provide space for the customer to explain why the utility's resolution of the dispute is unsatisfactory to the customer. The form must be in three (3) copies, one of which will be retained by the customer.

3. A copy of the "escrow payment form" must be forwarded by the customer to the Public Service Commission.

4. Any escrow payment to the utility may be applied by the utility as any normal payment received by the utility.

5. After escrow payment has been made, the customer and the utility may

still resolve the dispute to their mutual satisfaction.

6. By submitting the "escrow payment form" to the Commission, the customer shall be deemed to have filed an informal complaint against the utility, pursuant to the Commission's Rules of Practice (PSC 500-521).

7. Upon settlement of the dispute, any sum found to be entitled to be refunded to the customer shall be supplemented by a eight (8%) per cent per annum interest charge from the date of payment to the date of return by the utility.

H. The customer may apply to the utility to waive its right to disconnect. If the utility refuses to waive its right to disconnect, the customer may apply to the Commission for emergency status. If the Commission determines the customer has a probable claim in the dispute and that hardship may result in the event of disconnection of service, it may declare an emergency status to exist and order the utility to continue service for a period not to exceed thirty (30) days.

I. Notwithstanding anything herein to the contrary, the utility shall not be obligated to suspend discontinuance of service upon the filing for review with the Commission, unless the customer shall pay, when due, all current bills rendered during the pendency. If, following the first filing for review with the Commission, the same customer or any other person, files for any subsequent review by the Commission pertaining to the same account, such subsequent filings shall not relieve the customer from the obligations to pay for service rendered after the first filing. If subsequent requests for review are filed during the pendency of the first review, all designated disputed payment or portions thereof made after the first filing shall be considered to be made into escrow.

PSC 310 Remains the same.

PSC 311 Meter reading and billing periods.

A. Readings of all meters used for determining charges to customers shall be made each month unless otherwise authorized by the Commission upon petition by the utility. The term "month" for meter reading and billing purposes is the period between successive meter reading dates which shall be as nearly as practicable to thirty (30) day intervals. When a utility is unable to gain access to a meter, it shall leave a meter reading form for the customer.

B. A utility may permit the customer to supply meter readings on a form supplied by the utility, providing a utility representative reads the meter at least once every twelve (12) months or at an interval determined upon petition to the Commission and when there is a change in customers and when requested by the customer. This form should advise the customer of the utility's responsibilities to read the meter.

C. If the billing period is longer or shorter than the normal billing period by more than five (5) days, the bill shall be prorated on a daily basis.

PSC 312 Remains the same.

PSC 313 Billing content.

A. Bills rendered periodically to customers for electric and gas service shall include, but are not limited to, the following information:

1. The present and last preceding meter readings;
2. The date of the present reading;
3. Identification of the applicable rate schedule;
4. The number and kinds of units metered;
5. A complete itemization of all charges incurred at each level of customer

usage;

6. The amount of the bill;

7. The date on which the bill will become delinquent;

8. Any late fee, if applicable;

9. If an estimated bill, clear and conspicuous language identifying the bill as an estimated bill;

10. The amount of state and local taxes separately itemized;

11. Fuel or power adjustment clause separately itemized, if applicable;

12. The information required by PSC 281 C.

B. If a utility is unable to comply with any provisions of PSC 313 A. within twelve (12) months of the effective date of the rule, the utility shall petition the Commission for either a temporary exception or a permanent exemption. The petition shall include the justification for non-compliance, the duration of the desired exception, and the plan for compliance.

PSC 314 Adjustment of bills, electric.

A. Inaccurate meters.

1. Whenever any meter is found upon test to have an average error of more than two (2%) per cent fast, the utility shall refund to the customer the overcharge. Whenever any meter is found upon test to have an average error of more than two (2%) per cent slow, the utility may charge for electricity consumed, but not included in the bills previously rendered. The refund or charge for both fast and slow meters shall be based on corrected meter readings for a period equal to one-half the time elapsed since the last previous test, but not to exceed six months, unless it can be established that the error was due to some cause, the date of which can be fixed with reasonable certainty,

in which case the refund or charge shall be computed to that date, but in no event for a period longer than one (1) year.

2. When the average error cannot be determined by test because the meter is not found to register or is found to register intermittently, the utility may charge for an estimated amount of electricity used, which shall be calculated by averaging the amounts registered over corresponding periods in previous years or in the absence of such information, over similar periods of known accurate measurement preceding or subsequent thereto, but in no event shall such charge be for a period longer than one (1) year.

3. If the recalculated bills indicate that more than one ($1) dollar is due an existing customer or two ($2) dollars is due a person no longer a customer of the utility, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or as credit on a bill. Credits shall be shown separately and identified. If a refund is due a person no longer a customer of the utility, a notice shall be mailed to the last known address and the utility, upon demand made within three (3) months thereafter shall refund the amount due.

4. If the recalculated bills indicate that the amount due the utility exceeds ten ($10) dollars, the utility may bill the customer for the amount due. The first billing rendered shall be separated from the regular bill and the charges explained in detail.

5. If a customer has called to the utility's attention his doubts as to the meter's accuracy and the utility has failed within a reasonable time to check it, there shall be no back billing for the period between the date of the customer's notification and the date the meter was checked.

B. Billing errors.

1. When a customer has been overcharged or undercharged as a result of incorrect reading of the meter, incorrect application of rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reasons, the amount of the overcharge shall be refunded to the customer or the amount of the undercharge may be billed to the customer. The refund or charge, in no event, shall exceed one year, unless the date the error occurred can be fixed with reasonble certainty, in which case the refund or charge shall be computed from that date, but in no event for a period longer than one (1) year.

2. If the recalculated bills indicate that more than one ($1) dollar is due an existing customer or two ($2) dollars is due a person no longer a customer of the utility, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or credit on a bill. Credits shall be shown separately and identified. If a refund is due a person no longer a customer of the utility, a notice shall be mailed to the last known address and the utility, upon demand made within three (3) months thereafter shall refund the amount due.

3. If the recalculated bills indicate that the amount due the utility exceeds ten ($10) dollars, the utility may bill the customer for the amount due. The first billing rendered shall be separated from the regular bill and the charges explained in detail.

PSC 315 Adjustment of bills, gas.

A. Inaccurate meters.

1. Whenever any meter is found upon test to have an average error of

more than two (2%) per cent fast, the utility shall refund to the customer the overcharge. Whenever any meter is found upon test to have an average error of more than two (2%) percent slow, the utility may charge for the gas consumed, but not included in bills previously rendered. The refund or charge for both the fast and slow meter shall be based on the corrected meter reading for a period equal to one-half the time elapsed since the last previous test, but not to exceed six months, unless it can be established that the error was due to some cause, the date of which can be fixed with reasonable certainty, in which case the refund or charge shall be computed from that date, but in no event, for a period longer than one (1) year. The average error for a meter tested shall be defined as one-half the algebraic sum of the error at full-rated flow plus the error at check flow.

2. When the average error cannot be determined by test because the meter is not found to register or is found to register intermittently, the utility may charge for an estimated amount of gas used, which shall be calculated by averaging the amounts registered over corresponding periods in previous years or in the absence of such information, over similar periods of known accurate measurement preceding or subsequent thereto, but in no event shall such charge be for a period longer than one (1) year.

3. If the recalculated bills indicate that more than one ($1) dollar is due an existing customer or two ($2) dollars is due a person no longer a customer of the utility, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or as credit on a bill. Credits shall be shown separately and identified. If a refund is due a person no longer a customer of the utility, a notice shall be mailed to the last known address and the utility, upon demand made within three (3) months thereafter shall refund

the amount due.

4. If the recalculated bills indicate that the amount due the utility exceeds ten ($10) dollars, the utility may bill the customer for the amount due. The first billing rendered shall be separated from the regular bill and the charges explained in detail.

5. If a customer has called to the utility's attention his doubts as to the meter's accuracy and the utility has failed within a reasonable time to check it, there shall be no back billing for the period between the date of the customer's notification and the date the meter was checked.

B. Billing errors.

1. When a customer has been overcharged or undercharged as a result of incorrect reading of the meter, incorrect application of rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reasons, the amount of the overcharge shall be refunded to the customer or the amount of the undercharge may be billed to the customer. The refund or charge, in no event, shall exceed one year, unless the date the error occurred can be fixed with reasonable certainty, in which case the refund or charge shall be computed from that date, but in no event for a period longer than one (1) year.

2. If the recalculated bills indicate that more than one ($1) dollar is due an existing customer or two ($2) dollars is due a person no longer a customer of the utility, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or as credit on a bill. Credits shall be shown separately and identified. If a refund is due a person no longer a customer of the utility, a notice shall be mailed to the lst known address

and the utility, upon demand made within three (3) months thereafter shall refund the amount due.

3. If the recalculated bills indicate that the amount due the utility exceeds ten ($10) dollars, the utility may bill the customer for the amount due. The first billing rendered shall be separated from the regular bill and the charges explained in detail.

PSC 317-324 Reserved for future use.

PSC 325 Guarantee of payment.

The utility shall not require deposit or guarantee of any customer or applicant for service who has established good credit. Deposit or guarantee of payment requirements as prescribed by the utility must be based upon standards which bear a reasonable relationship to the assurance of payment.

A. "New service" means service extended to or requested by any customer who has not received service as a customer for the preceding six (6) months. A utility shall not require a cash deposit or other guarantee of payment as a condition of obtaining new service unless a customer has an unsatisfactory credit or service standing with the utility due to any of the following:

1. The customer or applicant has outstanding a prior utility service account with the utility which at the time of request for service remains unpaid and not in dispute.

2. The service of a customer or applicant has previously been disconnected for any permissible reason which is not in dispute.

3. The credit history as provided in these rules demonstrates that payment cannot be assured. The determination of an adequate credit history must be

determined by objective criteria which shall be filed with the Commission in the utility's tariff. Such criteria must bear a reasonable relationship to the assurance of payment.

B. "Existing service" means service presently being extended to a customer or which has been extended to a customer within the past six (6) months. A utility shall not require a cash deposit or other guarantee of payment as condition of continuing existing service unless a customer has an unsatisfactory credit or service standing with the utility due to either of the following:

1. The service of the customer has been disconnected or has been liable for disconnect for nonpayment of a bill which is not in dispute.

2. The service of a customer has been disconnected or has been liable for disconnect for any permissible reason which is not in dispute.

PSC 326 Permissible means of guaranteeing payment.

A. Deposit. When required, a customer may assure payment by submitting a deposit.

1. A deposit shall not exceed an estimated two-months gross bill or existing two-months' bill where applicable.

2. All deposits shall be in addition to payment of an outstanding bill or a part of such bill as has been resolved to the satisfaction of the utility except where such bill has been discharged in bankruptcy.

3. Interest shall be paid on deposits in excess of $20.00 at the rate of six percent per year compounded annually. Interest on deposits shall be payable from the date of deposit to the date of refund or disconnection. The utility may, at its option, pay the interest at intervals it chooses but at least annually, by direct payment, or as a credit on bills.

4. The deposit shall be refunded to the customer after twelve (12) consecutive

months of prompt payment of all utility bills. The utility may, at its option, refund the deposit by direct payment or as a credit on the bill.

5. With notice any deposit of a customer may be applied by the utility to a bill when the bill has been determined by the utility to be delinquent.

6. Upon termination of service, the deposit with accrued interest shall be credited to the final bill and the balance shall be returned within forty-five (45) days to the customer.

7. A utility shall not require a deposit of any customer without explaining in writing why that deposit or guarantee is being required and under what conditions, if any, the deposit will be diminished upon return. Each utility shall issue a receipt of deposit to each customer from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is unavailable.

B. Guarantee of payment.

1. The utility may accept, in lieu of a deposit, a contract signed by a guarantor satisfactory to the utility whereby payment of a specified sum not exceeding the deposit requirement is guaranteed. The term of such contract shall be for no longer than twelve (12) months, but shall automatically terminate after the customer has closed and paid his or her account with the utility, or at the guarantor's request upon sixty (60) days' written notice to the utility.

2. Upon termination of a guarantee contract or whenever the utility deems same insufficient as to amount or surety, a cash deposit or a new or additional guaranteee may be required for good cause upon reasonable written notice to the customer. The service of any customer who fails to comply with these requirements may be disconnected upon notice as prescribed in PSC 300.

3. The utility shall mail the guarantor copies of all disconnect notices sent to the customer whose account he or she has guaranteed unless the guarantor

waives such notice in writing.

PSC 327 Good credit and impermissible reasons for requiring a guarantee of payment.

A. Good credit. The utility may determine whether a customer has established good credit with the utility, except as herein restricted: A customer, who within the last twelve (12) months has not had his service disconnected for nonpayment of a bill and has not been liable for disconnect for nonpayment of a bill which is not in dispute, shall be deemed to have established good credit.

B. Impermissible reasons for requiring a deposit or a guarantee of payment.

1. A utility shall not require a deposit or a guarantee of payment based upon income, home ownership, residential location, employment tenure, nature of occupation, race, color, creed, sex, marital status, age, national origin, or any other criteria which does not bear a reasonable relationship to the assurance of payment of which is not authorized by these rules.

2. No utility shall use any credit reports other than those reflecting the purchase of utility services to determine the adequacy of a customer's credit history without the permission in writing of a customer. Any credit history so used shall be mailed to the customer in order to provide the customer an opportunity to review the data. Refusal of a customer to permit use of a credit rating or credit service other than that of a utility shall not affect the determination of the utility as to that customer's credit history.

PSC 328 Reserved for future use.

PSC 329-334 Reserved for future use.

PSC 335 Information available to customers and the public.

A. The utility shall retain customer billing, complaint, payment and deposit records for the length of time necessary to permit the utility to comply with the Commission's regulations; provided the utility shall retain these records for not less than three (3) years. A customer's own billing, complaint, payment and deposit records shall be available to that customer.

B. Each utility shall have available for existing customers and applicants for service such information as is needed to obtain and maintain adequate, timely, and efficient service.

C. Each utility shall furnish additional information as the customer may reasonably request.

PSC 336 Remains the same.

PROPOSED AMENDMENTS TO THE
MINNESOTA RULES AND REGULATIONS
RELATING TO THE PUBLIC SERVICE COMMISSION

CHAPTER ELEVEN - PSC 279-336
Gas and Electric Utilities

[Customer Complaints]

Customer Information and Complaints

PSC 279 Remains the same.

PSC 280 [Complaint Procedures. Each utility shall establish procedures which will insure prompt, efficient and thorough recording, investigation and disposition of all customer inquiries, service requests and complaints regarding utility service, charges or other matters.] Reserved for Future Use.

PSC 281 Customer Information. The utility is responsible for informing its customers [of certain required information in the matters as prescribed by the following provisions] of the following information as prescribed by following provisions:

[(a)] A. A sign or notice, which shall be approved by the Commission, posted prominently and conspicuously at all utility office locations open to the general public [, explaining where, when and to whom a complaint is directed, and notice of the mediation availability of the Public Service Commission with its address]. The sign or notice shall state where, when, and to whom a complaint is to be directed, and the address of the Public Service Commission and its availability for mediation upon written request.

[(b)] B. The utility shall, at its expense, publish "customer information," that will be offered to each new customer, and upon request, to any existing customer. This "customer information" must be submitted to the Commission for approval. This "customer information" must, at a minimum, include the following:

[(1)] 1. The utility's own customer [rules.] policies governing the following areas.

a. bill collections,

b. notice of disconnection,

c. disconnection of service,

d. reconnection of service,

e. deposit and guarantee requirements, and

f. meter reading procedures.

[(2)] 2. The rate schedule pertaining to the customers of that area. The current rate schedule as required by PSC 310(c) may be attached to the "information" to meet this requirement.

[(3)] 3. The title, addresses and phone numbers of the department(s) of the utility to which complaints should be directed, including a telephone number for customers to call in emergency situations or a concise statement as to where such information can be obtained.

[(4)] 4. [The rules and regulations of the Public Service Commission concerning complaints and customer relations of the utilities.] The information contained in PSC 282 B. and PSC 303.

[(5)] 5. [The deposit and guarantee standards of the utility.] This statement: "The Minnesota Public Service Commission regulates this utility and is available for mediation upon written request", and the address of the Minnesota Public Service Commission.

[(6) The notice of the Public Service Commission's regulation of utilities and of its available mediation process as prescribed in PSC 303.]

[(c)] C. The utility's billing statements to its customers must contain this information:

[(1)] 1. This statement: "Register any inquiry or complaint at . . ." (and list the address and telephone number of the utility, designating where the customer may initiate an inquiry or a complaint, or a concise statement as to where such information can be obtained).

[(2)] 2. A notice to customers of the availability upon request of the "customer information."

PSC 282 [Personnel Procedures Required] Complaint Procedures. [The utility shall establish personnel procedures, which as a minimum, insure that qualified personnel shall be available during all regular business hours for the receiving of customer telephone calls and customer office visits; and shall be properly instructed to either act upon the inquiry, request or complaint, or to be able to refer the customer to the proper department or personnel of the utility who is able to handle the problem effectively. The utility shall obviate the necessity of the customer's repetition of the entire complaint, inquiry or request to employees lacking in ability and authority to take appropriate action.]

A. The utility shall establish such procedures whereby qualified personnel shall be available during regular business hours to receive and, if possible, resolve all customer inquiries, requests and complaints.

B. If any complaint cannot be promptly resolved, the utility shall contact the customer within five (5) business days and at least once every fourteen (14) calendar days thereafter, and advise the customer regarding the status of its investigation until:

1. the complaint is mutually resolved; or
2. the utility advises the customer of the results of its investigation and final disposition of the matter; or
3. the customer files a written complaint with the Public Service Commission or the courts.

C. When the Public Service Commission forwards a customer complaint to the utility, the utility shall notify the Commission within five (5) business days regarding the status or disposition of the complaint.

PSC 283 Remains the same.

PSC 284 Reporting Requirement. [Each utility shall file an annual report within sixty (60) days after the end of each calendar year with the Public Utilities Division of the Public Service Commission, which in detail contains this required information:

(a) The utility shall report by class of service and type of complaint, the total numbers of resolved and unresolved complaints, and the average time period to resolve each type of complaint.

(b) The utility shall report the total number of customers in each class of service and the total number of customers who initiated service during the past year.

(c) The utility shall list in this report the names, addresses, and telephone numbers of personnel designated and authorized to receive and respond to the requests and directives of the Public Service Commission regarding customer inquiries, service requests and complaints. The utility shall keep this information current and if changes occur, the utility must inform the Commission immediately of these changes.

(d) This report will be an "official" document and all information must be verifiable and available for inspection and investigation by Commission staff.

(e) The utility must provide upon notice of the Commission, an up-to-date report of this type prior to any hearing before the Commission, or upon any official request of the Commission.

(f) The Commission shall initially mail copies of the type of form to be used for this report to all utilities regulated hereunder.]

A. Each utility shall file an annual report on or before May 1 with the Utilities Division of the Public Service Commission containing the following information:

1. The total numbers of resolved and unresolved complaints by class of service and type of complaint.

2. The total number of customers in each class of service and the total number of customers who initiated service during the past year.

3. The names, addresses, and telephone numbers of personnel designated and authorized to receive and respond to the requests and directives of the Public Service Commission regarding customer inquiries, service requests and complaints. The utility shall keep this information current and if changes occur, the utility must inform the Commission immediately of these changes.

B. This report will be an "official" document and all information must be verifiable and available for inspection and investigation by Commission staff.

C. The utility must provide upon notice by the Commission, an up-to-date report of this type prior to any hearing before the Commission, or upon any official request of the Commission.

D. The Commission shall initially mail copies of the type of form to be used for this report to all utilities regulated hereunder.

PSC 285 Remains the same.

PSC 286 [Required Response Time. If the complaint cannot be immediately resolved, the utility shall make contact with the complainant within five (5) business days and periodically thereafter and give notice to him or her about the present status of their investigation, until the complaint is resolved or until a higher mediating body such as the Commission or the courts becomes involved.] Reserved for Future Use.

PSC 287 [Notice to Public Service Commission. When the utility is notified by the Public Service Commission about a complaint, it must respond back to the Commission within five (5) days to give notice of disposition and the manner in which it was resolved, or the status of the complaint in process.] Reserved for Future Use.

PSC 295 Definitions.

[(a)] A. "Disconnection of Service" means an involuntary cessation of utility service to a customer.

[(b)] B. "Temporary Disconnection" means a voluntary cessation of utility service and applies specifically to PSC 298[(a)(9)] C. This is not a permanent termination of service.

[(c)] C. "Customer" means any person, firm, association or corporation, or any agency of the Federal, State or local government, being supplied with service by a utility, subject to the jurisdiction of this Commission.

PSC 296 Extension of Service.

[(a)] A. Each utility shall file a plan in its tariff application for the installation of extensions to main and service lines where such facilities are in excess of those included in the regular rates for service and for which the customer shall be required to pay all or part of the costs.

[(b) The utility shall make all extensions within its service area within ninety (90) days after a person requests service or upon application by the utility; and for good cause shown, the Commission may extend the period for not to exceed another ninety (90) days.

(c) This extension shall be given with the consideration to the public need for adequate, efficient, and reasonable service; to the need of the utility for revenue sufficient to enable it to meet the cost of furnishing the service, including adequate provision for depreciation of its property, and to earn a fair and reasonable return upon its investment in such property; and to any other factors or evidence material and relevant thereto.]

[(d)] B. No electric utility shall extend service beyond its service area to customers who require a connected load less than two thousand (2,000) kilowatts. Extension of service outside of a utility's service area shall in all cases be governed by Sections 39-44, Chapter 429, Laws of Minnesota 1974.

[(e)] C. Extension of any electric service outside of a utility's service area but which does not extend into another utility's service area, shall be as directed by the Commission.

PSC 297 Remains the same.

PSC 298 Disconnection of Service.

[(a) Disconnection of service - permissible reasons. A utility may disconnect service to any customer for any reason stated below, (1) thru (10). The utility shall apply the customer's desposit plus accrued interest to any liability of the customer. Any remaining balance of the deposit plus interest which is not in liability to the utility shall be returned to the customer within ten (10) days of disconnection. Wherever required, notice must comply with the requirements of PSC 300.

(1) With notice a utility may disconnect service for nonpayment of bill only when the amount of the deposit plus accrued interest has been used to satisfy the incurred obligations.

(2) With notice a utility may disconnect or refuse service for failure of the customer to meet the deposit and credit requirements contained herein. This rule is subject to the requirements of PSC 298 (a)(1).

(3) With notice a utility may disconnect service to a customer who has violated the utility's rules on file with the Commission.

(4) With notice a utility may disconnect service to a customer who is in breach of the contract for service between the utility and the customer.

(5) Without notice a utility may disconnect service to a customer in the event of unauthorized use of utility equipment by the customer, or in the event of tampering with the utility's equipment.

(6) Without notice a utility may disconnect service to a customer in the event of a condition determined to be hazardous to the customer, to other customers of the utility, to the utility's equipment, or to the public. Disconnection for this reason does not require refund or forfeiture of deposit nor interruption of interest. No reconnect fee shall be charged by a utility to restore service which has been disconnected under this rule.

(7) With notice a utility may disconnect service to a customer for failure of the customer to provide the utility reasonable access to its equipment.

(8) With notice a utility may disconnect service to a customer for failure of a customer to furnish such service, equipment and/or rights of way necessary to serve said customer as shall have been specified by the utility as a condition of obtaining service.

(9) Upon written request by the customer, a utility may disconnect service to the customer entitled to otherwise disconnect service. Temporary disconnection of service for this reason does not require refund or forfeiture of deposit nor interruption of interest. A reconnect fee may be charged by a utility to restore service which has been disconnected for this reason.

(10) When determined by the Commission as prescribed by relevant state or other applicable standards or after individual hearing upon application of any person that the customer is willfully wasting service through improper equipment, a utility may disconnect service to a customer. The disconnection shall remain in effect as directed by the Commission.

(b) Non-Permissible Reasons to Disconnect Service

(1) A utility may not disconnect service to a customer for delinquency in payment for services rendered to previous customer who occupied the premises unless said customer continues to occupy the premises.

(2) A utility may not disconnect service to a customer for failure to pay for merchandise, appliances or services not approved by the Commission as an integral part of the utility service.

(3) A utility may not disconnect service to a customer for failure to pay for a different class of service.

(4) A utility may not disconnect service to a customer for failure to pay a charge billed because of an inaccurate meter, unless the customer and utility have agreed upon the amount due, or the amount due has been determined by these regulations, the Public Service Commission or the courts.

(5) A utility may not disconnect service to a customer for failure to pay an estimated bill for past services unless the customer, upon request of the utility, refuses to permit reading of the meter during reasonable hours.

(6) A utility may not disconnect service to a customer for failure to pay for a bill based on concurrent charges from another meter.

(7) A utility may not disconnect service to a customer for failure to pay for a bill to correct previous underbilling due to misapplication of rates, if the customer agrees to payment over a reasonable period of time.

(c) Landlord-Tenant Rule. In situations where the service is rendered at an address different from the mailing address of the bill, or where the utility has reason to know that a landlord-tenant relationship exists and that the landlord is the customer of the utility; and where the landlord as customer would otherwise be subject to disconnection of service; the utility may not disconnect service until the following actions have been taken:

(1) Where it is feasible to so provide service the utility, after providing notice as required in these rules, shall offer the occupant the opportunity to subscribe for service in her or his own name. If the occupant then declines to so subscribe, the utility may disconnect service pursuant to the rules.

(2) A utility shall not attempt to recover from a tenant, or condition service to a tenant with the payment of any outstanding bills or other charges due upon the outstanding account of the landlord.]

A. Disconnection of Service with Notice-permissible reasons. With notice a utility may disconnect service to any customer for any reason stated below. Notice must comply with the requirements of PSC 300:

1. For failure of the customer to pay a bill for utility service when due,
2. For failure of the customer to meet the utility's deposit and credit requirements,
3. For failure of the customer to make proper application for service,
4. For customer's violation of any of the utility's rules on file with the Commission,
5. For failure of the customer to provide the utility reasonable access to its equipment and property,
6. For customer's breach of the contract for service between the utility and the customer,
7. For failure of the customer to furnish such service, equipment and/or rights of way necessary to serve the customer as shall have been specified by the utility as a condition of obtaining service,
8. When determined by the Commission as prescribed by relevant state or other applicable standards or after individual hearing upon application of any person that customer is willfully wasting service through improper equipment,
9. When necessary for the utility to comply with any order or request of any governmental authority having jurisdiction.

B. Disconnection of Service without Notice-permissible reasons. Without notice a utility may disconnect service to any customer for any reason stated below:

1. In the event of an unauthorized use of or tampering with the utility's equipment,

2. In the event of a condition determined to be hazardous to the customer, to other customers of the utility, to the utility's equipment, or to the public.

C. Temporary Disconnection of Service. A utility may temporarily disconnect service to a customer otherwise entitled to disconnect service, upon written request by said customer. Temporary disconnection of service for this reason does not require refund of deposit nor interruption of interest.

D. Non-permissible Reasons to Disconnect Service. A utility may not disconnect service to any customer for any reason stated below:

1. Delinquency in payment for services rendered to a previous customer who occupied the premises unless the customer continues to occupy the premises,
2. Failure to pay for merchandise, appliances or services not approved by the Commission as an integral part of the utility service,
3. Failure to pay for a different class of service,
4. Failure to pay for a bill based on concurrent charges from another meter,
5. Failure to pay for a bill to correct a previous underbilling due to an inaccurate meter or billing error if the customer agrees to payment over a reasonable period of time.

PSC 299 [Cold Weather Rule

(a) Notwithstanding the provisions of PSC 298(a), no utility shall disconnect residential service:

(1) on a day when the low temperature within the previous day as reported by the National Weather Service at its First Order Station nearest the residence fell below zero degrees fahrenheit, nor

(2) on a Friday or day before a legal holiday if the low temperature during the previous day as reported by the National Weather Service at its First Order Station nearest the residence fell below 32 degrees fahrenheit.

(b) If a residential service has been disconnected and not restored to service by the close of business on the disconnect date when the low temperature during the previous day as reported by the National Weather Service at its First Order Station nearest the residence fell below 32 degrees fahrenheit, the utility shall inform the local law enforcement department and the appropriate county welfare department by the close of business on the same date. The information provided shall be: (1) the billing name and service address at which the service was disconnected; and (2) that a threat to health and life might exist to persons occupying the premises.] Reserved for Future Use.

PSC 300 Notice: Other Time Requirements

[(a) Where required, all notices required by these rules of impending action by the utility shall be by first class mail, except notice of disconnection must be by certified mail to the address where service is rendered and to the address where the bill is sent if different from the address where service is rendered.]

A. Where required by these rules, notice of impending action by the utility shall be by first class mail. Notice shall be sent to the address where service is rendered or to the address where the bill is sent if different from the address where service is rendered. A representative of the utility must make an affidavit under oath that he deposited in the mail the notice properly addressed to the customer.

[(b)] B. All notices required by these rules must precede the action to be taken by at least five (5) days excluding Sundays and legal Holidays. No notice may be given until the condition of which it informs, presently exists.

[(c)] C. In lieu of mailing, [or if unable to reach by certified mail where required,] notices may be delivered by a representative of the utility. [They] Such notices must be in writing and receipt of them must be signed by the customer, if present, or some other member of the customer's family of a responsible age or [affirmed in writing by the representative of the utility that delivery was attempted in good faith] the utility representative must make an affidavit under oath that he delivered the notice to the customer or his residence.

[(d)] D. A record of all notices and all affidavits required by these rules must be kept on file by the utility and must be made available to the Commission.

[(e)] E. Disconnection notices shall contain the date [of] on or after which disconnection will occur, reason for disconnection, and methods of avoiding disconnection in normal easy to understand language.

[(f) A utility shall compensate a customer for any reasonable damages suffered which result from the action taken, if notice was required and it was incorrectly given.]

F. In addition to the above notice requirements, where the utility has reason to know that a landlord-tenant relationship exists and that the landlord is the customer of the utility, and where the landlord as the customer would otherwise be subject to disconnection of service, the utility shall make a good faith attempt to inform the tenants of the utility's intent to discontinue such service. Notice required by this provision must precede the action to be taken by at least five (5) days excluding Sundays and legal holidays.

PSC 301 Manner of Disconnection

[(a) Service may not be disconnected if personal contact or contact by certified mail with the customer has not been obtained unless the utility has attempted on at least three (3) separate occasions in good faith to obtain personal contact.]

[(b)] A. Service may be disconnected only in conjunction with a personal visit by a representative of the utility to the address where the service is rendered. The representative of the utility shall at all times be capable of receiving payment, if nonpayment is the cause of the disconnection of service, or the representative shall be able to certify that the cause of disconnection has been remedied by the customer.

B. Service shall not be disconnected on any Friday, Saturday, Sunday or legal holiday, or at anytime when the utility's business offices are not open to the public.

PSC 302 Reconnection of Service.

[In the event service has been disconnected for valid cause by the utility, the customer shall, in addition to any new deposit requirements, pay a reconnect fee based on cost of reconnect as filed with tariff in addition to making a settlement satisfactory to the utility of the outstanding bill, before service is restored.]

A. In the event service has been disconnected for valid cause by the utility, the utility may charge a reconnect fee based on the cost of reconnection as stated in the utility's tariff on file with the Commission.

B. Notwithstanding the above provision, the utility shall not charge a reconnect fee for disconnection of service pursuant to PSC 298 B. 2.

PSC 303 Disputes.

Whenever the customer advises the utility's designated [person] representative prior to the disconnection of service that any part of the billing as rendered or any part of the service is in dispute, the utility shall:

[(a)] A. Investigate the dispute promptly.

[(b)] B. Advise customer of investigation and its result.

[(c)] C. Attempt to resolve dispute.

[(d)] D. Withhold disconnection of service until the investigation is completed and the customer is informed of the findings in writing.

[(e)] E. Upon the findings of the utility, the customer must submit payment in full of any bill which is due.

[(f)] F. If the dispute is not resolved to the satisfaction of the customer, he or she must submit the entire payment and may designate the disputed portion to be placed in escrow to the utility. Such payment shall be called an "escrow payment."

[(g)] G. Escrow payments

[(1)] 1. To submit a payment in escrow, the customer must make payment of the amount due as shown on the bill through an "escrow payment form," clearly marked and provided by the utility.

[(2)] 2. The "escrow payment form" must provide space for the customer to explain why the utility's resolution of the dispute is unsatisfactory to the customer. The form must be in three (3) copies, one of which will be retained by the customer.

[(3)] 3. A copy of the "escrow payment form" must be forwarded by the customer to the Public Service Commission.

[(4)] 4. Any escrow payment to the utility may be applied by the utility as any normal payment received by the utility.

[(5)] 5. After escrow payment has been made, the customer and the utility may still resolve the dispute to their mutual satisfaction.

[(6)] 6. By submitting the "escrow payment form" to the Commission, [a customer is requesting review of the dispute by the Commission] the customer shall be deemed to have filed an informal complaint against the utility, pursuant to the Commission's Rules of Practice (Minn. Reg. PSC 500-521).

[(7) Procedures by the Commission must insure the opportunity of a review by all parties to the dispute.]

7. Upon settlement of the dispute, any sums found to be entitled to be refunded to the customer shall be supplemented by a six (6%) per cent per annum interest charge from the date of payment to the date of return by the utility.

[(8) Upon settlement of the dispute, any sums found to be entitled to be refunded to the customer shall be supplemented by a payment by the utility of a fee of ten (10%) per cent of the amount found in error, which was paid to the utility through escrow payment.]

[(h)] H. The customer may apply to the utility to waive its right to disconnect. If the utility [with reasonable grounds] refuses to waive its right to disconnect, the customer may apply to the Commission for emergency status. If the Commission determines the customer has a probable claim in the dispute and that hardship may result in the event of disconnection of service, it may declare an emergency status to exist and order the utility to continue service for a period not to exceed thirty (30) days.

I. Notwithstanding anything herein to the contrary, the utility shall not be obligated to suspend discontinuance of service upon the filing for review with the Commission, unless the customer shall pay, when due, all current bills rendered during the pendency. If, following the first filing for review with the Commission, the same customer or any other person, files for any subsequent review by the Commission pertaining to the same account, such subsequent filings shall not relieve the customer from the obligations to pay for service rendered after the first filing. If subsequent requests for review are filed during the pendency of the first review, all designated disputed payments or portions thereof made after the first filing shall be considered to be made into escrow.

PSC 310 Remains the same.

PSC 311 Meter Reading and Billing Periods

[(a)] A. Readings of all meters used for determining charges to customers shall be made each month unless otherwise authorized by the Commission upon petition by the utility. The term "month" for meter reading and billing purposes is the period between successive meter reading dates which shall be as nearly as practicable to thirty (30) day intervals. When a utility is unable to gain access to a meter, it shall leave a meter reading form for the customer.

[(b) A utility may permit the customer to supply meter readings on a form supplied by the utility, providing a utility representative reads the meter at least once every twelve (12) months or at an interval determined upon petition to the Commission and when there is a change in customers and when requested by the customer. This form should advise the customer of the utility's responsibilities to read the meter.]

[(c)] B. If the billing period is longer or shorter than the normal billing period by more than five (5) days, the bill shall be prorated on a daily basis.

PSC 312 Remains the same.

PSC 313 Billing Content.

[The utility shall bill each customer as promptly as possible following the reading of his or her meter. Each bill, including the customer's receipt, shall show the present and last preceding meter readings, the date of the present reading, the number and kinds of units metered, the class of service, the amount due, the date when the bill is due, the amount of state and local taxes, and the information required by customer complaint rule PSC 281(c). Where applicable, bills shall show the net and gross amount of the bill and the

date after which gross amount must be paid. Bills rendered at rates requiring the measurement of a number of different factors, including but not limited to, demand charges and energy charges, shall show all data necessary for the customer to check the computation of the bill. Estimated bills shall be distinctly marked as such.]

A. Bills rendered periodically to customers for electric and gas service shall include, but are not limited to, the following information:

1. The present and last preceding meter readings;
2. The date of the present reading;
3. Identification of the applicable rate schedule;
4. The number and kinds of units metered;
5. A complete itemization of all charges incurred at all levels of customer usage;
6. The amount of the bill;
7. The date on which the bill will become delinquent;
8. Any late fee, if applicable;
9. If an estimated bill, clear and conspicuous language identifying the bill as an estimated bill;
10. The amount of state and local taxes separately itemized;
11. Fuel or power adjustment clause separately itemized, if applicable;
12. The information required by PSC 281 C.

B. If a utility is unable to comply with any provisions of PSC 313 A. within twelve (12) months of the effective date of the rule, the utility shall petition the Commission for either a temporary exception or a permanent exemption. The petition shall include the justification for non-compliance, the duration of the desired exception, and the plan for compliance.

PSC 314 Adjustment of Bills - Electric

[(a)] A. Inaccurate Meters

[(1) Whenever a meter creeps or whenever a var meter or watthour meter installation is found upon test to have an average error of more than two (2%) per cent from one hundred (100%) per cent or a demand metering installation more than one and one-half (1.5%) per cent from one hundred (100%) per cent, a recalculation of bills for service shall be made for the period of inaccuracy. The recalculation shall be made on the basis that the service meter should be one hundred (100%) per cent accurate with respect to the working test standard.]

1. Whenever any meter is found upon test to have an average error of more than two (2%) per cent fast, the utility shall refund to the customer the overcharge. Whenever any meter is found upon test to have an average error of more than two (2%) per cent slow, the utility may charge for electricity consumed, but not included in the bills previously rendered. The refund or charge for both fast and slow meters shall be based on corrected meter readings for a period equal to one-half the time elapsed since the last previous test, but not to exceed six months, unless it can be established that the error was due to

some cause, the date of which can be fixed with reasonable certainty, in which case the refund or charge shall be computed to that date, but in no event for a period longer than three (3) years.

[(2) If the period of inaccuracy cannot be determined, it shall be assumed that the metering equipment has become innaccurate at a uniform rate since it was installed or last tested except as otherwise provided herein. Recalculation of bills shall be on the basis of actual bills except if the monthly consumption has been reasonably uniform, averaged less than five hundred (500) kilowatt-hour per month, and involved no billings other than kilowatt-hours, then the recalculation of bills may be based on the average monthly consumption and the inaccuracy may be assumed to have existed for a period equal to one-half the time elapsed since the meter was installed or since the last previous test, whichever is later. Adjustments due to slow meters shall be limited to the preceding six (6) months except that a longer period may be authorized by the Commission. The error in registration due to "creep" shall be calculated by timing the rate of "creeping" and assuming that this "creeping" affected the registration of the meter for twenty-five (25%) percent of the time since the last test or since the meter was installed.]

2. When the average error cannot be determined by test because the meter is not found to register or is found to register intermittently, the utility may charge for an estimated amount of electricity used, which shall be calculated by averaging the amounts registered over corresponding periods in previous years or in the absence of such information, over similar periods of known accurate measurement preceding or subsequent thereto, but in no event shall such charge be for a period longer than three (3) years.

[(3) When the average error cannot be determined by test because of failure of part or all of the metering equipment, it shall be permissible to use the registration of check metering installations, if any, or to estimate the quantity of energy consumed based on available data.]

[(4)] 3. If the recalculated bills indicate that more than one ($1) dollar is due an existing customer or two ($2) dollars is due a person no longer a customer of the utility, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or as credit on a bill. Credits shall be shown separately and identified. If a refund is due a person no longer a customer of the utility, a notice shall be mailed to the last known address and the utility, upon demand made within three (3) months thereafter shall refund the amount due.

[(5)] 4. If the recalculated bills indicate that the amount due the utility exceeds ten ($10) dollars, the utility may bill the customer for the amount due. [The amount must be billed separately on a form different than the normal bill form and a complete explanation of the billing must be given. Any amounts paid by a customer which are not specifically paid on such a bill must be applied to the customer's last regular bill for service. The charge shall not show as arrears on any bill for service.] The first billing rendered shall be separated from the regular bill and the charges explained in detail.

[(6) No back billing from the time of notification by the customer will be sanctioned if the customer has called to the utility's attention his or her doubts as to the meter's accuracy and the utility has failed within a reasonable time to check it.]

5. If a customer has called to the utility's attention his doubts as to the meter's accuracy and the utility has failed within a reasonable time to check it, there shall be no back billing for the period between the date of the customer's notification and the date the meter was checked.

[(b)] B. Billing Errors

[(1) When a customer has been overcharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter or other similar reasons, such as but not limited to: improper voltage, improper frequency or wave-form, improper power factor, or errors due to temperature variation; the amount of the overcharge shall be refunded or credited to the customer. Credits due a customer because of meter inaccuracies, errors in billing, or misapplication of rates shall be shown separately and identified.]

1. When a customer has been overcharged or undercharged as a result of incorrect reading of the meter, incorrect application of rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reasons, the amount of the overcharge shall be refunded to the customer or the amount of the undercharge may be billed to the customer. The refund or charge, in no event, shall exceed one year, unless the date the error occurred can be fixed with

reasonable certainty, in which case the refund or charge shall be computed from that date, but in no event for a period longer than three (3) years.

[(2) When a customer has been undercharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter or other similar reasons, such as but not limited to: improper voltage, improper frequency or waveform, improper power factor, or errors due to temperature variation; the amount of the undercharge may be billed to the customer. The utility may not bill for the amount of the undercharge which occurred more than six (6) months prior to adjustment. The original billing rendered because of meter inaccuracy, or errors in billing, shall be separated from the regular bill and the charges explained in detail. Subsequent to the first billing the amount can be shown as a separate item on the regular bill.]

2. If the recalculated bills indicate that more than one ($1) dollar is due an existing customer or two ($2) dollars is due a person no longer a customer of the utility, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or credit on a bill. Credits shall be shown separately and identified. If a refund is due a person no longer a customer of the utility, a notice shall be mailed to the last known address and the utility, upon demand made within three (3) months thereafter shall refund the amount due.

3. If the recalculated bills indicate that the amount due the utility exceeds ten ($10) dollars, the utility may bill the customer for the amount due. The first billing rendered shall be separated from the regular bill and the charges explained in detail.

PSC 315 Adjustment of Bills - Gas.

[(a)] A. Inaccurate Meters

[(1) Whenever a meter is found to have an error of more than two (2%) per cent fast, a recalculation of bills for service shall be made for the period of inaccuracy assuming an inaccuracy equal to the maximum fast percentage. The recalculation shall be made on the basis that the service meter should be one hundred (100%) per cent accurate.]

1. Whenever any meter is found upon test to have an average error of more than two (2%) per cent fast, the utility shall refund to the customer the overcharge. Whenever any meter is found upon test to have an average error of more than two (2%) percent slow, the utility may charge for the gas consumed, but not included in bills previously rendered. The refund or charge for both the fast and slow meter shall be based on the corrected meter reading for a period equal to one-half the time elapsed since the last previous test, but not to exceed six months, unless it can be established that the error was due to some cause, the date of which can be fixed with reasonable certainty, in which case the refund or charge shall be computed from that date, but in no event, for a period longer than three (3) years. The average error for a meter tested shall be defined as one-half the algebraic sum of the error at full-rated flow plus the error at check flow.

[(2) If the period of inaccuracy cannot be determined, it shall be assumed that the full amount of inaccuracy existed during the last half of the period since the meter was last tested. If the recalculated bills indicate that more than one ($1) dollar is due an existing customer or two ($2) dollars is due a person no longer a customer of the utility, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or as credit on a bill. If a refund is due a person no longer a customer of the utility, a notice shall be mailed to the last known address and the utility shall, upon request made within three (3) months thereafter, refund the amount due.]

2. When the average error cannot be determined by test because the meter is not found to register or is found to register intermittently, the utility may charge for an estimated amount of gas used, which shall be calculated by averaging the amounts registered over corresponding periods in previous years or in the absence of such information, over similar periods of known accurate measurement preceding or subsequent thereto, but in no event shall such charge be for a period longer than three (3) years.

[(3) Whenever a meter is found to be more than two (2%) per cent slow, the utility may bill the customer for the amount that the test indicates has been undercharged for the period of inaccuracy, which period shall not exceed the last six (6) months the meter was in service unless otherwise ordered by the Commission. For the purpose of this billing

adjustment, the meter error shall be one-half of the algebraic sum of the error at full-rated flow plus the error at check flow. No back billing from the time of notification by the customer will be sanctioned if the customer has called to the utility's attention his doubts as to the meter's accuracy and the utility has failed within a reasonable time to check it.]

3. If the recalculated bills indicate that more than one ($1) dollar is due an existing customer or two ($2) dollars is due a person no longer a customer of the utility, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or as credit on a bill. Credits shall be shown separately and identified. If a refund is due a person no longer a customer of the utility, a notice shall be mailed to the last known address and the utility, upon demand made within three (3) months thereafter shall refund the amount due.

[(4) Whenever a meter in service is found not to register, the utility may render an estimated bill, if the utility is not at fault in allowing the non-registering meter to be in service.]

4. If the recalculated bills indicate that the amount due the utility exceeds ten ($10) dollars, the utility may bill the customer for the amount due. The first billing rendered shall be separated from the regular bill and the charges explained in detail.

5. If a customer has called to the utility's attention his doubts as to the meter's accuracy and the utility has failed within a reasonable time to check it, there shall be no back billing for the period between the date of the customer's notification and the date the meter was checked.

[(b)] B. Billing Errors

[(1) When a customer has been overcharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter or other similar reasons, the amount of the overcharge shall be adjusted, refunded, or credited to the customer. Credits due a customer because of meter inaccuracies, errors in billing, or misapplication of rates shall be shown separately and identified.]

1. When a customer has been overcharged or undercharged as a result of incorrect reading of the meter, incorrect application of rate schedule, incorrect connection of the meter, application of an incorrect multiplier or constant or other similar reasons, the amount of the overcharge shall be refunded to the customer or the amount of the undercharge may be billed to the customer. The refund or charge, in no event, shall exceed one year, unless the date the error occurred can be fixed with reasonable certainty, in which case the refund or charge shall be computed from that date, but in no event for a period longer than three (3) years.

[(2) When a customer has been undercharged as a result of incorrect reading of the meter, incorrect application of the rate schedule, incorrect connection of the meter or other similar reasons, the amount of the undercharge may be billed to the customer. The utility may not bill the customer for the amount of the undercharge which occurred more than six (6) months prior to the adjustment. The original billing rendered because of meter inaccuracy, or errors in billing, shall be separated from the regular bill and the charges

explained in detail. Subsequent to the first billing, the amount can be shown as a separate item on the regular bill.]

2. If the recalculated bills indicate that more than one ($1) dollar is due an existing customer or two ($2) dollars is due a person no longer a customer of the utility, the full amount of the calculated difference between the amount paid and the recalculated amount shall be refunded to the customer. The refund to an existing customer may be in cash or as credit on a bill. Credits shall be shown separately and identified. If a refund is due a person no longer a customer of the utility, a notice shall be mailed to the last known address and the utility, upon demand made within three (3) months thereafter shall refund the amount due.

3. If the recalculated bills indicate that the amount due the utility exceeds ten ($10) dollars, the utility may bill the customer for the amount due. The first billing rendered shall be separated from the regular bill and the charges explained in detail.

PSC 317-324 Reserved for Future Use

PSC 325 [Assurance of Payment.] Guarantee of Payment.

[The utility shall not require deposit or guarantee of any customer or applicant for service who has established good credit. Deposit or guarantee of payment requirements as prescribed by the utility must be based upon standards which bear a reasonable relationship to the assurance of payment.

(a) "New Service" means service extended to or requested by any customer who has not received service as a customer for the preceding six (6) months. A utility shall not require a cash deposit or other guarantee of payment

as a condition of obtaining new service unless a customer has an unsatisfactory credit or service standing with the utility due to any of the following:

(1) The customer or applicant has outstanding a prior utility service account with the utility which at the time of request for service remains unpaid and not in dispute.

(2) The service of a customer or applicant has previously been disconnected for any permissible reason which is not in dispute.

(3) The credit history as provided in these rules demonstrates that payment cannot be assured. The determination of an adequate credit history must be determined by objective criteria which shall be filed with the Commission in the utility's tariff. Such criteria must bear a reasonable relationship to the assurance of payment.

(b) "Existing Service" means service presently being extended to a customer or which has been extended to a customer within the past six (6) months. A utility shall not require a cash deposit or other guarantee of payment as a condition of continuing existing service unless a customer has an unsatisfactory credit or service standing with the utility due to either of the following:

(1) The service of the customer has been disconnected or has been liable for disconnect for nonpayment of a bill which is not in dispute.

(2) The service of a customer has been disconnected or has been liable for disconnect for any permissible reason which is not in dispute.] <u>The utility may require a deposit or guarantee of payment from any customer or applicant who has not established good credit with that utility. Deposit or guarantee of payment requirements as prescribed</u>

by the utility must be based upon standards which bear a reasonable relationship to the assurance of payment.

PSC 326 Permissible Means of [Assuring] Guaranteeing Payment.

[(a)] A. Deposit. [Where] When required, a customer may assure payment by submitting a deposit.

[(1)] 1. A deposit shall not exceed an estimated two-months' gross bill or existing two-months' bill where applicable.

[(2)] 2. [As a condition of obtaining service] All deposits shall be in addition to payment of an outstanding bill or a part of such bill as has been resolved to the satisfaction of the utility.

[(3) Deposits shall bear an interest rate of not less than six (6%) percent interest compounded annually unless otherwise determined by the Commission. Interest on deposits shall be payable from the date of deposit to the date of refund or disconnection.]

3. Interest shall be paid on deposits in excess of $20.00 at the rate of six percent per year. Interest on deposits shall be payable from the date of deposit to the date of refund or disconnection. The utility may, at its option, pay the interest at intervals it chooses but at least annually, by direct payment, or as a credit on bills.

[(4) Continuance of funds on deposit for a period of twelve (12) months shall constitute good credit and the deposit shall be refunded unless a further condition exists which would require continuing the necessity of assuring payment.]

4. The deposit shall be refunded to the customer after twelve (12) consecutive months of prompt payment of all utility bills. The utility may, at its option, refund the deposit by direct payment or as a credit on the bill.

[(5)] 5. With notice any deposit of a customer may be applied by the utility to a bill when the bill has been determined by the utility to be delinquent. [A utility may not disconnect service or shall not be entitled to demand an additional deposit until the deposit has been refunded or until the balance has been entirely used to pay an outstanding bill of the customer.]

[(6)] 6. Upon termination of service, the deposit with accrued interest shall be credited to the final bill and the balance shall be returned within [ten (10)] forty-five (45) days to the customer.

[(7)] 7. A utility shall not require a deposit [or a guarantee of payment] of any customer without explaining in writing why that deposit or guarantee is being required and under what conditions, if any, the deposit will be diminished upon return. Each utility shall issue a receipt of deposit to each customer from whom a deposit is received and shall provide means whereby a depositor may establish claim if the receipt is unavailable.

[(b)] B. Guarantee of Payment

[(1)] 1. The utility may accept, in lieu of a deposit, a contract signed by a guarantor satisfactory to the utility whereby payment of a specified sum not exceeding the deposit requirement is guaranteed. The term of such contract shall be for no longer than twelve (12) months, but shall automatically terminate after the customer has closed and paid his or her account with the utility, or at the guarantor's request upon sixty (60) days' written notice to the utility.

[(2)] 2. Upon termination of a guarantee contract or whenever the utility deems same insufficient as to amount or surety, a cash deposit or a new or additional guarantee may be required for good cause upon reasonable written notice to the customer. The service of any customer who fails

to comply with these requirements may be disconnected upon notice as prescribed in PSC 300.

[(3)] 3. The utility shall mail the guarantor copies of all disconnect notices sent to the customer whose account he or she has guaranteed unless the guarantor waives such notice in writing.

PSC 327 [Credit History and Impermissible Means of Assuring Payment.] Good Credit and Impermissible Reasons for Guaranteeing Payment.

[The utility may determine whether an adequate credit history has been shown, except as herein restricted:

(a) The customers credit history at the same or similar utility which would otherwise demonstrate good credit pursuant to these rules, shall be considered good credit before the utility.]

A. Good Credit

The utility may determine whether a customer has established good credit with the utility, except as herein restricted: A customer, who within the last twelve (12) months has not had his service disconnected for nonpayment of a bill and has not been liable for disconnect for nonpayment of a bill which is not in dispute, shall be deemed to have established good credit.

[(b)] B. Impermissible [means] reasons [of] for [assuring] guaranteeing payment.

[(1)] 1. [As a condition of new or existing service, or in determination of credit history,] A utility shall not require a deposit or a guarantee of payment based upon income, home ownership, residential location, employment tenure, nature of occupation, race, color, creed, sex, marital status, age, national origin, or any other criteria which does not bear a reasonable relationship to the assurance of payment of which is not authorized by these rules.

[(2)] 2. [Credit History.] No utility shall use any credit reports other than those reflecting the purchase of utility services to determine the adequacy of a customer's credit history without the permission in writing of a customer. Any credit history so used shall be mailed to the customer in order to provide the customer an opportunity to review the data. Refusal of a customer to permit use of a credit rating or credit service other than that of a utility shall not affect the determination of the utility as to that customer's credit history.

PSC 328 [Definitions: Dispute and Disconnect.]

[The terms dispute and disconnect are defined in PSC 303 and PSC 295.]

Reserved for Future Use.

PSC 329-334 Reserved for Future Use.

PSC 335 Information Available to Customers and the Public.

[(a) The current "customer information" as prescribed in PSC 281 and all other information considered applicable by the Commission shall be kept on file in every station, office of the utility and where customer payments are received.

(b) Suitable signs shall be posted conspicuously at each such location calling attention to the public that the rules, regulations and rate schedules are so filed and available for inspection.]

[(c)] A. The utility shall retain customer billing, complaint, payment and deposit records for the length of time necessary to permit the utility to comply with the Commission's regulations; provided the utility shall retain these records for not less than three (3) years. A customer's own billing, complaint, payment and deposit records shall be available to that customer.

[(d)] B. Each utility shall have available for existing customers and applicants for service such information as is needed to obtain and maintain adequate, timely, and efficient service.

[(e) Where a customer is eligible to take service under any one or more of two or more rates, the company shall advise the customer in the selection of the rate or rates which result in the lowest cost of service, based on the information at hand.

(f) Whenever there is a change of rates and whenever it is reasonable to do so, the customer shall be notified if any permissible change in classification will result in a lower cost of service.]

[(g)] C. Each utility shall furnish additional information as the customer may reasonably request.

PSC 336 Remains the same.

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Commission Support

STATE OF MINNESOTA
OFFICE OF HEARING EXAMINERS
FOR THE PUBLIC SERVICE COMMISSION

In the Matter of the Proposed Adoption of Amendments of Certain Existing Rules, and the Proposed Adoption of new Rules Relating to Weights and Measures, Electric and Gas Utilities, Telephone Utilities, and Motor Vehicle Transportation.

REPORT OF HEARING EXAMINER

The above-entitled matter came on for hearing before Bernard Singer, duly appointed Hearing Examiner from the State Office of Hearing Examiners, on February 8, 9, 10, and 11, 1977, in the large hearing room, American Center Building, St. Paul, Minnesota.

This was a rules hearing held pursuant to Minn. Stat. Ch. 15 to determine whether the proposed amendments to certain existing rules and the proposed new rules should be adopted as follows:

I. WEIGHTS AND MEASURES DIVISION - Proposed amendments to Rules PSC 120 and 122, the proposed deletion of Rules PSC 106, 123 and 124; and proposed Rule PSC 128.

II. MOTOR VEHICLE TRANSPORTATION - Proposed amendments to Rules PSC 2 and 5.

III. TELEPHONE UTILITIES DIVISION - Proposed amendments to and new rules to Rules PSC 179 to 185; proposed rules PSC 215 to 219.

IV. ELECTRIC AND GAS UTILITIES - Proposed amendments to and new rules to Rules PSC 279 to 336; proposed rules PSC 410 to 418; proposed rules PSC 420 to 423.

The report of the Hearing Examiner herein is divided into four sections corresponding to the four divisions stated above. Each section will list the names of persons who appeared on behalf of the Public Service Commission and the witnesses who presented testimony relevant to the subject matter of that particular section of rules.

Pursuant to Minn. Stat. § 15.0412, subd. 4 (1976), this Report shall be available for review to all affected individuals

upon request for at least ten days.

The Commission shall, if it proposes to adopt the rules as originally proposed or amended, submit the complete hearing record, including its Findings and Order, to the Chief Hearing Examiner no earlier than ten days subsequent to the receipt of this Report. This submission shall also clearly indicate any changes made to the rules as originally proposed, preferably in the format that will be submitted to the State Register for publication. The Chief Hearing Examiner shall complete his review and submit his report to the Commission on the issues of substantial changes in the rule and compliance with Minn. Stat. § 15.0412 within ten calendar days. Thereafter, the Commission shall be responsible for filing the rules with the Attorney General.

Based upon all the records and proceedings herein, the Examiner makes the following:

FINDINGS OF FACT

PROCEDURAL REQUIREMENTS

1. On October 15, 1976, the Commission filed the following documents with the Chief Hearing Examiner:

(a) A copy of the proposed rules;
(b) A proposed Order for Hearing;
(c) A proposed Notice of Hearing; and
(d) A Statement of the estimated length and number of people attending the hearing.

2. On January 5, 1977, a Notice of Hearing and a copy of the proposed rules were published at 1 State Register 968.

3. On December 30, 1976, the Commission mailed the Notice of Hearing to all persons and associations who had registered their names with the Secretary of State for the purpose of receiving such notice.

4. On January 14, 1977, the Commission filed the following documents:

(a) The Order for Hearing;
(b) The Notice of Hearing as mailed;
(c) The Affidavit of Receipt of the Secretary of State's list;
(d) The Affidavit of Mailing;
(e) The Secretary of State's Certificate and list;
(f) The Statements of Need; and
(g) The Statements of Evidence;
(h) The names of Public Service Commission personnel who will represent the agency.

The documents were available for inspection at the Office of Hearing Examiners from the date of filing to the dates of the hearings.

5. At the hearing, the Commission presented a number of suggested revisions to the telephone, gas and electric rules as originally proposed. These revisions were read into the record at the hearing, but were not published in the State Register, nor were they mailed to the Secretary of State's list. On motion of counsel representing various parties, the Hearing Examiner agreed to continue the hearing until the date the transcripts of the record were made available to parties requesting same, and the 20-day period for submitting written statements commenced on that date. The telephone, gas and electric hearings terminated February 17, 1977, and the record remained open through March 9, 1977 for the receipt of written comments and statements. The Weights and Measures hearing record remained open through March 2, 1977. The Motor Vehicle Transportation hearing record remained open through March 3, 1977.

IV. GAS AND ELECTRIC UTILITIES DIVISION

Hearing held February 8, 1977.

Jerome Getz, Assistant Attorney General, appeared on behalf of the Public Service Commission. Rolland Eck, Financial Analyst; John Schneider; and William F. Deppe, Chief of the Financial Evaluation Section, appeared and testified on behalf of the Commission. Thirty-eight persons attending the hearing signed the register. The following persons presented testimony at the hearing: Gene Sommers, Attorney, Northern States Power Company; Richard Kirkham, Minnesota Municipal Utilities Association; Jeremy Lane, Attorney, Legal Aid Society of Hennepin County; Barbara Stromer, Director of Assistance Payments, Minnesota Department of Public Welfare; Ann Darby, Minneapolis Urban League; Vusumuz Zulu, Pilot City Regional Center, Minneapolis; Richard Auld, Minnesota Office of Consumer Services; Donald Jannette, Interstate Power Company; Joel Fischer, Ramsey County Legal Assistant; William D. Carstedt, General Counsel, Interstate Power Company, and John Moore, Attorney, Northern States Power Company.

FINDINGS OF FACT (Cont.)

Proposed PSC 410 - 418

GENERAL REMARKS

6. Statutory authority to promulgate these rules is found in Minn. Stat. § 216B.10, subd. 4 (1976). The proposed rules set forth procedures and filing requirements which allow the Commission to monitor the service and financial activities of the utilities. The reports required by these proposed rules are necessary to provide a basis for the refinement of Commission policy guidelines for ongoing monitoring of utility performance; to accumulate historical and projected financial and statistical information for rate proceedings; to accumulate annual financial, rate and quality of service information on key indicators, such as fuel costs; to accumulate statistical information for various external reports and inquiries; to accumulate intrastate gross operating revenue data for the Commission's assessment of the regulatory fees to utilities; and to accumulate financial and statistical information for internal Commission reports. These rules

must necessarily apply to all Minnesota public utilities, including cooperatives, investor-owned and municipals whose accounting practices are subject to the jurisdiction of the Commission under Minn. Stat. §§ 216B.02 and 216B.10, subd. 6 (1976). The Public Service Commission has documented its statutory authority to promulgate these rules.

Proposed PSC 410

7. This rule lists five definitions which are definitions of words which are utilized throughout the annual report rules. The definitions are clear and concise and are necessary for the interpretation of the following rules.

Proposed PSC 411

8. This rule specifically states that any public utility regulated under Minn. Stat. Ch. 216B is subject to the provisions of proposed PSC Rules 410 - 418. It further requires each public utility to file with the Commission a completed annual report on or before May 1st of each year covering its operations for the preceding calendar year. It also provides for the Commission to require special reports concerning any matter within its jurisdiction. The rule is necessary and reasonable.

Proposed PSC 412

9. This rule relates to electric public utilities which are federally regulated and requires this type of utility to file with the Commission one certified copy of the prescribed federal agency or authority annual report form. The Commission proposed at the hearing, a revision of PSC 412(B). This subsection requires electric public utilities which have multi-state operations to provide information concerning their Minnesota operations. The originally proposed rule provided that such information shall be provided on schedules which shall be prepared using the same format used in reporting total company data and shall be clearly labeled "Minnesota Operations" at the top of each schedule. The proposed deletion removes this reporting requirement on this type of form. Subsection "B" in the proposed rule lists nine types of schedules for reporting the required information. At the hearing, the Commission proposed a change in PSC 413B(9)

which requires, under the proposed amendment, a report of taxes accrued, prepaid, and charged during the year. The proposed change included a requirement for reporting of accrued and prepaid taxes. The amendment is reasonable and the changes do not materially change the meaning of the rule.

Proposed PSC 413

10. This rule provides for the filing of annual reports by electric public utilities - federally-regulated. This rule contains the same type of reporting requirements as specified in proposed PSC 411 for gas utilities. At the hearing, the Commission proposed amending PSC 412B in the same manner and with the same deletions as in PSC 411B. They also proposed amending PSC 412B(9) with the insertion of the same words as in PSC 411B(9). The rule is reasonable, and the proposed amendments do not materially change the meaning of the rule.

Proposed PSC 414

11. This rule provides for each electric cooperative-REA corporation or association, to file with the Commission one certified copy of the prescribed REA annual report form. If the cooperative has multi-state operations, the report requirements shall include information only concerning its Minnesota jurisdictional operations. This rule was amended by the Commission at the hearing by deleting the wording in PSC 413B. that was deleted in the aforementioned PSC 413 and 412. The Commission also amended PSC 414B(8) by adding "report requirement" for "taxes accrued and prepaid" in addition to taxes actually charged during the year. The rule as proposed is reasonable.

Proposed PSC 415

12. This rule provides for annual reports by electric cooperatives-non-REA corporation or association. This rule requires reports by each electric cooperative not subject to REA regulation on prescribed Minnesota annual report forms. The rule was amended at the hearing in the same manner as the aforementioned PSC 414, 413 and 412. The rule as amended is reasonable.

Proposed PSC 416

13. This rule provides for annual reports by electric and

gas public utilities that are non-federally regulated and requires the utility to file a certified copy of the prescribed federal agency or authority annual report or prescribed Minnesota annual report form. This proposed rule was also amended by deleting the same words as in PSC 415, 414, 413 and 412. The Commission also proposed the addition of PSC 416B(10) providing for a report on operating revenues-firm and interruptible gas sales. The amendments do not materially change the rule, and the rule is reasonable.

Proposed PSC 417

14. The Minnesota Municipal Utilities Association requested exclusion, for annual reporting purposes, of all municipal gas and electric utilities. They also requested exclusion from annual reporting purposes of all municipal gas and electric utilities with $25,000 in total utility revenues or less. This second request would include seven of the smallest municipal utilities operating in the state of Minnesota. The Municipal Association also requested that the proposed rules be modified so as to exclude municipal utilities not required to report to the FPC from the proposed reporting requirements. The Public Service Commission contends that the FPC does not require any municipal utility having gas operating revenues to file annual report forms. They further argue that the FPC currently requires municipal utilities having annual electric operating revenues of $250,000, and more, to file FPC form 1-M. Minnesota Municipal Utilities Association contends that Minn. Stat. § 216B.10 is permissive rather than mandatory and that the proposed rules go beyond the permissive authority of the statute as it refers to municipal utilities. They further argue that the Public Service Commission, through the rule-making provisions herein, appears to be involved in an effort to bring municipal electric and gas utilities under its control, and that is clearly contrary to the intent of the Legislature. They stated that the Commission has no need for or use for the detail requested on the report forms as they do not control rates of municipal utilities. They further stated that the requirement that municipal utilities make reports

requested in these rules would place a considerable burden upon them. The Public Service Commission proposes to design forms for the use of municipal utilities so that the necessary municipal regulatory data can be collected and evaluated for Commission usage in the areas in which they have regulatory authority. The proposed rule PSC 417 requires each municipally-owned utility to file one copy of a prescribed Minnesota municipal annual report. The requirement of an annual report form from municipally-owned utilities is not an unreasonable or burdensome one, and the rule, as proposed, is reasonable and necessary.

Proposed PSC 418

15. This rule requires public utilities, in addition to the reports required in PSC Rules 412 through 417, to file with its annual report, copies of any financial, statistical or operational reviews or reports which they will prepare for distribution to stockholders, bondholders, patrons or the appropriate governing authority. The rule is necessary in order for the Commission to evaluate the entire financial structure of the public utilities and the reasonableness of the rule has been documented.

16. Northern States Power Company proposed amending language to PSC 412B(1) and 416B(1) by striking the period at the end of the subsection and adding these words: Or functional classifications necessary for allocation. The company argues, as a basis for this amendment, that much of their plant, especially in the transmission and distribution category, is booked under either transmission or distribution, but the function of the facilities which are booked in those classes are other than transmission, etc. They have the functionalization of their plant computerized in such a way that they can determine from their plant records and report on the annual report essentially the same way that they report in a rate case, that is by the function of the plant rather than by a book classification. For that reason, and to report clearly the financial information being requested in the rules, Northern States Power Company feels that the additional words in their proposed amendment would allow for their particular type of classifications.

The proposed amendment by Northern States Power Company is reasonable and does not materially change the meaning of the rule as proposed. The rule should be rewritten to include this additional language.

17. Subsection A of proposed PSC 412, 413, 414, 415, 416 requires the utilities to file with the Commission one certified copy of the prescribed report form. Northern States Power Company contends that an ambiguity lies in the rule as proposed. Is the determination of certification to be by the federal agency or an officer of the utility company? They propose to amend subsection (a) of each of the aforementioned rules by inserting the words: "one copy of the annual report form certified by a company officer." It is proposed that this wording would be clear and would remove any ambiguity in the proposed subsections. NSP's contention is reasonable; it is recommended that subsection (A) of each of the aforementioned rules be rewritten to include those clarifying words.

Proposed PSC 420 - 423

18. These proposed rules relate to the reporting of lobbying expenditures of gas and electric utilities. The Commission asserts its authority to promulgate these rules under Minn. Stat. §§ 216B.08 (1976), and 216B.10, subds. 3(3) and (4). In adopting the FPC Uniform System of Accounts for Gas and Electric Utilities, the Commission adopted the entire system of accounts. This allows for subdivision of any accounts, provided the integrity of the prescribed account is not changed. The Commission further asserts that the Common Cause report, wherein 31 states failed the accountability test, including Minnesota, focussed on the need for account changes and reporting requirements of lobbying expenses to the Commission. These proposed rules are being promulgated by the Commission in order to meet the need for accountability of lobbying expenditures incurred by public utilities. In addition, the Commission has stated that there is a need to have an annual report to the Commission as to the cost of lobbying in order for the Commission to determine the reasonableness and the propriety of the expense in relation to the revenue requirements of a public utility. The subdivision of accounts to record the

costs of lobbying is necessary to expedite the reporting process. They further state that without separate and identified accounts, the reporting of lobbying expenditures would be a lengthy and economically undesirable task.

19. The Commission argues that it is not attempting to assert jurisdiction or duplicate what is already required by other agencies, nor is it intending to replace any reporting already performed by utilities. The Commission contends that the Minnesota State Ethical Practices Board regulates lobbyists, not utilities, and the information filed with the Board is not an adequate substitute for the information which would be elicited under the proposed rules. They state that only lobbyists are responsible for filing information with the Board; that there is no assurance that all information relevant to a given utility's lobbying efforts can be derived from the lobbyist's report; that there is no sanction which can be imposed on the utility if its lobbyists fail to report; and there is no requirement that lobbyists' salaries be reported to the Board. Salary information may not be relevant for the purposes of the Board, but is relevant to rate-making.

20. The Commission, in proposing these rules, has attempted to adopt the requirements as set forth by the Board as closely as possible. They state that the utilities should be able to report to the Public Service Commission by using the information included in the report to the Board, and by adding the required salary and expense costs without providing an undue burden to the reporting utilities.

21. The State Ethical Practices Board filed written comments to the proposed rules stating that in 1974, the Board was charged under the Ethics in Government Act, Minn. Stat. § 10A, to provide and administer the first permanent lobbyist registration and reporting program in the history of Minnesota. The Act provides for registration and reporting of individuals who are paid or authorized to spend money by another individual or association, and who spend over five hours in any month, or more than $250 in a calendar year attempting to influence legislative or administrative

action by communicating with or urging others to communicate with public officials. The statute further defines what is an "administrative action" and who are "public officials". The law does not require the reporting of associations or individuals retaining or employing the lobbyists. Salaries of lobbyists are not reportable disbursements, although fees of paid expert witnesses and expenses incurred in securing such testimony are reportable.

22. The Board contends that the rules, as proposed by the Public Service Commission, requiring reporting of lobbyists and utilities by the Public Service Commission, duplicates responsibilities and duties already being performed by the Board; poses problems with the absence of definition; and mingles reporting of lobbying disbursements with campaign contributions and expenditures. The Board has spent two years promulgating rules, issuing advisory opinions, providing forms and monitoring the reports of lobbyists' disbursements. The Board further contends that if the Public Service Commission requires a report from a utility of the total amount of lobbying expenditures made by all of its lobbyists in a calendar year, that that amount might be better based upon the disbursements presently being filed by registered lobbyists of that utility with the Board rather than have the Commission attempt to duplicate the effort of the Board by setting up a parallel system for lobbyists' registration and reporting. The total amount spent lobbying by each utility might well be provided to the Commission by the Board.

23. Northern States Power Company opposes the adoption of the proposed rules for four reasons: (1) neither the Common Cause report nor the record in this rules proceeding supports the need for the proposed rules as expressed by the Commission; (2) the proposed rules duplicate the requirements of the State Ethical Practices Board; (3) the proposed rules are not sufficiently clear to enable a utility to comply with them; and (4) the proposed rules conflict with the Uniform System of Accounts. NSP argues that the "lobbying expenditures" referred to in the Common Cause report uses the term "lobbying" in the most commonly understood sense; that is, the attempt to exercise influence by personal, informal communications and constant access. This meaning

sharply contrasts with the meaning of "lobbying" in the proposed rules. The PSC has included all forms of communications and contacts, formal as well as informal within their term "lobbying". NSP maintains that the PSC has misunderstood the Common Cause Report's criticism of the PSC and that this misunderstanding is reflected in the proposed rules. NSP further argues that the proposed rules do essentially duplicate the requirements of the Minnesota Ethics in Government Law, with two minor differences between the statutory requirements and the requirements of the proposed rules. To the extent that the proposed rules apply to all other administrative proceedings in addition to rule-making and plant siting cases, they exceed the requirements of the Ethics in Government statute. Secondly, the proposed rules require the recording of salaries of representatives who attempt to influence legislative or administrative action.

24. NSP further raises several questions regarding the interpretation of meaning of the proposed rules and contend that if the rules are adopted as proposed, the Commission will be forced into an administrative quagmire. NSP further contends that the proposed rules conflict with the requirement of the Uniform System of Accounts. The expenses recorded in a sub-account of Account No. 930 will create a two-fold conflict in that these expenses will be classified as "lobbying expenditures" which directly contravenes the current USA definition of such expenditures; and secondly, recording these expenses under Account No. 930 will mean that they will not be recorded under accounts Nos. 920 and 923, the accounts in which the USA currently direct public utilities to record these expenditures. NSP proposes that the PSC issue a new set of rules which would incorporate a limited definition of the term "lobbying expenditure" and "lobbyists" and establishing one new sub-account under Account No. 426.4 in which public utilities would be required to record all "lobbying expenditures" as that term is defined in (a).

25. Otter Tail Power Company filed written arguments opposing the proposed rules, contending that they are unreasonable and a duplication of efforts by the State Ethical Practices Board. They

strenuously objected to the public service Commission entering into an area which has been adequately provided for by the legislature and assigned to an official agency of state government. They claim that the information required by the Commission rules may readily be obtained from the Board. There is no reason to duplicate the effort proposed in the proposed rules. They further argue that the definition of lobbying expenditures in the proposed rules appears to exceed the definition currently utilized in the Board's rules. They also contend that the definition of lobbyist again exceeds the Board's definition.

26. Minnesota Power & Light Company believes that lobbying-related expenses are comprehensively reported to the Board and any additional reporting represents a duplication of effort. They would not object to a rule which would require verifiable copies of reports filed by a regulated public utility with the Board being periodically filed with the Commission. MP&L contends that any other matters relating to the proper classification or treatment of lobbying-related expenses would more properly be addressed during a rate case audit and the subsequent proceedings.

27. Interstate Power Company also argued that the proposed rules do not adequately define the scope of activities and expenses to be embraced by the proposed reporting requirements. The proposed definitions are so broad and unlimited as to require disclosure which would be both meaningless in terms of identifying lobbying expenses and in direct conflict with the legislature's statutory definitions of lobbying and lobbying expenditures. Interstate argues that the Commission did intend for the rules to encompass activities and expenditures greatly beyond the scope of the existing ethics in government laws, which themselves are so encompassing as to apply to activities beyond any common understanding of the term "lobbying". The Commission proposed the rules in response to the Common Cause report, but Interstate contends that Common Cause is using the term "lobbying" in its most abused form to include "meals and gifts to Commissioners", etc. They argue that the reporting requirements of Minn. Stat. Ch. 10A

apply to a far broader scope of activity than seems to be encompassed in the Common Cause definition of "lobbying". For that reason, Common Cause is in error, and as a result, are being unjustifiably harsh and critical of the Commission. They state that the Common Cause report fails to constitute any support for the need for the proposed rules relating to lobbying and expenditures, both because of its error in including Minnesota among the states which fail to comply with its standards and because it fails to refer to or suggest any need for any disclosures not already required by Minn. Stat. § 10A. The fact that the Minnesota Legislature has already specifically legislated on the matter of disclosure of lobbying expenditures constitutes a basic foundation of Interstate's objections to the proposed rules. They further argue that the specific authority given the Board with respect to lobbyists' expenditure disclosures supersedes and preempts the general power and authority given the Commission. They have no objection to a rule requiring utilities to furnish the Commission with copies of reports submitted to the Board. Interstate asserts that the information required by the Commission for rate-making purposes is already appropriately categorized on its records maintained in accordance with the Uniform System of Accounts, which system is maintained by companies such as Interstate with multi-state operations on a uniform basis.

28. In summary, the proposed PSC 420 to 423 does not appear to be adequately based on statutory authority, needed or reasonable. The rules appear to have been precipitated as a result of the Common Cause report on accountability of state public utility commissions dated August, 1976. Even though Minnesota was among 15 out of 39 states that had no rule or statute requiring lobbying expenditures to be separately identified in the utilities' accounts, the Ethics in Government Act, Minn. Stat. § 10A, provides and administers an adequate lobbyists registration and reporting program in Minnesota. As pointed out by Minnesota Power & Light Company, any matters relating to the proper classification or treatment of lobbying-related expenses would more properly be addressed during a rate case audit and subsequent proceedings.

The Commission Staff has adequate opportunity to audit utility books and also to have access to reporting forms of lobbyists filed with the Ethical Practices Board. These two sources of information should provide adequate information to determine expenditures by a utility for lobbying purposes. The requirements of the proposed rules would duplicate the reporting procedures now in effect with the State Ethical Practices Board and would cause an undue burden upon gas and electric utilities in Minnesota. For that reason, the Public Service Commission has exceeded its statutory authority and has not demonstrated the need for and the reasonableness of PSC 420 - 423.

Proposed PSC 279 - 336 (Customer service standards, new rules and amendments to existing rules.)

GENERAL COMMENTS

29. The existing regulations governing customer service standards for public electric and gas utilities under the jurisdiction of the Public Service Commission became effective on February 11, 1976. The Commission assumed state-wide jurisdiction over public gas and electric utilities on January 1, 1975. Every public utility operating in Minnesota has been operating under the existing gas and electric customer service rules since the February 11, 1976 effective date. The Commission alleges that its experience since that date has shown that the existing rules are deficient in a number of areas. Certain rules are unenforceable, others are ambiguous. In addition, some of the rules are grammatically incorrect. The Commission felt that a complete review of the existing customer service rules was necessary in order to fulfill its statutory obligation. The rule that drew the most criticism and comment from the public, legislators and governmental agencies is PSC 299, commonly referred to as the "Cold Weather Rule". The Public Service Commission recommends that this entire rule should be deleted for reasons which will be discussed in detail later in this Report. Twelve detailed written memoranda were filed by various utility companies, legislators, and representatives of governmental agencies after the hearing.

Proposed PSC 280

30. That PSC 280, regarding complaint procedures, be deleted in its entirety since the requirements set forth in that rule are duplicated in proposed PSC 282, which, as amended, outlines the procedure under which a utility will handle a customer complaint or inquiry. Said deletion is reasonable and necessary.

Proposed PSC 281

31. That because of the length and controversy of some sections of this proposal, each section of the original proposal will be treated separately below.

PSC 281A

32. PSC 281A, as amended, states clearly and concisely that the customer information sign must state where, when and to whom a complaint must be directed along with the address of the Public Service Commission and its availability for mediation upon written request. Every gas and electric utility operating under the existing rules is required to have signs in its office with this information. The amendment is being offered for the limited purpose of clarification, does not involve a substantive change in the existing rule and is reasonable.

PSC 281B

33. This rule, as amended, requires every utility to publish customer information booklets. Subsection (1) of this rule sets out the requirement for utilities' customer policies in six different areas to be included in this information. The Commission asserts that the amendments to PSC 281B are being offered for the limited purpose of clarification and do not involve a substantive change in the existing rules. The Commission alleges that the current rule is deficient in that it doesn't specify what is to be included in the customer information rules. PSC 281B requires that a utility shall publish its customer information "at its expense". Peoples Natural Gas Company contends that (a) the initial preparation and subsequent periodic updating of such material could easily generate costs which would outweigh the benefits of such information, and (b) that if the phrase "at its expense" is intended to mean that the utilities are to make

such information available to their customers "as part of the utility's service covered by the utility's rates", that the foregoing language be substituted for the words "at its expense". They assert that this recommended change is intended to avoid a possible interpretation as to the effect that the expense of preparing such information is to be a "below the line" cost to be excluded from the utility's cost of service.

The ambiguity which is claimed by Peoples does not actually exist in the reading of the rule, and the words "at its expense" are easily interpreted as an expense of the public utility in doing business. For that reason, the rule, as proposed by the Commission, should be adopted.

PSC 281B.3.

34. This rule requires the title, address and telephone number of the department of the utility to which complaints should be directed, including a telephone number for customers to call in emergency situations and adds the additional wording "or a concise statement as to where such information can be obtained". Northern States Power Company claims that the proposed amendment is reasonable and will not constitute a hardship for utility customers. On the other hand, the Legal Aid Society of Minneapolis argues that said rule should not be amended as the present rule attempts to put all necessary information in the customer's hands at one time, and the amendment would weaken that policy. The Commission claims that some of the larger utilities are unable to print all of the information of the different telephone numbers that they have for their different departments on the information form; in that case, the practice is to put a concise statement advising customers to consult the telephone directory to find this information. The Commission has accepted this in the past as compliance with the rule. The rule, as proposed, is reasonable and is not weakened by the proposed amendment.

PSC 281B.4.

35. This rule requires that the customer information include the rules and regulations of the Public Service Commission concerning complaints and customer relations. It specifically

identifies PSC 282B and 303 for inclusion. The Legal Aid Society of Minneapolis contends that the rule should be expanded to require inclusion of the information contained in PSC 298 (disconnection of service rules); PSC 299 (cold weather rule); PSC 300 (notice: Other time requirements); PSC 301 (manner of disconnection); and PSC 302 (reconnection of service). They state that unless the customer knows his rights, he will be severely hampered in enforcing those rights and that the present information booklets are totally inadequate to inform the customer of his rights.

The requirements of PSC 281B.1 include the necessity for a utility to set out its policies governing, among other areas, notice of disconnection, disconnection of service, and reconnection of service. In the customer information booklet, the customer will have an opportunity to learn the utility's own customer policies governing these areas without the additional inclusion of PSC's 298, 299, 300, 301 and 302 as a specific requirement of subsection (4). The rule, as proposed by the Commission, is reasonable.

PSC 281B.5.

36. This subsection deletes the requirement that the deposit and guarantee standards of the utility be included in the "customer information". The reason for the deletion is that this requirement is now included in proposed PSC 281B.1. The rule adds the requirement of a statement that the Minnesota Public Service Commission regulates this utility and is available for mediation upon written request and the address of the Minnesota Public Service Commission. The rule, as proposed, including the aforementioned deletion, is reasonable.

PSC 281C

37. This rule relates to information which utilities must include in their billing statements and includes the wording "or a concise statement as to where such information can be obtained". The Commission claims that larger utilities find it difficult to list all phone numbers of various departments on billing statements, and the proposed amendment will allow them to comply with

the rule. NSP, one of the largest utilities in Minnesota, conducts its operations through numerous geographic divisions and subdivisions. They have numerous district or area offices located within these geographical subdivisions, and each of these offices has separate telephone listings and addresses in the local telephone directory. If each telephone number and address were to be set forth on bill statements, it would be necessary for NSP to have printed 44 separate bill statements and to code all customer accounts in these 44 areas so that each customer in each area was provided with appropriate telephone number and address. They argue that a customer is more likely to dispose of or lose his bill stub than his telephone directory. They further argue that no evidence was introduced at the hearing that any one of their 976,000 customers was unable to reach the company by telephone or mail. They submit that the proposed amendment to PSC 281C.1. is reasonable and will not constitute a hardship for their customers.

38. The Legal Aid Society of Minneapolis takes issue with the alleged lack of space on the bill to print this information and argues that there is a sound policy for giving customers this information on the bill. They further state that the proposed change will make it more difficult for customers to register complaints and there is no need for the proposed amendment.

39. That the proposed PSC 281C, as amended by the Commission, is reasonable and should be adopted.

Proposed PSC 282

40. PSC 282, as amended, constitutes a consolidation of several existing PSC rules. The rule contains the requirements currently set out in PSC 280, 282, 286, and 287. Subsection C provides that when the Commission forwards a customer complaint to the utility, the utility shall notify the Commission within five (5) business days regarding the status or disposition of the complaint. Peoples Natural Gas Company urges that this rule be changed to enlarge the period to ten days, claiming that five days is inadequate considering mail service, and the frequent need for the recipient office to check with another office for

additional information. The proposed amendment to subsection C by Peoples Natural Gas is based on sound reasoning and should be adopted by the Commission. The rule, as amended, is reasonable and necessary.

Proposed PSC 284, 285, 286, 287, 295

41. That the proposed rules drew no criticism or public comment, either during or after the hearing, and are reasonable and necessary.

Proposed PSC 296

42. The Commission proposes changes in the existing PSC 296 by the deletion of subsections (b) and (c). The rule relates to extension of service, and the Commission states the need for the deletion arises from the fact that the rule presently is ambiguous in that it does not indicate whether it applies to a gas or electric utility or both, and if it applies to gas utilities, it is ambiguous because gas utilities do not have service areas as defined in Minn. Stat. § 216B.10, subd. 6. Secondly, the Commission states that the rule fails to define what is meant by the terms extensions and service areas and that the rule is merely a liberal re-wording of Minn. Stat. § 216B.04. The present rule makes mandatory a requirement that all extensions be completed within 90 days, and with the Commission's approval, an additional 90 days. The statute, on the other hand, is construed by the Commission as merely establishing a guideline for furnishing adequate service and not as a mandatory time period for making extensions of service. The Legal Aid Society of Minneapolis opposes the deletion of subdivisions B and C for two reasons. First, that the requirements of Minn. Stat. § 216B.04 can be construed as mandatory, and if the utilities find compliance with the statute impossible, they should seek an amendment to the statute. Secondly, any ambiguity in the term "service area" can be resolved by clarifying the definition rather than deleting the regulation.

43. The Commission disagrees with this statutory construction. In the event the statute is construed as setting forth a mandatory service extension requirement, the Commission still

supports the deletion of the rule, contending that there is no need for a rule when the legislature has clearly spoken on the matter. The Commission's position is that the situation governed by the rule is covered by Minn. Stat. § 216B.04, and there is no justifiable need to duplicate the provisions of the statute by the promulgation of the rule. Also, the reason for the deletion of subsection C is that this rule was proposed as a modifier of subsection B. Since subsection B is proposed to be deleted in its entirety, it then follows that subsection C is unnecessary. Minnesota Gas Company supports the proposed amendment to PSC 296.

The rule, as proposed, including the deletions of subsections B and C from the existing rule, is reasonable and should be adopted.

Proposed PSC 298

44. PSC 298 outlines the permissible and non-permissible reasons for disconnecting service to a customer. The rule also specifies when notice is required prior to the disconnection of service. The present rule, according to the Commission, is not readily understandable, and proposed PSC 298 is a total revision of the existing rule into four subdivisions:

A. Disconnection of service with notice - permissible reasons;

B. Disconnection of service without notice - permissible reasons;

C. The temporary disconnection of service;

D. Non-permissible reasons to disconnect service.

PSC 298A

45. PSC 298A eliminates the provision in existing PSC 298 (a) which requires that the utility must apply a customer's deposit and accrued interest to any liability of the customer and return any remaining balance to the customer within ten days of disconnection. PSC 298A.1. eliminates the provision of the existing PSC 298(a)(1) which provides that utility service can be disconnected for non-payment only when the amount of the deposit, plus accrued interest, has been used to satisfy the incurred obligations. The purpose of obtaining a security deposit is to protect paying customers against losses incurred because of non-

paying customers. If the non-paying customer's deposit is first applied to his unpaid account, and his service thereafter is terminated, in order to accomplish the purpose of securing the deposit under the conditions established by the existing rule, service would not be re-established until the customer had paid all remaining liability and had made an additional deposit. The Commission asserts that it would be easier for the defaulting customer to re-establish service by being obligated to pay outstanding liabilities only as opposed to additionally being obligated to make another deposit. To waive the requirement for an additional deposit under these conditions would defeat the purpose for taking the deposit in the first instance. They maintain that the present PSC 298(a)(1) is totally inconsistent with the concept of security deposits. Applying security deposits to arrears prior to disconnection would be the equivalent of converting security deposits into prepayments. Under the proposed rule, service would be disconnected when the amount of the deposit equalled or exceeded the outstanding bill. At this point, the customer has the option to either make another deposit or allow his service to be disconnected. This procedure would protect paying customers from non-paying customers and fulfill the purpose of security deposits. The intent of the amendment, as stated by the Commission, is that a utility may disconnect service for non-payment of bill only when the amount of the billing equals or exceeds the amount on deposit with the utility. In its written comments submitted within the 20-day period after the hearing, Commission recommends that PSC 298A.1. be amended to read as follows:

> For failure of the customer to pay a bill for utility service, but only when the amount of the customer's outstanding bill equals or exceeds the amount of the customer's deposit.

The proposed amendment omits the words "when due" after the word "service" as originally proposed by the Commission.

46. Northern States Power Company submitted a rather lengthy memorandum with respect to the present inadequacies and ambiguities in the existing PSC 298 and asserted that the proposed amendments addressed these defects and should be adopted. Otter

Tail Power Company stated that the proposed rule should be modified to allow disconnection for non-payment of a bill when the amount of the billing exceeds the amount on deposit with the company as set forth in the new Commission-proposed rule. They strongly object to a requirement for the application of the deposit prior to disconnection.

47. State Senator Tim Penny, in written comments submitted after the hearing, suggested that the real reason for the proposed amendment is a desire to help the utility and not the consumer. He asserts that the proposed amendment would allow the utility to disconnect service much sooner because the deposit would not have to be used first to satisfy the incurred obligation. Therefore, action under the proposed amendment would actually cost the customer more because he would have to pay to have service reconnected. . . Service that had been disconnected, even though he may have had enough money on deposit with the utility to satisfy the incurred obligation. He therefore argued that the proposed amendment would prohibit a customer from using his own money for the purpose for which it was given to the utility. He contends that the existing language in PSC 298(a) and 298(a)(1) should be retained because deleting it would deprive consumers of the protection that the deposit requirement was designed to provide. He also disagrees with the proposed amendments to PSC 298(c)(1) and (2) (Landlord-tenant rule) as it would allow the utility to disconnect a tenant's service for the landlord's non-payment even without offering that tenant the opportunity to subscribe for service in his or her own name. He stated that the proposed amendments would require the utility to only make a good faith attempt to advise tenants of their intent to discontinue service. He stated that the existing language provides tenants at least some protection against having their service disconnected when a landlord fails to meet his obligation.

48. The Legal Aid Society of Minneapolis argued that the present language in PSC 298(a)and (a)(1) should be retained with the exception that PSC 298A.1. should specify that nonpayment of a bill means "nonpayment of the customer's bill for utility service"; PSC 298A.2. should be amended to include the words "for

failure of the customer to meet the deposit and credit requirements contained herein." This rule is subject to the requirements of PSC 298A.1.; PSC 298A.3. should be amended to spell out that it relates to customerswho fraudulently deceive the utility by attempting to apply for service under a false name or in the name of a person who does not want service in his name; PSC 298A.9. should be amended to limited compliance with "the lawful order of any governmental authority"; and PSC 298(b)(4) should not be deleted but should be added to proposed 298B.

49. The rule, PSC 298, as proposed by the Commission, corrects the defects and ambiguities in the present existing PSC 298, and there is no necessity for the adoption of the recommendations of the Legal Aid Society of Minneapolis with respect to this rule. Even though there is commendable merit in the proposals and arguments of the Legal Aid Society, the rules, as proposed, are not so ambiguous as to have a need for the additional proposed language of the Legal Aid Society.

That PSC 298, as proposed by the Commission, is necessary and reasonable.

Proposed PSC 299

50. On February 11, 1976, PSC 299, commonly called the "Cold Weather Rule", became effective. The Public Service Commission now proposes the deletion of said rule in its entirety. They state as reasons for its deletion, that the rule makes disconnection and consequently collections difficult, if not impossible during the winter months. The rule prohibits a utility from disconnecting service on a day when the low temperature within the previous day, as reported by the National Weather Service at its first order station nearest the residence, fell below zero degrees Fahrenheit. The Commission contends that the present rule offers little, if any, protection against disconnection during extremely cold weather. The rule also prohibits a utility from disconnecting service on a Friday or a day before a legal holiday if the low temperature during the previous day fell below 32° Fahrenheit, as reported by the National Weather Service at its first order station nearest the residence. The

Commission submits that it is meaningless to determine whether or not service can be disconnected on a given day based on the temperature of a previous day. Subsection (b) of rule PSC 299 provides that if a residential service has been disconnected and not restored to service by the close of business on the disconnect date when the low temperature during the previous day fell below 32° Fahrenheit, the utility must inform the local law enforcement department and the appropriate county welfare department by the close of business on the same date. The information provided shall include the billing name and service address at which service was disconnected and information that a threat to health and life might exist to persons occupying the premises.

The Commission contends that they have received numerous requests from both local law enforcement agencies and county welfare agencies asking that the Commission define what responsibility those agencies have under the rule. The Commission cannot order these agencies to act on behalf of the utility customer whose service has been disconnected as described above. They claim that although the rule does not specifically state that local law enforcement and county welfare agencies must act in this event, an inference can be drawn that those agencies are required to make some affirmative response when receiving such information from the utilities. For that reason, they suggest PSC 299 be deleted in its entirety. They further argue that the necessity of securing weather information and co-ordinating this information with disconnect notice requirements make disconnection very cumbersome. Without the threat of disconnection, the utility's bad debt expense increases. This additional expense must then be assumed by the utility's paying customers. They further argue that the present requirement to notify both local law enforcement and county welfare officials is very difficult, especially in rural communities, and in some cases, such notice could be construed as an invasion of privacy. The Commission further contends that limitation on termination of service during cold weather was not eliminated in its entirety. The review of existing rules and the proposed rules demonstrates an elaborate

system of billing and notice requirements such as the provisions of proposed PSC 301B. They insist that any suggested amendments to the existing cold weather rule do not adequately address the problem. If a customer is unable to pay his bill during cold weather, it follows that he will be unable to pay his bill during warm weather. They further add that the customer who needs financial assistance will still have time to seek public assistance under existing rules PSC 300 and proposed PSC 301B. The Commission contends that the current cold weather rule encourages the nonpayment of bills during extremely cold weather.

51. Numerous oral and written comments were made during the course of the hearing and after the hearing with reference to the proposed deletion of this rule by the Commission. The consensus of the individuals and social welfare agencies who appeared in opposition to the proposed deletion was that if the rule does not provide adequate protection, it should be revised, not deleted. Deletion of the rule would jeopardize the health and safety of every consumer. The consensus of the comments indicated that the cold weather rule could be strengthened to provide adequate protection to consumers by adopting revised language.

52. The Minnesota Department of Public Welfare recommends the following revision to PSC 299(b), rather than deletion of the entire rule:

> PSC 299(b) If a residential service has been disconnected and not restored to service by the close of business on the disconnect date when the low temperature during the previous day as reported by the National Weather Service at its first order station nearest the residence fell below 32° Fahrenheit, the utility shall inform the customer that the appropriate local welfare department has emergency services and may provide financial assistance.

The Welfare Department stated that it is apparent that the prohibition against termination of residential utilities during subzero weather minimizes human risk and for that reason should be maintained. A survey of local welfare agencies indicated that approximately 50% of the utility disconnections referred to them by the utility companies were not welfare recipients. The existing notification rule implies that the welfare departments

must contact utility customers and offer services. Some individuals whose utilities have been disconnected may consider contact by the welfare department as an invasion of their privacy. The welfare agencies have a multitude of public responsibilities that must be met through tax funds, and the public cost of administering the provisions of PSC 299 may be inordinately high in relation to the possible social benefits derived. Deleting the safeguards, as set forth in the rule, would present an unnecessary risk to an inestimable number of people.

53. The Ramsey County Welfare Department suggested that PSC 299(b) should be changed to read as follows:

> If a residential service has been disconnected and not restored to service by the close of business on the disconnect date when the low temperature during the previous day as reported by the National Weather Service at its first order station nearest the residence fell below 32° Fahrenheit, the utility shall inform the local law enforcement department and the appropriate county welfare department only when there is information available that a threat to health and life might exist to persons occupying the premises. In these instances, the utility shall provide the name, address, and telephone number at which the service was disconnected.

The Ramsey County Welfare Department goes on to state that its experience with this section of the rule is such that very few of the many notices received are, in fact, life-threatening situations. In that sense, present procedures are wasteful of time and resources.

54. The State Office of Consumer Services agrees with the Commission that to base the operation of a shut-off prohibition on the weather of the day previous to disconnection, as is done in in the existing rule PSC 299(a)(1), offers the consumer inadequate protection. However, they do not agree that the solution is to offer no protection in exchange for what currently exists. They propose a re-draft of that portion of the rule to base its operation on the weather of the proposed day of disconnection and on the temperature of freezing, 32° Fahrenheit, rather than zero degrees Fahrenheit. Their proposed wording for that portion of the rule is as follows:

> (a) Notwithstanding the provisions of PSC 298, no utility shall disconnect residential service on the day when the temperature is 32° Fahrenheit

or lower, or may reasonably be expected to be 32° Fahrenheit or lower, by forecast of the National Weather Service station nearest the residence.

They find it reasonble to eliminate PSC 299(a)(2) in its entirety in light of the provision suggested by the Commission in proposed PSC 301B. They assert that if their suggested language were adopted, the notification of law enforcement and welfare agencies would perhaps be unnecessary.

55. Additional revisions of the language of PSC 299 were suggested by State Senator Tim Penny and the Legal Aid Society of Minneapolis.

56. Otter Tail Power Company, Benco Electric Company and Northern States Power Company all agree that the present PSC 299 should be deleted. Northern States Power Company asserts that, in lieu of PSC 299, proposed PSC 301B was added. That rule provides that utility service cannot be terminated on any Friday, Saturday, Sunday or legal holiday or at any time when the utility's business offices are not open to the public. Northern States Power Company adopted and implemented winter disconnection procedures well before the existence of the Public Service Comission. These procedures are still used in conjunction with PSC 299. Their procedures, in addition to those presented by PSC 299, are that when the 24-hour predicted low temperature is to be 20° or colder, and if the disconnection in any way affects the primary heat source of the premises, a personal contact must be made with an adult at the premises subject to disconnection 24 hours in advance of disconnection. They further state that if proposed PSC 301B does not adequately address the cold weather situations, then they recommend that any adopted cold weather rule incorporate the following provisions:

"If disconnection affects the primary heat source of the premises:

(1) utility service cannot be disconnected if the predicted 24-hour (12:00 a.m. to 12:00 p.m.) temperature as reported by the National Weather Service at its first order station nearest the residence is to be zero degrees Fahrenheit or lower.

(2) If the predicted 24-hour (12:00 a.m. to 12:00 p.m.) temperature as reported by the National Weather Service at its first order sta-

tion nearest the residence is to be 20° Fahrenheit or lower, a representative of the utility must make personal contact with an adult at the premises to be disconnected at least 24 hours in advance of disconnection."

NSP opposes the suggestion of the Department of Public Welfare that utilities be obligated to notify customers subject to disconnection that public assistance might be available. They argue that electric and gas consumers should not be obligated to subsidize the operations of the Public Welfare Department.

57. A thorough review of all of the statements and testimony presented with regard to this rule indicates that deletion of the existing rule is not a solution to whatever problems may have arisen as to enforcement under the existing rule and would result in unpredictable dangers to public utility consumers in the state of Minnesota. A thorough review of the filed and oral comments indicates that a more proper re-write of the language of of the existing rule would be as follows:

PSC 299

(a) Notwithstanding the provisions of PSC 298(a), no utility shall disconnect residential service, if said disconnection affects the primary heat source of the premises:

(1) On a day when the low temperature within the previous day as reported by the National Weather Service at its first order station nearest the residence fell below zero degrees Fahrenheit; nor

(2) On a Friday or day before a legal holiday if the low temperature during the previous day as reported by the National Weather Service at its first order station nearest the residence fell below 32° Fahrenheit.

(b) If a residential service has been disconnected and not restored to service by the close of business on the disconnect date when the low temperature during the previous day as reported by the National Weather Service at its first order station nearest the residence fell below 32° Fahrenheit, the utility shall inform the customer that the appropriate local welfare department has emergency services and may provide financial assistance; in addition, the utility shall notify the local law enforcement department and the appropriate county welfare department, only when there is information available that a threat to health and life might exist to persons occupying the premises. In these instances, the utility shall provide the name, address and telephone number at which the service was disconnected.

That the deletion of PSC 299, as proposed by the Commission, is unreasonable, and that the amended rule as stated above, is

reasonable and necessary and should be adopted by the Commission.

Proposed PSC 300

58. This rule defines what constitutes adequate notice as that term is used in the rules. The Commission is proposing a new PSC 300A and the deletion of the existing PSC 300(a). They also propose amendments to PSC 300(b) to be known as PSC 300B; PSC 300(c) to be known as PSC 300C; PSC 300(d) to be known as PSC 300D, and PSC 300(e) to be known as PSC 300E. In addition, they propose a new PSC 300F and the deletion of the existing PSC 300(f).

PSC 300A

59. The existing PSC 300(a) requires that all notices of disconnection must be by certified mail. Certified mail requires a receipt signed by the addressee. If the addressee is not home, or refuses to answer the knock of the postman, a note is left in the addressee's mailbox stating that the letter awaits him at the local postal station. The notice of disconnection must be sent to the address where service is rendered and to the address where the bill is sent, if different from the address where service is rendered. The Commission notes that it has been the experience of the utilities operating under this rule that a person intent on avoiding payment of his utility bill will not sign a receipt for a certified letter or travel to the local post station to receive notice that his utility service is about to be disconnected. The requirement of certified mail will not enhance the prospects of receiving notice and will only be used as a tool by those who do not intend to pay. Another factor is the high cost of mailing a certified letter ($.73) vs. first class mail ($.13). A large saving can be insured by eliminating the certified mail requirement and still insure that the customer is receiving adequate notice prior to disconnection. In light of the above-stated reasons, the Commission proposes an amendment to PSC 300(a) to provide that notice of disconnection will be by first class mail only. Notice will be sent to the address where the service is rendered or to the address where the bill is sent if different from the address where service is rendered. A representative of

the utility will make an affidavit under oath that he deposited in the mail the notice properly addressed to the customer.

60. Minnesota Power & Light Company has maintained a record of returns of letters sent out by each method. They have determined that approximately 18% of those notices sent out by certified mail have been returned while less than one percent of those sent out by first class mail are returned as undelivered to the customer. Otter Tail Power Company contends that the existing rule has increased mailing and labor costs which are assumed by all customers of the utility. The value of the rule as it presently exists appears to be in question simply because of the utility's customers refusing to accept certified mail. It is submitted that a greater number of customers would actually receive the notice and would read the notice if it was sent by first class mail. Benco Electric Company also agrees to the deletion of the requirement for certified mail.

61. State Senator Tim Penny contests the arguments of the Commission for the proposed amendments. He states that most customers would rather bear the added expense of certified mail than face disconnection because they did not receive notice by first class mail and that said amendment is particularly dangerous in light of the proposed deletion of the cold weather rule. Cost of certified mail is not an adequate argument for making a change that could have disastrous results.

62. NSP strongly urges that the proposed PSC 300A be adopted. All bills, including those containing "reminder notices" and "important notices" are presently mailed by NSP by first class mail. During the period June 1, 1976 to December 31, 1976, NSP mailed, by certified mail, 149,046 Notices of Disconnection. Twenty-four percent of these notices of disconnection were returned by the post office as undeliverable. During the same period of time, all notices which were mailed by first class mail to the same people at the same addresses, less than one percent were returned by the post office department as undeliverable. That includes 313,286 "important notices" mailed in the metropolitan area alone. They strongly argue that the additional expense is

not warranted by the results achieved.

63. That PSC 300, as proposed by the Commission, is necessary and reasonable.

PSC 300B, 300C, 300D, 300E

These rules drew little criticism or comment and are reasonable as amended.

PSC 300F

The present PSC 298(c) is an attempt to protect tenants from the difficulties of termination of service because of a defaulting landlord, particularly an absentee landlord. That rule provides that service to the landlord cannot be terminated unless where "feasible", the occupant is offered an opportunity to subscribe for service in his own name. The proposed PSC 300F is a new provision that addresses itself to notice of disconnection of service. The existing rule is deficient for several reasons: First, the task of contacting each individual tenant to determine whether he or she is desirous of being responsible for utility service for the entire building is unreasonable. Secondly, because of the current deposit rules, it would be difficult, if not impossible, for a utility to obtain a deposit from an individual tenant to secure payment of bills which could amount to hundreds of dollars per month. Third, the rule of legality is questionable as it allows the utility and the tenant, neither having any ownership interest in the property, to establish a contractual relationship for utility services thereto without a hearing or order from the Commission or the courts. The proposed rule requires the utility to make a good faith attempt to notify tenants prior to disconnection. Such notice required by this provision must precede the action to be taken by at least five days, excluding Sundays and legal holidays.

64. NSP fully agrees with the Commission that the existing rule is defective; however, they question that the proposed rule is a reasonable alternative. They are strongly of the opinion that the posting of notices as provided in the Minneapolis and St. Paul ordinances is an excellent way for notifying tenants in multiple dwelling units of pending termination of utility

service and recommend that proposed 300F be amended to so provide.

65. That the proposed PSC 300F is reasonable and necessary and a good faith attempt could include the posting of notices to inform the tenants without any additional language in the rule.

Proposed PSC 301

66. This rule deals with the manner of disconnection of service and the Commission proposes the elimination of the existing PSC 301(a) which contains the requirement for the utility to attempt, on at least three separate occasions, in good faith to obtain personal contact with the consumer in the event personal contact or contact is not made by certified mail. The Commission contends that by adopting disconnection notice by first class mail, it will be presumed that the mail is delivered and the customer received notice. The proposed subsection B is a new subsection which provides that service shall not be disconnected for nonpayment of bills on any Friday, Saturday, Sunday or legal holiday, or at any time when the utility's business offices are not open to the public. The Commission amended the proposed subsection at the hearing to include the wording "for nonpayment of bills".

67. People's Natural Gas Company takes issue with PSC 301A which provides in part that a representative of the utility shall, at all times, be capable of receiving payment. They allege that such a procedure will encourage chronically slow paying customers to ignore collection notices and wait until the utility representative appears in person to shut off service.

68. NSP agrees that the existing PSC 301(a) be totally deleted, stating that first class mail is a far better vehicle for providing notice than certified mail. They further state that mailing notices of disconnection by first class mail and a personal visit to the premises at the time of disconnection provides a wholly adequate and much more satisfactory method of communication than existing PSC 301(a).

69. The Legal Aid Society of Minneapolis argues that the existing PSC 301(a) should not be deleted because the rule puts no intolerable burden on the utilities and ordinary mail is, in

many instances, not adequate to insure notice. They further contend that the present rule could be misinterpreted, as applied to a multiple dwelling, to mean that the utility representative need not go to the door of a customer's apartment unit inside the building. Since the purpose of the personal visit requirement is to give the customer one last chance to remedy the cause of the proposed disconnection, they suggest that the rule should be clarified to eliminate any misunderstanding by amending the first sentence of PSC 301A by adding the following language following the word "rendered":

> "and an attempt to make personal contact with the customer at the address. If the address is a building containing two or more dwelling units, the representative shall make a personal visit to the door of the customer's dwelling unit within the building. If security provisions in the building preclude free access on the part of the representative, the representative shall attempt to gain access to the building from the caretaker, for the purpose of attempting to make personal contact with the customer."

70. The above wording, as proposed by the Legal Aid Society of Minneapolis, is reasonable and necessary to avoid any misinterpretation of the rule and should be incorporated into the rule as adopted. That PSC 301A and B, as amended, are reasonable and necessary.

Proposed PSC 302

71. This rule is being amended to clarify ambiguous language. There is no substantial change in the body of the rule and there were no public comments or criticism with reference to the proposed change. That the amendment to the existing rule is reasonable and necessary.

Proposed PSC 303

72. This rule outlines the dispute procedures to be followed by the utility and establishes the escrow payment plan for disputing bills. The Commission asserts that this is not a collection device solely for the benefit of the utility. The rule places an affirmative duty on the part of the utility to resolve all disputes regarding billing prior to the disconnection of service. The amendments to this rule are found in subdivision G.6. and G.7.

73. PSC 303G.6. is being amended to clarify the fact that by submitting the escrow payment form to the Commission, the customer has filed an informal complaint against the utility, pursuant to the Commission's Rules of Practice. In light of the above amendment, the existing PSC 303(g)(7) is no longer necessary. If a customer desires to dispute his estimated bill, the proper procedure for him is the filing of an escrow payment form with the Commission. The rule as proposed is reasonable and necessary and should be adopted.

PSC 303G.7.

74. This rule provides that upon settlement of the dispute, any sums found to be entitled to be refunded to the customer shall be supplemented by a 6% per annum interest charge from the date of payment to the date of return by the utility. The Legal Aid Society of Minneapolis proposes that this rule should be deleted and the present PSC 303(g)(8) should be retained. They state that the penalty rule is simply an incentive to the utilities to keep accurate records and not to overcharge; if the only penalty was a requirement that interest be paid at the legal rate, there would be no penalty at all, and thus no incentive. They contend that the existing PSC 303(g)(8), which is proposed to be deleted, includes a penalty of ten percent of the amount found in error and the ten percent rule is a reasonable regulation in furtherance of the statutory goals.

75. The opposite view was expressed by Pickens, Mather & Company in their written comments filed after the hearing in which they submit that, given current interest rates, and the likelihood that future interest rates will continue to be in excess of six percent, the proposed revision in effect offers the utility a very expensive form of borrowing. They assert that a more equitable approach would be a rate equal to the rate of return permitted the utility by the Commission with respect to the class of customers in which the customer receiving a refund fits. Also, they argue that a penalty should be imposed in addition to the interest charged in the event that the refund is payable by virtue of the failure of the utility to comply with the regulations and/or orders of the Commission.

76. Proposed PSC 303I is a completely new rule and is necessary to clarify the fact that the utility is not obligated to suspend discontinuance of service upon the filing for review with the Commission, unless the customer pays, when due, all current bills rendered during the pendency. It also provides that all designated disputed payments of portions made after the first filing for review shall be considered to be made in escrow.

77. That the proposed PSC 303 is supported by the Commission's Statement of Need and is reasonable and should be adopted.

Proposed PSC 311

78. The Commission proposes deletion of subsection (b) of the existing rule which provides that a self-read utility must read its meters at least once every 12 months upon a change in customers, and upon a customer's request. A number of electrical cooperatives are experiencing great difficulty in complying with this annual meter reading requirement. When a utility is operating in many counties, it is difficult to get a reader to every customer once 12 months. In addition, the rule does not take into consideration the situation in Minnesota where the reading of meters may be impossible because of inclement weather. The original intent of this subsection was to insure that billing errors, due to inaccurate meter readings, or other meter malfunctions, would be discovered at reasonably short intervals. The intent of the subsection to protect the customers from extraordinarily large bills has been transferred to PSC 314 and 315. Accordingly, the Commission proposes deletion of subsection (b) from the existing rules. That the proposed deletion is necessary and reasonable and should be adopted.

Proposed PSC 313

79. The Commission proposes that the existing rule be amended completely in that it adopts an outlined procedure. The rule governs the content and information required to be stated in the utility bills and should enable the customer to understand the factors upon which his bill is based. The rule is amended by outlining the information required on the billing statement. The information required under subsections A.1., .2, .3, .4, .6, .7,

.8, .9, .10, .11 and .12 is currently required under the existing rule, and the utilities already have this information readily available on their billing statements. The proposed subsection A.5. is a new provision requiring that a customer's billing statement contain a complete itemization of all charges incurred at all levels of customer usage. At the present time, a customer can only calculate his average rate which is never equal to the price of additional energy consumed or conserved. The price information required under the proposed rule is essential so that retail customers will be able to make rational decisions regarding their usage. The provision contemplates that the customer's total consumption will be broken down according to separate rate blocks, and the charge for consumption in each block set forth. With the aid of a copy of the applicable rate schedule, a customer could readily compute and check his bill. This information is necessary so that a customer can make an intelligent decision regarding how to conserve energy.

80. Minnesota Gas Company opposes the proposed PSC 313A.5. because the rule assumes that a customer must have a current rate schedule in his possession to make a check calculation. Customer doubts as to bill accuracy will not be removed by making a number of calculations for each portion of the customer's bill as would be required by this rule. Minnesota Gas Company claims that they have qualified customer accounting representatives who assist all customers who wish to check the accuracy of the amount of the bill. They also provide current rate schedules upon request to anyone who wants a copy. They argue that they have just completed a complete re-design of their bill, changed the form of the bill and re-programmed the computer to accommodate the requirements of the existing PSC rule. The new bill form has been in use only a few months, and the customers are just starting to become familiar with it. Another change would simply further confuse all the customers for the benefit of the few who may want to see an arithmetic computation of each segment of the bill. They would have to completely change their bill form and lease an additional expensive computer to achieve

these ends. The cost of re-designing the bill and owning or leasing the additional expensive computer equipment cannot be justified when compared with the small benefit to the few customers who may question the computation of their bill. They further argue that it is doubtful that the tracing of the calculation of each step or block of energy consumption in the bill will generate any stronger or meaningful economic signals to the customers and his recognition of the total amount of his bill.

81. Northern States Power Company opposes the proposed section A.5. alleging that under the existing rule, a customer can make such calculations. The proposed subsection will increase the bill size from its present 8 1/2" to as much as 16 1/2". Under the proposed subsection, if consumption from more than one electric or gas meter is to be shown, the bill becomes correspondingly longer or two bills must be sent thus increasing mailing costs. NSP claims that if the proposed subsection is adopted, its anticipated expenses will be in an initial estimated programming cost of $50,000, and an increased annual expense for bill stock and printing of $127,000. They argue that no evidence was introduced that customers are presently having difficulty in understanding their bills or that the proposed change will be used by customers to reduce consumption or to make selective appliance purchases.

82. That the proposed rule section, PSC 313A.5. should not be adopted in light of the evidence presented by the utility companies. Based upon the arguments, testimony and exhibits introduced by the companies, the adoption of this subsection would create an undue hardship upon the companies, would create excessive costs and would not simplify explanations of the billing charges to the utility's customers.

83. Proposed PSC 313B is a new rule which allows any utility which is unable to comply with any of the provisions of PSC 313A within 12 months of the effective date of this rule to petition the Commission for either a temporary exemption or a permanent exemption. The Commission contends this rule is necessary to insure an equitable transition period for the implementation of

PSC 313A. The Commission's reasoning is that if 313A.5. is adopted, many utilities will have to re-program their billing procedures and dispose of whatever billing forms they have in stock on hand. It is for that reason that they stress that PSC 313B be adopted. However, if the Commission deletes proposed subsection A.5. from PSC 313, as recommended above, there will be no necessity for the inclusion of subsection B as there will be no transition period necessary for the conversion to bills containing complete itemizations of all charges incurred at all levels of customer usage. For that reason, subsection B should be deleted from the proposed rule.

Proposed PSC 314 and 315

84. PSC 314 and 315 are companion regulations which relate to the adjustment of bills and billing errors for electric and gas utilities, respectively. Since these proposed rules involve a highly technical area, the Commission relied upon regulations now in existence in other states. The proposed amendments are based upon the current regulations in South Dakota. The existing rules are primarily being amended to clarify ambiguous language and to make the rules equitable for all concerned parties. Proposed PSC 314 deals with the adjustment of bills by electric utilities because of inaccurate meters or billing errors. Proposed PSC 315 deals with adjustment of bills for gas utilities because of inaccurate meters or billing errors. The existing rule was drafted in part from the Wisconsin Public Service Commission rule and in part from the North Dakota Public Service Commission rule. What the draftsman did was to apply the Wisconsin rule to "fast meters" and the North Dakota rule to "slow meters". Hence, if a meter operates fast, requiring a customer refund, the rule affording the customer the largest refund was applied. If the meter operated slowly, resulting in an undercharge, the rule allowing the least payment has been used. The Commission found no justification for this unusual and discriminatory treatment and feels that the standard to be applied should be the same in each case. As proposed, the new rules correct the deficiencies as stated.

85. Northern States Power Company agrees with the Commission that these two sections are probably the most confusing, inadequate and arbitrary sections of the customer service rules. The purpose of the sections is to establish procedures for collecting undercharges and the refund of overcharges arising as a result of inaccurate meters and billing errors. They also agree that the new proposed rules are far superior to the existing rules. NSP asserts that the proposed rules deal with all parties fairly by establishing uniform applications. Customers who have used more utility service than that for which they have paid should, within uniform limitations, be obligated to make payment so that their utility usage is not subsidized by other customers. Conversely, customers who have been overcharged for utility service should, within uniform limitations, be entitled to refund for the same period that would have been subject to a charge. The new proposed rules will accomplish this end. Also, the new proposed rules establish for all categories a maximum time limit of liability. They establish statutes of limitation for the purpose of establishing limits on rights and liabilities.

86. State Senator Tim Penny takes issue with the proposed PSC 314 and 315, asserting that since the accuracy of meters and bills are matters under the control of the utility, the rules should provide the utility with some incentive to keep their meters and bills as accurate as possible. He maintains that the existing rules were designed to be self-enforcing by providing the utilities with such incentive; the proposed rules provide no such incentive. He takes issue with the reasoning to amend the existing rules PSC 314 and 315. He argues that the proposed amendments would give an unfair advantage to a utility company that fails to keep meters and bills as accurate as possible.

87. The Legal Aid Society of Minneapolis also contends that PSC 314(b) and PSC 315 should not be amended to the extent proposed. They argue that where an error results from equipment failure, the customer should be given the benefit of the doubt so that every effort will be made to avoid a customer being overcharged for utility equipment failure.

88. That the Public Service Commission, in its statement of need, has presented ample testimony and justification for the proposed amendments to PSC 314 and 315 and has thoroughly documented the reasonableness and necessity for the proposed changes in these two rules.

Proposed PSC 325

89. The existing PSC 325 states that a utility shall not require a cash deposit or other guarantee of any customer who has established good credit. It further states that deposits can be secured only if the customer has an unsatisfactory credit rating. The Commission contends that these references are inconsistent and involve too much editorializing rather than practical application. No criteria is stated in the existing rules as to the definition of good credit. The Commission contends that the determination of whether the applicant has good credit with a particular utility company should be made solely by that company. If the company determines that the applicant has good credit, with that utility, it would grant service without a depositor guarantee requirement. Conversely, if the utility determines lack of established good credit, it could require a deposit or guarantee. The Commission has determined that the utility should have the right to judge whether or not the applicant satisfies the requirement of established good credit and for this reason, recommends deletion of the existing PSC 325 in its entirety and replaced with the proposed PSC 325. The rule, as proposed, is reasonable and necessary and should be adopted.

Proposed PSC 326

90. This rule outlines the permissible means of guaranteeing payment. The Commission contends that the existing rule appears to be in conflict with Minn. Stat. § 325.637 (1974) which was enacted by the 1974 legislature. This statute regulates utilities as to customer deposits. Subsection A.3. requires utilities to pay interest on deposits in excess of $20 at the rate of six percent per year. The Commission included this provision in the rule to reconcile the conflict between the existing PSC 326(a)(3) and Minn. Stat. § 325.637 (1974). The Legal

Aid Society of Minneapolis suggests that the phrase "compounded annually" should be inserted after the rate of interest of six percent per year, and that the phrase "in excess of $20" be deleted. They argue that deposit requirements should not be permitted to become a money-making proposition for the utilities and under the rule as proposed, they could. While the loss to a customer in an individual case might be small, the potential gain to the utility, when thousands of deposits may be pooled, is not. They argue that the proposed rule, including their proposed changes, would not place the rule in conflict with the statute because the statute does not prohibit paying interest on deposits under $20, nor does it prohibit compounding interest.

91. John H. Kraft, an attorney in Olivia, Minnesota, submitted a written comment to proposed PSC 326A.2. suggesting that an ambiguity must be corrected. The rule requires a deposit in addition to payment of an outstanding bill or a part of such bill as has been resolved to the satisfaction of the utility. He points out that utility companies can and have attempted to require an individual who has filed bankruptcy to not only pay a deposit but also to pay the unpaid balance of an existing bill which has been extinguished in bankruptcy proceedings and is no longer a valid legal debt. He proposes that the rule be amended, and it is agreed that the rule should be amended to read:

> PSC 326 A.2. All deposits shall be in addition to payment of an outstanding bill or a part of such bill as has been resolved to the satisfaction of the utility, except where such bill has been discharged in bankruptcy.

That the rule, as amended, is necessary and should be adopted.

92. That the proposed PSC 326A.3. should be amended to include the aforementioned recommendations of the Legal Aid Society of Minneapolis. That the proposed rule, including these recommendations, is reasonable.

93. The proposed PSC 326A.7. provides that a utility shall not require a deposit of any customer without explaining in writing why that deposit or guarantee is being required and under what conditions, if any, the deposit will be diminished upon

return. Peoples Natural Gas Company states that a utility should always be willing to give a customer an explanation as to why a deposit is requested, but that this is not necessary for all customers, many of whom understand the reasons for the deposit request. This places an unnecessary burden on the utility for a practice which has been in general use by utilities for many years. They suggest that the first sentence of section 7 be revised to include the phrase "if requested by a customer", a utility will explain in writing why a deposit is being required.

This subsection, as proposed by the Commission, is not unreasonable and does not place an undue burden upon the utilities. If a customer is required to make a deposit, he is entitled to know, in writing, why that deposit is being required, and under what conditions, if any, the deposit will be diminished upon return. The rule, as proposed by the Commission, is necessary and reasonable.

That the proposed PSC 326, as amended above, is reasonable and should be adopted.

Proposed PSC 327

93. This rule relates to good credit and impermissible reasons for guaranteeing payment. The Commission states that the present deposit rules are deficient in that they fail to determine what constitutes good credit, and in order to correct this defect, proposed PSC 327 has been amended. The amendment provides that a utility may determine whether a customer has established good credit. The amendment allows the utility to collect a deposit from any person who has not established good credit with that utility. It further states that "marital status" cannot be used as a reason for determining whether or not a deposit should be required of a utility customer. This is in keeping with the current state law on discriminatory practices and procedures. The amendment does not require the utility to undertake an extensive and costly credit check of every applicant for new service.

94. The Legal Aid Society of Minneapolis suggests that the title of proposed PSC 327 should read: "Good Credit and Impermissible Reasons for Requiring a Guarantee of Payment." That

suggestion is reasonable and should be adopted by the Commission as the rule title.

The Legal Aid Society of Minneapolis also proposes that the title to proposed 327B should be amended to read: "Impermissible Reasons for Requiring a Deposit or a Guarantee of Payment." That recommended title change is reasonable and should be adopted by the Commission.

Peoples Natural Gas Company questions the criteria set forth in subsection A for good credit. They recommend a better criteria would be "those customers who have not paid after the discount date on more than one occasion during the past 12-month period." They assert that this information is readily available from existing records and would provide a reliable measure of a customer's credit.

95. That the proposed PSC 327 sets forth adequate criteria for determination of good credit and the rule as proposed by the Commission, is reasonable and should be adopted.

Proposed PSC 328

96. This rule is being deleted in its entirety. It is a definition rule that states that the terms "dispute" and "disconnect" are defined in PSC 303 and 295. However, an examination of those two rules will reveal that there is no definition of these words included in those rules. The Commission contends that it is not necessary to include definitions of these two words within the rules. That the proposed deletion is necessary and reasonable and should be adopted.

Proposed PSC 335

97. The Commission proposes to delete subsection (a) of the existing rule because it duplicates the requirement of PSC 281B, as proposed, and, in addition, the rule is being deleted because it is costly and impossible for the utility to keep current customer information booklets at every establishment where a customer may pay his bill. Many utility bills are paid at locations which do not operate under the control of the utility, such as drug stores, supermarkets, etc. The Commission contends that the customer has been adequately informed of his rights

and liabilities without the added expenses to companies pursuant to PSC 335(a). They also propose the deletion of subsection (b) in its entirety because it duplicates the requirement of PSC 281. In addition, the Commission contends that it is costly and next to impossible for a utility to keep signs at every establishment where a customer must pay his bill. The Commission also proposes that subsections (e) and (f) be deleted from the existing rule because they duplicate the requirements currently found in PSC 310B.

98. That PSC 335, as proposed, is reasonable and necessary and should be adopted.

CONCLUSIONS

1. That the Commission gave due, timely and proper notice of the hearing herein. All other substantive and procedural requirements of the statute and applicable rules have been fulfilled.

2. The Public Service Commission has statutory authority to adopt the proposed rules.

3. With the exceptions noted in the Findings, the Commission has demonstrated the need for and the reasonableness of the proposed rules.

Based upon the foregoing Conclusions, the Hearing Examiner makes the following:

RECOMMENDATION

That the proposed rules be modified as suggested in the Findings, and that as modified, they be adopted.

Dated this 16th day of May, 1977.

BERNARD SINGER
Hearing Examiner

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STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Bernard Singer, being first duly sworn, hereby deposes and says:

That at the City of St. Paul, county and state aforementioned, on the 16th day of May, 1977, he did serve the Report of Hearing Examiner, PSC-77-011-BS A-8117-16

upon the individuals listed in the attached paper by personally handing to and leaving with Sharon Schmidt, an employee of the Public Service Commission, said Report of Hearing Examiner.

Bernard Singer

Subscribed and sworn to before me this 16th day of May, 1977.

Eileen A. Gaiovnik

EILEEN A. GAIOVNIK
Notary Public, Ramsey Co. Mn.
MY COMMISION EXPIRES
December 14, 1980