

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

Our File No. 1097

RULE REVIEW CHECKLIST

DATE RULE RECEIVED 10-19-84
DATE FOR REVIEW 10-30-84
DATE DUE 11-8-84

Adopted w/a hearing ✓
Adopted w/o hearing
Temporary rule

Approved 11-6-84 mjc Disapproved Returned to Agency

Resubmitted
Approved Disapproved Returned to Agency

Due

Date filed w/Secretary of State Revisor approved / disapproved

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✓ Rule as Adopted

✓ Rule as Proposed

✓ Order Adopting 10.10.84 Date combined with FF

✓ Notice of Intent to Solicit Outside Opinion SR. 12.27.82 SR. 8.22.83

✓ Order for rulemaking 5.14.84, 5.15.84, 5.16.84 date of Hearing combined with Notice

✓ Certificate of Board's Authorizing Resolution

✓ Notice of rulemaking ✓ Sufficiency

✓ Affidavit of Mailing Notice or rulemaking 3.26.84 At least 30 days prior to hearing/~~adoption~~

✓ Mailing list Certificate

✓ Publication in State Register 4.9.84 At least 30/~~20~~ days prior to ~~hearing~~/adoption

✓ Hearing Examiner's Report

✓ Chief Hearing Examiner's Report(s)
7.6.84 Approving H.E.'s Report
10.11.84 Approving agency action

✓ Agency's Findings of Fact combined with Order Adopting.

N/A LCRAR Report or agency Affidavit

✓ Certificate of Board's Resolution Adopting Rules

✓ Order Approving Incorporation by Reference

✓ Statement of Need and Reasonableness

N/A Petition for Adoption of a Rule

Record (includes transcript or tape, exhibits, comments received by agency, requests for a hearing, and other relevant materials) if any, not submitted.

✓ Certificate of Compliance w/Rulemaking Procedures

✓ Affidavit of Mailing Notice of Submission to Attorney General

✓ Notice of Submission to the Attorney General wrong address for submission of comments

✓ Post-hearing agency comments to ALJ

MINNESOTA public UTILITIES COMMISSION

October 19, 1984

Mr. H. H. Humphrey, III
Attorney General
102 Capitol Building
Aurora Avenue
St. Paul, Minnesota 55155

RE: MPUC Docket No. G,E-999/R-83-467

Dear Mr. Humphrey:

Enclosed for your review under Minn. Stat. §§ 14.16 and 14.17 are the Minnesota Public Utilities Commission's adopted rules on automatic adjustment of charges.

The materials required by Minnesota Rules, part 2000.0300 are included.

Please feel free to call me with any questions.

Sincerely,

Randall D. Young
Executive Secretary
(296-7526)

RDY/djs
Enclosure

RECEIVED
OCT 19 1984
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

AMERICAN CENTER building • kellogg and robert sts • saint paul, mn 55101

SF-00006-02

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO : Randall D. Young
Executive Secretary, Public Utilities Commission

DATE: November 6, 1984

ATTN: Karl W. Sonneman
Special Assistant Attorney General

FROM : Martha J. Casserly MJC
Special Assistant Attorney General

PHONE: 296-4692

SUBJECT: In the Matter of the Proposed Adoption of Amendments to the Rules of the Minnesota Public Utilities Commission Governing Automatic Adjustment of Charges

Enclosed herewith are the rules you have submitted for approval. These rules have been approved by this office and filed with the Secretary of State. Please note that they have not been filed with the State Register. This must be done promptly by your agency.

Upon receipt and before transmittal to your agency, however, it is important that you recheck these rules as to:

1. Affixation of stamps of the Attorney General and Secretary of State;

2. Coverage by these stamps of all rules submitted; and

3. Inclusion of all pages to the rules in the approved set.

If you have any questions in this regard, please contact me.

MJC:slz
Encs.

cc: Ms. Kathy Burek
Mr. Duane Harves

AG copy

Public Utilities Commission

Adopted Rules Governing Automatic Adjustment of Charges

Rules as Adopted

7825.2390 PURPOSE.

The purpose of parts 7825.2390 to 7825.3000 is to allow a means by which regulated gas and electric utilities may adjust for increases and decreases in the cost of energy delivered to customers that are different from those costs authorized by the commission in the utility's most recent general rate case. Energy costs included in rate schedules are subject to evidentiary hearings in general rate cases filed by the utility. Proposed energy cost adjustments must be ~~evaluated~~ submitted before billing by to the Department of Public Service. Annual evaluation of energy cost adjustments must be made by the Department of Public Service and others as provided for in parts 7825.2390 to 7825.3000.

HE 15, 16

7825.2400 DEFINITIONS.

Subpart 1. Scope. For the purpose of parts 7825.2390 to 7825.3000, the following definitions apply.

Subp. 2. Annual sales volume. "Annual sales volume" is the sum of the Mcf, Ccf, or Btu of gas delivered during the most recent 12 months of the 14-month period preceding a change in the city gate rate or end of the heating season for which actual data is available.

Subp. 3. [Unchanged.]

HE 17

Subp. 4. Base cost. "Base cost" is the cost of peak shaving gas volumes or the cost of fuel consumed in the manufacture of gas or generation of electricity and purchased gas or purchased power in the base period expressed as a cost per kilowatt-hour sold or cost per Mcf, Ccf, or Btu sold.

Subp. 5. to 9. [Unchanged.]

Subp. 10. Cost of fuel consumed in manufacture of gas; peak shaving gas volumes. "Cost of fuel consumed in the

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manufacture of gas" or "peak shaving gas volumes" is the withdrawals, during the heating season, from account 151 as defined by the Minnesota uniform system of accounts, class A and B gas utilities. All gas public utilities shall use this definition regardless of class.

Subp. 11. and 12. [Unchanged.]

Subp. 13. **Current period.** "Current period" is the most recent two-month moving average used by electric utilities in computing an automatic adjustment of charges. Upon approval of the commission, a self-billing utility may use a longer period, not to exceed 12 months, provided that the provision contains a settlement procedure.

Subp. 14. to 17. [Unchanged.]

7825.2500 APPLICABILITY AND TYPES OF AUTOMATIC ADJUSTMENT OF CHARGES.

The commission shall permit the filing of rate schedules containing provisions for the automatic adjustment of charges provided the provisions conform to parts 7825.2600 to 7825.3000. Parts 7825.2390 to 7825.3000 are applicable to all classes of public utilities.

Provisions for automatic adjustment of charges must encompass:

A. [Unchanged.]

B. Changes in cost resulting from changes in the federally regulated wholesale rate for purchased gas and changes in the cost of fuel consumed in the manufacture of gas or peak shaving gas volumes. This provision is entitled purchased gas adjustment.

7825.2600 ELECTRIC ENERGY ADJUSTMENT.

The computations of the automatic adjustment to charges must conform to the procedures set forth below.

The amount of the billing period adjustment to charges must be determined by extending Kwh of sales in the billing period by an adjustment per Kwh. The adjustment per Kwh or the amount of the adjustment must be stated on the customer's bill to comply

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with parts 7820.3500 and 7820.3600.

The adjustment per Kwh is the sum of the current period cost of energy purchased and cost of fuel consumed per Kwh less the base cost per Kwh; except that upon commission approval, a utility that purchases at least 75 percent of its annual total Kwh sales may also separately add an additional adjustment per Kwh equal to the difference between the purchased demand cost and the base cost of purchased demand. This purchased demand cost adjustment is to be computed annually for the previous year less the demand base cost per Kwh.

The adjustment to charges must be made in the next complete billing period succeeding the determination of the adjustment per Kwh provided the adjustment has been filed as defined by part 7825.2900, subpart 1. The adjustment factor must be calculated monthly. Except, upon commission approval, a self-billing utility may calculate the adjustment less frequently but at least annually and shall provide for a settlement procedure. The adjustment must be applied each month. The adjustment amount must be rounded such that the projected recovery is within two percent of the change in total cost.

7825.2700 PURCHASE GAS ADJUSTMENT.

The computation of the automatic adjustment ~~to~~ of charges must conform to the procedures set forth below.

The amount of the billing period adjustment to charges must be determined by extending Mcf, Ccf, or Btu sales in the billing period by an adjustment per Mcf, Ccf, or Btu. The adjustment per Mcf, Ccf, or Btu or the amount of the adjustment must be stated on the customer's bill to comply with parts 7820.3500 and 7820.3600.

The adjustment per Mcf, Ccf, or Btu is the sum of the commodity adjustment, demand adjustment, peak shaving gas adjustment, and manufactured gas adjustment as computed below:

A. The commodity adjustment is the difference between the commodity cost which results from a change in the city gate rate and the commodity base cost. To properly reflect

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adjustment per Mcf, Ccf, or Btu billed, the divisor for a particular class of customer must include total sales volume delivered to that class of customer. The adjustment must be applied to billings after the effective date of the commodity rate change provided the adjustment has been filed as defined by part 7825.2900, subpart 1.

B. The demand adjustment is the difference between the annual demand cost which results from a change in the city gate rate and the demand base cost. In the event the demand city gate rate does not change, the demand adjustment must be recalculated for each 12-month period from the date of the last change. The adjustment must be computed on the basis of annual demand sales volume and applied to billings after the effective date of the demand rate change provided the adjustment has been filed as defined by part 7825.2900, subpart 1.

C. The peak shaving adjustment or the manufactured gas adjustment is the difference between the cost of propane or fuel consumed in the manufacture of gas during the heating season and the peak shaving or manufactured gas base cost. The peak shaving or manufactured gas adjustment must be computed annually for the heating season ending April 30 of each year on the basis of firm annual sales volume adjusted to the extent peak shaving gas or manufactured gas is used to serve interruptible customers. The cost of peak shaving gas or manufactured gas must be applied to interruptible customers. The adjustment must be applied to billings during the next 12-month period commencing on June 1 of each year provided the adjustment has been filed as defined by part 7825.2900, subpart 1.

Refunds and interest thereon received from the suppliers of purchased gas that are attributable to the cost of gas previously sold must be refunded by credits to bills or check within a period not to exceed 90 days from the date the refund is received from a supplier, provided the refund amount per customer is equal to or greater than five cents. Upon approval of the commission, refunds of less than five cents per customer

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OFFICE BY:

may be retained by the utility and separately accounted for until such time as the balance, together with additional supplier refunds, produces a refund of five cents or more per customer. Refunds must be made to each customer class on the same basis as previously charged to customers. If a supplier refund cannot be accurately distributed to customers because of seasonal usage patterns, then upon commission approval, refunding may be delayed for a period of up to 12 months. The utility shall add interest to the unrefunded balance at the prime interest rate.

7825.2800 ANNUAL REPORTS; POLICIES AND ACTIONS.

All public utilities shall file annually on September 1 of each year the procurement policies for selecting sources of fuel and energy purchased, dispatching policies, if applicable, and a summary of actions taken to minimize cost.

7825.2810 ANNUAL REPORT; AUTOMATIC ADJUSTMENT CHARGES.

By September 1 of each year, all gas and electric utilities shall submit to the commission an annual reporting by month of all automatic adjustment charges for each customer class for the prior year commencing July 1 and ending June 30. This report must include:

A. the commission-approved base cost of fuel or gas as defined by part 7825.2400, subpart 4;

B. billing adjustment amounts, such as Kwh, Mcf, Ccf, or Btu, charged customers for each type of energy cost, such as nuclear, coal, purchased power, purchased gas, peak shaving gas, or manufactured gas;

C. billing adjustment amounts, by gas supplier, that were used to bill the utility during the reporting period;

D. the total cost of fuel or gas delivered to customers;

E. the revenues collected from customers for energy delivered;

F. the amount of supplier refunds received as defined by part 7825.2700; and

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G. the amount of refunds credited to customers.

7825.2820 ANNUAL AUDITOR'S REPORT.

By September 1 of each year, all gas and electric utilities shall submit to the commission an independent auditor's report evaluating accounting for automatic adjustments for the prior year commencing July 1 and ending June 30 or any other year if requested by the utility and approved by the commission. The commission shall approve the request unless it finds that to do so would seriously affect the administration of the automatic adjustment reporting program. HF32

7825.2830 ANNUAL FIVE-YEAR PROJECTION.

By September 1 of each year, all gas and electric utilities shall submit to the commission a five-year projection of fuel and gas costs by energy source by month for the first two years and on an annual basis thereafter.

7825.2840 ANNUAL NOTICE OF REPORTS AVAILABILITY.

By September 1 of each year, all gas and electric utilities shall provide notice of the availability of the reports defined in parts 7825.2800 to 7825.2830 to all intervenors in the previous two general rate cases.

7825.2850 ANNUAL COMMISSION MEETING.

The commission shall annually conduct a separate meeting to review the automatic adjustment of charges reported herein.

7825.3000 IMPLEMENTATION.

Existing automatic adjustment provisions in effect on the effective date of these rules that will not result in adjustment amounts materially greater than those determined by parts 7825.2390 to 7825.3000 continue in effect until the commission, upon its own motion or upon complaint and after appropriate notice and hearing, orders otherwise. Adjustments made pursuant to automatic adjustment provisions in effect on the effective date of these rules which may result in adjustment amounts materially greater than those determined by parts 7825.2390 to 7825.3000 must be frozen by the utility at the level of charges

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in effect at the effective date of parts 7825.2390 to 7825.3000. The existing level of any such automatic adjustments, on the effective date of parts 7825.2390 to 7825.3000, must be submitted to the Department of Public Service within 30 days.

If existing automatic adjustments of charges are continued under the provision above, then the filing requirements of part 7825.2900, subpart 1 apply.

When a utility proposes new or revised electric energy or purchased gas adjustment provisions, the proposal is deemed a change in rates and must be reviewed according to commission rules and practices relating to utility rate changes.

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OFFICE

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
NOV - 7 1984
Joan Anderson Growe
Secretary of State
2:25 PM

APPROVED AS TO FORM AND LEGALITY
November 6 1984
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY MJ Cassidy
SPECIAL ASSISTANT ATTORNEY GENERAL

Rules as Proposed

RECEIVED
MAR 27 1984
ADMINISTRATIVE HEARINGS

7825.2390 PURPOSE.

The purpose of parts 7825.2390 to 7825.3000 is to allow a means by which regulated gas and electric utilities may adjust for increases and decreases in the cost of energy delivered to customers that are different from those costs authorized by the commission in the utility's most recent general rate case. Energy costs included in rate schedules are subject to evidentiary hearings in general rate cases filed by the utility. Proposed energy cost adjustments must be evaluated before billing by the Department of Public Service. Annual evaluation of energy cost adjustments must be made by the Department of Public Service and others as provided for in parts 7825.2390 to 7825.3000.

7825.2400 DEFINITIONS.

Subpart 1. Scope. For the purpose of parts ~~7825.2400~~ 7825.2390 to 7825.3000, the following definitions ~~shall~~ apply.

Subp. 2. Annual sales volume. "Annual sales volume" is the sum of the Mcf ~~or~~, Ccf, or Btu of gas delivered during the most recent 12 months of the 14-month period preceding a change in the city gate rate or end of the heating season for which actual data is available.

Subp. 3. [Unchanged.]

Subp. 4. Base cost. "Base cost" is the peak shaving gas volumes or the cost of fuel consumed in the manufacture of gas or generation of electricity and purchased gas or purchased power in the base period expressed as a cost per kilowatt-hour sold or cost per Mcf ~~or~~, Ccf, or Btu sold.

Subp. 5. to 9. [Unchanged.]

Subp. 10. Cost of fuel consumed in ~~the~~ manufacture of gas; peak shaving gas volumes. "Cost of fuel consumed in the manufacture of gas" or "peak shaving gas volumes" is the withdrawals, during the heating season, from account 151 as defined by the Minnesota uniform system of accounts, class A and B gas utilities. All gas public utilities shall use this

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definition regardless of class.

Subp. 11. and 12. [Unchanged.]

Subp. 13. Current period. "Current period" is the most recent two-month moving average used by electric utilities in computing an automatic adjustment of charges. Upon approval of the commission, a self-billing utility may use a longer period, not to exceed 12 months, provided that the provision contains a settlement procedure. ~~All electric utilities shall use this definition.~~

Subp. 14. to 17. [Unchanged.]

7825.2500 APPLICABILITY AND TYPES OF AUTOMATIC ADJUSTMENT OF CHARGES.

The commission shall permit the filing of rate schedules containing provisions for the automatic adjustment of charges provided ~~such~~ the provisions conform to parts 7825.2600 to 7825.3000. Parts ~~7825.2400~~ 7825.2390 to 7825.3000 ~~shall be~~ are applicable to all classes of public utilities.

Provisions for automatic adjustment of charges ~~shall~~ must encompass:

A. [Unchanged.]

B. Changes in cost resulting from changes in the federally regulated wholesale rate for purchased gas and changes in the cost of fuel consumed in the manufacture of gas or peak shaving gas volumes. This provision is entitled purchased gas adjustment.

7825.2600 ELECTRIC ENERGY ADJUSTMENT.

The computations of the automatic adjustment to charges ~~shall~~ must conform to the procedures set forth below.

The amount of the billing period adjustment to charges ~~shall~~ must be determined by extending Kwh of sales in the billing period by an adjustment per Kwh. The adjustment per Kwh or the amount of the adjustment ~~shall~~ must be stated on the customer's bill to comply with parts 7820.3500 and 7820.3600.

The adjustment per Kwh ~~shall be~~ is the sum of the current period cost of energy purchased and cost of fuel consumed per

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Kwh less the base cost per Kwh; except that upon commission approval, a utility that purchases at least 75 percent of its annual total Kwh sales may also separately add an additional adjustment per Kwh equal to the difference between the purchased demand cost and the base cost of purchased demand. This purchased demand cost adjustment is to be computed annually for the previous year less the demand base cost per Kwh.

The adjustment to charges ~~shall~~ must be made in the next complete billing period succeeding the determination of the adjustment per Kwh provided the adjustment has been filed as defined by part 7825.2900, subpart 1. The adjustment factor ~~shall~~ must be calculated monthly. Except, upon commission approval, a self-billing utility may calculate the adjustment less frequently but at least annually and ~~must~~ shall provide for a settlement procedure. The adjustment must be applied each month. The adjustment amount ~~shall~~ must be rounded such that the projected recovery is within two percent of the change in total cost.

7825.2700 PURCHASE GAS ADJUSTMENT ~~PROVISION~~.

The computation of the automatic adjustment to charges ~~shall~~ must conform to the procedures set forth below.

The amount of the billing period adjustment to charges ~~shall~~ must be determined by extending Mcf ~~or~~, Ccf, or Btu sales in the billing period by an adjustment per Mcf ~~or~~, Ccf, or Btu. The adjustment per Mcf ~~or~~, Ccf, or Btu or the amount of the adjustment ~~shall~~ must be stated on the customer's bill to comply with parts 7820.3500 and 7820.3600.

The adjustment per Mcf ~~or~~, Ccf, or Btu is the sum of the commodity adjustment, demand adjustment, peak shaving gas adjustment, and manufactured gas adjustment as computed below:

A. The commodity adjustment is the difference between the commodity cost which results from a change in the city gate rate and the commodity base cost. To properly reflect adjustment per Mcf ~~or~~, Ccf, or Btu billed, the divisor for a particular class of customer must include total sales volume delivered to that class of customer. The adjustment ~~shall~~ must

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be applied to billings after the effective date of the commodity rate change provided the adjustment has been filed as defined by part 7825.2900, subpart 1.

B. The demand adjustment is the difference between the annual demand cost which results from a change in the city gate rate and the demand base cost. In the event the demand city gate rate does not change, the demand adjustment ~~shall~~ must be recalculated for each 12-month period from the date of the last change. The adjustment ~~shall~~ must be computed on the basis of annual demand sales volume and applied to billings after the effective date of the demand rate change provided the adjustment has been filed as defined by part 7825.2900, subpart 1.

C. The peak shaving adjustment or the manufactured gas adjustment is the difference between the cost of propane ~~and other~~ or fuel consumed in the manufacture of gas during the heating season and the peak shaving or manufactured gas base cost. The peak shaving or manufactured gas adjustment ~~shall~~ must be computed annually for the heating season ending April 30 of each year on the basis of firm annual sales volume adjusted to the extent peak shaving gas or manufactured gas is used to serve interruptible customers. The cost of peak shaving gas or manufactured gas ~~shall~~ must be applied to interruptible customers. The adjustment ~~shall~~ must be applied to billings during the next 12-month period commencing on June 1 of each year provided the adjustment has been filed as defined by part 7825.2900, subpart 1.

Refunds and interest thereon received from the suppliers of purchased gas ~~which~~ that are attributable to the cost of gas previously sold ~~shall~~ must be refunded by credits to bills or check within a period not to exceed 90 days from the date the refund is received from a supplier, provided the refund amount per customer is equal to or greater than five cents. Upon approval of the commission, refunds of less than five cents per customer may be retained by the utility and separately accounted for until such time as the balance, together with additional supplier refunds, produces a refund of five cents or more per

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customer. Refunds must be made to each customer class on the same basis as previously charged to customers. If a supplier refund cannot be accurately distributed to customers because of seasonal usage patterns, then upon commission approval, refunding may be delayed for a period of up to 12 months. The utility shall add interest to the unrefunded balance at the prime interest rate.

7825.2800 ~~FILING REQUIREMENTS AND APPROVALS FOR ELECTRIC ENERGY AND PURCHASE GAS ADJUSTMENTS~~ ANNUAL REPORTS; POLICIES AND ACTIONS.

All public utilities shall file annually on ~~October 31~~ September 1 of each year the procurement policies for selecting sources of fuel and energy purchased ~~and~~, dispatching policies, if applicable, and a summary of actions taken to minimize cost.

7825.2810 ANNUAL REPORT; AUTOMATIC ADJUSTMENT CHARGES.

By September 1 of each year, all gas and electric utilities shall submit to the commission an annual reporting by month of all automatic adjustment charges for each customer class for the prior year commencing July 1 and ending June 30. This report must include:

A. the commission-approved base cost of fuel or gas as defined by part 7825.2400, subpart 4;

B. billing adjustment amounts, such as Kwh, Mcf, Ccf, or Btu, charged customers for each type of energy cost, such as nuclear, coal, purchased power, purchased gas, peak shaving gas, or manufactured gas;

C. billing adjustment amounts, by gas supplier, that were used to bill the utility during the reporting period;

D. the total cost of fuel or gas delivered to customers;

E. the revenues collected from customers for energy delivered;

F. the amount of supplier refunds received as defined by part 7825.2700; and

G. the amount of refunds credited to customers.

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7825.2820 ANNUAL AUDITOR'S REPORT.

By September 1 of each year, all gas and electric utilities shall submit to the commission an independent auditor's report evaluating accounting for automatic adjustments for the prior year commencing July 1 and ending June 30.

7825.2830 ANNUAL FIVE-YEAR PROJECTION.

By September 1 of each year, all gas and electric utilities shall submit to the commission a five-year projection of fuel and gas costs by energy source by month for the first two years and on an annual basis thereafter.

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7825.2850 ANNUAL COMMISSION MEETING.

The commission shall annually conduct a separate meeting to review the automatic adjustment of charges reported herein.

7825.3000 IMPLEMENTATION.

Existing automatic adjustment provisions in effect on the effective date of these rules ~~which~~ that will not result in adjustment amounts materially greater than those determined by parts ~~7825.2400~~ 7825.2390 to 7825.3000 ~~shall~~ continue in effect until the commission, upon its own motion or upon complaint~~,~~ and after appropriate notice and hearing, ~~shall order~~ orders otherwise. Adjustments made pursuant to automatic adjustment provisions in effect on the effective date of these rules which may result in adjustment amounts materially greater than those determined by parts ~~7825.2400~~ 7825.2390 to 7825.3000 ~~shall~~ must be frozen by the utility at the level of charges in effect at the effective date of parts ~~7825.2400~~ 7825.2390 to 7825.3000. The existing level of any such automatic adjustments ~~shall~~, on the effective date of parts ~~7825.2400~~ 7825.2390 to 7825.3000, must be submitted to the Department of Public Service within 30

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days.

If existing automatic adjustments of charges are continued under the provision above, then the filing requirements of part 7825.2900, subpart 1 ~~shall~~ apply.

When a utility proposes new or revised electric energy or purchased gas adjustment provisions, the proposal ~~shall be~~ is deemed a change in rates and must be reviewed according to commission rules and practices relating to utility rate changes.

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OFFICE BY:

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Leo G. Adams	Chairman
Harry Seymour Crump	Commissioner
Roger L. Hanson	Commissioner
Terry Hoffman	Commissioner
Cynthia A. Kitlinski	Commissioner

In the Matter of the Proposed Adoption of Amendments to the Rules of the Minnesota Public Utilities Commission Governing Automatic Adjustment of Charges

DOCKET NO. G,E-999/R-83-467

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER ADOPTING RULES

PROCEDURAL HISTORY

On December 27, 1982 the Minnesota Public Utilities Commission (the Commission) published a Notice of Intent to Solicit Outside Opinion in the above-captioned matter in the State Register at 7 S.R. 1000.

On March 27, 1984, the Commission initiated the public hearing portion of the administrative rulemaking process for the adoption of amendments to the rules governing automatic adjustment of charges by filing with the Chief Administrative Law Judge the following documents:

(a) A copy of the proposed amendment (referred to throughout this Order as "the rules as initially proposed").

(b) The Order for Hearing.

(c) The certificate of the Commission authorizing resolution.

(d) The Notice of Hearing proposed to be issued.

(e) A Statement of the number of persons expected to attend the hearing and the estimated length of the Commission's presentation.

On March 26, 1984, the Commission mailed the Notice and Order for Hearing to all persons who had registered their names with the Commission for the purpose of receiving such notice. The Notice of Hearing and the proposed rules were published in the State Register on April 9, 1984 at 8 S.R. 2214.

On April 18, 1984, the Commission filed the following documents with Administrative Law Judge Phyllis A. Reha (ALJ):

(a) The Notice of Hearing as mailed.

(b) The Commission's certification that its mailing list was accurate and complete.

(c) The Affidavit of Mailing the Notice to all persons on the Commission's mailing list.

(d) A list of the names of Agency personnel who would represent the Commission at the hearing.

(e) A copy of the State Register containing the proposed rules.

(f) A Statement of Need and Reasonableness (Statement).

(g) All materials received following a Notice of Intent to Solicit Outside Opinion published in the State Register dated December 27, 1982 at 7 S.R. 1000.

All materials were available for public inspection at the Office of Administrative Hearings and at the Commission Office for at least 25 days prior to the first day of hearings.

Administrative Law Judge Reha conducted hearings on the following days in the following cities:

May 14, 1984	Brainerd, Minnesota
May 15, 1984	St. Paul, Minnesota
May 16, 1984	Rochester, Minnesota

Forty-nine people signed the Hearing Register. Fourteen public witnesses appeared and spoke at the hearings. The Commission was represented by Harold D. Nicholson and Rosellen Condon, members of its staff, and by Karl W. Sonneman, Special Assistant Attorney General. No witnesses outside the agency were solicited by the Commission to appear on its behalf. The Commission submitted ten written exhibits, PUC Exhibits 1-10, including its Statement of Need and Reasonableness in support of the proposed rules. Twenty-two public exhibits were offered and introduced into the record by members of the public.

Administrative Law Judge Reha extended the period during which the record remained open for sixteen calendar days after the date of the final hearing. The Commission submitted revised proposed amendments to the rules (rules as finally proposed) and Comments to the ALJ on June 1, 1984.

Pursuant to Minn. Stat. § 14.15, subd. 1 (Supp. 1983), the Commission had until 4:30 p.m. on June 6, 1984 to submit a Statement of Agreement with Amendments proposed by the public. No Statement of Agreement was filed. The record herein closed on June 6, 1984.

Administrative Law Judge Reha submitted her Report to the Chief Administrative Law Judge on July 6, 1984.

Chief Administrative Law Judge Duane Harves issued his report approving Administrative Law Judge Reha's report in all respects and, specifically, as to any finding of substantial change or of failure to comply with Minn. Stat. § 14.15, subds. 3 and 4 (Supp. 1983) or of failure to establish the need for or reasonableness of the proposed amendments, on July 6, 1984.

The Commission has waited at least five working days following the issuance of the Administrative Law Judge's and Chief Administrative Law Judge's reports before taking any final action on the proposed amendments, and has made copies of those reports available to all interested persons upon request.

Now upon review of all the records herein, and after considered deliberations thereupon, the Commission makes the following Findings, Conclusions and Order.

FINDINGS OF FACT AND CONCLUSIONS OF LAW

I. PROCEDURAL REQUIREMENTS OF LAW

The Commission has addressed in its Notice and Order for Hearing the effects these proposed amendments will have on local public bodies in the State in connection with their implementation for the two years immediately following their adoption within the meaning of Minn. Stat. § 14.11 (1982) and the effects these proposed amendments will have on small businesses within the meaning of Minn. Stat. § 14.115 (Supp. 1983). The Commission's Statement of Need and Reasonableness addressed the effects of these proposed amendments on small businesses at greater length. The Commission finds that it has fully complied with the requirements of these statutes.

Further, the Commission finds that it has wholly and adequately complied with the procedural requirements of the Minnesota Administrative Procedure Act relating to the adoption of controversial administrative rules Minn. Stat. §§ 14.13-14.20 (Supp. 1983) and concludes that it may now act to adopt the proposed amendments.

II. STATUTORY AUTHORITY

The Commission finds that it has statutory authority to adopt the proposed rules pursuant to Minn. Stat. §§ 216B.16, subd. 7 and 216B.08 (1982). Minn. Stat. § 216B.08 (1982) is a general grant of authority for the Commission to adopt rules to implement its powers and duties under Minn. Stat. Ch. 216B (1982). § 216B.16, subd. 7 (1982) provides:

> Subd. 7 Energy Costs Adjustments. Notwithstanding any other provision of this chapter, the Commission may permit a public utility to file rate schedules

containing provisions of the automatic adjustment of charges for public utility service in direct correlation to charges in federally regulated wholesale rates for energy delivered through interstate facilities or fuel used in generation of electricity or the manufacture of gas.

The Commission possesses statutory general rulemaking authority as provided in § 216B.08 (1982). The Legislature intended the Commission to administer energy cost adjustments as contained in Minn. Stat. § 216B.16, subd. 7 (1982).

The Minnesota Office of the Revisor of Statutes has made some editorial changes to these amendments as originally proposed. The Commission believes that these changes are not substantive and were made to achieve uniformity within Minnesota Rules. The Commission will not address these editorial changes in this Order.

MINNESOTA RULES, PART 7825.2390 PURPOSE

The Commission's proposed rule as published in the State Register on April 9, 1984 (8 S.R. 2214) read in part as follows:

> "...proposed energy cost adjustments must be evaluated before billing by the Department of Public Service. Annual evaluation of energy cost adjustments must be made by the Department of Public Service and others as provided for in pp. 7825.2390 to 7825.3000."

At the public hearings, the Commission staff submitted the following two changes to this rule:

> "...proposed energy cost adjustments must be submitted before billing to the Department of Public Service."

These changes were proposed to clarify the Commission's intent and to make this part of the rule internally consistent with the existing unamended part 7825.2900 which provides that whenever a public utility changes its automatic adjustment of charges, the utility shall file the appropriate documents prior to the effective date. In order to maintain consistency, the proposed rule was changed so that adjustments need not be evaluated before billing.

As the ALJ noted:

> In addition, the changes were proposed to respond to several comments by utilities. Northern States Power Company (NSP) in public Exhibit No. 2, Minnesota Power and Light (MP&L) in public Exhibit No. 7 and North Central Public Service Company (North Central) in post-hearing comment number 5 commented that evaluations of energy cost adjustments by the Minnesota Department of Public Service (DPS) before billing would be inconsistent with Minn. Rules, p. 7825.2900 and would create a substantial hardship on utilities. Requiring evaluation by the DPS before billing would make it very difficult for the utility to file its energy cost adjustment in time to allow evaluation by the DPS and a timely implementation of the billing. Furthermore, the current rules do not require evaluation of energy cost adjustments by the DPS before billing. In fact, the current rules state that energy cost adjustments "shall be provisionally approved and may be placed into effect without Commission action". It is therefore appropriate to adopt the proposed change to address the potential for hardship on the utilities and make the rule internally consistent with the existing and amended Minnesota Rules.

The ALJ's Report contained the following Finding:

> The Administrative Law Judge finds that the proposed changes do not result in a rule which is substantially different from that which is published in the State Register. The modifications lessen the burden on the utilities and as such cannot be said to be changes which cause any hardship to those regulated by the proposed rules without adequate notice.

The Commission adopts the ALJ's Finding. It concludes that the addition of a preamble to the existing rules clarifies the purpose of the rule and introduces the general conditions under which automatic adjustment of charges are to be examined. The modifications to the originally published rule make it internally consistent with the existing unamended Minnesota Rules, part 7825.2900 and clarifies the Commission's intent. Furthermore, the Commission concludes that the need for and reasonableness of this part have been demonstrated and that the modifications to this part do not constitute substantial change within the meaning of Minn. Stat. § 14.05, subd. 2 (1982) and Minnesota Rules, part 1400.1100.

MINNESOTA RULES, PART 7825.2400 DEFINITIONS

Subp. 2 Annual Sales Volume
Subp. 4 Base Cost
Subp. 10 Cost of fuel consumed in the manufacture of gas; peak shaving gas volumes.

In its Statement, the Commission explained the reasons for amending these sections of the rule.

> The changes in Subp. 2 and Subp. 4 propose to include the term Btu (British Thermal Units) and to allow for the inclusion of peak shaving gas. The addition of the term Btu is proposed because most regulated gas companies within the State are now billed Btu charges from gas suppliers based on the heat content of gas, in addition to Mcf or Ccf charges provided for in the existing rule. The inclusion of Btu within these definitions gives recognition to the universal application of the term.
>
> The need for the inclusion of peak shaving gas volumes is discussed under Subp. 10.
>
> > Subp. 10. Cost of fuel consumed in the manufacture of gas; peak shaving gas volumes. "Cost of fuel consumed in the manufacture of gas" or "peak shaving gas volumes" is the withdrawals, during the heating season, from account 151 as defined by the Minnesota uniform system of accounts, class A and B gas utilities. All gas public utilities shall use this definition regardless of class.
>
> This change proposes to include peak shaving gas volumes in the definition. The purpose of the existing rule is to allow for recovery of fuel consumed in the manufacture of gas which is used as peak shaving gas to supplement the daily natural gas requirements of utilities during the coldest weather when the available quantity of natural gas is insufficient to meet customer demand. However, liquid propane gas has most commonly been used for peak shaving purposes and included in automatic adjustments under this rule. Therefore, by amending the rule to specify both the cost of fuel consumed in the manufacture of gas and peak shaving gas, the rule will recognize other types of gas used for peak shaving in addition to gas manufactured for the purpose.

Neither the ALJ or any party to this rulemaking procedure commented on the addition of the terms Btu and peak shaving gas volumes. The Commission believes that the need for and reasonableness of these additions to the rule as originally proposed are established because the inclusion of the term Btu recognizes the widespread use of this measurement by natural gas suppliers and

utilities and the inclusion of the phrase peak shaving gas volumes, recognizes the use of different gasses to supplement the supply of natural gas.

The ALJ discussed a grammatical change to subpart 4 as proposed by the Commission as follows:

> At each of the public hearings, the Commission's support staff introduced a grammatical change to p. 7825.2400, subp. 4. The words "cost of" were implicit in the sentence in order for it to make good sense and accomplish the Commission's intent. To make its intent explicit, the Commission proposes that p. 7825.2400, subp. 4 read as follows:
>
> Subp. 4. Base Cost. "Base cost" is the cost of peak shaving gas volumes or the cost of fuel consumed in the manufacture of gas or generation of electricity and purchased gas or purchased power in the base period expressed as a cost per kilowatt-hour sold or cost per Mcf, Ccf or Btu sold.
>
> The Administrative Law Judge finds the proposed grammatical change to be needed and reasonable and not a substantial change from the rule as originally published in the State Register.

The Commission adopts the reasoning of its Statement and the ALJ's findings and concludes that the need for and reasonableness of this language change have been demonstrated and that the modifications to these parts do not constitute substantial change within the meaning of Minn. Stat. §14.05, subd. 2 (1982) and Minnesota Rules, part 1400.1100.

Subp. 13. Current Period.

The Commission also proposed an amendment to the definition of current period found in part 7825.2400, subpart 13. The Commission's Statement contained the following discussion of its proposed change to this definition.

> This amendment proposes to include the phrase "by electric utilities" in the definition. The definition currently defines "current period" as the most recent two-month average used in computing an automatic adjustment of charges. The only utilities which use a two-month moving average in computing adjustments are electric utilities. Consequenty, the addition of the phrase "by electric utilities" is a grammatical change which assists in clarifying the application of the rule.
>
> An additional proposed change to the existing rule would strike the sentence: "All electric utilities shall use this definition." With the inclusion of the phrase "by electric utilities," as described above, the existing ending sentence is no longer required.

Neither the ALJ nor any party to this rulemaking procedure submitted comments regarding this section. The Commission adopts the reasoning of its Statement and concludes that the need for and reasonableness of this amendment as originally proposed have been adequately demonstrated by the Statement.

New Definition

The ALJ discussed a party's proposal to add a new definition to this section of the rule:

> MP&L (Minnesota Power and Light) in Public Exhibit No. 7 commented that the term "energy cost adjustment" as that term is used in the Statement of Purpose is unclear and needs definition. In its post-hearing comments, the Commission disagreed, finding that the terms, cost of energy delivered and cost of energy purchased, have been commonly used

since 1975 when the existing rule was first used by gas and electric utilities. Since the use of this term and others is common to all electric utilities, the Commission believes that no definition of term is required in the rules. The definition of the term "energy cost adjustment" is found in the Statement of Purpose at p. 7825.2390: An "energy cost adjustment" is an increase or decrease in the cost of energy delivered to customers that are different from those costs authorized by the Commission in the utility's most recent general rate case. The Administrative Law Judge can find no ambiguity in the manner in which the term "energy cost adjustments" is used in these rules. Furthermore, there is no indication in the record that there has been a problem with the interpretation of this term. Therefore, the Administrative Law Judge finds that no further definition is required.

The Commission adopts the ALJ's findings. The Commission believes that there is no ambiguity in the manner in which the term "energy cost adjustment" is used in these rules based upon the definition of this term found in Minnesota Rules, part 7825.2390 and used since 1975 under the existing automatic adjustment rule. Therefore, the Commission finds that no definition of the term is required in the rules.

MINNESOTA RULES, PART 7825.2500 APPLICABILITY AND TYPES OF AUTOMATIC ADJUSTMENTS CHARGES. B.

Regarding the addition of the phrase "peak shaving gas volumes" to this section of the rule, please see above discussion under Minnesota Rules, part 7825.2400, subparts 2 and 4.

MINNESOTA RULES, PART 7825.2600. ELECTRIC ENERGY ADJUSTMENT

The proposed change to this section of the rule specifically allows a utility that purchases at least 75 percent of its total annual Kwh sales to recover increases in purchased demand costs on an historical annual basis.

In its Statement of Need and Reasonableness the Commission explained its reasons for amending this part of the rule as follows:

> The existing rule does not specifically indicate that purchased demand costs are includable in calculating the electric energy adjustment for those utilities which predominantly rely upon purchased power and are charged a purchased demand cost. In some electric cooperative rate cases the issue has been raised as to whether or not the existing rule allows for a purchased demand cost adjustment. This change proposes to amend the rule to allow non-generating regulated electric utilities to charge an adjustment for purchased demand costs and, thereby, to eliminate the confusion about the existing rule.
>
> The proposed change will allow a utility that purchases at least 75 percent of its total annual Kwh sales to recover increases in purchased demand costs on a historical annual basis. Currently, most non-generating electric utilities purchase all of their power requirements. Clearly, these utilities purchase at least 75 percent of total annual Kwh sales and incur a purchased demand cost. However, under unusual circumstances, it is possible that a generating electric utility could also have a requirement to purchase at least 75 percent of total annual Kwh sales and incur a purchased demand cost. A benchmark of 75 percent of total annual Kwh sales is reasonable to distinguish all non-generating electric utilities from generating electric utilities, and to also allow for a possible application of this adjustment to generating electric utilities under unusual circumstances.

> The other changes propose only to make a clarifying grammatical change by combining two sentences at the word "except" and to promote uniformity in the use of the words "must" and "shall".

Utilities challenged the proposed amendment to this section of the rule by raising several issues. The most significant challenge questioned the need for and reasonableness of limiting the pass through of demand charges to those utilities who purchased 75 percent or more of their total annual Kwh sales. The remaining challenges sought to amend the proposed rule to allow broader coverage of costs and time periods. Each challenge is addressed separately.

1. Application of rules limited to utilities who rely on outside purchases.

The existing rule does not specifically allow purchased demand costs to be included in the energy adjustment for electric utilities. Therefore, the Commission proposed to amend the rule to allow those utilities who rely on outside purchases of power for the predominant source of their energy supplies to include the purchased demand costs.

NSP objected to the amendment which limits eligibility to those utilities which purchase 75 percent or more of their annual sales. It urged instead that any utility should be able to include purchased power demand charges in the energy adjustment. In support of its claim, it argued that the current rule did not expressly prohibit including demand charges in the energy adjustment and that there were good reasons not to impose limits on including these demand charges. These reasons included that the utility thus received incentives to purchase its energy supplies in the most economical manner and that the Federal Energy Regulatory Commission rules had recently been changed to allow demand costs in the federal wholesale energy adjustment.

NSP claimed that sometime in the future it may find it economic to make short-term purchases which include significant demand costs. NSP maintains that its interpretation of the existing rule permitted generating utilities to recover purchased demand costs through the energy cost adjustment and recommended that the proposed rule be modified to give the Commission the option of allowing all utilities to recover purchased demand costs through the energy cost adjustments.

In considering these arguments, the ALJ supported the general applicability of the rule only to non-generating utilities. She wrote:

> In a general rate case, the generating utility earns a return in rate base on all of its generating facilities as well as the fuel inventories used to supply these facilities. A non-generating electric utility also receives a return on its distribution plant and working capital advanced for the purchase of power. If a generating utility is able to purchase power at a cost less than the cost of generation when it has full system capacity and fuel available, that generating utility would be receiving compensation through general rates for plant and fuel which is not being used to provide utility service, in addition to the cost of purchased power through an automatic adjustment. This condition would result in overcompensation which the generating utility is not entitled to receive. Furthermore, whether or not the proposed amendment would provide incentives for the utilities to minimize costs is not the issue here. All utilities (especially generating utilities) should have procurement policies for selecting sources of fuel and energy purchases to minimize costs.

She also rejected the flexibility sought by NSP that would allow the Commission to expand coverage of the rule to generating utilities which otherwise could not meet the 75 percent test. She wrote:

> Lastly, the Administrative Law Judge finds that granting the Commission the "option" of allowing all utilities to recover purchased demand costs through the energy cost adjustment would be an improper grant of

discretion to the Commission. Minn. Stat. §14.02, subd. 4 contains the definition of "rule". "Rule" means every Agency's statement of general applicability and future effect, including amendments . . . adopted to implement or make specific the law in force or administered by it or to govern its organization or procedure. Generally, discretionary power may be granted to administrative officers if the law or rule furnishes a reasonably clear policy or standard which controls and guides the administrators so that the law or rule takes effect by virtue of its own terms and not according to the whim and caprice of the administrative officer. Anderson v. Commissioner of Highways, 126 N.W. 2d 778, 780, (Mn. 1964). In this case, allowing the Commission the option of allowing all utilities to recover purchased demand costs through the energy cost adjustment when, in the opinion of the Commission, doing so would benefit ratepayers is not sufficiently clear or appropriate criterion for the Commission to make a decision.

The ALJ accepted the proposed amendment as needed and reasonable.

The Commission agrees with the ALJ and adopts her reasoning in support of the proposed rule. The Commission has proposed a 75 percent benchmark to draw a clear line between utilities that depend on purchased power and those who do not.

The Commission finds that the amendment to this section of the rule which specifies a benchmark of 75 percent of total annual Kwh sales is reasonable and necessary to distinguish all non-generating electric utilities from generating utilities but also allows for a possible application of this adjustment to generating electric utilities under unusual circumstances. It recognizes the situation of those utilities for which purchased power is a significant factor in their cost of energy and eliminates those utilities for which it is not significant.

The Commission finds that the proposed rule will not adversely affect generating utilities which do not use a significant amount of purchased power. At the St. Paul hearing an NSP representative was asked whether NSP currently includes purchased demand costs in its energy adjustment. The NSP representative indicated that NSP does not. The Commission believes that this response indicates that if purchase demand costs were significant costs for generating utilities like NSP then it would be reasonable to expect that NSP would have raised the issue of including these demand costs in energy cost adjustments or that NSP would have interpreted the rule to mean that these costs are not prohibited and would accordingly have submitted an energy cost adjustment which included demand costs. NSP has done neither. For this and the reasons given by the ALJ, generating utilities should not be typically allowed to include the demand costs in the energy adjustments.

The amendment also clarifies the Commission's intent and eliminates any ambiguity that may have existed under the existing rule. It provides a clear standard to guide the Commission. Therefore, the Commission adopts the ALJ's finding that the amendment as originally proposed is needed and reasonable.

2. Monthly rather than annual computation of purchase demand cost.

In a second challenge to the proposed amendment, NSP commented that the language in this section of the rule should be modified to allow purchased demand cost adjustments to be computed monthly instead of annually because purchase demand costs are subject to monthly variations as are energy costs.

The ALJ found:

> The Commission and the DPS disagree with NSP (See Post-Hearing Comment Nos. 7 & 8.) Generally, the purchased demand charge per unit is fixed and does not fluctuate on a monthly basis. Allowing a monthly purchased demand adjustment will not only reflect the changes in wholesale rates, it will also reflect changes in system load factors and line losses as well. Therefore, while the monthly demand charges to the utility are relatively stable, revenues collected fluctuate widely above and below these charges due to

changes in load factor. An annual demand charge adjustment will eliminate fluctuations caused by seasonal changes in load factor.

The Administrative Law Judge accepts the reasoning of the Department of Public Service and the Commission and finds that an annual computation of purchased demand costs is reasonable.

The Commission adopts the above quoted reasoning of the ALJ and finds that an annual computation of purchased demand costs is reasonable and necessary.

3. Time basis for annual computation.

In a third challenge to the proposed amendment to this section of the rule, Dakota Electric Association (Dakota Electric) commented that it is not clear if the annual computation required in the rule is to be done on a historical calendar year or any twelve-month period. Dakota Electric also stated that it is not clear if adjustments for known changes in purchased demand rates will be permitted.

The ALJ wrote:

> The proposed rule states: 'This purchased demand cost adjustment is to be computed annually for the previous year less the demand base cost per Kwh.' In its Post-Hearing Comment, the Commission states that it means that the actual purchased demand cost adjustment is based upon the average hour cost for the previous year. The Administrative Law Judge agrees with the Commission's interpretation. Demand is prone to a high degree of fluctuation. In order to compensate for these fluctuations and a possible mismatching of power cost adjustment revenues, it is necessary to reduce the impact of demand fluctuations. A method of doing this is to base the purchased demand cost adjustment on the demand power cost for the previous year. At the end of each year there would be a demand cost adjustment based upon the difference between the previous year cost and the demand base cost. The difference would either result in a reduction of monthly purchased demand adjustment charges, or result in an increase in monthly demand adjustment charges. (See Post-Hearing Comment No. 8.) The Administrative Law Judge finds that the rule as written in this regard is clear and reasonable.

The Commission agrees that the annual computation of purchased demand cost using historical data only is needed and reasonable. The rule as written clearly indicates that an annual historic period will be used to compute the adjustment but does not specify any particular beginning month for the year used. This means that the utility company may select the most recent particular twelve month period which need not be a calendar year. There has been no need shown to limit the period to any particular starting month in the most recent historic year.

At the same time, the adjustment must be based wholly on historic data from the selected annual period. The energy adjustment has tradionally been limited to historic actual costs for the measuring period. Historic data is verifiable from the accounting records of the utility and thus may be used reliably in a formula rate. On the other hand, the use of known changes as projected costs would require the exercise of judgments that can only be made in a full rate case determination of fixed rates. The Commission concludes that Dakota's proposed changes in the rule should not be adopted.

4. Costs from an earlier period.

In another challenge to the proposed amendment to this rule section NSP in Public Exhibit No. 2 commented that the rule suggested that an energy cost from an earlier period could never be included in the calculation of the energy cost adjustment for the current period. In its Comments, the Commission pointed out that the only change to the current rule is to change "shall be" to "is," a change made by the State Revisor of Statutes. The

Commission further stated that the intent of the rule has always been to exclude prior period energy costs.

The Commission's Comments explained:

> There never has been an adjustment mechanism authorized under the rule which provides for adjusting current period costs for over or under recovered energy costs billed by generating utilities in previous periods. The rules were designed to provide for a two-month moving average (lag) in the automatic adjustment of charges for electric utilities. The reasons for the two-month moving average are:
>
> 1. To even the impact of sharp increases or decreases in energy costs.
>
> 2. To create fuel efficiency. Because an electric utility is not allowed to collect automatic adjustment charges on a current basis, the utility is encouraged to practice fuel efficiency.
>
> 3. To preclude automatic adjustments from becoming a substitute for a general rate case. Fuel and purchased power costs are usually a major portion of expenses included in general rate case filings. If these costs were allowed to be collected on a current dollar-for-dollar basis, then the need for rate case filings could be reduced. However, periodic rate case filings are essential for providing a means of closely investigating fuel and other costs.

In addressing NSP's position, the ALJ wrote:

> In its post-hearing comments, the Commission disagrees with NSP's proposed change. The Commission points out that the only change to the current rule is to change "shall be" to "is." This change was not proposed by the Commission, but is a change made by the State Revisor's office. With the exception of this change, the proposed rule is the same as the existing rule. Furthermore, the Commission points out that there have been no problems with interpreting the existing rule. The intent of the rule has always been to exclude prior period energy costs. The existing rule provides "... the sum of the <u>current</u> period costs of energy purchased and cost of fuel consumed..." (emphasis added). Furthermore, there never has been an adjustment mechanism authorized under the rule which provides for adjusting current period costs for over or under recovered energy costs billed by generating utilities in pervious periods.
>
> In essence, NSP is challenging the need or reasonableness of the existing rule and not the amendment. When amending its rules, an Agency need not show the need or reasonableness of existing rules which are not affected by the proposed amendments. Minn. Rule, p. 1400.0500, subp. 1. Even though the Commission was not required to do so, it did respond in its post-hearing comments regarding the reasons for the standards in the existing rule. NSP is directed to the text of the Commission's post-hearing comments for that justification. Furthermore, the suggested language change proposed by NSP providing that "the Commission may authorize an energy cost adjustment mechanism..." may also create unguided discretion in the Agency administrator. Use of the word "may" allows the Commission to treat regulated utilities which are in similar situations differently. Accordingly, the Administrative Law Judge finds that there has been no showing that this portion of the existing rule should be further amended.

The Commission relies on its reasoning set forth in its Comments and adopts the ALJ's finding that there has been no showing that this section of the existing rule should be amended. It concludes that the amended rule should be adopted as proposed.

MINNESOTA RULES, PART 7825.2700, PURCHASE GAS ADJUSTMENT

The proposed amendments to this section of the rule add the terms Btu and peak shaving gas, shorten the time period in which utilities are required to make refunds to customers and establish a minimum refund amount.

The Commission's Statement explained the purpose of the proposed amendments to this section of the rule as follows:

> The foregoing changes propose to amend the rule to incorporate the term Btu into the rule as previously described in part 7825.2400 [subp. 2 and 4], and to incorporate the term peak shaving gas as previously described in part 7825.2400, subp. 10.
>
> This amendment proposes to change the period during which utilities shall refund to customers amounts received as gas supplier refunds from 12 months to 90 days; and, to specify a minimum amount per customer which must be refunded. This rule is also amended to clarify that refunds are made on the same basis as increased adjustments were previously charged to customers. Gas utilities attempt to refund to customers during the heating season when gas sales volumes or seasonal usage patterns are commensurate with periods during which increased adjustments were charged to customers. Consequently, this addition to the rule is for the purpose of formally recognizing in the rule what has been done in actual practice. It appears that gas utilities can reasonably refund gas supplier refunds to customers in 90 days; and so, the change in the refunding period of the rule from 12 months to 90 days is for the purpose of assuring that customers receive gas supplier refunds at the earliest practical opportunity. The rule is also revised to provide for exception to the 90-day refunding period in the event a gas utility is unable to accurately refund gas supplier refunds to customers in a 90-day period if seasonal usage patterns do not permit equitable distribution of the refund.

Several utilities (Minnegasco, Iowa Electric Light and Power Company, Montana-Dakota Utilities Company, Peoples Natural Gas Company and North Central Public Service Company) objected to the five cent limitation on refunding, claiming it would not be cost effective and would not justify the administrative cost to ratepayers.

At the public hearings and in its Comments, the Commission recognized that there is a cost incurred by each utility in making these refunds, just as there is a similar cost incurred in collecting energy cost increases from customers. Furthermore, there have been no complaints from utilities concerning the expense of collecting energy cost increases. Utilities have charged individuals as little as five cents for energy cost adjustments. (See the testimony of Richard Haubensak, representing Peoples Natural Gas Company, at the Rochester public hearing.)

The ALJ commented on this section of the rule:

> The question to be decided in determining reasonableness is whether or not a rational person could make the same choice made by the agency from among possible alternatives in order to accomplish the legislative directive. It is reasonable to expect that if a utility will charge a customer as little as five cents for energy cost increases, that a utility can also refund as little as five cents per customer for energy cost refunds. Furthermore, the additional costs incurred by the utility for refunding purposes would be the calculation of the refund and adding a

bill credit to each customer's bill. Generally, calculation of a refund does not require extensive person-hours and the cost of adding a credit line to each customer's bill during a regular billing is minimal. (See Post-Hearing Comment No. 7.) Therefore, the Administrative Law Judge agrees with both the Commission and the DPS that the five cent limitation will not impose excessive hardship on the utility and is reasonable as written.

Furthermore, gas utilities can reasonably refund gas supply refunds to customers in 90 days; and so, the change in the refunding period of the rule from 12 months to 90 days is for the purpose of assuring that customers receive gas supply refunds at the earliest practical opportunity. However, in the event a gas utility is unable to accurately refund gas supply refunds to customers in a 90-day period, or its seasonal usage patterns do not permit equitable distribution of the refund, the rule provides for an exception to the 90-day refunding period.

While the suggestions by the commentors may also have basis in reason, the Administrative Law Judge is charged with the responsibility of determining whether the rule as proposed by the Commission has a basis in reason and is supported by the record. It is not required that the rule proposed by the Commission be the most reasonable rule. Clearly, the minimum rate advanced by the Commission has a basis in reason and is supported by the record. The Judge finds that Minn. Rules, Part 7825.2700 is needed and reasonable as written.

The Commission adopts the reasoning of its Statement and the findings of the ALJ and concludes that the need for and reasonableness of this section as originally proposed have been adequately demonstrated.

MINNESOTA RULES, PART 7825.2810, ANNUAL REPORT; AUTOMATIC ADJUSTMENT CHARGES

This proposed section of the rule is entirely new. Its purpose is to require utilities to file annual reports of automatic adjustment of charges on a customer class basis. This will afford the Commission, intervenors and the public an opportunity for review and provide a means for Commission evaluation of the reasonableness of the separate charge and refund transactions during a previous year. This section sets forth the materials the utility is required to submit in its annual report.

The Commission's Statement sets forth its rationale for an annual report by month by the utility of pertinent information about automatic adjustment charges for each customer class:

The existing rule provides that each utility report proposed changes in automatic adjustments prior to the effective date of a change. Each automatic adjustment for each reporting utility is monitored on a change-by-change basis prior to implementing the change. There currently is no provision in the rules to require the Commission to annually review the entire effect of automatic adjustments upon customer rates, consumption patterns, utility revenues and distribution of supplier refunds; nor is there any provision to review projected fuel and gas costs Therefore, the intent of the proposed additions is to make information about automatic adjustment of charges available for annual review by the Commission, intervenors and the public, to provide a means by which the Commission may determine the appropriateness and reasonableness of the separate charge and refund transactions during a prior year.

Currently utilities submit periodic automatic adjustment reports to the Minnesota Department of Public Service (DPS). These reports are reviewed by

the DPS to determine that the rates are in compliance with Commission rules and approved rates. An annual report filed directly with the Commission will enable the Commission to more effectively discharge its duties to review and monitor rates pursuant to Minn. Stat. 216B (1982).

The materials required to be submitted will allow the Commission to make an independent, accurate evaluation of the automatic adjustment charges of each utility.

The information required by the Commission for the annual report of automatic adjustment of charges is needed to fully evaluate the impact these charges have had upon the ratepayers of each utility during the reporting period. The Commission-approved base cost of fuel or gas is calculated from the customer sales and cost of fuel or gas included in the utility's most recent general rate case. It is this base cost from which the periodic automatic adjustment billing amounts are increased or decreased. The adjustment amounts billed by each gas supplier are the federally regulated wholesale rates charged to each utility which are used to determine the adjustment amounts charged to the utility's ratepayers. In order to provide a check as to whether the utility is recovering the costs it is entitled to through the automatic adjustments, a comparison should also be made between the total cost of fuel or gas delivered to customers and the actual revenues collected from customers for energy delivered. In the case of gas utilities, it is necessary to compare the amount of supplier refunds received by these utilities with the actual refund amounts credited to customers in order to assure that all supplier refunds have been properly credited to customers.

In its Comments, the Commission explained further that currently all utilities submit periodic reports to the Commission summarizing automatic adjustment charges on a customer class basis. The Commission expects that in filing annual reports under the proposed rule, each utility would use the same customer categories that it used in reporting the periodic automatic adjustments to provide an equivalent basis for comparing the automatic adjustments which have been previously filed with the annual report summary.

NSP, MP&L and Otter Tail Power objected to annual reporting by month for all automatic adjustment charges on a customer class basis because of the additional work and cost involved, (See Public Ex. Nos. 2, 7, and Post-Hearing Comment No. 3.)

In her review of this new section the ALJ wrote:

Under the proposed amendment, the only additional work involved requires extracting the information by month on a customer basis already on file at each utility. Therefore, there appears to be no reason to believe that it will impose excessive work or costs to the utilities. (See Post-Hearing Comment No. 7.) In the agency's post-hearing comments, the Commission points out that the term "customer class" as applied to the proposed rule refers to the customer categories which a utility uses to report its automatic adjustments. Each electric utility uses customer classes peculiar to its own operation when reporting automatic adjustments. For electric utilities, these customer categories may include a wide variety of categories. However, gas utilities generally report automatic adjustments by the firm and interruptible customer categories. It is expected that in filing annual reports under the proposed rule that each utility would use the same customer categories that it used in reporting the periodic automatic adjustments, to provide an equivalent basis for comparing the automatic adjustments which have been previously filed

with the annual report summary. Consequently, the only additional work or costs involved is in extracting the information by customer class already on file at each utility and placing it on a summarizing schedule or report. (See Post-Hearing Comment No. 8.)

There currently is no provision in the rules to require the Commission to annually review the entire effect of automatic adjustments upon customer rates, consumption patterns, utility revenues and distribution of supply refunds; nor is there any provision to review projected fuel and gas costs. Therefore, the intent of the proposed rule is to make information about automatic adjustment of charges available for annual review by the Commission, intervenors, and the public, to provide a means by which the Commission may determine the appropriateness and reasonableness of the separate charge and refund transactions during the prior year. The Administrative Law Judge finds that the rule as written is needed and reasonable.

The Commission adopts the reasoning contained in its Statement and Comments and adopts the findings of the ALJ that this section of the rule as originally proposed is needed and reasonable.

MINNESOTA RULES, PART 7825.2820, ANNUAL AUDITOR'S REPORT

This new section of the rule requires utilities to annually file an independent auditor's report, which will provide an opinion as to whether or not the accounts used in the calculation of automatic adjustments have been maintained in compliance with the uniform system of accounts and this rule.

In its Statement, the Commission explained the purpose of this section of the rule:

> This addition to existing rules is necessary and reasonable because the existing rules provide that certain accounts included in the uniform system of accounts will be used in the calculation of automatic adjustments. An independent auditor's report will provide, in addition to the checks on the computation of automatic adjustment charges done by the DPS and the Commission, a further check that the charges and credits used in the computation are in compliance with the uniform system of accounts as required by these rules.

In its Post-Hearing Comments, the Commission responded to comments which recognized that fiscal years may vary among utilities. Therefore, the following change to this rule was proposed:

> By September 1 of each year, all gas and electric utilities shall submit to the Commission an independent auditor's report evaluating accounting for all automatic adjustments for the prior year commencing July 1 and ending June 30 <u>or any other year as approved by the Commission.</u> (Underlining indicates language added in response to Comments.)

In her Report, the ALJ agreed that some additional language is necessary. She wrote:

> If a utility does not have a July 1 through June 30 fiscal year, the provision as originally drafted would require a separate audit in addition to the Company's normal fiscal year-end audit. The addition of the words 'or any other year as approved by the Commission,' however, will not solve the problem. As written, the Commission could still require more than one audit. It does not specify that the Commission may only vary the fiscal year consistent with the utility's request. As written, the proposed language

grants to the Commission unbridled discretion in making a decision with no clear standard to guide it. To correct this defect, the Administrative Law Judge recommends the following language:

> By September 1 of each year, all gas and electric utilities shall submit to the Commission an independent auditor's report evaluating accounting for all automatic adjustments for the prior year commencing July 1 and ending June 30 or any other year if requested by the utility and approved by the Commission. The Commission shall approve the request unless it finds that to do so would seriously impact the administration of the automatic adjustment reporting program. (Underline delineates suggested language to correct the defect.)

The suggested language or similar words will not create a substantial change to the rule as originally published in the State Register. Since the proposed modification lessens the burden on the affected utilities, it cannot be said to be a change which would cause hardship to those regulated by the proposed rule without adequate notice. With the suggested or similar language, the rule is found to be both needed and reasonable.

The Commission has followed the ALJ's recommendation. In his review the Revisor has substituted the word "affect" for the word "impact". The Commission finds that this word change does not change the meaning of this section. The Commission finds that the added language clarifies its original intent and provides an improved standard to determine when an alternative accounting year may be used. The Commission concludes for the reasons set forth in its Statement that the need for and reasonableness of this section have been adequately demonstrated. The Commission also concludes for the reasons given by the ALJ that the addition of this clarifying language does not constitute a substantial change within the meaning of Minn. Stat. § 14.05, subd. 2 (1982) and Minnesota Rules, part 1400.1100.

MINNESOTA RULES, 7825.2830, ANNUAL FIVE-YEAR PROJECTION

This new section of the rule provides that all gas and electric utilities shall submit to the Commission a five-year projection of fuel and gas costs by energy source by month for the first two years and on an annual basis thereafter.

The Commission's Statement set forth the reasons for the Commission's requiring an annual five-year projection.

> The overall purpose of a five-year projection of fuel and gas costs is to aid the Commission in anticipating potential rate impacts upon Minnesota ratepayers. These projections will provide the Commission with a statewide perspective on future energy requirements and costs which may affect customer consumption, the level of rates, facility expansion requirements, and rate design proposals. In addition, for gas suppliers, these projections will give the Commission an indication of cost differences between suppliers and the impact these differences may have on Minnesota customers receiving natural gas from more than one supply source.
>
> The Commission realizes that a month-by-month projection of fuel and gas costs by energy source for a two-year period can be accomplished with reasonable accuracy and to a lesser degree of accuracy for a period beyond two years. However, the projected information will provide reasonable advance notice of cost changes so that the Commission and regulated utilities can be better prepared to respond.

Some utilities objected to the filing of an annual five-year projection of fuel and gas costs. Montana-Dakota and Peoples commented that the five-year projection of gas costs would be just an estimate as actual gas costs are determined by the FERC. Minnegasco claimed that this type of information should not be considered public information because disclosure of this information would give Minnegasco's competitors an advantage by permitting them to undercut the cost of natural gas to end users. Minnegasco suggested that this would lead to fuel switching and ultimately increase costs to ratepayers.

In its Comments, the Commission recognized that these projections would greatly aid the Commission in providing a statewide perspective of future energy requirements and costs which may affect customer consumption, the level of rates, facility expansion requirements, and rate design proposals. Additionally, the Comments indicated that these projections will give the Commission an indication of cost differences between suppliers and the impact these differences may have on Minnesota customers.

In regard to Minnegasco's concern that the projections should not be considered public information, the Commission responded that these projections are ascertainable from a number of sources; that it would not be possible to prevent disclosure of this information to the general public; and that it is unlikely that a fuel customer would switch fuel sources based only on a projection.

The ALJ agreed with the Commission analysis and found it is reasonable to require the utilities to provide a five-year projection of fuel and gas costs as an aid to the Commission in anticipating potential rate impacts upon Minnesota ratepayers. The ALJ also found that the rule provision as proposed has been shown to be both needed and reasonable.

The Commission adopts the reasoning of its Statement and Comments and the ALJ's findings and concludes that the need for and reasonableness of this section as originally proposed have been adequately demonstrated.

MINNESOTA RULES, PART 7825.3000, IMPLEMENTATION

The Commission proposed no change to this section of the rule. The only changes made to this rule were those changes made by the Revisor of Statutes. The last paragraph of the rule as amended by the Revisor of Statutes reads as follows:

> When a utility proposes new or revised electric energy or purchased gas adjustments, the proposal is deemed a change in rates and must be reviewed according to Commission rules and practices relating to utility rate changes.

NSP commented that the existing rule could be misinterpreted as a change in rates as defined by Minn. Stat. § 216B.16, subd. 3, which precludes the implementation of new interim rates until at least four months after the Commission has made a final determination concerning any previously filed change of rates. NSP proposed language to remedy its concern.

The Commission pointed out in its Post-Hearing Comments that there has never been any misinterpretation that periodic energy cost adjustments constitute an overall change in rates; and that in fact, Minn. Stat. § 216B.16, subd. 7 (the Commission may permit the filing of rate schedules containing provisions for automatic adjustment of charges), prohibits this kind of misinterpretation.

The ALJ found that the statute provides the Commission with authority to allow for rate changes, outside of a general rate change and interim rates, attributed to changes in federally regulated rates. Changing the energy rate under the automatic adjustment thus could not be deemed an interim rate change.

The Commission agrees with the ALJ's finding and relies upon Minn. Stat. 216B.16, subd. 7 (1982) for the authority to permit changes in this rate without ordering interim rates.

The ALJ indicated that NSP's proposed language change would make the rule read more clearly. Since rules are primarily for the benefit of those regulated, she wrote that it would be reasonable to adopt the change suggested by NSP. However, the ALJ stated that adoption of NSP's proposal is a

suggestion only. The rule as written cannot be said to be unreasonable.

The Commission has considered the suggestion of the ALJ and finds that no change in this section of the rule need be made. There has never been a misinterpretation of the fact that periodic energy cost adjustments constitute an overall change in rates. Minn. Stat. § 216B.16, subd. 7 (1982) prohibits this misinterpretation. Furthermore, Minn. Stat. § 216B.02, subd. 5 (1982) provides:

> Subd. 5. "Rate" means every compensation, charge, fare, toll, tariff, rental and classification, or any service and any rules, regulations, practices, or contracts affecting any such compensation, charge, fare, toll, rental, tariff, or classification.

An automatic adjustment meets the definition of a rate as provided above. Therefore, the Commission finds that it would be inappropriate to delete the words 'a change in rates' from this rule. The only changes that are needed and reasonable are the grammatical changes proposed by the Revisor of Statutes which were uncontested. The Commission will, therefore, adopt the rule changes as proposed.

Minnesota COACT

In its Comments of June 1, 1984, the Commission noted that the Minnesota Citizens Organizations Acting Together (COACT) was well represented at each of the three public hearings on these proposed amendments. While COACT representatives spoke at each of the public hearings, they did not specifically address the proposed amendments. Their testimony focused on the need to implement a proposal COACT has recently presented to the Minnesota Legislature in Senate File 692. The Commission believes that most of the testimony offered by COACT is beyond the scope of the hearings on these amendments and are more appropriately addressed to the Federal Energy Regulatory Commission.

In her Report the ALJ wrote:

> The Administrative Law Judge believes that COACT's testimony should be considered only as background information on the national natural gas situation and on the statutory framework for regulation in Minnesota. Most of the specific testimony offered by COACT is beyond the scope of the hearings on these proposed amendments. Concerns regarding Northern Natural Gas Company, a federally regulated company, are more appropriately addressed to the Federal Energy Regulatory Commission (FERC).

The Commission recognizes the interests of COACT in this rulemaking. It believes that adoption of the rules as done will help assure, to the extent of the Commission's jurisdiction to act, that Minnesotans are paying only reasonable prices for natural gas delivered to them.

The Commission, therefore, concludes that as amended herein the proposed changes to the automatic adjustment rules for gas and electric utilities found in Appendix A are needed and reasonable and should be adopted.

ORDER

1. The rules governing automatic adjustment of charges, appended hereto as Attachment A, are hereby adopted.

2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Randall D. Young
Executive Secretary

SERVICE DATE: OCT 10 1984
RDY/RC/djs

(S E A L)

8

Commission Exhibit No. 8
File No. PUC-84066-PR
5/14/84 Date Par
RECEIVED
APR 18 1984
ADMINISTRATIVE HEARINGS

Department of Energy, Planning and Development
Energy Division
980 American Center Building
150 E. Kellogg Blvd.
St. Paul, MN 55101
Attn: Bruce Nelson
(612) 296-8279

The division expects to publish proposed rules in February, 1983. Written materials received will be made part of the record in the event that rules are proposed.

Department of Finance

Maximum Interest Rate for Municipal Obligations

Pursuant to Laws of Minnesota 1982, Chapter 523, Commissioner of Finance, Allan L. Rudell, announced today that the maximum interest rate for municipal obligations in the month of January will be twelve (12) percent per annum. Obligations which are payable wholly or in part from the proceeds of special assessments or which are not secured by general obligations of the municipality may bear an interest rate of up to thirteen (13) percent per annum.

The maximum interest rate for obligations authorized by resolution prior to April 1, 1982 shall be twelve (12) percent per annum.

December 17, 1982

Department of Labor and Industry Labor Standards Division

Notice of Prevailing Wage Rates for Commercial Construction

On December 20, 1982, the commissioner certified prevailing wage rates for commercial construction for each of the 87 counties in Minnesota.

A copy of the determined wage rates for Minnesota Counties may be obtained by writing to the State Register and Public Documents Division, 117 University Avenue, St. Paul, Minnesota 55155. The charges for the cost of copying and mailing are $.50 for the first county and $.30 for any subsequent copies of the same or other counties. For all 87 counties, the charge is $25.00. A $1.00 handling charge must be included for each order. As of January 1, 1983, Minnesota sales tax of 6% must be added to all orders.

A check or money order payable to the State of Minnesota must accompany each request.

Russell B. Swanson, Commissioner
Department of Labor and Industry

Minnesota Public Utilities Commission

Notice of Intent to Solicit Outside Opinion Regarding Amendments to Existing Rules Governing Automatic Adjustment of Charges

Notice is hereby given that the Minnesota Public Utilities Commission (the commission) is seeking information or opinions from sources outside the agency in preparing to promulgate amendments to its rules governing automatic adjustment of charges (Minn. Rule PSC 390-399.) The amendment of these rules is authorized by Minnesota Statutes § 216B.16, subd. 7, which authorizes the commission to permit utilities to file rate schedules containing provisions for the automatic adjustment of charges for retail utility service in direct relation to changes in federally regulated wholesale rates for energy delivered through interstate facilities or fuel used in the generation of electricity or the manufacture of gas.

The commission requests information and comments concerning the need for and nature of possible amendments to these rules. The commission has become concerned that changes in the state of the gas industry, and to a lesser extent the electric industry, necessitate a review of the existing rules and may create a need for revision. The commission considers changes such as pipeline heat-content billing, alteration of payment schedules by pipelines, the FIFO method of gas inventory, the possible

need for revision of the manufactured gas or other supplemental gas rule, and the possible need for more definitive refunding methods to be significant for this discussion. Interested or affected persons or groups may submit statements of information or comment orally or in writing. Written statements should be addressed to:

Randall D. Young, Executive Secretary
Minnesota Public Utilities Commission
780 American Center Building
160 East Kellogg Blvd.
St. Paul, Minnesota 55101

Oral statements will be received during regular business hours over the telephone by Harold Nicholson at (612) 296-7105 and in person at the above address.

All statements of information and comment shall be accepted until January 27, 1983. Any written material received by the commission shall become part of the record in the event that any amendments to the rules are promulgated.

Department of Public Welfare
Income Maintenance Bureau

Public Notice Regarding Changes in Minnesota's Medical Assistance Program

Notice is hereby given to all providers and recipients of Minnesota Medical Assistance, and to the public, of a change to be made in the statewide level of reimbursement for Medical Assistance services. This change is being made because of actions taken during the 1982 Third Special Session of the Minnesota State Legislature, as set forth in Senate File 2 and House File 4. The effective date of the change will be January 1, 1983.

A copy of this notice may be reviewed at your county welfare or social services department during their usual office hours.

Written comments on the changes and suggestions for implementation may be sent to:

Health Care Program Policy Section
P. O. Box 43170
St. Paul, Minnesota 55164

Comments and suggestions received from the public may be reviewed during normal business hours at:

Health Care Program Policy Section
First Floor, Space Center
444 Lafayette Road
St. Paul, Minnesota

This notice is being published pursuant to federal regulations which govern administration of the Medical Assistance Program, 42 C.F.R. 447.205 (1981).

1. LIMIT ON PAYMENT TO LONG TERM CARE FACILITIES

Payments to all long term care providers (Skilled Nursing Facilities and Intermediate Care Facilities whose per diem rates are determined under DPW Rule 49 and Intermediate Care Facilities for the Mwntally Retarded whose per diem rates are determined under DPW Rule 52) will be reduced by four percent for the period from January 1 through June 30, 1983.

The monthly payment due a long term care facility for the care of each MA recipient is calculated by multiplying the number of payable days by the per diem rate in effect for that service period. The payment due a long term care facility, using the above method, will be reduced by four percent for services provided from January 1 through June 30, 1983. The MA recipient income contribution is applied towards the payment due after the four percent reduction. MA will reimburse the long-term care facility for the difference between the payment due to the facility after the four percent reduction and the client contribution.

This payment reduction will be first reflected in the warrant issued during February, 1983, for January patient days, and continue through any warrant issued for service provided from January 1 through June 30, 1983.

2. ALL OTHER M.A. PROVIDERS

Payments to all other M.A. providers shall be reduced by four percent for services provided from January 1 through June 30, 1983, regardless of the date of payment.

The amount of the four percent reduction may not be billed or passed on to the M.A. recipient or the recipient's family.

Estimated savings for the six month period is $5.2 million state dollars.

Commissioner Exhibit No. 9
File No. PUC-84-066-PR
Date 5/14/84
RECEIVED
APR 18 1984
ADMINISTRATIVE HEARINGS

Public Utilities Commission

Notice of Intent to Solicit Outside Opinion Regarding Amendments to Existing Rules Governing Automatic Adjustment Charges

Notice is hereby given that the Minnesota Public Utilities Commission (commission) is seeking information or opinion from sources outside the agency in preparing to propose amendments to its rules governing automatic adjustment charges (PSC 390-399). The authority to adopt and amend these rules is found in Minn. Stat. §§ 216B.03, 216B.05, 216B.08, 216B.09, and 216B.16, subd. 7. The latter section specifically authorizes the commission to permit utilities to file rate schedules containing provisions for the automatic adjustment of charges for retail utility service in direct relation to changes in federally regulated wholesale rates for energy delivered to interstate facilities or fuel used in the generation of electricity or the manufacture of gas.

The commission requests additional information and comments concerning the need for and nature of possible amendments to its existing rules. In response to a previous solicitation published at 7 S.R. 1000 (December 27, 1982), the commission has drafted certain proposed changes, which are found in Appendix A to this notice. Interested or affected persons or groups may submit statements of information or comment orally or in writing on these proposed changes as well as submit additional changes that such persons wish the commission to consider.

Written statements should be addressed to:

Randall D. Young
Executive Secretary
Minnesota Public Utilities Commission
780 American Center Building
160 East Kellogg Boulevard
St. Paul, Minnesota 55101

Oral comments, suggestions or questions will be received during regular business hours over the telephone by Harold Nicholson at (612) 296-7105 and in person at the above address.

All statements of information and comments shall be received until September 15, 1983. Any written material received by the Commission shall become part of the record in the event that any amendments to the rules are proposed for adoption.

Proposed Changes to Automatic Adjustment of Charges (PSC Rules 390-395)

PSC 390 Definitions. For the purpose of rules 390-395, the following definitions shall apply:

A. "Annual sales volume" is the sum of the Mcf, ~~or~~ Ccf or Btu of gas delivered during the most recent 12 months of the 14 month period preceding a change in the city gas rate or end of the heating season for which actual data is available.

B. "Annual demand sales volume" is the annual sales volume adjusted by an average percentage change in sales computed over the preceding ~~3~~ 4 year period, normalized for weather. Annual demand sales volume shall include interruptible sales to the extent that demand cost is incurred to service interruptible customers.

C. "Base cost" is the cost of fuel consumed in the manufacture of gas or generation of electricity and purchased gas or purchased power in the base period expressed as a cost per kilowatt hour sold or cost per Mcf, ~~or~~ Ccf or Btu sold.

D. "Base period" is the 12 month period during which the automatic adjustment of charges is set at zero.

E. "City gate rate" is the demand or commodity rate charged a distribution gas utility by its supplier. It refers to the cost of gas at the point at which the distribution utility takes title to the gas.

F. "Cost of energy purchased" is the cost of purchased power and net interchange defined by the Minnesota Uniform System of Accounts—Class A and B electric utilities, Account 555 and purchased under federally regulated wholesale rates for energy delivered through interstate facilities. All electric public utilities shall use this definition regardless of class.

G. "Cost of fuel consumed in the generation of electricity" is the cost of fossil and nuclear fuel.

H. "Cost of fossil fuel" is the current period withdrawals from Account 151 as defined by the Minnesota Uniform System of Accounts—Class A and B utilities. All electric public utilities shall use this definition regardless of class.

G. "Cost of fuel consumed in the generation of electricity" is the cost of fossil and nuclear fuel.

H. "Cost of fossil fuel" is the current period withdrawals from Account 151 as defined by the Minnesota Uniform System of Accounts—Class A and B utilities. All electric public utilities shall use this definition regardless of class.

I. "Cost of nuclear fuel" is the current period charges and credits to Account 518, of the Minnesota Uniform System of

Accounts—Class A and B electric utilities excluding any expenses for the cost of fossil fuel. All electric public utilities shall use this definition regardless of class.

J. "Cost of fuel consumed in the manufacture of gas" is the withdrawals, during the heating season, from Account 151 as defined by the Minnesota Uniform System of Accounts—Class A and B gas utilities. All gas public utilities shall use this definition regardless of class.

K. "Cost of purchased gas" is the cost of gas as defined by the Minnesota Uniform System of Accounts—Class A and B gas utilities, Account 804, 808 and 809 and purchased under federally regulated wholesale rates for energy delivered through interstate facilities. All gas public utilities shall use this definition regardless of class.

L. "Current period" is the most recent ~~two~~ three month moving average used by electric utilities in computing an automatic adjustment of charges. Upon approval of the commission, a self billing utility may use a longer period, not to exceed 12 months, provided that the provision contains a settlement procedure. ~~All electric utilities shall use this definition.~~

M. "Heating season" is the period from October 1 to April 30.

N. "Kilowatt-hour sales" is the kilowatt-hour delivered during the current or base period less interchange sales. This is the divisor used to obtain current period cost and base period cost per Kwh in PSC 392 B.

O. "Prime interest rate" means the average of the daily prime lending rates offered to preferred customers at the largest bank in the Ninth Federal Reserve District during the period. The largest bank is that bank with the greatest total outstanding deposits as of the end of the calendar year preceding the notice of change in rates.

P. "Public utilities" is as defined by Section 2, Subdivision 4 of the Minnesota Public Utilities Act.

PSC 391 Applicability and types of automatic adjustment of charges.

A. The commission shall permit the filing of rate schedules containing provisions for the automatic adjustment of charges provided such provisions conform to PSC 392-395.

B. PSC 390-395 shall be applicable to all classes of public utilities.

C. Provisions for automatic adjustment of charges shall encompass:

1. Changes in cost resulting from changes in the federally regulated wholesale rate for energy purchased and changes in the cost of fuel consumed in the generation of electricity. This provision is entitled electric energy adjustment.

2. Changes in cost resulting from changes in the federally regulated wholesale rate for purchased gas and changes in the cost of fuel consumed in the manufacture of gas. This provision is entitled purchased gas adjustment.

PSC 392 Electric energy adjustment. The computations of the automatic adjustment to charges shall conform to the procedures set forth below:

A. The amount of the billing period adjustment to charges shall be determined by extending Kwh of sales in the billing period by an adjustment per Kwh. The adjustment per Kwh or the amount of the adjustment shall be stated on the customer's bill to comply with PSC 313.

B. The adjustment per Kwh shall be the sum of the current period cost of energy purchased and cost of fuel consumed per Kwh less the base cost per Kwh.

C. The adjustment of charges shall be made in the next complete billing period succeeding the determination of the adjustment per Kwh provided the adjustment has been filed as defined by PSC 394 B. The adjustment factor shall be calculated monthly~~.~~, ~~E~~except~~,~~ that upon commission approval, a self billing utility may calculate the adjustment less frequently but at least annually and must provide for a settlement procedure. The adjustment must be applied each month. The adjustment amount shall be rounded such that the projected recovery is within 2% of the change in total cost.

PSC 393 Purchase gas adjustment provision. The computation of the automatic adjustment to charges shall conform to the procedures set forth below:

A. The amount of the billing period adjustment to charges shall be determined by extending Mcf, ~~or~~ Ccf or Btu sales in the billing period by an adjustment per Mcf, ~~or~~ Ccf or Btu. The adjustment per Mcf, ~~or~~ Ccf or Btu or the amount of the adjustment shall be stated on the customer's bill to comply with PSC 313.

B. The adjustment per Mcf, ~~or~~ Ccf or Btu is the sum of the commodity adjustment, demand adjustment and manufactured gas adjustment as computed below:

1. The commodity adjustment is the difference between the commodity cost which results from a change in the city gate rate and the commodity base cost. To properly reflect adjustment per Mcf, ~~or~~ Ccf or Btu billed, the divisor for a particular class

of customer must include total sales volume delivered to that class of customer. The adjustment shall be applied to billings after the effective date of the commodity rate change provided the adjustment has been filed as defined by PSC 394 B.

2. The demand adjustment is the difference between the annual demand cost which results from a change in the city gate rate and the demand base cost. In the event the demand city gate rate does not change the demand adjustment shall be recalculated for each 12 month period from the date of the last change. The adjustment shall be computed on the basis of annual demand sales volume and applied to billings after the effective date of the demand rate change provided the adjustment has been filed as defined by PSC 394 B.

3. The manufactured gas adjustment is the difference between the cost of propane and other fuel consumed in the manufacture of gas during the heating season and the manufactured gas base cost. The manufactured gas adjustment shall be computed annually for the heating season ending April 30 of each year on the basis of firm annual sales volume adjusted to the extent manufactured gas is used to serve interruptible customers. The cost of manufactured gas shall be applied to interruptible customers. The adjustment shall be applied to billings during the next 12 month period commencing on June 1 of each year provided the adjustment has been filed as defined by PSC 394 B.

C. Refunds and interest thereon received from the suppliers of purchased gas which are attributable to the cost of gas previously sold shall be refunded by credits to bills or check within a period not to exceed ~~12 months~~ 90 days from the date the refund is received from a supplier, provided the refund amount per customer is equal to or greater than $.01. Upon approval of the commission, refunds of less than $.01 per customer may be retained by the utility and separately accounted for until such time as the balance, together with additional supplier refunds, would produce a refund of $.01 or more per customer. Refunds shall be made to each customer class on the same basis as previously charged to customers. The utility shall add interest to any unrefunded balance at the prime interest rate.

PSC 394 Filing requirements and approvals electric energy and purchase gas adjustments.

A. All public utilities shall file annually on ~~October 31~~ August 1 of each year, the procurement policies for selecting sources of fuel and energy purchased and dispatching policies, if applicable, and a summary of actions taken to minimize cost.

B. Whenever a public utility changes its automatic adjustment of charges, the utility shall prior to effective date, file the following:

1. A summary of the computation of the adjustment.

2. An explanation of significant changes between the base cost and current cost. Changes for electric utilities shall be quantified as to price, mix, thermal efficiency and distribution loss. Changes for gas utilities shall be quantified as to price and mix changes.

3. A computation of standard cost for the current reporting period, if available. The standard cost for this computation may be either the planned or budgeted cost of fuel or simulation of the cost of fuel under normal operating and purchasing limits for the adjustment period or current period.

C. Automatic adjustment of charges shall be provisionally approved and may be placed into effect without commission action, but subject to the conditions specified in PSC 394 D and E.

D. Errors made in adjustment must be refunded by check or credits to bills to the consumer in an amount not to exceed the amount of the error plus interest computed at the prime rate upon the order of the commission provided that:

1. Such order is served within 90 days after the receipt of the filing defined in rule PSC 394 B or at the end of the next major rate proceeding, which ever is later.

2. The amount of the error is greater than 5% of the corrected adjustment charge.

E. The commission may upon complaint or upon its own motion, after appropriate investigation, notice and hearing, issue an order to fix at current levels, discontinue or modify an automatic adjustment provision for an individual utility.

F. By August 1 of each year, all gas and electric utilities shall:

1. Submit to the commission an annual reporting by billing cycle of all automatic adjustment charges for each customer class for the prior year commencing July 1 and ending June 30. This report shall include the:

a. Commission approved base coat of fuel or gas.

b. adjustment units charged customers from each type of energy cost; i.e., (nuclear, coal, purchased power, demand, commodity, manufactured gas, Btu, volumetric, Therms, Dekatherms).

c. adjustment units, by gas supplier, which were used to bill the utility during the reporting period.

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Commission Exhibit No. 7
File No. PUC-84-066-PR
5/14/84 Date pw

CERTIFICATE OF COMMISSION'S

AUTHORIZING RESOLUTION

I, Randall D. Young, do hereby certify that I am the Executive Secretary of the Minnesota Public Utilities 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 a resolution adopted at a meeting of the Minnesota Public Utilities Commission duly and properly called and held on the 29th day of February, 1984, that a quorum was present at said meeting, that a majority of those present voted for the resolution and that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified.

The Minnesota Public Utilities Commission resolves that Randall D. Young, Executive Secretary of the Commission, is hereby authorized and directed to call a hearing to promulgate amendments to the Commission rules governing automatic adjustment of charges for gas and electric utilities. He is further authorized to perform any acts incidental to promulgating these amendments including signing an Order for Hearing and Notice for Hearing as well as acting, or designating other members of the Commission's staff to act and to represent the Commission at all hearings.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 11th day of May, 1984.

(Executive Secretary)

Attest by a Commission Member

Commission EXHIBIT NO. 1
File No. PUC-84-066-PR
5/14/84 Date

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

RECEIVED
APR 18 1984
ADMINISTRATIVE HEARINGS

Leo G. Adams	Chairman
Harry Seymour Crump	Commissioner
Roger L. Hanson	Commissioner
Terry Hoffman	Commissioner
Cynthia A. Kitlinski	Commissioner

In the Matter of the Proposed Amendments to the Rules of the Minnesota Public Utilities Commission Governing Automatic Adjustment of Charges

Docket No: G,E-999/R-83-467
H.E. Docket No: PUC-84-066-PR

NOTICE AND ORDER FOR HEARING

Notice is hereby given that public hearings in the above entitled matter will be held by the Minnesota Public Utilities Commission (the Commission) pursuant to Minn. Stat. § 14.14, Subd. 1, at the following times and locations:

Monday, May 14, 1984, 7:00 p.m., County Service Building, Meeting Room #1, Laurel Street, Brainerd, MN 56401.

Tuesday, May 15, 1984, 7:00 p.m., 715/Large Hearing Room, 7th Floor, American Center Building, St. Paul, MN 55101.

Wednesday, May 16, 1984, 7:00 p.m., Rochester Community College, Cube Room, Highway 14E, Rochester, MN 55904.

The hearing will commence at the designated times and continue until all persons or representatives of associations or other interested groups have had an opportunity to be heard concerning adoption of the proposed amendments to the rules by submitting either oral or written data, statements or arguments.

Authority for the adoption of these amendments is contained in Minn. Stat. §§ 216B.16, Subd. 7 and 216B.08.

The Commission estimates that there will be no cost to local public bodies in the State in connection with implementation of these proposed amendments for the two years immediately following their adoption within the meaning of Minn. Stat. § 14.11, since the rules do not apply to municipal utilities. The Commission has considered pursuant to Minn. Stat. § 14.115 whether these amendments may have an impact on small businesses and has determined that they will not.

The Commission first adopted the above-captioned rules on January 21, 1978. A Notice of Intent to Solicit Outside Opinion regarding this rulemaking was published on December 27, 1982.

The purpose of the proceeding is to determine the need for and reasonableness of the proposed amendments as well as allowing the Commission the opportunity to obtain additional public input on the form and content of the proposed amendments to the rules.

The hearings will be held before Hearing Examiner Phyllis Reha, Office of Administrative Hearings, 400 Summit Bank Building, 310 South 4th Avenue, Minneapolis, Minnesota 55415, telephone 612/341-7611, a hearing examiner appointed by the chief hearing examiner of the State of Minnesota. All parties have the right to be represented by legal counsel, by themselves, or any other representative of their choice, if not otherwise prohibited as the unauthorized practice of law. The hearing will be conducted in accordance with the applicable laws relating to the Commission, the Administrative Procedures Act (Minn. Stat. §§ 14.13-14.20), the Rules of the Office of Administrative Hearings (9 MCAR §§ 2.101-2.113), and the Rules of Practice of the Commission (Minn. Reg. PSC 500-521), to the extent that they have not been superseded by the Rules of the Office of Administrative Hearings.

The above-cited procedural rules are available for inspection at the Office of Administrative Hearings and the Commission, or may be purchased from the State Register and Public Documents Division of the Department of Administration, 117 University Avenue, St. Paul, Minnesota 55155, telephone 612/297-3000.

The cited procedural rules provide generally for the procedural rights and obligations including the right to present evidence and cross examine witnesses, the right to purchase a record or transcript, and the obligation to meet certain time limits.

A copy of the proposed amendments to the rules is attached to this notice and order.

Any interested person will be provided with one copy of the proposed amendments to the rules without charge upon request to Randall D. Young, telephone 612/296-7526. Additional copies will be available at the hearing.

In the interest of efficiency, the Commission requests that any person having comments on or objections to any part of the proposed amendments to the rules submit their comments or objections to the Commission (attention Randall D. Young, Executive Secretary, Docket No. G,E-999/R-83-467) and to Hearing Examiner Reha as soon as possible and preferably prior to May 9, 1984. Any such comments or objections should:

- state concisely and with particularity each portion of the proposed amendments to the rules that the author supports or objects;

- state the basis for the author's support or objection; and

- state any proposed modifications to the proposed amendments to the rules, the author's reasons for those modifications and the basis for those modifications.

Failure to submit such comments or objections prior to the hearings will not prohibit any person from submitting written or oral statements on the record at the hearing.

Notice is hereby given that 25 days prior to the hearing, a statement of need and reasonableness will be available for review at the Commission's offices and at the Office of Administrative Hearings. This statement of need and reasonableness will include a summary of all the evidence and argument

which the Commission anticipates presenting at the hearing justifying both the need for and the reasonableness of the proposed amendments to the rules. Copies of the statement of need and reasonableness may be obtained from the Office of Administrative Hearings at a minimal charge.

All persons are advised that no factual information or evidence which is not part of the hearing record shall be considered by the Hearing Examiner or by the Commission in the determination of the above-cited matter. Persons attending the hearings should bring all factual information and evidence bearing on the case which they wish to have included in the record.

At the hearings, the Commission will, through its staffs' written and oral testimony, explain the proposed amendments to the rules and the Commission's reasons for proposing them. Copies of any written testimony and the statement of need and reasonableness will be available at the hearings.

Upon completion of the Commission's presentation, interested persons will be given an opportunity to address questions to the Commission's staff and to submit written and oral statements. It is the Commission's intent and desire that after its staff has completed its presentation, comments and statements be received from interested persons before proceeding to questioning. An opportunity to question the Commission's staff will be afforded all persons upon completion of the exchange of information and comments.

Interested persons who wish to make statements may do so by responding to the Commission's presentation or by offering new information. In addition, interested persons may request the Commission's staff to provide further explanations of any portion of the proposed amendments to the rules if the persons are unclear about the Commission's reasons. All persons making oral statements are subject to questioning by the Commission's staff.

The Commission will respond, in so far as possible, at the hearings to objections and questions presented at the hearing by interested persons. Interested persons may respond with oral or written statements to any new information presented by the Commission. The Commission may also respond to objections or comments in writing after the close of the hearings.

Written material may be submitted and recorded in the hearing record for five working days after the conclusion of the public hearings. Such a comment period may be extended for a period not to exceed 20 calendar days if so ordered by the Hearing Examiner.

Notice: Any person may request notification of the date on which the Hearing Examiner's Report will be available, after which date the Commission may not take any final action on the rules for a period of five working days. Any persons may request notificaton of the date on which the hearing record has been submitted (or resubmitted) to the Attorney General by the Commission. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notificaton by sending a written request to the Hearing Examiner (in the case of the Hearing Examiner's Report), or the Commission (in the case of the Commission's submission or resubmission to the Attorney General).

All persons are advised that the proposed amendments to the rules may be modified as a result of the hearing process.

Questions concerning the content or form of the above-entitled amendments to the rules should be directed to Randall D. Young, 780 American Center Building, 160 East Kellogg Boulevard, St. Paul, Minnesota 55101, telephone 612/296-7526. Any questions concerning the conduct of the hearing should be directed to the assigned Hearing Examiner.

M.S. Ch. 10A requires each lobbyist to register with the State Ethical Practices Board within five days after he or she commences lobbying. A lobbyist is defined in M.S. § 10A.01, subd. 11 as any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250, not including his own travel expenses and membership dues, in any year, for the purpose of attempting or urging others to communicate with public officials; or

(b) Who spends more than $250, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, telephone 612/296-5615.

ORDER

1. Hearings shall be held in this proceeding as listed herein.

2. A copy of this Order shall be mailed to all persons who have registered their names with the Commission for that purpose.

3. A copy of this Order and of the proposed amendments to the rules shall be published in the State Register.

4. This order shall become effective immediately.

BY ORDER OF THE COMMISSION

Randall D. Young
Executive Secretary

SERVICE DATE: MAR 26 1984
RC/djs

(S E A L)

On February 29, 1984, the Minnesota Public Utilities Commission met and adopted the following resolution:

> The Minnesota Public Utilities Commission resolves that Randall D. Young, Executive Secretary of the Commission, is hereby authorized and directed to call a hearing to promulgate amendments to the Commission rules governing automatic adjustment of charges. He is further authorized to perform any acts incidental to promulgating these amendments including signing an Order for Hearing and Notice for Hearing as well as acting or designating other members of the Commission's staff to represent the Commission at all hearings.

3

Commission Exhibit No. 3
File No. PUC-84-066-PR
5/14/84 Date par

STATE OF MINNESOTA)
)SS
COUNTY OF RAMSEY)

RECEIVED
APR 18 1984
ADMINISTRATIVE HEARINGS

AFFIDAVIT OF SERVICE

Deborah J. Smith, being first duly sworn, deposes and says:

That on the 26th day of March, 1984, (s)he served the attached NOTICE AND ORDER FOR HEARING-PROPOSED AMENDMENTS OF AUTOMATIC ADJUSTMENT CHARGES

Docket No. G,E-999/R-83-467//PUC-84-066-PR

XX By depositing in the United States Mail at the City of St. Paul, a true and correct copy thereof, properly enveloped with postage prepaid

_____ By personal service

to all persons at the addresses indicated below or on the attached list:

SEE ATTACHED LIST

Deborah J. Smith

Subscribed and sworn to before me, a notary public, this 18th day of April, 1984.

Sharon L. Juen
Notary Public

SHARON L. JUEN
NOTARY PUBLIC—MINNESOTA
WASHINGTON COUNTY
MY COMM. EXPIRES JAN. 19, 1991

PGA

ENTRY # 2
A LLOYD V. CRUM JR.
B COMMUNITY UTILITY CO.
C RACINE MN 55967
D
E RG
F
G
H
I PGA
J W

ENTRY # 6
HALL L. SHELLA CO-OWNER
HOME LIGHT & POWER CO.
105 E. WALL ST.
JASPER MN 56156
RE
PGA
W

ENTRY # 9
DEAN LINDSEY
IOWA ELECTRIC LIGHT & PO
I.E. TOWER P.O.BOX 351
CEDAR RAPIDS IA 52406
RG
PGA
W

ENTRY # 13
C. WAYNE FOX
MONTANA-DAKOTA UTILITIES
400 NORTH FOURTH STREET
BISMARCK ND 58501
RG
RE
PGA
W

ENTRY # 16
MARK F. DAHLBERG-V.PRES.
NORTHWESTERN WISCONSIN
ELECTRIC COMPANY
GRANTSBURG WI 54840
RE
PGA
W

ENTRY # 17
A WILLIAM GIESEN
B OTTER TAIL POWER COMPANY
C 215 SO. CASCADE ST.
D FERGUS FALLS MN 56537
E
F RE
G
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I PGA
J W

ENTRY # 21
A. STRICKER VICE PRES.
GREAT PLAINS NATURAL GAS
105 W. LINCOLN BOX 176
FERGUS FALLS MN 56537
RG
PGA

ENTRY # 22
F. K. LITTLE-VICE PRES.
INTER-CITY GAS LTD. INC.
1004 CLOQUET AVE.
CLOQUET MN 55720
RG
PGA

ENTRY # 23
D. E. HAMILL PRESIDENT
INTERSTATE POWER COMPANY
1000 MAIN ST.
DUBUQUE IA 52001
RG
RE
PGA

ENTRY # 25
EDWARD H. SWETMAN-V.PRES
MINNEGASCO
201 SO. 7TH ST.
MINNEAPOLIS MN 55402
RG
RE
RP
ALL
PGA

ENTRY # 26
A JIM SMITH-DIRECTOR
B NO. CENTRAL PUBLIC SERV.
C 1080 MONTREAL AVE.
D ST. PAUL MN 55106
E RG
F RE
G
H GE
I PGA

ENTRY # 27
ROY H. BERGLUND-V. PRES.
NORTHERN STATES POWER CO
414 NICOLLET MALL
MINNEAPOLIS MN 55401
RG
RE
PGA

ENTRY # 28
G. L. STAMM-V. PRES.-ADM
PEOPLES NATURAL GAS CO.
P. O. BOX 338
COUNCIL BLUFFS IA 51501
RG
PGA

ENTRY # 29
PAUL F. ZUPPKE-PRESIDENT
WESTERN GAS UTILITIES
3900 WASHINGTON AVE. NO.
MINNEAPOLIS MN 55412
RG
PGA

ENTRY # 30
JAMES HABICHT-ASST. SECT
MINNESOTA POWER
30 WEST SUPERIOR ST.
DULUTH MN 55802
RE
PGA

ENTRY # 32
A RICHARD OKERBERG-GEN MGR
B DAKOTA ELECTRIC ASSN.
C 4300 220TH ST. WEST
D FARMINGTON MN 55024
E
F RE
G
H
I PGA
J

ENTRY # 33
WADE R. HENSEL-GEN. MGR.
FROST-BENCO ELECTRIC
P. O. BOX B
MANKATO MN 56001
RE
PGA

ENTRY # 34
FRANK RATHBUN-MANAGER
PEOPLES NATURAL GAS CO.
25 MAIN PLACE
COUNCIL BLUFFS IA 51501
RG
PGA

ENTRY # 35
MARK HALLGREN
SUITE 918
MIDWEST PLAZA
MINNEAPOLIS MN 55402
R
PGA

ENTRY # 36
RAYMOND E. O'CONNELL
MINNEGASCO
201 SO. 7TH ST.
MINNEAPOLIS MN 55402
RG
PGA

A NAME B COMPANY C ADDRESS D CITY STZIP E GAS RUL&CO
F ELECTRIC " G PHONE " H RULES MISC I PGA J MISC LISTS

	ENTRY # 37	**ENTRY # 38**	**ENTRY # 39**	**ENTRY # 40**	**ENTRY # 41**
A	LEGAL DEPARTMENT	COLLEEN LAMONT	STEVE MOSES	L. R. KNUDSON	HARTLEY MEDIN
B	IOWA ELECTRIC LIGHT & PO	PEOPLES NATURAL GAS CO.	24 ABBOT AVE. S.W.	INTER-CITY GAS LTD. INC.	WESTERN GAS UTILITIES
C	P. O. BOX 351	2223 DODGE ST.	MADELIA MN 56062	1004 CLOQUET AVE.	3900 WASHINGTON AVE.
D	CEDAR RAPIDS IA 52406	OMAHA NB 68102		CLOQUET MN 55720	MINNEAPOLIS MN 55412
E	RG	RG	R	RG	RG
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	ENTRY # 42	**ENTRY # 43**	**ENTRY # 44**	**ENTRY # 45**	**ENTRY # 46**
A	RICHARD CARLUND	CRAIG R. RAPP	ANDREW C. GIBAS	FRANK SCHLEPPENBACH	MN ELECTRICAL ASSN. I
B	NEW YORK MILLS MUNI. GAS	CLERK-ADMINISTRATOR	9 WEST ROAD	DEPT. OF WATER AND GAS	3100 HUMBOLDT AVE. SO.
C	BOX H	9201 N. LEXINGTON AVE.	CIRCLE PINES MN 55014	414 WEST 1 ST.	MINNEAPOLIS MN 55408
D	NEW YORK MILLS MN 56567	CIRCLE PINES MN 55014		DULUTH MN 55802	
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J					

	ENTRY # 47	**ENTRY # 48**	**ENTRY # 49**	**ENTRY # 50**	**ENTRY # 51**
A	DAVID S. DOUGLAS	LEON BARNIER-GEN. MGR.	B. ZACH-ARVENSEN DONOHO	LEWIS BRADFORD	PAUL IMS
B	OLSON'S POINT	MN RURAL ELECTRIC ASSN.	LUNDEEN HOFF SVINGEN ENG	215 HARRISON ST.	RURAL ROUTE
C	BUFFALO MN 55313	4901 WEST 77TH ST.	125 S. MILL ST.	ANOKA MN 55303	EXHO MN 56237
D		MINNEAPOLIS MN 55435	FERGUS FALLS MN 56537		
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	ENTRY # 52	**ENTRY # 53**	**ENTRY # 54**	**ENTRY # 55**	**ENTRY # 56**
A	WAYNE LANCE-CLERK/TREAS.	MELVIN A. AHONEN-GEN MGR	GARY DEFRIES	DAVE HARTLEY	RICHARD A. VOLLER
B	CITY OF DETROIT LAKES	NORTH PINE ELECTRIC COOP	5800 85TH AVE. NORTH	504 SECOND ST.	885 PRENTICE
C	P. O. BOX 647	FINLAYSON MN 55735	BROOKLYN PARK MN 55443	JACKSON MN 56143	GRANITE FALLS MN 5624
D	DETROIT LAKES MN 56501				
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A NAME B COMPANY C ADDRESS D CITY STZIP E GAS RUL&CO
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	ENTRY # 57	**ENTRY # 58**	**ENTRY # 59**	**ENTRY # 60**	**ENTRY # 61**
A	JOHN T. ANDERSON	RUSSELL F. BERG	CLEARWATER-POLK	PUBLIC UTILITIES COMMIS.	DANIEL R. DUKLET
B	POWER & LIGHT DEPARTMENT	104 NORTH JEFFERSON	UTILITIES	117 NORTH MAINE	SUPERINTENDENT
C	BOX 528	WADENA MN 56482		BAGLEY MN 56621	HALSTAD MN 56548
D	THIEF RVR FALLS MN 56701		BAGLEY MN 56621		
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J					

	ENTRY # 62	**ENTRY # 63**	**ENTRY # 64**	**ENTRY # 65**	**ENTRY # 66**
A	PUBLIC UTILLITIES COMM.	DELANO PUBLIC UTILITIES	DALLAS E. NELSON	EARL LA MAACK	DWANE BRASE
B	120 FIRST ST. N.W.	11 WEST BRIDGE AVE.	BOX 521	P. O. BOX 609	SUPERINTENDENT
C	AITKIN MN 56431	DELANO MN 55328	LITCHFIELD MN 55355	ALEXANDRIA MN 56308	508 SOUTH ST.
D					WASECA MN 56093
E					
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	ENTRY # 67	**ENTRY # 68**	**ENTRY # 69**	**ENTRY # 70**	**ENTRY # 71**
A	LEONARD G. TAUER-SUPT.	ALLEN F. SCHRUPP	ELAINE J. DE BEIER	GENERAL MANAGER	JAMES BIGGAR
B	ALPHA ELECTRIC DEPT.	1604 7 1/2 ST. S.W.	MINNESOTA POWER	BROWN COUNTY RURAL	UTILITY SUPERINTENDENT
C	P. O. BOX 97	WILLMAR MN 56201	30 WEST SUPERIOR ST.	ELECTRIC ASSOCIATION	205 WEST CENTER
D	ALPHA MN 56111		DULUTH MN 55802	SLEEPY EYE MN 56085	LAKE CITY MN 55041
E					
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I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 72	**ENTRY # 73**	**ENTRY # 74**	**ENTRY # 75**	**ENTRY # 76**
A	LOUIS VAN HOUT	JOHN HINNENKAMP-UT.SUPT.	BLUE EARTH LIGHT & WATER	CITY OF WARROAD	ARROWHEAD ELECTRIC COOP
B	1030 E. FOURTH AVE.	MELROSE MUNICIPAL UTIL.	DEPARTMENT	P. O. BOX 50	P. O. BOX 38
C	SHAKOPEE MN 55379	21 WEST MAIN ST.	118 EAST SIXTH ST.	WARROAD MN 56763	LUTSEN MN 55612
D		MELROSE MN 56352	BLUE EARTH MN 56013		
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A NAME B COMPANY C ADDRESS D CITY STZIP E GAS RUL&CD
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	ENTRY # 77	**ENTRY # 78**	**ENTRY # 79**	**ENTRY # 80**	**ENTRY # 81**
A	WATER & LIGHT COMMISSION	BLOOMING PRAIRIE PUBLIC	RAY LITCHKE	EUGENE P. SULLIVAN	RONALD J. STECKMAN
B	P. O. BOX 418	UTILITIES	P. O. BOX 658	900 EAST KRAFT DR.	FREEBORN-MOWER ELEC.COOP
C	MOOSE LAKE MN 55767	P. O. BOX 55	GRAND RAPIDS MN 55744	MELROSE MN 56352	BOX 611
D		BLOOMING PRAIRIE MN55917			ALBERT LEA MN 56007
E					
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I	PGA	PGA	PGA	PGA	PGA
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	ENTRY # 82	**ENTRY # 83**	**ENTRY # 84**	**ENTRY # 85**	**ENTRY # 86**
A	ELMER LALLI	DEAN AMO	J. W. REICHEL-CITY CLERK	RON SCHULER	AGRALITE COOPERATIVE
B	WATER & LIGHT DEPARTMENT	BOX 230	CITY OF FAIRFAX	2526 SEVENTH AVE.	EAST HIGHWAY 12
C	P. O. BOX 373	AITKIN MN 56430	112 S.E. FIRST ST.	NORTH ST. PAUL MN 55109	BENSON MN 56215
D	BRAINERD MN 56401		FAIRFAX MN 55332		
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	ENTRY # 87	**ENTRY # 88**	**ENTRY # 89**	**ENTRY # 90**	**ENTRY # 91**
A	TRAVERSE ELECTRIC COOP.	SOUTHWESTERN MINNESOTA	C. G. WEBER	KASOTA ELECTRIC DEPT.	GOODHUE COUNTY COOP
B	P. O. BOX 66	COOPERATIVE ELECTRIC	207 E. FOURTH ST.	P. O. BOX 218	ELECTRIC ASSOCIATION
C	WHEATON MN 56296	P. O. BOX 431	REDWOOD FALLS MN 56283	KASOTA MN 56050	224 MAIN ST.
D		PIPESTONE MN 56164			ZUMBROTA MN 55992
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I	PGA	PGA	PGA	PGA	PGA
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	ENTRY # 92	**ENTRY # 93**	**ENTRY # 94**	**ENTRY # 95**	**ENTRY # 96**
A	GERALD MOE	DON BRANDT	JOHN A. COBB-GEN MGR	MCLEOD COOP POWER ASSN.	HENRY E. HOLM
B	ELECTRICAL SUPT.	PEOPLES COOP POWER	ROCHESTER PUBLIC UTIL.	1231FORD AVE.	CARLTON COUNTY COOP PWR
C	212 CENTRAL AVE.	P. O. BOX 1039	P.O.BOX 6057	GLENCOE MN 55336	KETTLE RIVER MN 55757
D	BUFFALO MN 55313	ROCHESTER MN 55901	ROCHESTER MN 55901		
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A NAME B COMPANY C ADDRESS D CITY STZIP E GAS RUL&CO
F ELECTRIC " G PHONE " H RULES MISC I PGA J MISC LISTS

	ENTRY # 97	**ENTRY # 98**	**ENTRY # 99**	**ENTRY # 100**	**ENTRY # 101**
A	AL SUTHENLAND	WELLS ELECTRIC ASSN.	M. D. HENTGES	JAMES B. SANDEEN-SUPT.	DAVID P. LARSON-GEN MGR
B	P. O. BOX 86	P. O. BOX 156	LE SUEUR MUNICIPAL UTIL.	ST.PETER MUNICIPAL UTIL.	WRIGHT-HENNEPIN COOP.ELE
C	LAKE CITY MN 56055	WELLS MN 56097	228 NORTH MAIN ST.	BOX 299	MAPLE LAKE MN 55358
D			LE SUEUR MN 56058	ST. PETER MN 56082	
E					
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	ENTRY # 102	**ENTRY # 103**	**ENTRY # 104**	**ENTRY # 105**	**ENTRY # 106**
A	PUBLIC UTILITIES COMM.	CHESTER RINDELS	THOMAS MC CAULEY	MANAGER	EARL L. JOHNSON-GEN MGR
B	CITY OF GRAND MARAIS	CITY SUPERVISOR	BOX 779	P.K.M. ELECTRIC COOP	TRI-COUNTY ELECTRIC COOP
C	GRAND MARAIS MN 55604	PRESTON PUBLIC UTILITIES	MOORHEAD MN 56560	BOX 108	RUSHFORD MN 55971
D		PRESTON MN 55965		WARREN MN 56762	
E					
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	ENTRY # 107	**ENTRY # 108**	**ENTRY # 109**	**ENTRY # 110**	**ENTRY # 111**
A	ANDREW E. ANDERSON	CITY OF BROWNTON	CROW WING COOP POWER	RON KENNEDY-MANAGER	L. H. BRAKEL-GEN MGR
B	OTTER TAIL POWER COMPANY		AND LIGHT	RED LAKE ELECTRIC COOP.	RED RVR VALLEY COOP PWR.
C	215 SOUTH CASCADE ST.	BROWNTON MN 55312	P. O. BOX 507	RED LAKE FALLS MN 56750	HALSTAD MN 56548
D	FERGUS FALLS MN 56537		BRAINERD MN 56401		
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	ENTRY # 112	**ENTRY # 113**	**ENTRY # 114**	**ENTRY # 115**	**ENTRY # 116**
A	RAY LARSEN	DOUGLAS E. WALLACE-MGR.	CITY OF WHALEN	DON ANDERSON	C. W. PETERSON
B	902 BEE ST.	NOBLES COOP ELECTRIC		BELTRAMI ELECTRIC COOP	BOX W
C	PROCTOR MN 55810	P. O. BOX 70	WHALEN MN 55986	BOX 488	PELICAN RAPIDS MN 56572
D		WORTHINGTON MN 56187		BEMIDJI MN 56601	
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A NAME B COMPANY C ADDRESS D CITY STZIP E GAS RUL&CO
F ELECTRIC " G PHONE " H RULES MISC I PGA J MISC LISTS

	ENTRY # 117	**ENTRY # 118**	**ENTRY # 119**	**ENTRY # 120**	**ENTRY # 121**
A	DAWN SHERMAN O'NEILL	TOM JUNNILA	THOMAS J. STEARNS	EDWARD STARR-CTY ATTNY.	MARVIN J. JOHNSON
B	SUTHERLAND ASBILL &	5248 ZENITH AVE.	ATTORNEY AT LAW	647 CITY HALL-COURTHOUSE	718 N. HIGHWAY
C	1666 K ST. N.W.--BRENNAN	MINNEAPOLIS MN 55410	814 MANOMIN AVE.	15 W. KELLOGG BLVD.	JACKSON MN 56143
D	WASHINGTON D.C. 20006		ST. PAUL MN 55107	ST. PAUL MN 55102	
E					R
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G					R
H			ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 122	**ENTRY # 123**	**ENTRY # 124**	**ENTRY # 125**	**ENTRY # 126**
A	HUTCHINSON UTILITIES COM	CITY CLERK'S OFFICE	AL ROSS	LYON-LINCOLN ELECT COOP	MENNO MENNENGA
B	225 MICHIGAN ST.	444 NINTH ST.	6356 WARE ROAD	BOX 639 W. HIGHWAY 14	14 NO. MARSHALL AVE.
C	HUTCHINSON MN 55350	WINDOM MN 56101	LINO LAKES MN 55014	TYLER MN 56178	SPRINGFIELD MN 56087
D					
E					R
F	R	R	R	R	R
G			R		
H	GE		EP		GE
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 127	**ENTRY # 128**	**ENTRY # 129**	**ENTRY # 130**	**ENTRY # 131**
A	D. H. LOGUE	NORM SCHROEDER	BURLINGTON NORTHERN INC.	LOREN I. REID-SUPT.	R. G. KIRKHAM-EXEC. DIR.
B	SUPT. OF UTILITIES	CITY ADMINISTRATOR	LAW DEPARTMENT	LIGHT & POWER COM	MN MUNICIPAL UTIL. ASSN.
C	130 SECOND AVE. N.W.	611 IOWA AVE.	176 EAST FIFTH ST.	305 ELEVENTH ST. EAST	P. O. BOX B
D	SLEEPY EYE MN 56085	STAPLES MN 56379	ST. PAUL MN 55101	GLENCOE MN 55336	BUFFALO MN 55313
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I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 132	**ENTRY # 133**	**ENTRY # 134**	**ENTRY # 135**	**ENTRY # 136**
A	TED C. ODENWALD-GEN.MGR.	N.E. DIETRICH-SUPT.	VIRGIL C. ANDERSON	D. H. BUSWELL-PRESIDENT	MICHAEL D. CASPER
B	MUNICIPAL UTILITIES COMM	AUSTIN UTILITIES	MORA MUNICIPAL UTILITIES	INTERSTATE POWER COMPANY	203 NO. FIFTH ST.
C	P. O. BOX 937	P. O. BOX 368	16 NORTH LAKE ST.	1000 MAIN ST.	BRECKENRIDGE MN 56520
D	WILLMAR MN 56201	AUSTIN MN 55912	MORA MN 55051	DUBUQUE IA 52001	
E	R	R	R	RG	R
F	R	R	R	RE	R
G					
H	GE	GE	GE	GE	GE
I	PGA	PGA	PGA	PGA	PGA
J					

A NAME B COMPANY C ADDRESS D CITY STZIP E GAS RUL&CO
F ELECTRIC " G PHONE " H RULES MISC I PGA J MISC LISTS

	ENTRY # 137	**ENTRY # 138**	**ENTRY # 139**	**ENTRY # 140**	**ENTRY # 141**
A	WENDY BORSHEIM	JOHN G. HORNER	STATE REGULATORY DIV.	PHILIP W. GETTS-DAYTON	CLEMENT F. SPRINGER JR.
B	MN RETAIL MERCHANTS ASSN	MN MULTI HOUSING ASSN.	FEDERAL-STATE REPORTS	HERMAN GRAHAM & GETTS	39 SO. LASALLE-ROOM 1120
C	180 METRO SQUARE BLDG.	3100 W. LAKE ST.	5203 LEESBURG PIKE-1201	TEN S. FIFTH ST-STE 930	CHICAGO IL 60603
D	ST. PAUL MN 55101	MINNEAPOLIS MN 55416	FALLS CHURCH VA 22041	MINNEAPOLIS MN 55401	
E	R	R	R	R	R
F	R	R	R	R	R
G	R		R		
H	ALL	GE	ALL	GE	GE
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 142	**ENTRY # 143**	**ENTRY # 144**	**ENTRY # 145**	**ENTRY # 147**
A	R. L. LEACH-MGR-RATE DEP	MATILDA HOWARD	R. A. FORBES	JUDY KARON	JOANN FORD-MSE
B	INTERSTATE POWER COMPANY	222 GRAIN EXCHANGE BLDG.	THE PRINDEN CORPORATION	RAMSEY COUNTY BOARD	FAM. SRV. OF ST. CROIX
C	1000 MAIN ST.	323 FOURTH AVE.	301 E. 57TH ST.	316 COURT HOUSE	216 MYRTLE ST.
D	DUBUQUE IA 52001	MINNEAPOLIS MN 55415	NEW YORK NY 10022	ST. PAUL MN 55102	STILLWATER MN 55082
E	RG	R	R	R	R
F	RE	R	R	R	R
G		R			R
H	GE	ALL	GE	GE	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 148	**ENTRY # 149**	**ENTRY # 150**	**ENTRY # 151**	**ENTRY # 152**
A	OTTERTAIL-WADENA COMM.	KEVIN C. JONES	WAKX AM-FM	RICHARD O. JOHNSON	GERALD L. MAHON-DIRECTOR
B	ACTION COUNCIL	GEO. A. HORMAL & COMPANY	419 W. MICHIGAN ST.	9457 COLUMBUS AVE. SO.	WATER UTILLITY
C	BOX L	P. O. BOX 900	DULUTH MN 55802	MINNEAPOLIS MN 55420	CITY HALL
D	NEW YORK MILLS MN 56567	AUSTIN MN 55912			ST. CLOUD MN 56301
E	R	R	R	R	R
F	R	R	R	R	R
G			R	R	
H	GE	GE	ALL	ALL	GE
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 153	**ENTRY # 154**	**ENTRY # 155**	**ENTRY # 156**	**ENTRY # 157**
A	CITY OF ROSEMOUNT	CITY ADMINISTRATOR	KENNETH L. GEBERT	W. C. VIITALA-DIR-PUB AF	W. JOHN LICKE-GEN COUNS.
B	P. O. BOX 455	CITY OF MAPLE GROVE	300 PUBLIC HEALTH BLDG.	HONEYWELL INC.	BLANDIN PAPER COMPANY
C	ROSEMOUNT MN 55068	9401 FERNBROOK LANE	250 SO. FOURTH ST.	HONEYWELL PLAZA MN125215	114 FIRST ST. S.W.
D		MAPLE GROVE MN 55369	MINNEAPOIS MN 55415	MINNEAPOLIS MN 55408	GRAND RAPIDS MN 55744
E	R				R
F	R	R	R	R	R
G	R	R	R		
H	ALL	EP	EP		GE
I	PGA	PGA	PGA	PGA	PGA
J					

A NAME B COMPANY C ADDRESS D CITY STZIP E GAS RUL&CO
F ELECTRIC " G PHONE " H RULES MISC I PGA J MISC LISTS

	ENTRY # 158	**ENTRY # 159**	**ENTRY # 160**	**ENTRY # 161**	**ENTRY # 162**
A	A. L. FOOLER	JOSEPH A. VUMBACO-P.E.	RICHARD HAUBENSAK	MINNESOTA LP GAS ASSN.	BERDETTE BOYUM
B	MINNEGASCO	19TH ST. & SIXTH AVE.	PEOPLES NATURAL GAS CO.	7515 WAYZATA BLVD	ROOM 300-PUBL HEALTH CTR
C	201 SO. 7TH ST.	HIBBING MN 55746	25 MAIN PLACE	SUITE 101	250 SO. FOURTH ST.
D	MINNEAPOLIS MN 55402		COUNCIL BLUFFS IA 51501	MINNEAPOLIS MN 55426	MINNEAPOIS MN 55415
E	RG	R	RG		R
F	RE	R		R	R
G					
H	GE	GE	ALL		GE
I	PGA	PGA	PGA	PGA	PGA
J			W		

	ENTRY # 163	**ENTRY # 164**	**ENTRY # 165**	**ENTRY # 166**	**ENTRY # 167**
A	DAVID J. THERKELSEN	LAWRENCE C. WARE-GEN MGR	ELIZABETH SCHMIDT	WINFIELD FOROBERG	MICHAEL L. JOHNSON
B	100 SOUTH ROBERT ST.	GARDEN VALLEY TELEPHONE	CITY CLERK	518 SUMMIT AVE.	117 WEST FIFTH ST.
C	ST. PAUL MN 55107	COMPANY	1015 SECOND AVE.	NEW ULM MN 56073	BLUE EARTH MN 56013
D		ERSKINE MN 56535	MOUNTAIN LAKE MN 56159		
E	R		R		
F	R	R	R		
G			R	R	R
H	GE	EP	ALL		
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 168	**ENTRY # 178**	**ENTRY # 179**	**ENTRY # 180**	**ENTRY # 181**
A	CARL W. CUMMINS III	GORDON BRECZINSKI	ORBIN A. HOLT-SEC/TREAS	TOBEY LAPAKKO	LONI KEMP
B	MINNEGASCO	ROUTE 1 BOX 162	PEOPLES TELEPHONE CO INC	1671 S. VICTORIA RD.	THE MINNESOTA PROJECT
C	201 SO. 7TH ST.	MARSHALL MN 56258	BIGFORK MN 56628	ST. PAUL MN 55118	618 E. 22ND ST.
D	MINNEAPOLIS MN 55402				MINNEAPOLIS MN 55404
E	RG	R	R	R	R
F	RE	R	R	R	R
G		R	R	R	R
H	GE	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 182	**ENTRY # 183**	**ENTRY # 184**	**ENTRY # 185**	**ENTRY # 186**
A	MARY WILLIAMS	WILLIAM BRUMMER-EXEC DIR	ROCK COUNTY AUDITOR	JEFF MUEHLER-OFFICE MGR.	FRED R. MCCOMB
B	618 E. 22ND ST.	TRI-VALLEY OPPORTUNITY	P. O. BOX 100	P. O. BOX 410-203 N. 5TH	327 W. MINNEHAHA PKWY.
C	MINNEAPOLIS MN 55404	114 S. MAIN	LUVERNE MN 56156	BRECKENRIDGE MN 56520	MINNEAPOLIS MN 55419
D		CROOKSTON MN 56716			
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

A NAME B COMPANY C ADDRESS D CITY STZIP E GAS RUL&CO
F ELECTRIC " G PHONE " H RULES MISC I PGA J MISC LISTS

	ENTRY # 187	**ENTRY # 188**	**ENTRY # 189**	**ENTRY # 190**	**ENTRY # 191**
A	JEAN DAWSON-EDITOR	KRIS MONTEITH	MPLS ASSN OF BLDG OWNERS	ART SWANSON TRUCKING INC	JIM MCGILL
B	MINNESOTA GOV'T REPORT	S&PA REPORTING SRVS INC	AND MANAGERS INC.	ROUTE 2 BOX 134	BI-COUNTY CAC
C	B-12 PRESS ROOM	1101 15TH ST NW-STE 204	927 SOO LINE BLDG.	MCINTOSH MN 56556	BOX 553
D	STATE CAPITOL BLDG.	WASHINGTON DC 20005	MINNEAPOLIS MN 55402		BEMIDJI MN 56601
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 192	**ENTRY # 193**	**ENTRY # 194**	**ENTRY # 195**	**ENTRY # 196**
A	GREG MANGOLD	LEGISLATIVE REFERENCE	LEGISLATIVE REFERENCE	LEGISLATIVE REFERENCE	ROBERT LOCKYEAR
B	CARVER COUNTY COURTHOUSE	LIBRARY	LIBRARY	LIBRARY	14900-61ST ST. NORTH
C	CHASKA MN 55318	ROOM 111 STATE CAPITOL	ROOM 111 STATE CAPITOL	ROOM 111 CAPITOL BLDG.	STILLWATER MN 55082
D		ST. PAUL MN 55155	ST. PAUL MN 55155	ST. PAUL MN 55155	
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 197	**ENTRY # 198**	**ENTRY # 199**	**ENTRY # 200**	**ENTRY # 201**
A	DAVID FADNESS	MICHAEL MOORE	TODD P. YOUNG-EXEC DIR	RICHARD P. ROMEO	COUNTY AUDITOR
B	R. R.	NW REG. DEVELOPMENT COMM	ST. PAUL FOOD RETAILERS	ONE CANAL PLAZA	COURTHOUSE
C	RUTHTON MN 56170	426 WOODLAND AVE.	555 WABASHA	PORTLAND MAINE 04112	BAGLEY MN 56621
D		CROOKSTON MN 56716	ST. PAUL MN 55102		
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 202	**ENTRY # 203**	**ENTRY # 204**	**ENTRY # 205**	**ENTRY # 206**
A	VERN INGVALSON	ARCHIE WILCOX	CLARENCE SPRAGUE-ENGIN.	RICHARD RAMBERG-EXEC DIR	MRS. JUDY AREL
B	MN FARM BUREAU FED.	MINNESOTA SENIOR FEDERA.	GREEN GIANT COMPANY	STATE COUN. HANDICAPPED	BOISE CASCADE CORP.
C	P. O. BOX 43370	836 N. 42ND AVE. W.	LESUEUR MN 56058	208 METRO SQUARE BLDG.	P. O. BOX 1310
D	ST. PAUL MN 55164	DULUTH MN 55807		ST. PAUL MN 55101	INT'L FALLS MN 56649
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J		C			

A NAME B COMPANY C ADDRESS D CITY STZIP E GAS RUL&CO
F ELECTRIC " G PHONE " H RULES MISC I PGA J MISC LISTS

ENTRY # 207
A BLUE CARSTENSON
B 3548 HOLMES SO.
C MINNEAPOLIS MN 55408
D
E R
F R
G R
H ALL
I PGA
J

ENTRY # 208
FRED E. ISHAM JR.
BOX 603
NETT LAKE MN 55772

R
R
R
ALL
PGA

ENTRY # 209
ROBERT F. STEPHENS
25 MAIN PLACE
COUNCIL BLUFFS IA 51501

R
R
R
ALL
PGA

ENTRY # 210
PAUL N. HECKT-SAAG
1100 BREMER BLDG.
ST. PAUL MN 55101

R
R
R
ALL
PGA

ENTRY # 211
GREG FERN
SETTER LEACH & LINDSTROM
1011 NICOLLET MALL
MINNEAPOIS MN 55403
R
R
R
ALL
PGA

ENTRY # 212
A EARL H. TAYLOR-CLERK
B CITY OF INDEPENDENT
C 1790 COUNTY ROAD 90
D MAPLE PLAIN MN 55359
E R
F R
G R
H ALL
I PGA
J

ENTRY # 213
JEREMY LANE-LEGAL AID
222 GRAIN EXCHANGE BLDG.
323 FOURTH AVE. SO.
MINNEAPOLIS MN 55415
R
R
R
ALL
PGA

ENTRY # 214
JUDSON KENYON-EXEC DIR
SCOTT-CARVER ECON. COUNC
6TH & OAK
CARVER MN 55315
R
R
R
ALL
PGA

ENTRY # 215
GARY PLOTZ
37 WASHINGTON AVE.
HUTCHINSON MN 55350

R
R
R
ALL
PGA

ENTRY # 216
PHILIP,J. CLAUSEN
2307 STANDISH ST.
ST. PAUL MN 55108

R
R
R
ALL
PGA

ENTRY # 217
A EXECUTIVE DIRECTOR
B ARROWHEAD REG DEV COMM.
C 200 ARROWHEAD PLACE
D DULUTH MN 55802
E R
F R
G R
H ALL
I PGA
J

ENTRY # 218
WARREN SCHMIDT
INDEPENDENT DISTRICT #78
GARDEN CITY MN 56034

R
R
R
ALL
PGA

ENTRY # 219
JOHN H. ALLERS
7501 2ND AVE. SO.
RICHFIELD MN 55423

R
R
R
ALL
PGA

ENTRY # 220
GRAHAM R. UZLIK
COUNTY AUDITOR
COURT HOUSE
AUSTIN MN 55912
R
R
R
ALL
PGA

ENTRY # 221
WAYNE R. CARLSON
126 NO. MARSHALL AVE.
LITCHFIELD MN 55355

R
R
R
ALL
PGA

ENTRY # 222
A PAUL FARSETH-SYSTEMS
B STATE WELFARE DEPT.
C BOX 43170
D ST. PAUL MN 55164
E R
F R
G R
H ALL
I PGA
J

ENTRY # 223
RICHARD HOLTAN
COUNTY AUDITOR
MANTORVILLE MN 55955

R
R
R
ALL
PGA

ENTRY # 224
ROBERTO M. FEDERIGAN
BUREAU OF NAT'L AFFAIRS
1231-25TH ST. NW-RM 650
WASHINGTON DC 20037
R
R
R
ALL
PGA

ENTRY # 225
CHARLES,F. GOSEN
COUNTY AUDITOR
BOX 808
BAUDETTE MN 56623
R
R
R
ALL
PGA

ENTRY # 226
JAMES J. RYAN
2208 CENTRAL TRUST TOWER
CINCINNATI OH 45202

R
R
R
ALL
PGA

A NAME B COMPANY C ADDRESS D CITY STZIP E GAS RUL&CO
F ELECTRIC " G PHONE " H RULES MISC I PGA J MISC LISTS

	ENTRY # 227	**ENTRY # 228**	**ENTRY # 229**	**ENTRY # 230**	**ENTRY # 231**
A	JEANNE FREEBERG	G & T TRUCKING COMPANY	CATHERINE SHERWOOD	JOEL BENNETT	JAMES JACK
B	C/O CENTRAL COMM. INC.	RT. 1-CTY RD 2 & 135 SO.	COUNTY AUDITOR	ST. PAUL UNION STOCKYARD	DEPT. OF REC. & P.A.
C	112 N. OAK	ELKO MN 55020	BOX 496	SO. ST. PAUL MN 55075	MANKATO STATE UNIVERSITY
D	OWATONNA MN 55060		WINONA MN 55987		MANKATO MN 56001
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 232	**ENTRY # 233**	**ENTRY # 234**	**ENTRY # 235**	**ENTRY # 236**
A	AGNES ENGELBRECHT	DAVID LOCH-EXEC. DIR.	F. R. (DICK) KADRIE	ROBERT DE LA VEGA	CROW WING CONCERNED
B	R. 4 BOX 358	REG. 5 REG. DEVELOP COMM	657 BURR ST.	CITIZENS LEAGUE	CITIZENS
C	ALEXANDRIA MN 56308	611 IOWA AVE.	ST. PAUL MN 55101	84 S. 6TH ST.	1216 S. 6TH ST.
D		STAPLES MN 56479		MINNEAPOIS MN 55402	BRAINERD MN 56401
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 237	**ENTRY # 238**	**ENTRY # 239**	**ENTRY # 240**	**ENTRY # 241**
A	COUNTY ADMINISTRAT ION	REV. DONALD GRUMMERT	GORDON FORBES-COUNSEL	CHARLES KROEGER	JAY MYSTER
B	POLK COUNTY COURTHOUSE	1435 ADAMS ST.	MINN. RAILROADS ASSN.	QSS	215 SOUTH CASCADE ST.
C	CROOKSTON MN 56716	MINNEAPOLIS MN 55413	303 HANOVER BLDG-480 CED	P. O. BOX 838	FERGUS FALLS MN 56537
D			ST. PAUL MN 55101	FARIBAULT MN 55021	
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 242	**ENTRY # 243**	**ENTRY # 244**	**ENTRY # 245**	**ENTRY # 246**
A	JOYCE PESCH-EXEC. DIR.	HALVOR LACHER-EXEC DIR	LIBRARY	JAMES C. SHIPMAN	TOM POLANSKY
B	W. CENTRAL MN COM ACTION	SEMCAC INC BOX 549	BRIGGS & MORGAN	ASSN. OF MINN. COUNTIES	RENVILLE CTY COURTHOUSE
C	BOX 3026	RUSHFORD MN 55971	2200 1ST NATL BANK BLDG	2305 FORD PKWY.	OLIVIA MN 56277
D	ELBOW LAKE MN 56531		ST. PAUL MN 55101	ST. PAUL MN 55118	
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

A NAME B COMPANY C ADDRESS D CITY STZIP E GAS RUL&CO
F ELECTRIC " G PHONE " H RULES MISC I PGA J MISC LISTS

	ENTRY # 247	**ENTRY # 248**	**ENTRY # 249**	**ENTRY # 250**	**ENTRY # 251**
A	NHRAC	DIRECTOR	JOHN G. HORNER	THOMAS M. POLT-ATTORNEY	MN ASSN. OF COOPERATIVES
B	3231 - 1ST AVE. SO.	DEVELOP. DISAB. PLANNING	MINN.MULTI HOUSING ASSN.	MCCARTHY BLDG.	55 SHERBURNE AVE.
C	MINNEAPOLIS MN 55408	200 CAPITOL SQUARE BLDG.	3100 WEST LAKE ST.	EYOTA MN 55934	ST. PAUL MN 55103
D		ST. PAUL MN 55101	MINNEAPOLIS MN 55416		
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 252	**ENTRY # 253**	**ENTRY # 254**	**ENTRY # 255**	**ENTRY # 256**
A	MINN. MASONRY INSTITUTE	MCAA	DAVID M. GRINB	CHUCK WESTIN	HAL MARSOLAIS-EXEC DIR
B	7851 METRO PKWY. STE.103	239 CITY HALL	CONCORDIA COLLEGE	800 ALLWORTH BLDG.	MN-DAKOTAS RETAIL HDWE.
C	MINNEAPOLIS MN 55420	MINNEAPOLIS MN 55415	MOORHEAD MN 56560	DULUTH MN 55802	3033 EXCELSIOR BLVD.
D					MINNEAPOLIS MN 55437
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 257	**ENTRY # 258**	**ENTRY # 259**	**ENTRY # 260**	**ENTRY # 261**
A	JOHN G. PIDGEON-CITY MGR	MARY ELLEN BOUSKA	MOTOR VEHICLE MFRS ASSN.	DOUGLAS V. MOEN	ROD DANIELSON-FIN. SEC.
B	2215 W. OLD SHAKOPEE RD.	328 W. 6TH ST.	411 MAIN ST. (215)	HOUSTON COUNTY AUDITOR	LOCAL UNION NO. 87
C	BLOOMINGTON MN 55431	MINNEAPOLIS MN 55402	ST. PAUL MN 55102	CALEDONIA MN 55921	411 MAIN ST.-SUITE 210
D					ST. PAUL MN 55102
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 262	**ENTRY # 263**	**ENTRY # 264**	**ENTRY # 265**	**ENTRY # 266**
A	FLORENCE HALLBERG-CLERK	JAYNE BERG	PHILLIPS LEGISLATIVE SRV	CITY DESK	LUKE MARKVE
B	CITY OF EDINA	NEW CONNECTION PROGRAMS	459 RICE ST.	MINNEAPOLIS TRIBUNE	WRIGHT CO. C.A.
C	4801 W. 50TH ST.	73 LEECH ST.	ST. PAUL MN 55103	425 PORTLAND AVE.	P. O. BOX 39
D	EDINA MN 55424	ST. PAUL MN 55102		MINNEAPOLIS MN 55488	WAVERLY MN 55390
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

A NAME B COMPANY C ADDRESS D CITY STZIP E GAS RUL&CO
F ELECTRIC " G PHONE " H RULES MISC I PGA J MISC LISTS

	ENTRY # 267	**ENTRY # 268**	**ENTRY # 269**	**ENTRY # 270**	**ENTRY # 271**
A	EDWARD J. KRANZ-CTY ADM.	BOB HAGEN	LINDA EVEN	DAVID SOLLENBERGER	LAKES & PINES-CAC
B	100 SIBLEY ST.	MINNEAPOLIS TRIBUNE	ANOKA COUNTY FINA. SRVS.	CITY HALL	ENERGY PROGRAMS DEPT.
C	HASTINGS MN 55033	425 PORTLAND AVE.	COURTHOUSE - 3RD FLOOR	4TH & LAFAYETTE ST.	129 WEST FOREST
D		MINNEAPOLIS MN 55488	ANOKA MN 55303	WINONA MN 55987	MORA MN 55051
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 272	**ENTRY # 273**	**ENTRY # 274**	**ENTRY # 275**	**ENTRY # 276**
A	SCOTT G. LARSON	DICK GRABCO-ENERGY DIR.	CRAIG A. WALDRON	R. J. BARTO-PLANT MGR.	CLARENCE E. SCHULTZ
B	139 EAST 1ST AVE.	281 MAIN ST. BOX 157	P. O. BOX 3367	MIDLAND GLASS CO. INC.	MCLEOD COUNTY AUDITOR
C	CAMBRIDGE MN 55008	ZUMBROTA MN 55992	MANKATO MN 56001	P. O. BOX 69	GLENCOE MN 55336
D				SHAKOPEE MN 55379	
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 277	**ENTRY # 278**	**ENTRY # 279**	**ENTRY # 280**	**ENTRY # 281**
A	PATRICIA N. WRIGHT	DWIGHT A. SMITH	SUSAN P. ROBERTSON	CAROL CARLSON-ADMIN ASST	JAMES F. ANDRE-CITY MGR.
B	DAYTON HUDSON CORP.	SENATE RESEARCH	EXECUTIVE DIRECTOR	CITY OF CHAMPLIN	2660 CIVIC CENTER DR.
C	777 NICOLLET MALL	460 STATE OFFICE BLDG.	430 STATE OFFICE BLDG.	1200 HIGHWAY 52	ROSEVILLE MN 55113
D	MINNEAPOLIS MN 55402	ST. PAUL MN 55155	ST. PAUL MN 55155	CHAMPLIN MN 55316	
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 282	**ENTRY # 283**	**ENTRY # 284**	**ENTRY # 285**	**ENTRY # 286**
A	BOB FRANKLIN-CITY EDITOR	MN GOV. ENG. COUNCIL	ELMER WAROLIN	P. J. THORNTON	RICK E. CARTER
B	MINNEAPOLIS TRIBUNE	555 PARK STREET	AUDITOR-TREASURER	IRON RANGE BLDG. TRADES	MN ASSN HEALTH CARE FAC.
C	425 PORTLAND AVE.	ST. PAUL MN 55103	MILLE LACS COUNTY	107 S. 15TH AVE. WEST	2850 METRO DR.-SUITE 429
D	MINNEAPOLIS MN 55488		MILACA MN 56353	VIRGINIA MN 55792	MINNEAPOLIS MN 55420
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

A NAME B COMPANY C ADDRESS D CITY ST ZIP E GAS RUL&CO
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	ENTRY # 287	**ENTRY # 288**	**ENTRY # 289**	**ENTRY # 290**	**ENTRY # 291**
A	UNITED STEELWORKERS OF	WRIGHT COUNTY COMMUNITY	ROBERT W. LARSON	CLARENCE JOHNSON	P. D. BRICK
B	AMERICA	ACTION	P. O. BOX 1096	3615 - 37TH AVE. S.	200 W. SUPERIOR ST.-#811
C	609 PROVIDENCE BLDG.	BOX 39	MINNEAPOLIS MN 55440	MINNEAPOLIS MN 55406	DULUTH MN 55802
D	DULUTH MN 55802	WAVERLY MN 55390			
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 292	**ENTRY # 293**	**ENTRY # 294**	**ENTRY # 295**	**ENTRY # 296**
A	T. J. MANTHEY	BOB FITZGERALD	D. H. STAPH	DONALD PAULEY	ADVOCATE FOR THE BLIND
B	PICKANDS MATHER & CO.	3007 LYNDALE AVE. S.	WESTERN COMMUNITY ACTION	2401 HWY. 10	1821 UNIVERSITY AVE.
C	1100 SUPERIOR AVE. N.E.	MINNEAPOLIS MN 55408	203 W. MAIN-P.O. BOX 246	MOUNDS VIEW MN 55102	ST. PAUL MN 55104
D	CLEVELAND OH 44114		MARSHALL MN 56258		
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 297	**ENTRY # 298**	**ENTRY # 299**	**ENTRY # 300**	**ENTRY # 301**
A	MARVIN B. GOLDBERG	JAMES B. SIMS	F. M. CHRISTIANSEN	RONALD REVNE	LEROY A. VOS
B	875 SUMMIT AVE.	SUITE 204 METRO SQUARE	911 CAPITOL SQUARE BLDG.	COUNTY AUDITOR	2137 BURNS AVE.
C	ST. PAUL MN 55105	ST. PAUL MN 55101	ST. PAUL MN 55101	WATONWAN CTY COURTHOUSE	ST. PAUL MN 55119
D				ST. JAMES MN 56081	
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 302	**ENTRY # 303**	**ENTRY # 304**	**ENTRY # 305**	**ENTRY # 306**
A	MELROY PETERSON	STEVE WIENER	MICHAEL BRADLEY-MNG ATTY	JOHN E. DRAWZ	KENNETH BENESH
B	LAKE COUNTY AUDITOR	P. O. BOX 78	RESIDENTIAL UTILITY DIV.	1100 FIRST NATIONAL BANK	NORMAN CTY COURTHOUSE
C	LAKE CTY. COURTHOUSE	MARSHALL MN 56258	340 BREMER TOWER	MINNEAPOLIS MN 55402	ADA MN 56510
D	TWO HARBORS MN 55616		ST. PAUL MN 55101		
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
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	ENTRY # 307	**ENTRY # 308**	**ENTRY # 309**	**ENTRY # 310**	**ENTRY # 311**
A	MARTHA BALLOU	G. L. KAZIUKEWICZ	GARY L. DICKSON-CITY MGR	MIKE & HELEN MCALISTER	GARY N. SUDDUTH
B	66 E. KING	CHAMPION PACKAGING	CITY OF SHOREVIEW	4295 ELIZABETH LANE	MUL 411 E. 38TH ST.
C	ST. PAUL MN 55107	P. O. BOX 43260	4665 NO. VICTORIA	VADNAIS HEIGHTS MN 55110	MINNEAPOLIS MN 55409
D		ST. PAUL MN 55164	SHOREVIEW MN 55112		
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J	C				

	ENTRY # 312	**ENTRY # 313**	**ENTRY # 314**	**ENTRY # 315**	**ENTRY # 316**
A	OTIS A. LOOSE	JOHN R. LANGAN	HERBERT ANDERSON	CITY OF ST. CHARLES	ALLAN W. NASLUND-AUDITOR
B	AUDITOR - ADMINISTRATOR	COURTHOUSE	418 - 8TH ST. S.	1242 WHITEWATER AVE.	CARLTON CTY COURTHOUSE
C	BROWN COUNTY-P.O.BOX 248	BENSON MN 56215	VIRGINIA MN 55792	ST. CHARLES MN 55972	CARLTON MN 55718
D	NEW ULM MN 56073				
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 317	**ENTRY # 318**	**ENTRY # 319**	**ENTRY # 320**	**ENTRY # 321**
A	DAVID M. MARTIN	SENATE COMMERCE COMM.	DEWAYNE RUBEDOR	SAMUEL W. SHULT	ED SHUKLE-CITY MANAGER
B	OWATONNA PUBLIC UTILITY	ROOM 309 STATE CAPITOL	523 SINCLAIR LEWIS AVE.	CITY CLERK	CITY OF BENSON
C	P. O. BOX 800	ST. PAUL MN 55155	SAUK CENTRE MN 56378	106 E. 1ST ST.	1411 PACIFIC AVE.
D	OWATONNA MN 55060			WINTHROP MN 55396	BENSON MN 56215
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 322	**ENTRY # 323**	**ENTRY # 324**	**ENTRY # 325**	**ENTRY # 326**
A	JOHN W. COOK	KATIE MCWATT	BILL FREEMAN	TOM BRENNER	WAYNE H. OLSON
B	310 E. 3RD ST.	ST. PAUL URBAN LEAGUE	501 S. 1ST ST.	SOCIAL ACTION CENTER	OLSON GUNN & SERAN LTD
C	PARK RAPIDS MN 56470	401 SELBY AVE.	MONTEVIDEO MN 56265	8701 - 36TH AVE. NO.	315 PEAVEY BLDG.
D		ST. PAUL MN 55102		NEW HOPE MN 55427	MINNEAPOLIS MN 55402
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J		C			

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	ENTRY # 395	**ENTRY # 396**	**ENTRY # 521**	**ENTRY # 574**	**ENTRY # 575**
A	MRS. NORINNE MCCARTHY	PETER WYKOFF-DIRECTOR	ORBIN HOLT SECT/TREAS.	STEVE JUREK	KAREN LANGLAND
B	2356 SWAN DR.	METRO SENIOR FEDERATION	BIGFORK VALLEY ELECTRIC	PEOPLES NATURAL GAS CO.	PEOPLES NATURAL GAS CO.
C	MENDOTA HEIGHTS MN 55120	1951 UNIVERSITY AVE.	SERVICE COMPANY	25 MAIN PLACE	P. O. BOX 21-386
D		ST. PAUL MN 55104	BIGFORK MN 56628	COUNCIL BLUFFS IA 51501	EAGAN MN 55121
E	R	R		RG	RG
F	R	R	RE		
G	R	R			
H	ALL	ALL			ALL
I	PGA	PGA	PGA	PGA	PGA
J	C	C			G

	ENTRY # 2	**ENTRY # 9**	**ENTRY # 13**	**ENTRY # 21**	**ENTRY # 22**
A	LLOYD W. CRUM JR.	DEAN LINDSEY	C. WAYNE FOX	A. STRICKER VICE PRES.	F. K. LITTLE-VICE PRES.
B	COMMUNITY UTILITY CO.	IOWA ELECTRIC LIGHT & PO	MONTANA-DAKOTA UTILITIES	GREAT PLAINS NATURAL GAS	INTER-CITY GAS LTD. INC.
C	RACINE MN 55967	I.E. TOWER P.O.BOX 351	400 NORTH FOURTH STREET	105 W. LINCOLN BOX 176	1004 CLOQUET AVE.
D		CEDAR RAPIDS IA 52406	BISMARCK ND 58501	FERGUS FALLS MN 56537	CLOQUET MN 55720
E	RG	RG	RG	RG	RG
F			RE		
G					
H					
I	PGA	PGA	PGA	PGA	PGA
J	W	W	W		

	ENTRY # 327	**ENTRY # 328**	**ENTRY # 329**	**ENTRY # 330**	**ENTRY # 331**
A	JOHN A. KNAPP	PAUL L. STEVENS-PRES.	JEFF BAILL-ESQUIRE	IZAAK WALTON LEAGUE AMER	KAY BONNER NEE
B	1500 MIDWEST PLAZA BLDG.	MANKATO CITIZENS TEL. CO	670 TWIN CITY FED. TOWER	MINNESOTA DIVISION	219 LOGAN PKWY.
C	MINNEAPOLIS MN 55402	221 E. HICKORY ST.	MINNEAPOLIS MN 55402	3255 HENNEPIN AVE-#109	FRIDLEY MN 55432
D		MANKATO MN 56001		MINNEAPOLIS MN 55408	
E	R	R	R	R	R
F	R	R	R	R	R
G	R	RP	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 332	**ENTRY # 333**	**ENTRY # 334**	**ENTRY # 335**	**ENTRY # 336**
A	CITY OF WARREN	JERRY NEPPEL-EAST GRAND	HAROLD STEPPUHN	TOM HEDGES	GARY R. MACOMBER
B	126 WEST JOHNSON	FORKS WATER & LIGHT	P. O. BOX 218	3795 PILOT KNOB ROAD	4344 IDS CENTER
C	WARREN MN 56762	BOX 480	PRINCETON MN 55371	EAGAN MN 55122	MINNEAPOLIS MN 55402
D		E. GRAND FORKS MN 56721			
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J					

	ENTRY # 337	**ENTRY # 338**	**ENTRY # 339**	**ENTRY # 345**	**ENTRY # 346**
A	BURT ASSOCIATES	LEONARD ERICKSON	SAM RUHLE-OAH	JIM MILLER	PAUL MARINCELL
B	P. O. BOX 14299	ENERGY ENG.-PAPER GROUP	400 SUMMIT BANK BLDG.	MPIRG	ANOKA PEOPLES ALLIANCE
C	COLUMBUS OH 43214	BOISE CASCADE CORP.	310 SOUTH FOURTH AVE.	2412 UNIVERSITY AVE. SE	7150 E. RIVER ROAD
D		INT'L FALLS MN 56649	MINNEAPOLIS MN 55415	MINNEAPOLIS MN 55414	FRIDLEY MN 55432
E	R	R	R	R	R
F	R	R	R	R	R
G	R	R	R	R	R
H	ALL	ALL	ALL	ALL	ALL
I	PGA	PGA	PGA	PGA	PGA
J				C	C

	ENTRY # 357	**ENTRY # 377**	**ENTRY # 378**	**ENTRY # 380**	**ENTRY # 390**
A	JIM GRAHAM-CROW WING	KAREN SWENSON	DENISE ANDERSON	ST. PAUL TENANTS' UNION	CENTER FOR LOCAL SELF
B	CONCERNED CITIZENS COUN.	CITY COUNCIL RES. CTR.	ST.PAUL CHAMBER OF COMM.	500 LAUREL	RELIANCE
C	619 POPLAR	7TH FLOOR CITY HALL	701 NO. CENTRAL TOWER	ST. PAUL MN 55102	3302 CHICAGO AVE.
D	CROSBY MN 56441	ST. PAUL MN 55102	ST. PAUL MN 55101		MINNEAPOLIS MN 55407
E	R		R	R	R
F	R		R	R	R
G	R				R
H	ALL		GE	GE	ALL
I	PGA	PGA	PGA	PGA	PGA
J	C	C	C	C	C

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ADMIN 1000 (Rev. 1/78)
SF-00006-01

STATE OF MINNESOTA

Office Memorandum

DEPARTMENT_____

TO : Commissioners
Staff

DATE: March 5, 1984

FROM : Randall D. Young
Executive Secretary

PHONE: _____

SUBJECT: New Toll Free Number

Effective Wednesday you may call back to the office toll free when you are in outstate Minnesota. The number to call is 800-652-9747. When you get the state operator, give her (or him) our account #0441 and that you want to be connected with 296-7124. We can then transfer you to the number you want within the agency.

Thanks.

PRINTED ON RE- 'CLED PAPER

2

Commission Exhibit No. 2
File No. PUC-84-066-AR
5/14/84 Date

RECEIVED
APR 18 1984
ADMINISTRATIVE HEARINGS

STATE OF MINNESOTA

COUNTY OF RAMSEY

CERTIFICATE

In the Matter of the Proposed Adoption of Amendments to the Rules of the Minnesota Public Utilities Commission Governing Automatic Adjustment of Charges

Docket No. G,E-999/R-83-467

I hereby certify that the list of persons, association and other interested groups who have requested, pursuant to Minn. Stat. 14.14 subd. 1, that their names be placed on file with and maintained by the Minnesota Public Utilities Commission for the purpose of receiving notice of the proposed adoption of amendments to rules by this Commission is accurate and complete as of this 26 day of March 1984.

Joyce Y. Petsch

RC/djs

6
Commission Exhibit No. 6
File No. PUC-84-066-PA
5/14/84 Date
RECEIVED
APR 18 1984
ADMINISTRATIVE HEARINGS

(b) Who spends more than $250.00, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, (612) 296-5615.

April 6, 1984

James J. Solem
Executive Director

Rules as Proposed (all new material)

4900.0550 FUNDS.

Subpart 1. Request for funds. A local government that wishes to receive an allocation of funds to make local participation home improvement loans shall submit a request for funds that includes the following items, which may be further described by the agency:

A. a description of the proposed program;

B. a description of the program requirements to be imposed by the local government that are not set forth in parts 4900.0510 to 4900.0570;

C. an analysis of the need for the proposed program in the community;

D. a demonstration of financial feasibility of the proposed program;

E. evidence that an adequate delivery mechanism is available for the proposed program; and

F. the specific funding amount requested and the time period, that is within the maximum time period set by the agency, during which the funds will be expended.

Subp. 2. Deadline for requests for funds. The agency shall give notice that it will accept requests for funds to make local participation home improvement loans from local governments for the period specified by the agency. This period may not be less than 30 days.

4900.0560 ELIGIBLE APPLICATIONS.

An application for a local participation home improvement loan must meet all of the requirements of part 4900.0510.

4900.0570 ELIGIBLE IMPROVEMENTS.

An improvement financed with the proceeds of a local participation home improvement loan must meet all of the requirements of part 4900.0520.

4900.0580 DEFINITION: PERSONS AND FAMILIES OF LOW AND MODERATE INCOME.

For local participation home improvement loans, "persons and families of low and moderate income" means those persons and families whose adjusted income does not exceed 125 percent of the median income for the county in which these projects are located, as determined and adjusted from time to time by the United States Department of Housing and Urban Development, or the income limit for home improvement loans under parts 4900.0510 and 4900.0520, whichever is greater; provided, however, that the maximum adjusted income may not exceed 100 percent of the median income for the county in Minnesota that has the highest median income, as determined and adjusted from time to time by the United States Department of Housing and Urban Development.

Public Utilities Commission

Proposed Rules Governing Automatic Adjustment of Charges

Notice and Order for Hearing

Notice is hereby given that public hearings in the above entitled matter will be held by the Minnesota Public Utilities Commission (the Commission) pursuant to Minn. Stat. § 14.14, Subd. 1, at the following times and locations:

Monday, May 14, 1984, 7:00 p.m., County Service Building, Meeting Room #1, Laurel Street, Brainerd, MN 56401.

Tuesday, May 15, 1984, 7:00 p.m., 715/Large Hearing Room, 7th Floor, American Center Building, St. Paul, MN 55101.

Wednesday, May 16, 1984, 7:00 p.m., Rochester Community College, Cube Room, Highway 14E, Rochester, MN 55904.

The hearing will commence at the designated times and continue until all persons or representatives of associations or other interested groups have had an opportunity to be heard concerning adoption of the proposed amendments to the rules by submitting either oral or written data, statements or arguments.

Authority for the adoption of these amendments is contained in Minn. Stat. §§ 216B.16, Subd. 7 and 216B.08.

The Commission estimates that there will be no cost to local public bodies in the State in connection with implementation of these proposed amendments for the two years immediately following their adoption within the meaning of Minn. Stat. § 14.11, since the rules do not apply to municipal utilities. The Commission has considered pursuant to Minn. Stat. § 14.115 whether these amendments may have an impact on small businesses and has determined that they will not.

The Commission first adopted the above-captioned rules on January 21, 1978. A Notice of Intent to Solicit Outside Opinion regarding this rulemaking was published on December 27, 1982.

The purpose of the proceeding is to determine the need for and reasonableness of the proposed amendments as well as allowing the Commission the opportunity to obtain additional public input on the form and content of the proposed amendments to the rules.

The hearings will be held before Hearing Examiner Phyllis Reha, Office of Administrative Hearings, 400 Summit Bank Building, 310 South 4th Avenue, Minneapolis, Minnesota 55415, telephone 612/341-7611, a hearing examiner appointed by the chief hearing examiner of the State of Minnesota. All parties have the right to be represented by legal counsel, by themselves, or any other representative of their choice, if not otherwise prohibited as the unauthorized practice of law. The hearing will be conducted in accordance with the applicable laws relating to the Commission, the Administrative Procedures Act (Minn. Stat. §§ 14.13-14.20), the Rules of the Office of Administrative Hearings (9 MCAR §§ 2.101-2.113), and the Rules of Practice of the Commission (Minn. Reg. PSC 500-521), to the extent that they have not been superseded by the Rules of the Office of Administrative Hearings.

The above-cited procedural rules are available for inspection at the Office of Administrative Hearings and the Commission, or may be purchased from the State Register and Public Documents Division of the Department of Administration, 117 University Avenue, St. Paul, Minnesota 55155, telephone 612/297-3000.

The cited procedural rules provide generally for the procedural rights and obligations including the right to present evidence and cross examine witnesses, the right to purchase a record or transcript, and the obligation to meet certain time limits.

A copy of the proposed amendments to the rules is attached to this notice and order.

Any interested person will be provided with one copy of the proposed amendments to the rules without charge upon request to Randall D. Young, telephone 612/296-7526. Additional copies will be available at the hearing.

In the interest of efficiency, the Commission requests that any person having comments on or objections to any part of the proposed amendments to the rules submit their comments or objections to the Commission (attention Randall D. Young, Executive Secretary, Docket No. G,E-999/R-83-467) and to Hearing Examiner Reha as soon as possible and preferably prior to May 9, 1984. Any such comments or objections should:

—state concisely and with particularity each portion of the proposed amendments to the rules that the author supports or objects;

—state the basis for the author's support or objection; and

—state any proposed modifications to the proposed amendments to the rules, the author's reasons for those modifications and the basis for those modifications.

Failure to submit such comments or objections prior to the hearings will not prohibit any person from submitting written or oral statements on the record at the hearing.

Notice is hereby given that 25 days prior to the hearing, a statement of need and reasonableness will be available for review at the Commission's offices and at the Office of Administrative Hearings. This statement of need and reasonableness will include a summary of all the evidence and argument which the Commission anticipates presenting at the hearing justifying both the need

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

for and the reasonableness of the proposed amendments to the rules. Copies of the statement of need and reasonableness may be obtained from the Office of Administrative Hearings at a minimal charge.

All persons are advised that no factual information or evidence which is not part of the hearing record shall be considered by the Hearing Examiner or by the Commission in the determination of the above-cited matter. Persons attending the hearings should bring all factual information and evidence bearing on the case which they wish to have included in the record.

At the hearings, the Commission will, through its staffs' written and oral testimony, explain the proposed amendments to the rules and the Commission's reasons for proposing them. Copies of any written testimony and the statement of need and reasonableness will be available at the hearings.

Upon completion of the Commission's presentation, interested persons will be given an opportunity to address questions to the Commission's staff and to submit written and oral statements. It is the Commission's intent and desire that after its staff has completed its presentation, comments and statements be received from interested persons before proceeding to questioning. An opportunity to question the Commission's staff will be afforded all persons upon completion of the exchange of information and comments.

Interested persons who wish to make statements may do so by responding to the Commission's presentation or by offering new information. In addition, interested persons may request the Commission's staff to provide further explanations of any portion of the proposed amendments to the rules if the persons are unclear about the Commission's reasons. All persons making oral statements are subject to questioning by the Commission's staff.

The Commission will respond, in so far as possible, at the hearings to objections and questions presented at the hearing by interested persons. Interested persons may respond with oral or written statements to any new information presented by the Commission. The Commission may also respond to objections or comments in writing after the close of the hearings.

Written material may be submitted and recorded in the hearing record for five working days after the conclusion of the public hearings. Such a comment period may be extended for a period not to exceed 20 calendar days if so ordered by the Hearing Examiner.

Notice: Any person may request notification of the date on which the Hearing Examiner's Report will be available, after which date the Commission may not take any final action on the rules for a period of five working days. Any persons may request notification of the date on which the hearing record has been submitted (or resubmitted) to the Attorney General by the Commission. If you desire to be so notified, you may so indicate at the hearing. After the hearing, you may request notification by sending a written request to the Hearing Examiner (in the case of the Hearing Examiner's Report), or the Commission (in the case of the Commission's submission or resubmission to the Attorney General).

All persons are advised that the proposed amendments to the rules may be modified as a result of the hearing process.

Questions concerning the content or form of the above-entitled amendments to the rules should be directed to Randall D. Young, 780 American Center Building, 160 East Kellogg Boulevard, St. Paul, Minnesota 55101, telephone 612/296-7526. Any questions concerning the conduct of the hearing should be directed to the assigned Hearing Examiner.

M.S. Ch. 10A requires each lobbyist to register with the State Ethical Practices Board within five days after he or she commences lobbying. A lobbyist is defined in M.S. § 10A.01, subd. 11 as any individual:

(a) Engaged for pay or other consideration, or authorized by another individual or association to spend money, who spends more than five hours in any month or more than $250, not including his own travel expenses and membership dues, in any year, for the purpose of attempting or urging others to communicate with public officials; or

(b) Who spends more than $250, not including his own traveling expenses and membership dues, in any year for the purpose of attempting to influence legislative or administrative action by communicating or urging others to communicate with public officials.

The statute provides certain exceptions. Questions should be directed to the Ethical Practices Board, 41 State Office Building, St. Paul, Minnesota 55155, telephone 612/296-5615.

ORDER

1. Hearings shall be held in this proceeding as listed herein.
2. A copy of this Order shall be mailed to all persons who have registered their names with the Commission for that purpose.

3. A copy of this Order and of the proposed amendments to the rules shall be published in the *State Register*.

4. This order shall become effective immediately.

March 26, 1984

By Order of the Commission,
Randall D. Young
Executive Secretary

On February 29, 1984, the Minnesota Public Utilities Commission met and adopted the following resolution:

The Minnesota Public Utilities Commission resolves that Randall D. Young, Executive Secretary of the Commission, is hereby authorized and directed to call a hearing to promulgate amendments to the Commission rules governing automatic adjustment of charges. He is further authorized to perform any acts incidental to promulgating these amendments including signing an Order for Hearing and Notice for Hearing as well as acting or designating other members of the Commission's staff to represent the Commission at all hearings.

Rules as Proposed

7825.2390 PURPOSE.

The purpose of parts 7825.2390 to 7825.3000 is to allow a means by which regulated gas and electric utilities may adjust for increases and decreases in the cost of energy delivered to customers that are different from those costs authorized by the commission in the utility's most recent general rate case. Energy costs included in rate schedules are subject to evidentiary hearings in general rate cases filed by the utility. Proposed energy cost adjustments must be evaluated before billing by the Department of Public Service. Annual evaluation of energy cost adjustments must be made by the Department of Public Service and others as provided for in parts 7825.2390 to 7825.3000.

7825.2400 DEFINITIONS.

Subpart 1. Scope. For the purpose of parts ~~7825.2400~~ 7825.2390 to 7825.3000, the following definitions ~~shall~~ apply.

Subp. 2. Annual sales volume. "Annual sales volume" is the sum of the Mcf ~~or~~, Ccf, or Btu of gas delivered during the most recent 12 months of the 14-month period preceding a change in the city gate rate or end of the heating season for which actual data is available.

Subp. 3. [Unchanged.]

Subp. 4. Base cost. "Base cost" is the peak shaving gas volumes or the cost of fuel consumed in the manufacture of gas or generation of electricity and purchased gas or purchased power in the base period expressed as a cost per kilowatt-hour sold or cost per Mcf ~~or~~, Ccf, or Btu sold.

Subp. 5 to 9. [Unchanged.]

Subp. 10. Cost of fuel consumed in ~~the~~ manufacture of gas; peak shaving gas volumes. "Cost of fuel consumed in the manufacture of gas" or "peak shaving gas volumes" is the withdrawals, during the heating season, from account 151 as defined by the Minnesota uniform system of accounts, class A and B gas utilities. All gas public utilities shall use this definition regardless of class.

Subp. 11. and 12. [Unchanged.]

Subp. 13. Current period. "Current period" is the most recent two-month moving average used by electric utilities in computing an automatic adjustment of charges. Upon approval of the commission, a self-billing utility may use a longer period, not to exceed 12 months, provided that the provision contains a settlement procedure. ~~All electric utilities shall use this definition.~~

Subp. 14. to 17. [Unchanged.]

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

7825.2500 APPLICABILITY AND TYPES OF AUTOMATIC ADJUSTMENT OF CHARGES.

The commission shall permit the filing of rate schedules containing provisions for the automatic adjustment of charges provided ~~such~~ the provisions conform to parts 7825.2600 to 7825.3000. Parts ~~7825.2400~~ 7825.2390 to 7825.3000 ~~shall be~~ are applicable to all classes of public utilities.

Provisions for automatic adjustment of charges ~~shall~~ must encompass:

A. [Unchanged.]

B. Changes in cost resulting from changes in the federally regulated wholesale rate for purchased gas and changes in the cost of fuel consumed in the manufacture of gas or peak shaving gas volumes. This provision is entitled purchased gas adjustment.

7825.2600 ELECTRIC ENERGY ADJUSTMENT.

The computations of the automatic adjustment to charges ~~shall~~ must conform to the procedures set forth below.

The amount of the billing period adjustment to charges ~~shall~~ must be determined by extending Kwh of sales in the billing period by an adjustment per Kwh. The adjustment per Kwh or the amount of the adjustment ~~shall~~ must be stated on the customer's bill to comply with parts 7820.3500 and 7820.3600.

The adjustment per Kwh ~~shall be~~ is the sum of the current period cost of energy purchased and cost of fuel consumed per Kwh less the base cost per Kwh; except that upon commission approval, a utility that purchases at least 75 percent of its annual total Kwh sales may also separately add an additional adjustment per Kwh equal to the difference between the purchased demand cost and the base cost of purchased demand. This purchased demand cost adjustment is to be computed annually for the previous year less the demand base cost per Kwh.

The adjustment to charges ~~shall~~ must be made in the next complete billing period succeeding the determination of the adjustment per Kwh provided the adjustment has been filed as defined by part 7825.2900, subpart 1. The adjustment factor ~~shall~~ must be calculated monthly. Except, upon commission approval, a self-billing utility may calculate the adjustment less frequently but at least annually and ~~must~~ shall provide for a settlement procedure. The adjustment must be applied each month. The adjustment amount ~~shall~~ must be rounded such that the projected recovery is within two percent of the change in total cost.

7825.2700 PURCHASE GAS ADJUSTMENT PROVISION.

The computation of the automatic adjustment to charges ~~shall~~ must conform to the procedures set forth below.

The amount of the billing period adjustment to charges ~~shall~~ must be determined by extending Mcf ~~or~~, Ccf, or Btu sales in the billing period by an adjustment per Mcf ~~or~~, Ccf, or Btu. The adjustment per Mcf ~~or~~, Ccf, or Btu or the amount of the adjustment ~~shall~~ must be stated on the customer's bill to comply with parts 7820.3500 and 7820.3600.

The adjustment per Mcf ~~or~~, Ccf, or Btu is the sum of the commodity adjustment, demand adjustment, peak shaving gas adjustment, and manufactured gas adjustment as computed below:

A. The commodity adjustment is the difference between the commodity cost which results from a change in the city gate rate and the commodity base cost. To properly reflect adjustment per Mcf ~~or~~, Ccf, or Btu billed, the divisor for a particular class of customer must include total sales volume delivered to that class of customer. The adjustment ~~shall~~ must be applied to billings after the effective date of the commodity rate change provided the adjustment has been filed as defined by part 7825.2900, subpart 1.

B. The demand adjustment is the difference between the annual demand cost which results from a change in the city gate rate and the demand base cost. In the event the demand city gate rate does not change, the demand adjustment ~~shall~~ must be recalculated for each 12-month period from the date of the last change. The adjustment ~~shall~~ must be computed on the basis of annual demand sales volume and applied to billings after the effective date of the demand rate change provided the adjustment has been filed as defined by part 7825.2900, subpart 1.

C. The peak shaving adjustment or the manufactured gas adjustment is the difference between the cost of propane ~~and other~~ or fuel consumed in the manufacture of gas during the heating season and the peak shaving or manufactured gas base cost. The peak shaving or manufactured gas adjustment ~~shall~~ must be computed annually for the heating season ending April 30 of each year on the basis of firm annual sales volume adjusted to the extent peak shaving gas or manufactured gas is used to serve interruptible customers. The cost of peak shaving gas or manufactured gas ~~shall~~ must be applied to interruptible customers. The adjustment ~~shall~~ must be applied to billings during the next 12-month period commencing on June 1 of each year provided the adjustment has been filed as defined by part 7825.2900, subpart 1.

Refunds and interest thereon received from the suppliers of purchased gas ~~which~~ that are attributable to the cost of gas previously sold ~~shall~~ must be refunded by credits to bills or check within a period not to exceed 90 days from the date the refund is received from a supplier, provided the refund amount per customer is equal to or greater than five cents. Upon approval of the commission, refunds of less than five cents per customer may be retained by the utility and separately accounted for until such time as the balance, together with additional supplier refunds, produces a refund of five cents or more per customer. Refunds must be made to each customer class on the same basis as previously charged to customers. If a supplier refund cannot be accurately distributed to customers because of seasonal usage patterns, then upon commission approval, refunding may be delayed for a period of up to 12 months. The utility shall add interest to the unrefunded balance at the prime interest rate.

7825.2800 ~~FILING REQUIREMENTS AND APPROVALS FOR ELECTRIC ENERGY AND PURCHASE GAS ADJUSTMENTS~~ ANNUAL REPORTS; POLICIES AND ACTIONS.

All public utilities shall file annually on ~~October 31~~ September 1 of each year the procurement policies for selecting sources of fuel and energy purchased ~~and~~, dispatching policies, if applicable, and a summary of actions taken to minimize cost.

7825.2810 ANNUAL REPORT; AUTOMATIC ADJUSTMENT CHARGES.

By September 1 of each year, all gas and electric utilities shall submit to the commission an annual reporting by month of all automatic adjustment charges for each customer class for the prior year commencing July 1 and ending June 30. This report must include:

A. the commission-approved base cost of fuel or gas as defined by part 7825.2400, subpart 4;

B. billing adjustment amounts, such as Kwh, Mcf, Ccf, or Btu, charged customers for each type of energy cost, such as nuclear, coal, purchased power, purchased gas, peak shaving gas, or manufactured gas;

C. billing adjustment amounts, by gas supplier, that were used to bill the utiltiy during the reporting period;

D. the total cost of fuel or gas delivered to customers;

E. the revenues collected from customers for energy delivered;

F. the amount of supplier refunds received as defined by part 7825.2700; and

G. the amount of refunds credited to customers.

7825.2820 ANNUAL AUDITOR'S REPORT.

By September 1 of each year, all gas and electric utilities shall submit to the commission an independent auditor's report evaluating accounting for automatic adjustments for the prior year commencing July 1 and ending June 30.

7825.30 ANNUAL FIVE-YEAR PROJECTION.

By September 1 of each year, all gas and electric utilities shall submit to the commission a five-year projection of fuel and gas costs by energy source by month for the first two years and on an annual basis thereafter.

7825.2840 ANNUAL NOTICE OF REPORTS AVAILABILITY.

By September 1 of each year, all gas and electric utilities shall provide notice of the availability of the reports defined in parts 7825.2800 to 7825.2830 to all intervenors in the previous two general rate cases.

7825.2850 ANNUAL COMMISSION MEETING.

The commission shall annually conduct a separate meeting to review the automatic adjustment of charges reported herein.

7825.3000 IMPLEMENTATION.

Existing automatic adjustment provisions in effect on the effective date of these rules ~~which~~ that will not result in adjustment amounts materially greater than those determined by parts ~~7825.2400~~ 7825.2390 to 7825.3000 ~~shall~~ continue in effect until the

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated "all new material." ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

commission, upon its own motion or upon complaint, and after appropriate notice and hearing, ~~shall order~~ orders otherwise. Adjustments made pursuant to automatic adjustment provisions in effect on the effective date of these rules which may result in adjustment amounts materially greater than those determined by parts ~~7825.2400~~ 7825.2390 to 7825.3000 ~~shall~~ must be frozen by the utility at the level of charges in effect at the effective date of parts ~~7825.2400~~ 7825.2390 to 7825.3000. The existing level of any such automatic adjustments ~~shall~~, on the effective date of parts ~~7825.2400~~ 7825.2390 to 7825.3000, must be submitted to the Department of Public Service within 30 days.

If existing automatic adjustments of charges are continued under the provision above, then the filing requirements of part 7825.2900, subpart 1 ~~shall~~ apply.

When a utility proposes new or revised electric energy or purchased gas adjustment provisions, the proposal ~~shall be~~ is deemed a change in rates and must be reviewed according to commission rules and practices relating to utility rate changes.

Department of Revenue
Property Equalization Division

Proposed Rules Relating to Certificate of Real Estate Value

Notice of Hearing

Notice is hereby given that on Friday, May 11, 1984, a public hearing on the proposed adoption of rules to be codified as 8110.0100, 8110.0200, 8110.0300, 8110.0400, and 8110.0500 in Minnesota Rules will commence at 9:30 a.m. in the second floor conference room of the Centennial Office Building, 658 Cedar Street, St. Paul, Minnesota. The hearing will continue on additional days, if necessary, at times and places determined during the hearing.

The hearing will be conducted by Hearing Examiner Jon Lunde, Office of Administrative Hearings, 400 Summit Bank Building, 3105 Fourth Avenue, Minneapolis, Minnesota 55415, telephone (612) 341-7645.

The proposed rules will provide the required data elements which must be included on the revised certificate of real estate value. Each certificate must include buyer's and seller's names and addresses, property description and location, along with a statement by the buyer that the information is correct and complete. The Department has proposed that the form must be signed by the buyer, buyer's agent, or buyer's attorney. The present form is not as restrictive in the signature requirements.

Inclusion of financing data will not be required if the property transfer was between related parties, a partial transfer, a trade, a transfer to certain exempt organizations, a forced sale, a transfer to add or delete the name of a co-owner, a gift or inheritance, or to complete a purchase agreement dated more than two years before recording.

Information regarding type of property and future use of the property may be required. Unless the transfer meets certain stated criteria listed in the rules, data regarding total sales price, down payment, new and assumed financing, and personal property must be provided to the Commissioner on the certificate. The rules further provide audit authority and the criteria that county auditors shall use at time of filing.

A free copy of the proposed rules is available by contacting Dorothy McClung, Director of Legal Research, Department of Revenue, Centennial Office Building, St. Paul, Minnesota 55145, telephone (612) 296-1022.

The Department's authority to promulgate these rules is found in Minn. Stat. § 272.115, subd. 1 (1983).

The Department has determined, pursuant to Minn. Stat. § 14.11, subd. 1 (1982), that the new rules will not require local governmental bodies to incur additional expenses.

Notice is hereby given that 25 days prior to the hearing, a statement of need and reasonableness will be available for review at the Department and at the Office of Administrative Hearings. This statement of need and reasonableness will include a summary of all the evidence and argument which the Department anticipates presenting at the hearing justifying both the need for and the reasonableness of the proposed rule or rules. Copies of the statement of need and reasonableness may be obtained from the Office of Administrative Hearings at a minimal charge.

At the hearing the Department will introduce its statement of need and reasonableness and its exhibits. The statement of need and reasonableness and the exhibits will constitute the Department's affirmative presentation in support of the proposed rules. All interested or affected persons will then have an opportunity to participate by asking questions about the rules or the statement of need and reasonableness and by presenting oral and written comments about the proposed rules. Comments are most helpful if the comments identify with particularity each provision of the proposed rules that is supported or objected to and if the comments suggest specific alternative language to what is proposed and provide the reasons and data that support the proposed modifications.

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
400 SUMMIT BANK BUILDING
310 FOURTH AVENUE SOUTH
MINNEAPOLIS, MINNESOTA 55415
(612) 341-7600

July 6, 1984

RECEIVED
JUL 9 1984
MINNESOTA PUBLIC
UTILITIES COMMISSION

Mr. Randall Young
Executive Secretary
Minnesota Public Utilities Commission
Seventh Floor, American Center Building
160 East Kellogg Boulevard
St. Paul, Minnesota 55101

Re: In the Matter of the Proposed Amendments to the Rules of the Minnesota Public Utilities Commission Governing Automatic Adjustment of Charges; OAH Docket No. PUC-84-066-PR; PUC Docket No. G, E-999/R-83-467.

Dear Mr. Young:

Enclosed and served upon you by mail, please find the Report of the Administrative Law Judge and the Report of the Chief Administrative Law Judge in the above-entitled matter. I also enclose the official record, and I am closing our file in this matter.

Sincerely,

Phyllis A. Reha

PHYLLIS A. REHA
Administrative Law Judge

Telephone: 612/341-7611

PAR:vh
Encl.

cc: Karl S. Sonneman
Special Assistant Attorney General

Commrs. Boeller
Young
Hunt

AN EQUAL OPPORTUNITY EMPLOYER

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

AFFIDAVIT OF SERVICE BY U.S. MAIL

Virginia R. Halling, being first duly sworn, hereby deposes and says that on the 6th day of July, 1984, at the City of Minneapolis, county and state aforementioned, she served the attached REPORT OF THE CHIEF ADMINISTRATIVE LAW JUDGE AND THE REPORT OF THE ADMINISTRATIVE LAW JUDGE; OAH Docket No. PUC-84-066-PR and PUC Docket No. G, E-999/R-83-467. by depositing in the United States mail at said City of Minneapolis, a true and correct copy thereof, properly enveloped, with first class postage prepaid, and addressed to the individuals named on the attached mailing list.

Virginia R. Halling
(Signature)

Subscribed and sworn to before me
this 6th day of July, 1984.

Joan H. Bailey
(Notary)

Joan H. Bailey
NOTARY PUBLIC — MINNESOTA
HENNEPIN COUNTY
My commission expires Jan. 19, 1989

HG-00059-01

Mr. Randall Young
Executive Secretary
MN. Public Utilities Commission
Seventh Floor, American Center Bldg.
160 E. Kellogg Boulevard
St. Paul, MN. 55101

Karl S. Sonneman
Special Assistant Attorney General
780 American Center Building
160 E. Kellogg Boulevard
St. Paul, MN. 55101

PUC-84-066-PR
G, E-999/R-83-467

RECEIVED
JUL 9 1984
MINNESOTA PUBLIC
UTILITIES COMMISSION

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Proposed Amendments to the Rules of the Minnesota Public Utilities Commission Governing Automatic Adjustment of Charges

REPORT OF THE CHIEF ADMINISTRATIVE LAW JUDGE

The above-entitled matter came on for review by the Chief Administrative Law Judge pursuant to the provisions of Minn. Stat. § 14.15, subds. 3 and 4 (1983 Supp.), which provide:

> Subd. 3. Finding of substantial change. If the [administrative law judge's] report contains a finding that a rule has been modified in a way which makes it substantially different from that which was originally proposed, or that the agency has not met the requirements of sections 14.13 to 14.18, it shall be submitted to the chief administrative law judge for approval. If the chief administrative law judge approves the finding of the administrative law judge, the chief administrative law judge shall advise the agency and the revisor of statutes of actions which will correct the defects. The agency shall not adopt the rule until the chief administrative law judge determines that the defects have been corrected.
>
> Subd. 4. Need or reasonableness not established. If the chief administrative law judge determines that the need for or reasonableness of the rule has not been established pursuant to section 14.14, subdivision 2, and if the agency does not elect to follow the suggested actions of the chief administrative law judge to correct that defect, then the agency shall submit the proposed rule to the legislative commission to review administrative rules for the commission's advice and comment. The agency shall not adopt the rule until it has received and considered the advice of the commission. However, the agency is not required to delay adoption longer than 30 days after the commission has received the agency's submission. Advice of the commission shall not be binding on the agency.

Based upon a review of the record in this proceeding, the Chief Administrative Law Judge hereby approves the Report of the Administrative Law Judge in all respects.

In order to correct the defects enumerated by the Administrative Law Judge, the agency shall either take the action recommended by the Administrative Law Judge or reconvene the rule hearing if appropriate. If the agency chooses to reconvene the rule hearing, it shall do so as if it is initiating a new rule hearing, complying with all substantive and procedural requirements imposed on the agency by law or rule.

If the agency chooses to take the action recommended by the Administrative Law Judge, it shall, prior to submitting the rules to the Attorney General for review, submit to the Chief Administrative Law Judge a copy of the rules as initially published in the State Register, a copy of the rules as proposed for final adoption in the form required by the State Register for final publication, and a copy of the agency's Findings of Fact and Order Adopting Rules. The Chief Administrative Law Judge will then make a determination as to whether the defects have been corrected and whether the modifications in the rules are substantial changes.

Should the agency make changes in the rules other than those recommended by the Administrative Law Judge, it shall also, prior to submitting the rule to the Attorney General, submit the complete record to the Chief Administrative Law Judge for a review in regard to substantial changes.

Dated: July 6th, 1984.

Duane R. Harves

DUANE R. HARVES
Chief Administrative Law Judge

PUC-84-066-PR
G, E-999/R-83-467

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

In the Matter of the Proposed Amendments to the Rules of the Minnesota Public Utilities Commission Governing Automatic Adjustment of Charges

REPORT OF THE ADMINISTRATIVE LAW JUDGE

The above-entitled matter came on for hearing before Administrative Law Judge Phyllis A. Reha at the following dates and locations:

Monday, May 14, 1984, 7:00 P.M., County Service Building, Meeting Room No. 1, Laurel Street, Brainerd, Minnesota 56401.

Tuesday, May 15, 1984, 7:15 P.M., Large Hearing Room, Seventh Floor, American Center Building, St. Paul, Minnesota 55101.

Wednesday, May 16, 1984, 7:00 P.M., Rochester Community College, Cube Room, Highway 14E, Rochester, Minnesota 55904.

This Report is part of the rule-hearing procedure required by Minn. Stat. §§ 14.01 through 14.28 (1982), to determine whether the proposed amendments to the rules governing automatic adjustment of charges should be adopted by the Minnesota Public Utilities Commission (Commission).

The Commission was represented by Karl S. Sonneman, Special Assistant Attorney General, 780 American Center Building, 160 East Kellogg Boulevard, St. Paul, Minnesota 55101. Also appearing on behalf of the Commission were Harold D. Nicholson, Financial Analyst Principal and Rosellen Condon, Legal Research Analyst, both of 780 American Center Building, 160 East Kellogg Boulevrd, St. Paul, Minnesota 55101.

The hearing register was signed by 49 persons. Fourteen members of the public spoke at the hearing. Twenty two public exhibits were offered and introduced into the record by members of the public. All persons desiring to testify were given an opportunity to do so. The record remained open through June 1, 1984, for the submission of written comments. Seven timely written comments were received from the public prior to the close of the record. In addition, the Agency submitted post-hearing written comments. On June 6, 1984, the record herein finally closed for all purposes.

The Commission must wait at least five working days before taking any final action on the rules; during that period, this Report must be made available to all interested persons upon request.

Pursuant to the provisions of Minn. Stat. § 14.15, subd. 3 (1982), as amended by Minn. Laws 1983, Ch. 210, § 6, this Report has been submitted to the Chief Administrative Law Judge for his approval. If the Chief Administrative Law Judge approves the findings of this Report, he will advise the Commission of actions which will correct the defects and the Commission may not adopt the rule until the Chief Administrative Law Judge determines that the defects have been corrected. However, in those instances where the Chief Administrative Law Judge identifies defects which relate to the issues of need or reasonableness, the Commission may either adopt the Administrative Law Judge's recommendations to cure the defects or, in the alternative, if the Commission does not elect to adopt the recommendations, it may submit the proposed rule to the Legislative Commission to Review Administrative Rules for the Commission's advice and comment. Provisions relating to this submission to the Commission may be found in Minn. Stat. § 14.15, subd. 4 (1982), as amended by Minn. Laws 1983, Ch. 210, § 7.

If the Commission elects to adopt the recommendations of the Administrative Law Judge and makes no other changes and the Chief Administrative Law Judge determines that the defects have been corrected, then the Commission shall submit the rule to the Attorney General for review of form and legality. If the Commission makes changes in the rule other than those recommended by the Administrative Law Judge, then it shall submit the rule, with the complete record, to the Chief Administrative Law Judge for a review of the changes before adopting it and submitting it to the Attorney General. Procedures relating to this subsequent review by the Chief Administrative Law Judge are set forth in Minn. Stat. § 14.16 (1982).

When the Commission submits the rule to the Attorney General, it shall give notice on the day of submission to all persons who requested that they be informed of the submission to the Attorney General.

Based upon all the testimony, exhibits, and written comments, the Administrative Law Judge makes the following:

FINDINGS OF FACT

Procedural Requirements

1. On March 27, 1984, the Commission filed the following documents with the Chief Administrative Law Judge:

(a) A copy of the proposed rules.

(b) The Order for Hearing.

(c) A certificate of the Commission's authorizing resolution.

(d) The Notice of Hearing proposed to be issued.

(e) A statement of the number of persons expected to attend the hearing and estimated length of the Agency's presentation.

2. On April 9, 1984, a Notice of Hearing and a copy of the proposed rules were published at 8 State Register 2214.

3. On March 26, 1984 the Commission mailed the Notice of Hearing to all persons and associations and other interested groups who had registered their names with the Commission for the purpose of receiving such Notice.

4. On April 18, 1984, the Commission filed the following documents with the Administrative Law Judge:

(a) The Notice of Hearing as mailed.

(b) The Commission's certification that its mailing list was accurate and complete.

(c) The Affidavit of Mailing the Notice to all persons on the Commission's mailing list.

(d) A list of the names of Agency personnel who would represent the Commission at the hearing.

(e) A copy of the State Register containing the proposed rules.

(f) A Statement of Need and Reasonableness.

(g) All materials received following a Notice of Intent to Solicit Outside Opinion published at 7 State Register 1000 dated Decenber 27, 1982.

The documents were available for inspection at the Office of Administrative Hearings from the date of filing to the date of the hearing.

5. Written comments were received by the Administrative Law Judge through June 1, 1984, the period having been extended by Order of the Administrative Law Judge to 16 calendar days following the hearing. Pursuant to Minn. Stat. § 14.15, subd. 1 (supp. 1983), the Commission had until 4:30 P.M. on June 6, 1984 to submit a Statement of Agreement with amendments proposed by the public. No Statement of Agreement was filed. The record therefore closed on June 6, 1984.

Effect on Small Businesses

6. Minn. Stat. § 14.115 (supp. 1983) provides, among other things that when an Agency proposes a new rule which might effect small businesses as defined by that section, the Agency shall consider certain methods for reducing the impact of the rule on small businesses. In its Statement of Need and Reasonableness (Commission Ex. 4), the Commission states that utilities are not "small businesses" as defined by § 14.115, subd. 1 because they are dominant in their service area and generally have gross annual sales of $4,000,000.00 or more.

7. Even if some small utilities could be viewed as "small businesses" as that term is defined, establishment of less stringent rules for small businesses would be contrary to the general mandate in Minn. Stat. Ch. 216B (1982) that authorizes the Commission to regulate gas and electric utilities to protect the public interest. Some of the basic tenets of utility

regulations are: utilities are affected with a deep public interest; uitilities are obligated to provide satisfactory service to the entire public on demand; utilities are obligated to charge fair, non-discriminatory rates. A general freedom from substantial direct competition and the opportunity to make a fair return on investments are among the benefits utilities receive from regulation. Given this regulatory scheme, it is clear that the Legislature views utilities differently from other concerns defined as small businesses. The degree of government intervention in the operations of a public utility is considerably higher than other types of businesses. Consequently, the Judge believes that the Commission is exempted by Minn. Stat. § 14.115, subd. 3.

8. The Commission also notes that even if some utilities could be viewed as "small businesses" as that term is defined in Minn. Stat. § 14.115, subd. 1, § 14.115 does not apply to regulated utilities because subd. 7(c) exempts "service businesses" regulated by governmental bodies for standards and costs. The Commission believes that utilities fall within the broad definition of service businesses. Minn. Stat. § 14.115, subd. 7(c) reads as follows:

> Subd. 7. Applicability. This section does not apply to:
>
> * * *
>
> (c) service businesses regulated by government bodies for standards and costs, such as nursing homes, long term care facilities, hospitals, providers of medical care, day care centers, group homes and residential care facilities; . . .

The Administrative Law Judge finds it unnecessary to determine whether utilities fall within the broad definition of "service businesses" for purposes of statutory exemption under this subdivision as the Judge has already found that the regulated utilities are exempted by Minn. Stat. § 14.115, subd. 3. However, the Judge does have some doubts as to whether utilities would be included in the definition of service businesses as that term is used in subd. 7(c).

9. The Commission recognizes in its Statement of Need and Reasonableness, that the automatic adjustment amendments herein proposed will indeed add to the administrative burden of all regulated utilities. However, that added burden is not significant. The new reporting requirments contained in the proposed amendments are not measurably greater than the filings that the utilities are already making for purchased gas adjustments. For the foregoing reasons, the Administrative Law Judge finds that Minn. Stat. § 14.115 (supp. 1983) is not applicable to this rule-making procedure.

10. Even though the Commission believed it was exempt from the provisions of Minn. Stat. § 14.115, it provided direct notification of the rulemaking to all gas utilities, whether large or small as provided in § 14.115, subd. 4(c). The Commission has complied with Minn. Stat. § 14.115 (supp. 1983).

Costs to Local Public Bodies

11. The Commission estimates that there will be no cost to local public

bodies in the State in connection with implementation of the proposed amendments for the two years immediately following their adoption within the meaning of Minn. Stat. § 14.11 since the rules do not apply to municipal utilities. The Judge finds that the Commission has complied with Minn. Stat. § 14.11 (1982).

Nature of the Proposed Rules

12. The above-captioned rule amendments are proposed to amend the Commission's current rules governing automatic adjustment of charges, Minn. Rules, P. 7825.2400 to 7825.3000 (formerly P.S.C. Rules 390-395, January 1, 1978). The proposed changes are intended to incorporate changes in terminology which have occurred since the existing rules were made effective; to provide for the recovery of purchased demand costs of non-generating electric utilities; to allow for the recovery of peak shaving gas costs which was not explicitly provided for in the existing rules; and, to provide additional, comprehensive annual reporting requirements in order to improve the evaluation of the application and the impact of automatic adjustment of charges upon customers and regulated gas and electric utilities.

Statutory Authority

13. The authority of the Commission to adopt the proposed amendments is contained in Minn. Stat. § § 216B.16, subd. 7 and 216B.08 (1982). § 216B.08 is a general grant of authority for the Commission to adopt rules to implement its powers and duties under Minn. Stat. Ch. 216B (1982). § 216B.16, subd. 7 provides:

> Subd. 7. Energy Costs Adjustments. Notwithstanding any other provision of this chapter, the Commission may permit a public utility to file rate schedules containing provisions for the automatic adjustment of charges for public utility service in direct correlation to charges in federally regulated wholesale rates for energy delivered through interstate facilities or fuel used in generation of electricity or the manufacture of gas.

The Commission possesses statutory general rulemaking authority as provided in § 216B.08. The Legislature intended the Commission to administer energy cost adjustments as contained in § 216B.16, subd. 7. The Commission has established a statutory authority to adopt the proposed rule amendments.

Reasonableness of the Proposed Rule Amendments

14. The proposed rule amendments received careful review before and after the hearing. The record demonstrates that the Commission actively solicited comments and opinions on the need to revise the rules and incorporated many of the suggestions it received into the proposed rules. In support of the adoption of the proposed changes, the Commission has prepared a detailed Statement of Need and Reasonableness. (Commission Ex. 4). It supplemented this with an oral presentation at the public hearings. The proposed changes were adequately supported by the oral comments made by the Commission at the

public hearings and in its post-hearing written comments. (Post-hearing comment No. 8). As a result of the Commission's conscientious efforts to review and revise the current rules, many initial defects have been corrected and the rules have attained a high level of refinement.

This Report will not discuss each proposed change. It will focus on those provisions that the Administrative Law Judge or members of the public questioned.

Persons or groups who do find their particular comments addressed in this Report should know that the Administrative Law Judge has read and considered each and every suggestion.

Minnesota Rules, Part 7825.2390, Purpose

15. The Commission's Statement of Purpose as originally published in the State Register read in part as follows:

> ". . . proposed energy cost adjustments must be evaluated before billing by the Department of Public Service. Annual evaluation of energy cost adjustments must be made by the Department of Public Service and others as provided for in pp. 7825.2390 to 7825.3000." (emphasis added)

At each of the public hearings, the Commission's support staff submitted two changes to this section of the Statement of Purpose. In the previous text just cited, "evaluated" was changed to "submitted" and "by" was changed to "to" so that text now reads:

> ". . . proposed energy cost adjustments must be submitted before billing to the Department of Public Service."

These changes were proposed to clarify the Commission's intent and to make this part of the rule internally consistent with the existing unamended Minnesota Rules, P. 7825.2900. In addition, the changes were proposed to respond to several comments by utilities. Northern States Power Company (NSP) in public Exhibit No. 2, Minnesota Power and Light (MP&L) in public Exhibit No. 7 and North Central Public Service Company (North Central) in post-hearing comment number 5 commented that evaluations of energy cost adjustments by the Minnesota Department of Public Service (DPS) before billing would be inconsistent with Minn. Rules, P. 7825.2900 and would create a substantial hardship on utilities. Requiring evaluation by the DPS before billing would make it very difficult for the utility to file its energy cost adjustment in time to allow evaluation by the DPS and a timely implementation of the billing. Furthermore, the current rules do not require evaluation of energy cost adjustments by the DPS before billing. In fact, the current rules state that energy cost adjustments "shall be provisionally approved and may be placed into effect without Commission action". It is therefore appropriate to adopt the proposed change to address the potential for hardship on the utilities and to make the rule internally consistent with the existing and amended Minnesota Rules.

16. The Administrative Law Judge finds that the proposed changes do not result in a rule which is substantially different from that which is published

in the State Register. The modifications lessen the burden on the utilities and as such cannot be said to be changes which cause any hardship to those regulated by the proposed rules without adequate notice.

Minnesota Rules, P. 7825.2400 - Definitions

17. At each of the public hearings, the Commission's support staff introduced a grammatical change to P. 7825.2400, subp. 4. The words "cost of" were implicit in the sentence in order for it to make good sense and accomplish the Commission's intent. To make its intent explicit, the Commission proposes that P. 7825.2400, subp. 4 read as follows:

> Subp. 4. Base Cost. "Base cost" is the cost of peak shaving gas volumes or the cost of fuel consumed in the manufacture of gas or generation of electricity and purchased gas or purchased power in the base period expressed as a cost per kilowatt-hour sold or cost per Mcf, Ccf or Btu sold.

The Administrative Law Judge finds the proposed grammatical change to be needed and reasonable and not a substantial change from the rule as originally published in the State Register.

18. MP&L in Public Exhibit No. 7 commented that the term "energy cost adjustment" as that term is used in the Statement of Purpose is unclear and needs definition. In its post-hearing comments, the Commission disagreed, finding that the terms, cost of energy delivered and cost of energy purchased, have been commonly used since 1975 when the existing rule was first used by gas and electric utilities. Since the use of this term and others is common to all electric utilities, the Commission believes that no definition of the term is required in the rules. The definition of the term "energy cost adjustment" is found in the Statement of Purpose at P. 7825.2390: An "energy cost adjustment" is an increase or decrease in the cost of energy delivered to customers that are different from those costs authorized by the Commission in the utility's most recent general rate case. The Administrative Law Judge can find no ambiguity in the manner in which the term "energy cost adjustments" is used in these rules. Furthermore, there is no indication in the record that there has been a problem with the interpretation of this term. Therefore, the Administrative Law Judge finds that no further definition is required.

19. The Administrative Law Judge finds that Minn. Rules Part 7825.2400, as amended, has been shown to be both needed and reasonable.

Minnesota Rules, Part 7825.2600, Electric Energy Adjustment

20. Part 7825.2600 provides the procedures for the computations of the automatic adjustment to electricity charges.

The existing rule does not specifically indicate that purchased demand costs are includable in calculating the electric energy adjustment for those utilities which predominantly rely upon purchased power and are charged a purchased demand cost. In its Statement of Need and Reasonableness, the Commission indicates that in some electric cooperative rate cases the issue

has been raised as to whether or not the existing rule allows for a purchased demand cost adjustment. The Commission, therefore, proposes to amend the rule to allow non-generating regulated electric utilities to charge an adjustment for purchased demand costs and, thereby, to eliminate the confusion about the existing rule. The proposed change will allow a utility that purchases at least 75% of its total annual Kwh sales to recover increases in purchased demand costs on an historical annual basis. Currently, most non-generating electric utilities purchase all of their power requirements. Clearly, these utilities purchase at least 75% of total annual Kwh sales and incur a purchased demand cost. However, under unusual circumstances, it is possible that a generating electric utility could also have a requirement to purchase at least 75% of total annual Kwh sales and incur a purchased demand cost. The Commission believes the benchmark of 75% of total annual Kwh sales is reasonable to distinguish all non-generating electric utilities from generating electric utilities, and to also allow for a possible application of this adjustment to generating electric utilities under unusual circumstances.

NSP objects to the proposed language in this rule because it implies that only utilities which purchase at least 75% of their annual Kwh sales could include purchased demand cost in their energy cost adjustment. NSP argues that the current rules governing automatic adjustment of charges do not prohibit any utilities from including purchased demand cost in their energy cost adjustment. Furthermore, NSP argues that there are good reasons to allow the recovery of purchased demand costs in the energy cost adjustment for all utilities. One of the more important reasons is that it provides incentives for a utility to seek out and make occasional short term purchases of energy, which may include both demand and energy charges, when the total cost of such purchases is less than the cost of producing the energy from its own facilities. If the utility is prohibited from recovering the demand cost portion of such purchased power transactions, NSP argues that a utility has a disincentive to make these purchases which would lower total costs to the ratepayers. Accordingly, NSP recommends that the proposed rule be modified to give the Commission the flexibility to authorize any utility to include purchased demand costs, if it felt doing so was in the best interests of the ratepayers. (Public Ex. No. 2 and Post-hearing Comment No. 6).

In its Statement of Need and Reasonableness, the Commission indicates that one of its primary reasons for amending this rule provision was because the existing rule did not specifically indicate that purchased demand costs were includable in calculating the electric energy adjustment for those utilities which predominantly rely upon purchased power and are charged a purchased demand cost. The proposed rule clears up the ambiguity. The proposed rule allows only utilities which purchase at least 75% of their annual Kwh sales to include purchased demand costs in their energy cost adjustment.

At the hearing, the NSP representative was asked whether NSP currently includes purchased demand costs in its energy cost adjustment. The NSP witness indicated that the Company's electric energy cost adjustment clause does not now include recovery of purchased demand costs. The Commission argues that this response suggests that if purchased demand costs were significant costs for generating utilities such as NSP, then it would be reasonable to expect that NSP would have raised the issue concerning the inclusion of these demand costs in energy cost adjustments; or that NSP would have interpreted the rule to mean that these costs are not prohibited under the current rule and would have accordingly submitted an energy cost

adjustment which included demand costs. NSP has neither raised the issue about including purchased demand costs, nor has it included demand costs in its energy cost adjustments. (Post-Hearing Comment No. 8).

In NSP's Post-hearing comments, NSP pointed out that the Federal Energy Regulatory Commission (FERC) had rules which prohibited the recovery of purchased demand costs through the energy cost adjustments. In order to comply with the FERC rules and maintain consistency between the adjustment clauses, and because purchased demand costs were not anticipated to be significant, NSP excluded the recovery of purchased demand costs from all of its clauses. NSP points out that FERC has recently amended its regulations concerning the treatment of purchased demand costs in the fuel clause. Now the new FERC rules allow electric utilities to recover both energy and demand costs associated with purchase power agreements of less than 12 months duration through the fuel clause. NSP, therefore claims that it is possible that sometime in the future NSP may also find it economic to make short term purchases which include significant demand costs. NSP maintains that the existing rule permits generating utilities to recover purchased demand costs through the energy cost adjustment. Accordingly, it recommends that the proposed rule be modified to give the Commission the option of allowing all utilities to recover purchased demand costs through the energy cost adjustments.

In a general rate case, the generating utility earns a return in rate base on all of its generating facilities as well as the fuel inventories used to supply these facilities. A non-generating electric utility also receives a return on its distribution plant and working capital advanced for the purchase of power. If a generating utility is able to purchase power at a cost less than the cost of generation, when it has full system capacity and fuel available, then the generating utility would be receiving compensation through general rates for plant and fuel which is not being used to provide utility service, in addition to the cost of purchased power through an automatic adjustment. This condition would result in overcompensation which the generating utility is not entitled to receive. Furthermore, whether or not the proposed amendment would provide incentives for the utilities to minimize costs is not the issue here. All utilities (especially generating utilities) should have procurement policies for selecting sources of fuel and energy purchases to minimize costs. Lastly, the Administrative Law Judge finds that granting the Commission the "option" of allowing all utilities to recover purchased demand costs through the energy cost adjustment would be an improper grant of discretion to the Commission. Minn. Stat. § 14.02, subd. 4 contains the definition of "rule". "Rule" means every Agency's statement of general applicability and future effect, including amendments . . . adopted to implement or make specific the law in force or administered by it or to govern its organization or procedure. Generally, discretionary power may be granted to administrative officers if the law or rule furnishes a reasonably clear policy or standard which controls and guides the administrators so that the law or rule takes effect by virtue of its own terms and not according to the whim and caprice of the administrative officer. Anderson v. Commissioner of Highways, 126 N.W. 2d 778, 780, (Mn. 1964). In this case, allowing the Commission the option of allowing all utilities to recover purchased demand costs through the energy cost adjustment when, in the opinion of the Commission, doing so would benefit ratepayers is not a sufficiently clear or appropriate criterion for the Commission to make a decision.

21. NSP commented that the language of this rule should be modified to allow purchased demand cost adjustments to be computed monthly instead of annually because purchased demand cost are subject to monthly variations as are the energy costs. (Public Ex. 2). The Commission and the DPS disagree with NSP (Post-hearing Comment No. 7 & 8). Generally, the purchased demand charge per unit is fixed and does not fluctuate on a monthly basis. Allowing a monthly purchased demand adjustment will not only reflect the changes in wholesale rates, it will also reflect changes in system load factors and line losses as well. Therefore, while the monthly demand charges to the utility are relatively stable, revenues collected fluctuate widely above and below these charges due to changes in load factor. An annual demand charge adjustment will eliminate fluctuations caused by seasonal changes in load factor.

The Administrative Law Judge accepts the reasoning of the Department of Public Service and the Commission and finds that an annual computation of purchased demand costs is reasonable.

22. Dakota Electric Association (Dakota Electric) in Public Exhibit No. 5 commented that it is not clear if the annual computation required in the rule is to be done on an historical calendar year or any 12-month period. Dakota Electric also stated that it is not clear if adjustments for known changes in purchased demand rates will be permitted.

The proposed rule states: "This purchased demand cost adjustment is to be computed annually for the previous year less the demand base cost per Kwh". In its post-hearing comment, the Commission states that it means that the actual purchased demand cost adjustment is based upon the average hour cost for the previous year. The Administrative Law Judge agrees with the Commission's interpretation. Demand is prone to a high degree of fluctuation. In order to compensate for these fluctuations and a possible mismatching of power cost and power costs adjustment revenues, it is necessary to reduce the impact of demand fluctuations. A method of doing this is to base the purchased demand cost adjustment on the demand power cost for the previous year. At the end of each year there would be a demand cost adjustment based upon the difference between the previous year cost and the demand base cost. The difference would either result in a reduction of monthly purchased demand adjustment charges, or result in an increase in monthly demand adjustment charges. (Post-Hearing Comment No. 8). The Administrative Law Judge finds that the rule as written in this regard is clear and reasonable.

23. In Public Exhibit No. 2, NSP commented that the language in the third paragraph of P. 7825.2600 appeared to unnecessarily restrict the Commission's future options. NSP suggested that the language could be misinterpreted to mean that an energy cost from an earlier period could never be included in the calculation of the energy cost adjustment for the current period. Accordingly, NSP proposes to add to this rule the provision that "the Commission may authorize an energy cost adjustment mechanism which also provides for adjusting current period costs for over or under recovered energy costs billed in previous periods . . . " (Public Ex. 2, p. 2).

In its post-hearing comments, the Commission disagrees with NSP's proposed change. The Commission points out that the only change to the current rule is to change "shall be" to "is." This change was not proposed by the Commission,

but is a change made by the State Revisor's office. With the exception of this change, the proposed rule is the same as the existing rule. Furthermore, the Commission points out that there have been no problems with interpreting the existing rule. The intent of the rule has always been to exclude prior period energy costs. The existing rule provides " . . . the sum of the current period costs of energy purchased and cost of fuel consumed . . ." (emphasis added). Furthermore, there never has been an adjustment mechanism authorized under the rule which provides for adjusting current period costs for over or under recovered energy costs billed by generating utilities in previous periods.

In essence, NSP is challenging the need or reasonableness of the existing rule and not the amendment. When amending its rules, an Agency need not show the need or reasonableness of existing rules which are not affected by the proposed amendments. Minn. Rule, P. 1400.0500, subp. 1. Even though the Commisssion was not required to do so, it did respond in its post-hearing comments regarding the reasons for the standards in the existing rule. NSP is directed to the text of the Commission's post-hearing comments for that justification. Furthermore, the suggested language change proposed by NSP providing that "the Commission may authorize an energy cost adjustment mechanism . . ." may also create unguided discretion in the Agency administrator. Use of the word "may" allows the Commission to treat regulated utilities which are in similar situations differently. Accordingly, the Administrative Law Judge finds that there has been no showing that this portion of the existing rule should be further amended.

24. The Administrative Law Judge finds that Minn. Rules, P. 7825.2600, as amended has been shown to be needed and reasonable.

Minnesota Rule, Part 7825.2700 - Purchased Gas Adjustment

25. Part 7825.2700 C proposes to change the period during which utilities shall refund to customers amounts received as gas supplier refunds from 12 months to 90 days; and, to specify a minimum amount per customer which must be refunded. 7825.2700 C provides in part as follows:

> ". . . refunds and interest thereon received from the suppliers of purchased gas that are attributable to the cost of gas previously sold must be refunded by credits to bills or check within a period not to exceed 90 days from the date the refund is received from a supplier, provided that refund amount per customer is equal to or greater than five cents. . . . "

Minnegasco, Iowa Electric Light and Power Company, Montana-Dakota Utilities Company, Peoples Natural Gas Company and North Central Public Service Company objected to the five cent limitation on refunding because of the cost involved in making refunds. The utilities assert that requiring a refund whenever the total refund would be as little as five cents per customer would not be cost effective and would not justify the administrative cost to ratepayers. Two alternatives were suggested by the commentors. Minnegasco suggests the Commission set the floor for refunds at one cent per Mcf. This, Minnegasco argues, would ensure that the refund is sufficient to justify the administrative costs to the ratepayer. In addition, the floor for refunds

would thereby be measured in the same unit as that used for calculating the refund to be distributed to each customer. (Public Ex. 3). Iowa Electric, Peoples, North Central, and Montana-Dakota proposes that the amount which triggers a refunding procedure should be set at a minimum of $1.00 per customer rather than five cents as proposed by the Commission. Iowa Electric points out that this would be consistent with the Iowa rules which govern the majority of Iowa Electric's gas customers. North Central and others believe the $1.00 per customer limitation is reasonable because it is a time consuming process to administer a refunding and bill crediting procedure. North Central estimates the administrative costs to institute the procedure would start from an approximate $2,500 base when all machine costs and personal costs were considered. (Post-hearing Comment No. 5; Public Ex. No. 4; Public Ex. No. 5; Post-hearing Comment No. 1).

26. The proposed rule was amended to clarify that refunds are made on the same basis as increased adjustments were previously charged to customers. Gas utilities attempt to refund to customers during the heating season when gas sale volumes or seasonal usage patterns are commensurate with periods during which increased adjustments were charged to customers. Consequently, this addition to the rule is for the purpose of formally recognizing in the rule what has been done in actual practice. The Commission points out in its post-hearing comments that in the past, it has been the practice of some utilities to retain gas supplier refunds for their own use, in lieu of refunding these amounts to customers. The five cent limitation and the 90 day refunding provisions have been added to the proposed rule to remedy this practice. Although the Commission recognizes that there is a cost incurred by each utility in making these refunds, there is also a similar cost incurred in collecting energy cost increases from customers. There have been no complaints from utilities concerning the expense of collecting energy cost increases. Utilities have charged individual customers as little as five cents for energy cost adjustments. (See testimony of Haubensak, representing Peoples at the Rochester public hearing). (See also, Post-hearing Comment No. 8).

27. The question to be decided in determining reasonableness is whether or not a rational person could make the same choice made by the agency from among possible alternatives in order to accomplish the legislative directive. It is reasonable to expect that if a utility will charge a customer as little as five cents for energy cost increases, that a utility can also refund as little as five cents per customer for energy cost refunds. Furthermore, the additional costs incurred by the utility for refunding purposes would be the calculation of the refund and adding a bill credit to each customer's bill. Generallly, calculation of a refund does not require extensive person-hours and the cost of adding a credit line to each customer's bill during a regular billing is minimal. (See Post-hearing Comment No. 7). Therefore, the Administrative Law Judge agrees with both the Commission and DPS that the five cent limitation will not impose excessive hardship on the utility and is reasonable as written.

Furthermore, gas utilities can reasonably refund gas supply refunds to customers in 90 days; and so, the change in the refunding period of the rule from 12 months to 90 days is for the purpose of assuring that customers receive gas supply refunds at the earliest practical opportunity. However, in the event a gas utility is unable to accurately refund gas supply refunds to customers in a 90 day period, or its seasonal usage patterns do not permit

equitable distribution of the refund, the rule provides for an exception to the 90 day refunding period.

28. While the suggestions by the commentors may also have basis in reason, the Administrative Law Judge is charged with the responsibility of determining whether the rule as proposed by the Commission has a basis in reason and is supported by the record. It is not required that the rule proposed by the Commission be the most reasonable rule. Clearly, the minimum rate advanced by the Commission has a basis in reason and is supported by the record. The Judge finds that Minn. Rule, Part 7825.2700 is needed and reasonable as written.

Minn. Rules, Part 7825.2810 - Annual Report; Automatic Adjustment Charges

29. Part 7825.2810 of the proposed rule provides that each utility shall submit pertinent information about automatic adjustment charges for each customer class. NSP, MP&L and Otter Tail Power objected to annual reporting by month for all automatic adjustment charges on a customer class basis because of the additional work and costs involved. (Public Ex. No. 2, 7 and Post-hearing Comment No. 3).

Currently, all utilities submit an annual report to the Commission which provides a summary of automatic adjustment of charges on a customer class basis. Under the proposed amendment, the only additional work involved requires extracting the information by month on a customer basis already on file at each utility. Therefore, there appears to be no reason to believe that it will impose excessive work or costs to the utilities. (Post-hearing Comment No. 7). In the agency's post-hearing comments, the Commission points out that the term "customer class" as applied to the proposed rule refers to the customer categories which a utility uses to report its automatic adjustments. Each electric utility uses customer classes peculiar to its own operation when reporting automatic adjustments. For electric utilities, these customer categories may include a wide variety of categories. However, gas utilities generally report automatic adjustments by the firm and interruptible customer categories. It is expected that in filing annual reports under the proposed rule that each utility would use the same customer categories that it used in reporting the periodic automatic adjustments, to provide an equivalent basis for comparing the automatic adjustments which have been previously filed with the annual report summary. Consequently, the only additional work or costs involved is in extracting the information by customer class already on file at each utility and placing it on a summarizing schedule or report. (Post-hearing Comment No. 8).

30. There currently is no provision in the rules to require the Commission to annually review the entire effect of automatic adjustments upon customer rates, consumption patterns, utility revenues and distribution of supply refunds; nor is there any provision to review projected fuel and gas costs. Therefore, the intent of the proposed rule is to make information about automatic adjustment of charges available for annual review by the Commission, intervenors, and the public, to provide a means by which the Commission may determine the appropriateness and reasonableness of the separate charge and refund transactions during the prior year. The Administrative Law Judge finds that the rule as written is needed and reasonable.

Minn. Rules, Part 7825.2820 - Annual Auditor's Report

31. Part 7825.2820 provides for an independent auditor's report evaluating accounting for automatic adjustments for the prior year commencing July 1 and ending June 30. Minnegasco, in Public Ex. No. 3, and Otter Tail in Post-hearing Comment No. 3 suggested that the annual independent auditor's report be submitted on a calendar year basis to avoid the expense of an out-of-time audit. North Central commented that an independent auditor's report of its financial statements and accounting practices is already found in the annual report for its fiscal year to shareholders and therefore suggested that this section of the rule be eliminated. (Post-hearing Comment No. 5).

An independent auditor's report would provide, in addition to the checks on the computation of automatic adjustment charges done by the DPS and the Commission, a further check that the charges and credits used in the computation are in compliance with the uniform system of accounts as required by these rules. (Commission Ex. No. 4). The Administrative Law Judge finds that an independent auditor's report providing an opinion of the accounts specified in these rules is appropriate and necessary.

32. In its post-hearing comments, the Commission responded to comments which recognized that fiscal years may vary among utilities. Therefore, the Commission proposed that Part 7825.2820 be changed to read as follows:

> By September 1 of each year, all gas and electric utilities shall submit to the Commission an independent auditor's report evaluating accounting for all automatic adjustments for the prior year commencing July 1 and ending June 30 or any other year as approved by the Commission. (Underline delineates added language).

The Judge agrees that some added language is necessary. If a utility does not have a July 1 through June 30 fiscal year, the provision as originally drafted would require a separate audit in addition to the Company's normal fiscal year-end audit. The addition of the words "or any other year as approved by the Commission", however, will not solve the problem. As written, the Commission could still require more than one audit. It does not specify that the Commission may only vary the fiscal year consistent with the utility's request. As written, the proposed language grants to the Commission unbridled discretion in making a decision with no clear standard to guide it. To correct this defect, the Administrative Law Judge recommends the following language:

> By September 1 of each year, all gas and electric utilities shall submit to the Commission an independent auditor's report evaluating accounting for all automatic adjustments for the prior year commencing July 1 and ending June 30 or any other year if requested by the utility and approved by the Commission. The Commission shall approve the request unless it finds that to do so would seriously impact the administration of the automatic adjustment reporting program. (Underline delineates suggested language to correct the defect).

so amended p.6

The suggested language or similar words will not create a substantial change to the rule as originally published in the State Register. Since the proposed modification lessens the burden on affected utilities, it cannot be said to a change which would cause hardship to those regulated by the proposed rule without adequate notice. With the suggested or similar language, the rule is found to be both needed and reasonable.

Minn. Rules, Part 7825.2830 - Annual Five-Year Projection

33. Part 7825.2830 provides that all gas and electric utilities shall submit to the Commission a 5-year projection of fuel and gas costs by energy source by month for the first two years and on an annual basis thereafter. Montana-Dakota, Peoples and Minnegasco objected to the filing of an annual 5-year projection of fuel and gas costs. Montana-Dakota and Peoples commented that although a 5-year projection of gas costs could be completed, it would just be an estimate as actual gas costs are determined by the FERC through the regulatory process. (Public Ex. No. 1, 6 and Post-hearing Comment No. 1). Minnegasco commented that this type of information should not be considered public information because disclosure of the information would give Minnegasco's competitors an advantage over Minnegasco, permitting them to undercut the cost of natural gas to end users. This, they suggest, would lead to fuel switching and ultimately increase costs to ratepayers.

The Commission recognizes that projections are inherently estimates; however, the 5-year projection would greatly aid the Commission by providing the Commission with the statewide perspective of future energy requirements and costs which may effect customer consumption, the level of rates, facility expansion requirements, and rate design proposals. In addition, for gas suppliers, these projections will give the Commission an indication of cost differences between suppliers and the impact these differences may have on Minnesota customers receiving natural gas from more than one supply source. (Commission Ex. No. 4 and Post-hearing Comment No. 8). The Administrative Law Judge agrees with the Commission's analysis. It is reasonable to require the utilities to provide a 5-year projection of fuel and gas costs as a aid to the Commission in anticipating potential rate impacts upon Minnesota ratepayers.

In response to Minnegasco's suggestion that the 5-year projection of fuel and gas costs required by this section should not be considered public information, the Commission points out in its post-hearing comments that the information contained in these projections is ascertainable from a number of sources. It would not be possible, therefore, to prevent disclosure of this information to the general public. Furthermore, since fuel switching will not occur until there is an actual price change which makes the cost of a competitor's fuel less than the cost of natural gas, it is unlikely that a fuel customer would switch fuel sources based only on a projection. The Administrative Law Judge finds that the rule provision as proposed has been shown to be both needed and reasonable.

Minn. Rules, Part 7825.2840 - Annual Notice of Reports Availability

34. Part 7825.2840 gives intervenors in the utility's previous two

general rate cases notice and an opportunity to review the reports required in this rule. Montana-Dakota in Public Ex. No. 1 commented that it was unnecessary for utilities to provide such notice to all intervenors as required in this section. The Administrative Law Judge rejects the objection of Montana-Dakota. The annual notice will provide the Commission with a broad source of opinion and fact which will assist it in evaluating the reports. The rule as written has been shown to be both needed and reasonable as written.

Minn. Rule, Part 7825.3000 - Implementation

35. The Commission proposed no substantive change to this section of the rule. The only changes are those required by the State Revisor's office. The State Revisor's office changed "shall be" to "is" and inserted the words "must be" before the word "reviewed" in the last paragraph. The last paragraph of the rule section now reads as follows:

> When a utilty proposes new or revised electric energy or purchased gas adjustments, the proposal is deemed a change in rates and must be reviewed according to Commission rules and practices relating to utility rate changes.

NSP commented that the rule as written could be misinterpreted as a change in rates as defined in the statute. Minn. Stat. § 216B.16, subd. 3, precludes the implementation of new interim rates until at least four months after the Commission has made a final determination concerning any previously filed change of the rates. NSP suggests that in order to avoid the possibility that a filing for a revision in energy cost adjustment provisions be misinterpreted as a change in rates as defined in that statute, and thereby restrict implementation of interim rate changes for four months, the language of the rule needs to be modified. (Public Ex. No. 2, p. 5). NSP proposes that this rule section be modified to read as follows:

> When a utility proposes new or revised electric energy or purchased gas adjustment provisions, the proposal must be reviewed according to Commission rules and practices relating to utility rate changes.

In its post-hearing comments, the Commission points out that there has never been any misinterpretation that periodic energy cost adjustments constitute an overall change in rates. In fact, the Commission points out that Minn. Stat. § 216B.16, subd. 7 prohibits this kind of misinterpretation from occuring by providing that:

> "Notwithstanding any other provision of this chapter, the Commission may permit a public utility to file rate schedules containing provisions for the automatic adjustment of charges for public utilities service in direct relation to changes in federally regulated wholesale rates for energy delivered through interstate facilities or fuel used in generation of electricity or the manufacture of gas". (Emphasis Added).

Minn. Stat. § 216B.16, subd. 7 therefore, recognizes that in addition to

the general change in rates provided for by the interim rates provision of the statute, changes may occur in federally regulated wholesale rates applicable to interstate facilities. Consequently, the statute provides the Commission with authority to allow for rate changes, outside of a general rate change and interim rates, attributed to changes in federally regulated rates. Changing the energy rate under the automatic adjustment thus could not be deemed an interim rate change.

Although the Administrative Law Judge agrees with the Commission's reasoning that changing the energy rate under the automatic adjustment could not be deemed an interim rate change in light of Minn. Stat. § 216B.16, subd. 7, the Administrative Law Judge is of the opinion that NSP's proposed language change would make the rule read more clearly. Since rules are primarily for the benefit of those regulated, it is reasonable to adopt the change suggested by NSP. Adoption of NSP's proposal is a suggestion only. The rule as written cannot be said to be unreasonable. A rule is not unreasonable simply because a more reasonable alternative exists or a better job of drafting might have been done. However, the agency is urged to consider the proposed change. The proposed change, if adopted, would not constitute a substantial change.

Participation by Minnesota Citizens Organizations Acting Together (COACT)

36. Minnesota Citizens Organization Acting Together (COACT) representatives submitted both written and oral testimony at each of the public hearings. Their testimony focused mainly on the need to implement a proposal in Minnesota Senate File 692, a bill amending the existing Minnesota statutes on automatic adjustment of charges. However, their testimony did not specifically address any of the Commission's proposed amendments. The Administrative Law Judge believes that that COACT's testimony should be considered only as background information on the national natural gas situation and on the statutory framework for regulation in Minnesota. Most of the specific testimony offered by COACT is beyond the scope of the hearings on these proposed amendments. Concerns regarding Northern Natural Gas Company, a federally regulated company, are more appropriately addressed to the Federal Energy Regulatory Commission (FERC).

37. Persons or groups who do not find their particular comments addressed above should note that the Administrative Law Judge has read and considered each and every suggestion. The Administrative Law Judge finds that the Commission's proposed rules have been shown to be both needed and reasonable.

Based upon the foregoing Findings of Fact, the Administrative Law Judge makes the following:

CONCLUSIONS

1. That the Commission gave proper notice of the hearing in this matter.

2. That the Commission has fulfilled the procedural requirements of Minn. Stat. §§ 14.14, subds. 1, 1a (1983 Supp.) and 14.14, subd. 2 (1982), and all other procedural requirements of law or rule.

3. That the Commission has documented its statutory authority to adopt the proposed rules, and has fulfilled all other substantive requirements of

law or rule within the meaning of Minn. Stat. §§ 14.05, subd. 1 (1982), 14.15, subd. 3 (1983 Supp.) and 14.50 (i) and (ii) (1982).

4. That the Commission has demonstrated the need for and reasonableness of the proposed rules by an affirmative presentation of facts in the record within the meaning of Minn. Stat. §§ 14.14, subd. 2 and 14.50 (iii) (1982), except as noted at Finding 32.

5. That the additions and amendments to the proposed rules which were suggested by the Commission after publication of the proposed rules in the State Register do not result in rules which are substantially different from the proposed rules as published in the State Register within the meaning of Minn. Stat. § 14.15, subd. 3 (1983 Supp.) and 9 MCAR §§ 2.110 A. and 2.111 (1980 Ed.).

6. That the Administrative Law Judge has suggested action to correct the defect cited in Conclusion 4 as noted at Finding 32.

7. That due to Conclusion 4, this Report has been submitted to the Chief Administrative Law Judge pursuant to Minn. Stat. § 14.15, subd. 3 (1983 Supp.).

8 That any Findings which might properly be termed Conclusions and any Conclusions which might properly be termed Findings are hereby adopted as such.

9. That a finding or conclusion of need and reasonableness in regard to any particular rule subsection does not preclude and should not discourage the Commission from further modification of the rules based upon an examination of the public comments, provided that no substantial change is made from the proposed rules as originally published, and provided that the rule finally adopted is based upon facts appearing in this rule hearing record.

Based upon the foregoing Conclusions, the Administrative Law Judge makes the following:

RECOMMENDATION

It is hereby recommended that the proposed rules be adopted except where specifically otherwise noted above.

Dated: July 6th, 1984.

Phyllis A. Reha

PHYLLIS A. REHA
Administrative Law Judge

PUC-84-066-PR
G, E-999/R-83-467

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS

FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION

RECEIVED
OCT 12 1984
MINNESOTA PUBLIC
UTILITIES COMMISSION

In the Matter of the Proposed Amendments to the Rules of the Minnesota Public Utilities Commission Governing Automatice Adjustment of Charges.

ORDER OF THE
CHIEF ADMINISTRATIVE LAW JUDGE

WHEREAS, hearings were held on May 14, 15, and 16, 1984 before Phyllis A. Reha, an Administrative Law Judge of the Office of Administrative Hearings, on the above-entitled matter in compliance with the rule-making provisions of Minn. Stat. Ch. 14; and

WHEREAS, the Report of Administrative Law Judge made pursuant to Minn. Stat. § 14.50, was issued to the Public Utilities Commission and;

WHEREAS, the Public Utilities Commission has now determined to adopt the rules; and

WHEREAS, the Public Utilities Commission has submitted the rules to the Chief Administrative Law Judge for review pursuant to Minn. Stat. §§ 14.16, 14.51, and Minn. Rule 1400.1000, Subp. 1 and 1400.1100; and

WHEREAS, the Chief Administrative Law Judge finds that the final proposed rules are not substantially different from those proposed at the public hearing and that the Public Utilities Commission has cured the defects in the rule as required.

NOW, THEREFORE, upon receipt of this Order, the Public Utilities Commission has the responsibility of submitting the rules adopted to the Revisor of Statutes, and to publish in the State Register and file with the Secretary of State if approved by the Revisor of Statutes.

Dated: October 12, 1984.

Duane R. Harves

DUANE R. HARVES
Chief Administrative Law Judge

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Leo G. Adams	Chairman
Harry Seymour Crump	Commissioner
Roger L. Hanson	Commissioner
Terry Hoffman	Commissioner
Cynthia A. Kitlinski	Commissioner

In the Matter of the Proposed Adoption of Amendments to the Rules of the Minnesota Public Utilities Commission Governing Automatic Adjustment of Charges

STATEMENT OF NEED AND REASONABLENESS

I. INTRODUCTION

The Minnesota Public Utilities Commission (the Commission) has drafted this Statement of Need and Reasonableness to support and accompany the Commission's Proposed Amendments to the Rules governing automatic adjustment of charges.

The proposed changes are intended to amend the Commission's current rules Automatic Adjustment of Charges, Minnesota Rules, parts 7825.2400 to 7825.3000 (formerly PSC Rules 390-395, January 1, 1978), to incorporate changes in terminology which have occurred since the existing rules were made effective; to provide for the recovery of purchased demand costs of non-generating electric utilities; to allow for the recovery of peak shaving gas which was not explicitly provided for in the existing rules; and, to provide additional, comprehensive annual reporting requirements in order to improve the evaluation of the application and the impact of automatic adjustment of charges upon customers and regulated gas and electric utilities.

The proposed amendments governing the automatic adjustment of charges are necessary to provide uniformity in the application of automatic adjustment of charges authorized by Minn. Stat. §§ 216B.16, Subd. 7 (1982).

Minn. Stat. § 14.115 (Supp. 1983) requires a state agency to mitigate the effects of new rules or amendments to existing rules on small businesses and to aid the small business in participating in the rulemaking process. The

Commission has considered a number of factors in determining whether Minn. Stat. 14.115 (Supp. 1983) applies to this rulemaking procedure.

The Commission believes that utilities are not "small businesses" as defined by subdivision 1 of this section because they are dominant in their service area and generally have gross annual sales of $4,000,000 or more.

Furthermore, the Commission notes that in Minn. Stat. Ch. 216B (1982), it has been authorized by the legislature to regulate gas and electric utilities. Some of the basic tenets of utility regulation are: utilities are affected with a deep public interest; utilities are obligated to provide satisfactory service to the entire public on demand; utilities are obligated to charge fair, non-discriminatory rates. A general freedom from substantial direct competition and the opportunity to make a fair return on investment are among the benefits utilities receive from regulation. Given this regulatory scheme, it is clear that the legislature views utilities differently from other concerns defined as small businesses. The degree of government intervention in the operations of a public utility is considerably higher than in other types of businesses.

Even if some small utilities could be viewed as "small businesses" as that term is defined, they, nevertheless, would be excepted from this statute.

The Commission finds that Minn. Stat. § 14.115, subd. 7 (Supp. 1983) establishes exceptions to the general obligations created by the statute and applies to rules promulgated by the Commission. In pertinent part, it states:

> Subd. 7. Applicability. This section does not apply to:
> (c) service businesses regulated by government bodies, for standards and costs, such as nursing homes, long-term care facilities, hospitals, providers of medical care, daycare centers, group homes and residential care facilities;

The Commission finds that utilities fall within this broad definition. They are certainly service businesses regulated by government bodies for standards and costs. The words following the phrase "such as" merely provide some examples of government regulated businesses and are not exclusive.

While the Commission recognizes that these automatic adjustment amendments will add to the administrative burden of all regulated utilities, the added burden is not significant. The new reporting requirements are not measurably greater than the filings that the utility is already making for purchased gas adjustments which clearly benefit the utility. For the foregoing reasons, the Commission finds that Minn. Stat. § 14.115 (Supp. 1983) is not applicable to this rulemaking procedure.

The Minnesota Office of the Revisor of Statutes has made some editorial changes to these amendments as originally proposed. The Commission believes that these changes are not substantive and were made to achieve uniformity within Minnesota Rules.

This Statement follows the numerical organization of the Proposed Amendments. Only the amended rules are provided, followed by the Commission's discussion of why the amendment is necessary and reasonable.

This Statement of Need and Reasonableness is designed to comply with Minnesota Rules, part 1400.0500 (formerly 9 MCAR §§ 2.104). It contains a summary of the evidence and argument which the Commission intends to present and rely upon at the hearing on the proposed rules.

In the Commission's opinion, this Statement supports the need for the proposed amendments and the reasonableness therof.

II. DISCUSSION OF PROPOSED AMENDMENTS

7825.2390 Purpose

> The purpose of parts 7825.2390 to 7825.3000 is to allow a means by which regulated gas and electric utilities may adjust for increases and decreases in the cost of energy delivered to customers that are different from those costs authorized by the Commission in the utility's most recent general rate case. Energy costs included in rate schedules are subject to evidentiary hearings in general rate cases filed by the utility. Proposed energy cost adjustments must be evaluated before billing by the Department of Public Service. Annual evaluation of energy cost adjustments must be made by the Department of Public Service and others as provided for in parts 7825.2390 to 7825.3000.

The addition of a preamble to the existing rules was recommended by the Commission in order to clarify the purpose of the rule and to introduce the general conditions under which automatic adjustment of charges are to be examined.

7825.2400 Definitions

Subp. 1. Scope. For the purpose of parts 7825.2390 to 7825.3000, the following definitions apply.

Subp. 2. Annual sales volume. "Annual sales volume" is the sum of the Mcf, Ccf or Btu of gas delivered during the most recent 12 months of the 14-month period preceding a change in the city gate rate or end of the heating season for which actual data is available.

Subp. 4. Base cost. "Base cost" is the peak shaving gas volumes or the cost of fuel consumed in the manufacture of gas or generation of electricity and purchased gas or purchased power in the base period expressed as a cost per kilowatt-hour sold or cost per Mcf, Ccf or Btu sold.

The changes to Subp. 2 and Subp. 4 propose to include the term Btu (British Thermal Units) and to allow for the inclusion of peak shaving gas. The addition of the term Btu is proposed because most regulated gas companies within the State are now billed Btu charges from gas suppliers based on the heat content of gas, in addition to Mcf or Ccf charges provided for in the existing rule. The inclusion of Btu within these definitions gives recognition to the universal application of the term.

The need for the inclusion of peak shaving gas volumes is discussed under Subp. 10.

Subp. 10. Cost of fuel consumed in the manufacture of gas; peak shaving gas volumes. "Cost of fuel consumed in the manufacture of gas" or "peak shaving gas volumes" is the withdrawals, during the heating season, from account 151 as defined by the Minnesota uniform system of accounts, class A and B gas utilities. All gas public utilities shall use this definition regardless of class.

This change proposes to include peak shaving gas volumes in the definition. The purpose of the existing rule is to allow for recovery of fuel consumed in the manufacture of gas which is used as peak shaving gas to supplement the daily natural gas requirements of utilities during the coldest weather when the available quantity of natural gas is insufficient to meet customer demand. However, liquid propane gas has most commonly been used for peak shaving purposes and included in automatic adjustments under this rule. Therefore, by amending the rule to specify both the cost of fuel consumed in the manufacture of gas and peak shaving gas, the rule will recognize other types of gas used for peak shaving in addition to gas manufactured for the purpose.

> Subp. 13. Current period. "Current period" is the most recent two-month moving average used by electric utilities in computing an automatic adjustment of charges. Upon approval of the commission, a self-billing utility may use a longer period, not to exceed 12 months, provided that the provision contains a settlement procedure.

This amendment proposes to include the phrase "by electric utilities" in the definition. The definition currently defines "current period" as the most recent two-month average used in computing an automatic adjustment of charges. The only utilities which use a two-month moving average in computing adjustments are electric utilities. Consequently, the addition of the phrase "by electric utilities" is a grammatical change which assists in clarifying the application of the rule.

An additional proposed change to the existing rule would strike the sentence: "All electric utilities shall use this definition." With the inclusion of the phrase "by electric utilities," as described above, the existing ending sentence is no longer required.

7825.2500

B. Changes in cost resulting from changes in the federally regulated wholesale rate for purchased gas and changes in the cost of fuel consumed in the manufacture of gas or peak shaving gas volumes. This provision is entitled purchased gas adjustment.

See explanation for Minnesota Rules, part 7825.2400, subp. 10.

7825.2600 Electric Energy Adjustment

The computations of the automatic adjustment to charges must conform to the procedures set forth below.

The amount of the billing period adjustment to charges must be determined by extending Kwh of sales in the billing period by an adjustment per Kwh. The adjustment per Kwh or the amount of the adjustment must be stated on the customer's bill to comply with parts 7820.3500 and 7820.3600.

The adjustment per Kwh is the sum of the current period cost of energy purchased and cost of fuel consumed per Kwh less the base cost per Kwh; except that upon commission approval, a utility that purchases at least 75 percent of its annual total Kwh sales may also separately add an additional adjustment per Kwh equal to the difference between the purchased demand cost and the base cost of purchased demand. This purchased demand cost adjustment is to be computed annually for the previous year less the demand base cost per Kwh.

The adjustment to charges must be made in the next complete billing period succeeding the determination of the adjustment per Kwh provided the adjustment has been filed as defined by part 7825.2900, subpart 1. The adjustment factor must be calculated monthly. Except, upon commission approval, a self-billing utility may calculate the adjustment less frequently but at least annually and shall provide for a settlement procedure. The adjustment amount must be rounded such that the projected recovery is within two percent of the change in total cost.

The existing rule does not specifically indicate that purchased demand costs are includable in calculating the electric energy adjustment for those utilities which predominantly rely upon purchased power and are charged a purchased demand cost. In some electric cooperative rate cases the issue has been raised as to whether or not the existing rule allows for a purchased demand cost adjustment. This change proposes to amend the rule to allow non-generating regulated

electric utilities to charge an adjustment for purchased demand costs and, thereby, to eliminate the confusion about the existing rule.

The proposed change will allow a utility that purchases at least 75 percent of its total annual Kwh sales to recover increases in purchased demand costs on a historical annual basis. Currently, most non-generating electric utilities purchase all of their power requirements. Clearly, these utilities purchase at least 75 percent of total annual Kwh sales and incur a purchased demand cost. However, under unusual circumstances, it is possible that a generating electric utility could also have a requirement to purchase at least 75 percent of total annual Kwh sales and incur a purchased demand cost. A benchmark of 75 percent of total annual Kwh sales is reasonable to distinguish all non-generating electric utilities from generating electric utilities, and to also allow for a possible application of this adjustment to generating electric utilities under unusual circumstances.

The other changes propose only to make a clarifying grammatical change by combining two sentences at the word except" and to promote uniformity in the use of the words "must" and "shall".

7825.2700 Purchase Gas Adjustment Provision

The computation of the automatic adjustment to charges must conform to the procedures set forth below.

The amount of the billing period adjustment to charges must be determined by extending Mcf, Ccf or Btu sales in the billing period by an adjustment per Mcf, Ccf or Btu. The adjustment per Mcf, Ccf or Btu or the amount of the adjustment must be stated on the customer's bill to comply with parts 7820.3500 and 7820.3600.

The adjustment per Mcf, Ccf or Btu is the sum of the commodity adjustment, demand adjustment, peak shaving gas adjustment, and manufactured gas adjustment as computed below:

A. The commodity adjustment is the difference between the commodity cost which results from a change in the city gate rate and the commodity base cost. To properly reflect adjustment per Mcf, Ccf_or Btu billed, the divisor for a particular class of customer must include total sales volume delivered to that class of customer. The adjustment must be applied to billings after the effective date of the commodity rate change provided the adjustment has been filed as defined by part 7825.2900, subpart 1.

The foregoing changes propose to amend the rule to incorporate the term Btu into the rule as previously described in part 7825.2400, and to incorporate the term peak shaving gas as previosly described in part 7825.2400, subp. 10.

C. The peak shaving adjustment or the manufactured gas adjustment is the difference between the cost of propane and or fuel consumed in the manufacture of gas during the heating season and the peak shaving or manufactured gas base cost. The peak shaving or manufactured gas adjustment must be computed annually for the heating season ending April 30 of each year on the basis of firm annual sales volume adjusted to the extent peak shaving gas or manufactured gas is used to serve interruptible customers. The cost of peak shaving gas or manufactured gas must be applied to interruptible customers. The adjustment must be applied to billings during the next 12-month period commencing on June 1 of each year provided the adjustment has been filed as defined by part 7825.2900, subpart 1.

Refunds and interest thereon received from the suppliers of purchased gas that are attributable to the cost of gas previously sold must be refunded by credits to bills or check within a period not to exceed 90 days from the date the refund is received from a supplier, provided the refund amount per customer is equal to or greater than five cents. Upon approval of the commission, refunds of less than five cents per customer may be retained by the utility and separately accounted for until such time as the balance, together with additional supplier refunds, produces a refund of five cents or more per customer. Refunds must be made to each customer class on the same basis as previously charged to customers. If a supplier refund cannot be accurately distributed to customers because of seasonal usage patterns, then upon commission approval, refunding may be delayed for a period of up to 12 months. The utility shall add interest to the unrefunded balance at the prime interest rate.

The foregoing changes propose to amend the rule to incorporate the term Btu into the rule as previously described in part 7825.2400,

and to incorporate the term peak shaving gas as previously described in part 7825.2400, subp. 10.

This amendment proposes to change the period during which utilities shall refund to customers amounts received as gas supplier refunds from 12 months to 90 days; and, to specify a minimum amount per customer which must be refunded. This rule is also amended to clarify that refunds are made on the same basis as increased adjustments were previously charged to customers. Gas utilities attempt to refund to customers during the heating season when gas sales volumes or seasonal usage patterns are commensurate with periods during which increased adjustments were charged to customers. Consequently, this addition to the rule is for the purpose of formally recognizing in the rule what has been done in actual practice. It appears that gas utilities can reasonably refund gas supplier refunds to customers in 90 days; and so, the change in the refunding period of the rule from 12 months to 90 days is for the purpose of assuring that customers receive gas supplier refunds at the earliest practical opportunity. The rule is also revised to provide for exception to the 90-day refunding period in the event a gas utility is unable to accurately refund gas supplier refunds to customers in a 90-day period if seasonal usage patterns do not permit equitable distribution of the refund.

78235.2800 Annual Reports; Policies and Actions

> All public utilities shall file annually on September 1 of each year, the procurement policies for selecting sources of fuel and energy purchased, dispatching policies, if applicable, and a summary of actions taken to minimize cost.

This proposal changes the date of annual filing requirements from October 31 to September 1. The purpose of this change is to provide for the opportunity to review the reports, which are required to be filed under the rules, prior to the commencement of the heating season.

7825.2810 Annual Report; Automatic Adjustment Charges

By September 1 of each year, all gas and electric utilities shall submit to the commission an annual reporting by month of all automatic adjustment charges for each customer class for the prior year commencing July 1 and ending June 30. This report must include:

A. the commission-approved base cost of fuel or gas as defined by part 7825.2400, subpart 4;

B. billing adjustment amounts, such Kwh, Mcf, Ccf or Btu, charged customers for each type of energy cost, such as nuclear, coal, purchased power, purchased gas, peak shaving gas, or manufactured gas;

C. billing adjustment amounts, by gas supplier, that were used to bill the utility during the reporting period;

D. the total cost of fuel or gas delivered to customers;

E. the revenues collected from customers for energy delivered;

F. the amount of supplier refunds received as defined by part 7825.2700; and

G. the amount of refunds credited to customers.

The existing rule provides that each utility report proposed changes in automatic adjustments prior to the effectve date of a change. Each automatic adjustment for each reporting utility is monitored on a change by change basis prior to implementing the change. There currently is no provision in the rules to require the commission to annually review the entire effect of automatic adjustments upon customer rates, consumption patterns, utility revenues and distribution of supplier refunds; nor is there any provision to review projected fuel and gas costs. Therefore, the intent of the proposed additions is to make information about automatic adjustment of charges available for annual review by the commission, intervenors and the public, to provide a means by which the commission may determine the appropriateness and reasonableness of the separate charge and refund transactions during a prior year.

Currently utilities submit periodic automatic adjustment reports to the Minnesota Department of Public Service (DPS). These reports are reviewed by the DPS to determine that the rates are in compliance with Commission rules and approved rates. An annual report filed directly with the Commission will enable the Commission to more effectively discharge its duties to review and monitor rates pursuant to Minn. Stat. § Ch. 216B (1982).

The materials required to be submitted will allow the Commission to make an independent, accurate evaluation of the automatic adjustment charges of each utility.

The information required by the Commission for the annual report of automatic adjustment of charges is needed to fully evaluate the impact these charges have had upon the ratepayers of each utility during the reporting period. The Commission-approved base cost of fuel or gas is calculated from the customer sales and cost of fuel or gas included in the utility's most recent general rate case. It is this base cost from which the periodic automatic adjustment billing amounts are increased or decreased. The adjustment amounts billed by each gas supplier are the federally regulated wholesale rates charged to each utility which are used to determine the adjustment amounts charged to the utility's ratepayers. In order to provide a check as to whether the utility is recovering the costs it is entitled to through the automatic adjustments, a comparison should also be made between the total cost of fuel or gas delivered to customers and the actual revenues collected from customers for energy delivered. In the case of gas utilities, it is necessary to compare the amount of supplier refunds received by these utilities with the actual refund amounts credited to customers in order to assure that all supplier refunds have been properly credited to customers.

7825.2820 Annual Auditor's Report

> By September 1 of each year, all gas and electric utilities shall submit to the commission an independent auditor's report evaluating accounting for automatic adjustments for the prior year commencing July 1 and ending June 30.

This addition to existing rules is necessary and reasonable because the existing rules provide that certain accounts included in the uniform system of accounts will be used in the calculation of automatic adjustments. An independent auditor's report will provide, in addition to the checks on the computation of automatic adjustment charges done by the DPS and the Commission, a further check that the charges and credits used in the computation are in compliance with the uniform system of accounts as required by these rules.

7825.2830 Annual Five-Year Projection

> By September 1 of each year, all gas and electric utilities shall submit to the commission a five-year projection of fuel and gas costs by energy source by month for the first two years and on an annual basis thereafter.

The overall purpose of a five-year projection of fuel and gas costs is to aid the Commission in anticipating potential rate impacts upon Minnesota ratepayers. These projections will provide the Commission with a state-wide perspective on future energy requirements and costs which may affect customer consumption, the level of rates, facility expansion requirements, and rate design proposals. In addition, for gas suppliers, these projections will give the Commission an indication of cost differences between suppliers and the impact these differences may have on Minnesota customers receiving natural gas from more than one supply source.

The Commission realizes that a month-by-month projection of fuel and gas costs by energy source for a two-year period can be accomplished with reasonable accuracy and to a lesser degree of accuracy for a period beyond two years. However, the projected

information will provide reasonable advance notice of cost changes so that the Commission and regulated utilities can be better prepared to respond.

7825.2840 Annual Notice of Reports Availability

> By September 1 of each year, all gas and electric utilities shall provide notice of the availability of the reports defined in parts 7825.2800 to 7825.2830 to all intervenors in the previous two general rate cases.

This change gives intervenors in the utility's previous two general rate cases notice and an opportunity to review the reports required in this rule. This will provide the Commission with a broad source of opinion and fact which will assist it in evaluating the reports.

7825.2850 Annual Commission Meeting

> The commission shall annually conduct a separate meeting to review the automatic adjustment of charges reported herein.

This addition to the rule will allow the Commission an opportunity to review and evaluate all utilities' automatic adjustments at one time, giving the Commission a broad perspective for its analysis of the application and impact of automatic adjustments. This meeting will also give the Commission an opportunity to review any cost changes in gas or electric utility fuel purchases and will allow the public and utilities to address to the appropriateness of changes in automatic adjustments during the reporting period.

In the Matter of the Proposed Adoption of Amendments to the Rules of the Minnesota Public Utilities Commission Governing Automatic Adjustment of Charges

STATEMENT OF COMPLIANCE WITH RULEMAKING PROCEDURES

DOCKET NO. G,E-999/R-83-467

I, Karl W. Sonneman, do hereby declare that I have examined the rules and all related documents and that, based on my examination and my personal familiarity with the applicable procedures, the Administrative Procedure Act, the rules of the Office of Administrative Hearings, and the rules of the Attorney General have been followed. Any exceptions are noted below.

Karl W. Sonneman
Special Asst. Attorney General

DATED: October 19, 1984

RC/djs

In the Matter of the Proposed Adoption of Amendments to the Rules of the Minnesota Public Utilities Commission Governing Automatic Adjustment of Charges

AFFIDAVIT OF MAILING NOTICE OF SUBMISSION TO ATTORNEY GENERAL

DOCKET NO. G,E-999/R-83-467

STATE OF MINNESOTA)
) ss.
COUNTY OF RAMSEY)

Rosellen M. Condon, being first duly sworn, deposes and says:

That on the 19th day of October 1984, in the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Submission to the Attorney General by depositing in the State of Minnesota Central Mail System for United States mailing at said City of St. Paul, a copy thereof, properly enveloped, with postage prepaid, on all persons and associations who requested notice that the rules in the above-entitled matter have been submitted to the Attorney General.

Rosellen M Condon
Rosellen M. Condon

Subscribed and sworn to before me
this 19th day of October 1984.

Karen Dorff

KAREN DORFF
NOTARY PUBLIC-MINNESOTA
ANOKA COUNTY
MY COMMISSION EXPIRES APRIL 14, 1990

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Leo G. Adams	Chairman
Harry Seymour Crump	Commissioner
Roger L. Hanson	Commissioner
Terry Hoffman	Commissioner
Cynthia A. Kitlinski	Commissioner

In the Matter of the Proposed Adoption of Amendments to the Rules of the Minnesota Public Utilities Commission Governing Automatic Adjustment of Charges	NOTICE OF SUBMISSION TO THE ATTORNEY GENERAL DOCKET NO. G,E-999/R-83-467

Pursuant to your request and in accordance with Minnesota Statutes, sections 14.05 to 14.36:

PLEASE TAKE NOTICE that the above-captioned rules have been submitted to the Office of the Attorney General on this date, October 19th, 1984 for review as to form and legality. Pursuant to part 2000.0700, the Attorney General will not approve the rules for at least ten calendar days after receipt to allow any person or association time to comment on the legality of the rules, after which that Office will complete its review. If you desire to comment on the legality of the above-captioned rules, you should direct your comments to the Office of the Attorney General, 102 Capitol Building, St. Paul, Minnesota 55155, Telephone 612/296-6196. Please note that the above-cited rule of the Attorney General also provides that a copy of any written comments submitted to the Attorney General must be submitted simultaneously to this agency.

If you are interested in determining what changes, if any, were made in the proposed rules after the hearing and before submission to the Attorney General, you may contact Harold Nicholson at the Commission's office, 780 American Center Building, 160 E. Kellogg Boulevard, St. Paul, Minnesota 55101 or by telephone at 612/296-7105.

The Commission has also issued an Order Adopting the Rules which may be inspected during regular business hours at the Commission's office or may be purchased at a price of 25¢ a page for a total of $4.25 (prepaid).

Randall D. Young
Executive Secretary

SERVICE DATE: OCT 19 1984
RDY/RC/djs