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MINNESOTA
**Department of
Public Service**

August 20, 1991

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Maryanne Hruby
Legislative Commission to Review Administrative Rules
Room 55 State Office Bldg.
100 Constitution Ave.
St. Paul, MN 55155

Dear Ms. Hruby:

The Department of Public Service, Energy Division (Department) is currently in the process of proposing changes to the Energy Information Reporting Rules, Minnesota Rules Parts 7610.0100 to 7610.1500.

The proposed changes to the rules include the deletion of information requirements that the Department believes are burdensome to the reporting utilities based on the limited value of the information to the Department, or are no longer needed for the Department to adequately fulfill its legislatively mandated energy data collection, analysis and forecasting responsibilities.

Attached is a copy of the Statement of Need and Reasonableness pursuant to Minnesota Statutes (1990), section 14.23. The Energy Information Reporting Rules appear in the August 19, 1991 issue of the State Register.

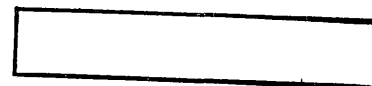
Very truly yours,

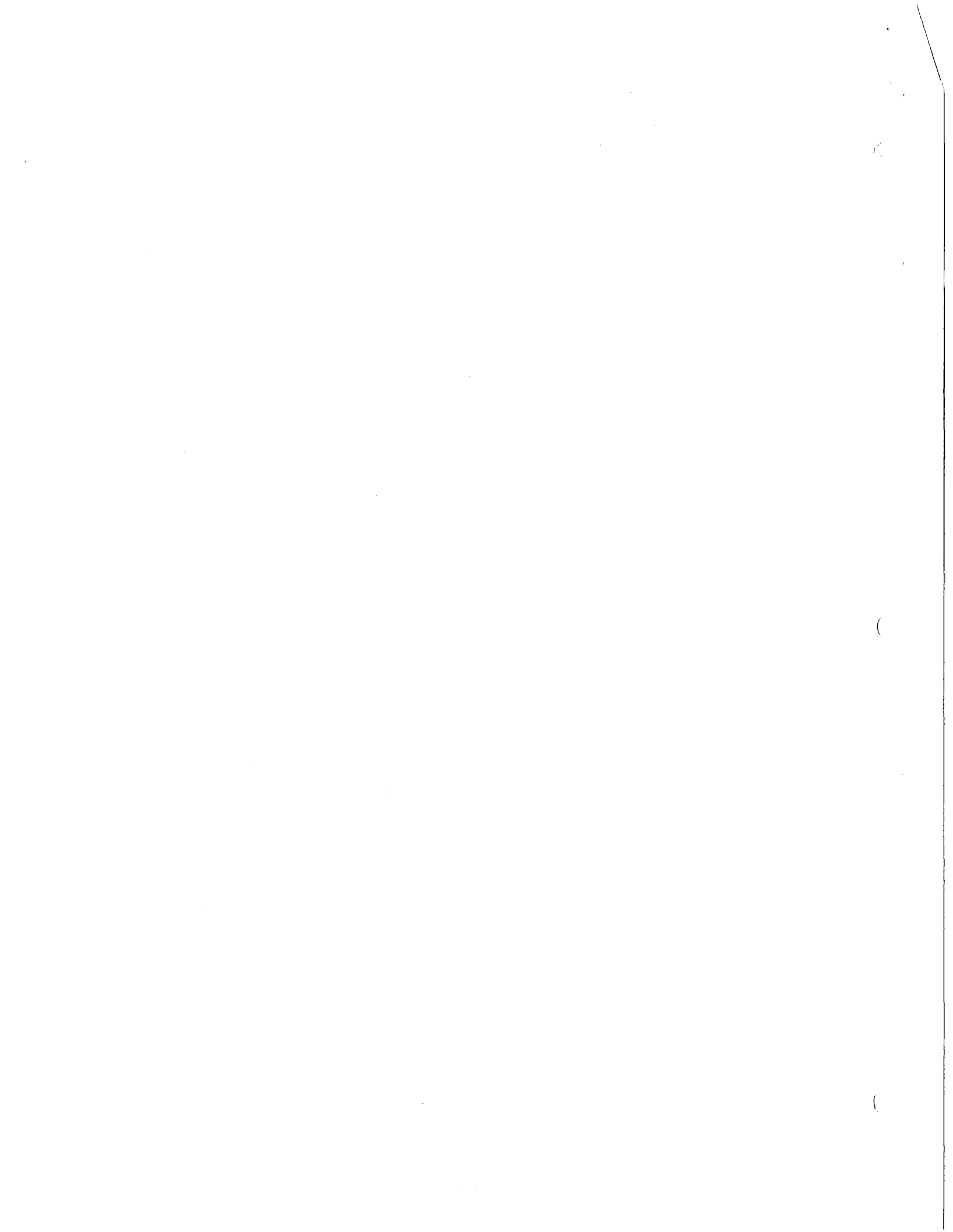
A handwritten signature in cursive script that reads "Melinda M. Reyes".

Melinda M. Reyes
Energy Economist

**The Legislative Commission to
Review Administrative Rules**

AUG 20 1991





July 22, 1991

Statement of Need and Reasonableness

Energy Information Reporting

I. The Commissioner of the Minnesota Department of Public Service presents herein facts and justification establishing the need and reasonableness of proposed amendments to the existing rule provisions contained in Energy Information Reporting. The need to adopt these amended rules arises for the following reasons:

1. There is a need for the commissioner to streamline the reporting process to more adequately and precisely meet the forecasting and current energy statistical requirements mandated by state law.

The information being requested in the existing rule is collected pursuant to Minnesota Statutes, sections 216C.17 and 216C.18 for the purpose of identifying emerging trends and issues in energy demand and supply, conservation and public health and safety factors, and to determine the level of statewide and service area energy needs.

2. The department proposes to delete some of the information requirements because they are too burdensome to the electric, natural gas, interstate gas pipeline, and prime petroleum suppliers and petroleum pipeline companies based on the limited value of the information to the department.

3. The department proposes other deletions because certain information requirements are no longer necessary for the department to fulfill its legislatively mandated statistical and forecasting requirements.

4. Finally, certain changes were made to bring reporting requirements in line with actual data collection. An example of this type of change is the elimination of quarterly data reporting for natural gas utilities, interstate pipeline companies, prime petroleum suppliers and petroleum pipeline companies, and most electric utilities because quarterly data has not been collected from these utilities for several years.

It is submitted that the proposed amended rules as a whole are needed and reasonable for the foregoing reasons. Each substantive change in the original rules is explained and justified rule by rule in the paragraphs that follow. It should be noted that nonsubstantive changes in the rules, such as the reordering of items under a rule by a different number or letter, are not explained or justified. Such changes in reordering by number or letter have occurred to make numerical or alphabetical sense. It should also be noted that word and grammatical changes made by the Revisor's Office to conform with form requirements, as required by Minnesota Statutes section 14.07 (1990), are not further explained or justified in this statement of need and reasonableness.

The reasons that each proposed amended rule is reasonable and needed follows.

II. Impact on small business

Pursuant to Minnesota Statutes, section 14.115 (1990), the department, in proposing amendments to the rules, has taken steps to reduce the impact of the rules on small businesses. The proposed amendments to the rules would streamline the reporting process by reducing the reporting requirements and simplifying the reporting process for all those affected by the rules, including small businesses. Rule 7610.0130 will reduce the reporting requirement for small businesses by eliminating the requirement of filing the following data: (1) a table and graphed curve of demand in megawatts by hour over a 24-hour period during the summer and winter seasons (current part 7610.0600, item A); (2) the names and addresses of the utility's suppliers of primary fuels (current part 7610.0600, item C); and (3) quarterly reports of energy delivered to ultimate consumers (current part 7610.0700). The department has also provided an opportunity for small businesses to participate in the rulemaking process by directly notifying them of the proposed changes to the rules.

III. Need and Reasonableness of Each Change in Rule Provision

A. ELECTRIC UTILITIES

7610.0100 DEFINITIONS

Subpart 3 contains a change in the shorthand term to be used when referring to the Minnesota Department of Public Service. The new term will be "department" instead of "agency". In 1987, Minnesota Laws, chapter 312, article 1, section 7, subdivision 3 defined "department" to mean the Department of Public Service. The definition appears in Minn. Stat. section 216C.01. Chapter 216C concerns the Department of Public Service; Energy Division. As these proposed rules relate to Chapter 216C, there is a need to harmonize terminology. It is reasonable, therefore, to use the term "department" instead of "agency" as the descriptive shorthand term for the Department of Public Service to be used in these rules.

Subparts 9 and 12, which defined the terms "distribution only utility" and "generating and transmission utility" respectively, are deleted. Previously, the distinction between a distribution only utility and a generating and transmission utility was necessary because different forecast filing requirements applied. The proposed changes

in parts 7610.0130 and 7610.0200 to 7610.0310 have made the distinction unnecessary. Under the proposed changes, only the nine utilities which are members of the Minnesota/Wisconsin Power Suppliers Group (M/WPSG) as given in part 7610.0300 must file a forecast. Ten municipal electric utilities who previously filed a forecast no longer need to do so. Due to these changes there is a need to eliminate the definition of terms that are no longer used. The appropriate, reasonable solution is to delete the unused terms.

Subpart 10a will be added to the rules. The term "interruptible load" is defined. This term is used in subpart 26a of this part to define the term "schedule L purchase". There is a need to define the term "interruptible load" because doing so helps clarify the definition given for the term "schedule L purchase" and makes that definition easier to understand. It is reasonable to provide a definition for terms that are used to clarify language used in the rules because doing so ensures accuracy in the statement of the rules.

Subpart 13 which defined the term "heat rate" is deleted. The proposed change in data requirement in part 7610.0400, item E indicates that the average Btu content of coal, if coal is a fuel source, must be filed by utilities in place

of the annual heat rate of a power plant. Due to this change there is a need to eliminate the definition of a term that is no longer used. The appropriate, reasonable solution is to delete the unused term.

In subpart 18 the word "director" was changed to "commissioner" so that the correct title is used when referring to the head of the Department. In 1987, Minn. Laws, chapter 186, section 15, directed the revisor in the next edition of Minnesota Statutes to substitute the term "commissioner" for the term "director" whenever used to refer to the head of the Department of Public Service. Subpart 18 refers to the head of the department and therefore needs to be changed to conform with 1987 Minn. Laws, ch. 186, sec. 15. The appropriate solution, which is reasonable, is to change the designation "director" to "commissioner."

Subpart 26a will be added to the rules. The term "schedule L purchase" is defined. There is a need to define this term because it is used in newly proposed part 7610.0310, item G(2) as a new category for the load and generation capacity data requested in that part. It is reasonable to define this term to make the rules easier to understand. Through the definition, this new category can be distinguished from

the other load and generation capacity data listed in items G(1) to G(15) of part 7610.0310.

7610.0110 PURPOSE AND SCOPE

The changes in this part were made by the Revisor's office to conform with form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.0130 ANNUAL REPORTING DATES

Subpart 1 contained the phrase "Except as provided by the commissioner, each generating and transmission utility...". The phrase is deleted and replaced with the statement: "For good cause shown, the department shall grant a utility an extension from the deadline following receipt of a written request from the utility". The deleted statement provides for an exception, but does not state specifically the kind of exception the commissioner can make. An exception to a rule must be stated in clear and unambiguous terms. Therefore, there is a need to state the standard for granting an exception in clear terms. It is reasonable to delete the ambiguous statement and replace it with this one that makes the nature of the exception specific and provides a standard.

Subpart 1 also referred to "distribution only utilities" and "generation and transmission utilities". Under the proposed changes in parts 7610.0130 and 7610.0200 to 7610.0310, utilities are no longer classified according to those categories. Because the distinctions between the two types of utilities are no longer necessary for the reasons stated above under part 7610.0100, subparts 9 and 12, and because their definitions have been deleted from the definitional section, the terms and references to them need to be deleted in this subpart. The reasonable way to meet that need is to delete the references in part 7610.0130, subpart 1, specific to "distribution only utilities" and "generation and transmission utilities".

New language is also added to subpart 1. This new language states utilities listed under part 7610.0300 shall file the information required by parts 7610.0100 to 7610.0700 while all other electric utilities shall file only the information required by parts 7610.0120, 7610.0170 and 7610.0600, items B to J. This additional language is needed because it specifies which parts of the rule apply to which electric utilities. It is reasonable to include clarifying language such as this because it will ensure the filing of accurate data by avoiding confusion among utilities in terms of determining which information they are required to file with the department.

Subparts 2 and 3 which specify the quarterly reporting dates for information submission and the notice requirements if dates are changed are deleted. The reporting dates for quarterly reports contained in subparts 2 and 3 are superseded by the proposed change in subpart 1 which indicate that all reports must be submitted by July 1 of each year. Quarterly data, when required under proposed part 7610.0700 no longer needs to be submitted four times a year; it is only to be submitted once a year by July 1. Because reporting quarterly data four times a year has been eliminated, there is a need to delete those subparts referring to these current quarterly reporting dates. The reasonable solution to meeting this need is to delete those obsolete subparts.

7610.0170 FEDERAL REPORTS FILED BY UTILITIES

The former Federal Power Commission is now called the Federal Energy Regulatory Commission. This section corrects for this name change. Where a commission is erroneously labelled, there is a need to correct the error. It is reasonable to do so.

A change in language is also made in this section to clarify that the forms and reports which utilities regularly file with all federal agencies must be identified to the commissioner and copies of these forms or reports be made available to the commissioner upon request. Three federal agencies are cited to clarify this point. It is needed and reasonable to change the language of the rule to clarify a statement being made.

Additionally, in the first paragraph of this part, the word "Each" was replaced with "A"; and "all" with "the". In the second sentence of this part, the word "each" was again replaced with the word "a"; and the words "any such" with "the". These changes were done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.0200 ANNUAL DATA AND FORECAST

The department proposes to delete this part. First, part 7610.0200 contains a misstatement in that it says "each utility" must file the basic forecast. In reality, only "generation and transmission only utilities" have been required to file the forecast. Second, the proposed changes to parts 7610.0130, 7610.0200, 7610.0210, and 7610.0310 make

this section unnecessary. Who must file will be covered by part 7610.0300. What data must be filed will be covered by part 7610.0310. There is therefore a need to correct a misstatement and to eliminate redundant parts. To meet this need, the reasonable solution is to eliminate the inaccurate and redundant section.

7610.0210 BASIC FORECAST AND DATA

The contents of this part, with the exception of item G are moved to part 7610.0310 and labelled item B, subitems (1) to (7). The change was made in order to combine the basic forecast and extended forecast requirements into one set of requirements to be reported on one form. Previously, the basic forecast data was filed on the Generation and Transmission Section form, while the extended forecast was filed on the Extended Forecast Section form. Ten municipal electric utilities were required to file the basic forecast data only, while the nine members of the Minnesota/Wisconsin Power Suppliers Group were required to file both basic and extended forecasts. With the proposed changes, only the nine utilities enumerated in part 7610.0300 will be required to file forecasts. Therefore, only one form is required and all requirements may be subsumed under the same heading.

The elimination of forecast reporting requirements for

the ten municipal utilities and the combination of the basic and extended forecast reporting requirements for the nine large utilities are needed to simplify the reporting process. The nine utilities given in part 7610.0300 provide 97 percent of the electricity consumed in the state. A more comprehensive understanding of their operations and future plans is essential to the welfare of the state and for the department to fulfill its legislative mandate to collect data, forecast future electricity usage and identify electric energy trends. The ten municipal electric utilities generate only a very small fraction of electricity consumed in the state. It is reasonable that they be excluded from filing a forecast because the burden to them of filing such information far outweighs the value of the information to the department. It is the department's belief that it can accurately fulfill its legislative mandate without overburdening these small utilities.

The department proposes to delete item G from this part. The information contained in this part is already being requested in part 7610.0310, item G, subitem (1). There is, therefore, a need to eliminate redundant parts. To meet this need, the reasonable solution is to delete the redundant section.

In item H, the requirement of filing data on load factor for the system during the summer and winter seasons is replaced with the requirement of filing data on total semiannual electrical consumption by the utility's ultimate consumers during May through October and November through April. This change is needed so that the department can have consistent data on summer and winter load factors. There are a number of ways to compute a load factor and utilities use any of these different methods. By combining the new information on semiannual electrical consumption with the seasonal system demand data required in proposed item G subitem (1) of this part, a utility's seasonal load factors can be computed. This approach would provide the department with more complete and consistent data on utility peaking characteristics. It is reasonable to change data requirements for the purpose of obtaining more complete and consistent data.

7610.0220 LAST CALENDAR YEAR HISTORICAL DATA

The department proposes to delete this part. Currently this part is contained in the form Generation and Transmission Section. It will be deleted because it describes the requirements for the basic forecast given in part 7610.0210. This part is similar in substance to part 7610.0320 of the

form Extended Forecast Section. Since the department proposes to combine the contents of the Generation and Transmission Section form with the Extended Forecast Section form, the deletion is made to eliminate redundancy in the statement of requirements. There is a need to eliminate redundant parts. To meet this need, the reasonable solution is to delete the redundant section.

7610.0300 WHO MUST FILE

The department proposes to delete the phrase "an extended forecast" from the first sentence of this part and replace it with "the information required by parts 7610.0100 to 7610.0700." There is a need to remove any reference to "an extended forecast" because of the reason that follows. Previously, a distinction was made between the "basic" forecast and the "extended" forecast. Some utilities have been required to file the basic forecast as contained in the form Generation and Transmission Section of the Rules and Regulations Governing Electric Utility Information Reporting, whereas others have been required to file the extended forecast as contained in the Extended Forecast Section form. Since the department proposes to combine these two forms and will require only one group of utilities to file a forecast (the nine utilities listed in this part),

the distinction between basic and extended forecasts is no longer needed. It is reasonable to remove from the rules a term that has been rendered meaningless because of changes in other parts of the rules. There is a need to add the phrase "the information required by parts 7610.0100 to 7610.0700" because this language specifies which parts of the rule apply to the nine electric utilities listed in this part. It is reasonable to include clarifying language such as this because it will ensure the filing of accurate data by avoiding confusion among utilities in terms of determining which information they are required to file with the department.

7610.0310 CONTENT OF THE EXTENDED FORECAST

The department proposes to change the title of this part to "Content of the Historical Data and Forecast". This change is needed to make the title more descriptive of the data required in this part. The word "historical data" will be included to recognize that in this part, aside from a forecast, historical data is also required. The word "extended" will be deleted from the title. The need for this deletion is given in the statement of need and reasonableness for the changes made in part 7610.0300. It

is reasonable to use a title that more accurately conveys the meaning of the contents of the rule.

In the first paragraph of this part, the word "shall" was changed to "must". This change was done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

In the first paragraph of item A, the word "the" was inserted. This change was done to meet the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

In item A, subitems (1) to (6), minor consumer categories have been deleted as separate categories. They now appear merged into the principal economic sectors. Irrigation and drainage pumping has been included in the farm category; and mining in the industrial category. However, a provision is made in the proposed changes to report mining as a separate category in cases where it is a significant sector, such as in Minnesota Power. These changes are needed because the customers in these minor categories (except for Minnesota Power mining) consume a very small percentage of the electricity supplied by the utilities submitting a forecast. The department believes that data at the existing level of detail is no longer needed to obtain adequate information about the sectors of the economy contributing to future

energy demands in the state. The change is reasonable because it simplifies reporting requirements while enabling the Department to fulfill its data collection function.

In item A, subitem (1), the words "which" and "means a" were inserted. These changes were done to meet the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

In item A, proposed subitems (4) and (6), the word "all" was deleted. This change was done to meet the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

Proposed item B was added to this part. It consists of the material previously contained in part 7610.0210, though with some modification, as discussed below. The change is made to merge the forecasting requirements of two forms, the Generation and Transmission Section form and the Extended Forecast Section form. The need and reasonableness of the change are discussed in the statement of need and reasonableness for the changes made in part 7610.0210 above.

In proposed item B subitem (7) the summer season will be listed as the period May through October (instead of April through September) and the winter season as the period November through April (instead of October through March).

This change is needed to enable the department and electric utilities to have a consistent definition of the summer and winter seasons. The proposed definitions are used by the nine electric utilities that file the information required in this part of the rule. It is reasonable for the department to adjust its definition of the summer and winter seasons to coincide with the definitions used by these electric utilities because accurate information pertaining to the two seasons can be obtained this way.

In proposed item G, two additional items will be requested as part of the load and generation capacity data being requested by the department and a change in language will be made to current subitems (1) to (13). These changes are needed in order to make the line items on the load and generation capacity data consistent with that being used by the Mid-Continent Area Power Pool (MAPP). The MAPP line items are being used by the nine electric utilities required to file the information requested in this part of the rule. It is reasonable for the department to use the MAPP line items because this will eliminate confusion in terms of identifying the data to be filed, thereby ensuring the filing of accurate information.

In addition, in the first paragraph of proposed item G, the word "all" was deleted. This change was done to meet

the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

In item H, the words "each utility shall provide" are deleted. This change was done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.0315 FORECASTS USING ALTERNATIVE SECTOR DEFINITIONS

The department proposes to add this section to the rule. It provides for the possibility of the department accepting alternative definitions of sector categories upon the submission by a utility of a written request defining the proposed category. This change is needed to enable the department to obtain accurate information about the sectors of the economy contributing to future demand for electricity in the state. It is reasonable to allow for changes in the definition of sector categories if the current definition is no longer consistent with the definition used by utilities in the forecasts. If the department and the utility do not use consistent definitions for each customer category the forecasts by sector filed by utilities will not carry meaningful information.

7610.0320 FORECAST DOCUMENTATION

In subpart 1, the list of parts of the rules referring to the forecast requirements have been changed. The new list consists of parts 7610.0300, part 7610.0310, and newly proposed part 7610.0315. The previous reference to part 7610.0200 has been deleted because changes to the rules propose the deletion of this part. When the numbering of parts of the rules are changed or new parts to the rules are proposed, there is a need to update statements in other parts of the rule which refer to the newly numbered or newly proposed parts. This solution is reasonable because it leads to accuracy in the statement of the rules.

Additionally, in the first sentence of subpart 1, the word "Each" was changed to "An". This change was done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.0400 PRESENT FACILITIES

Under the proposed change in this section, only the nine large utilities given in part 7610.0300 must file the information requested in this part. This reduces reporting requirements for ten municipal electric utilities who

previously were also required to file the information. The change is needed to simplify reporting requirements. It is reasonable to continue requesting the information from the nine M/WPSG utilities because they generate the bulk of the energy being consumed in the state. A knowledge of the capability of their existing facilities is essential for assessing how the consumption needs of the state can be met by existing energy supply. The ten municipals generate a very small fraction of energy consumption in the state. It is reasonable that they be excluded from filing data on present facilities because the burden to them of filing such information far outweighs the value of the information to the department. Limited information on current capacity from these smaller utilities will be provided for by proposed changes to part 7610.0600 item H. The department believes that it can accurately fulfill its role of identifying emerging trends in energy supply without overburdening these smaller utilities.

Additionally, in the first paragraph of this part, the word "Each" was changed to "A" and the words "with regard to" was changed to "on". These changes were done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

In item B a proposed change in language is made to clarify the information being requested. "its location and address" is replaced with "the statutory or home rule charter city or town and the county in which the plant is located". The new language is needed to specify the information being requested more accurately. It is reasonable to use language which states a requirement in terms that are more accurate.

In item E, the average Btu content of coal, if coal is a fuel source will be requested instead of the annual heat rate of a plant. The term "heat rate" requires a detailed definition that in some cases may lead to ambiguity in interpretation. Originally, the heat rate of a plant was requested to have a measure of the efficiency of a power plant in converting fuel to electric energy. The department believes that the new data can sufficiently serve this purpose. The change is needed and reasonable because it specifies data requirements in unambiguous terms to ensure the filing of accurate data.

In item H, the phrase "and name plate megawatt rating" will be deleted. This change is needed and reasonable because it has been found that this data does not provide information that the department needs. Originally, this data was requested in order to obtain information about a plant's capacity for generating electricity. However, the name

plate megawatt rating is a rating assigned by the manufacturer to a plant and often does not match the capacity of a plant in operation. The actual summer and winter plant capacity reported by utilities in item C better meets the information needs of the department.

7610.0410 FUTURE FACILITY ADDITIONS

The proposed changes in these parts indicate that only the nine utilities given in part 7610.0300 will be required to file the information requested in these parts. This reduces reporting requirements for ten municipal electric utilities who previously were also required to file the information. The change is needed to streamline reporting requirements. It is reasonable to request only the nine large utilities for this information because they supply 97 percent of the energy being consumed in the state. A knowledge of their future facility plans is essential in determining how consumption needs in the state can be met by capacity in the future.

In the first paragraph of this part, the word "Each" was changed to "A". This change was done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

Item G which requests for an estimate of the heat rate of an additional power plant or addition to an existing plant is deleted. The change is needed because the department believes that this information is no longer required to obtain sufficient information about a utility's facility plans. It is reasonable to withdraw the collection of data which the department believes is no longer vital to the fulfillment of its duty of collecting data on energy statistics.

7610.0420 FUTURE FACILITY RETIREMENTS

The proposed changes in these parts indicate that only the nine utilities given in part 7610.0300 will be required to file the information requested in these parts. This reduces reporting requirements for ten municipal electric utilities who previously were also required to file the information. The change is needed to streamline reporting requirements. It is reasonable to request only the nine large utilities for this information because they supply 97 percent of the energy being consumed in the state. A knowledge of their future facility plans is essential in determining how consumption needs in the state can be met by capacity in the future.

Additionally, in this part, word and grammatically changes were made by the Revisor's office to conform with form requirements pursuant to Minn. Stat. section 14.07 (1990).

7610.0600 OTHER INFORMATION REPORTED ANNUALLY

In the first paragraph of this part, the word "Each" was changed to "A". This change was done to meet the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

In item A, a graphed curve of the greatest demand over a 24-hour period on a utility's system is no longer required. The change is needed and reasonable because current computer capabilities make it more convenient for the department to prepare its own graphs.

In item B, "600,000 kilowatt hours" is changed to "10,000 megawatt hours". This change will require utilities to report in its largest customer list only customers with annual consumption of over 10,000 MWh instead of those consuming over 600,000 kilowatt hours. This change is needed because the department believes that more detailed information about utility customers consuming 10,000 MWh or

less annually will not be necessary to identify the trends in energy consumption among the state's largest industrial users. This change is reasonable because it reduces the burden to the utilities of reporting more data than is needed and will reduce the administrative burden to the department of processing the unnecessary data.

Current item C which requests the names and addresses of the utility's suppliers of primary fuels and types of fuel being purchased from this source is deleted. Originally, this information was requested as a means for identifying all suppliers of fuels to Minnesota consumers in accordance with the duty of the department to collect data on energy.

However, in the past this information has not been determined to be necessary for this purpose. It is necessary and reasonable to withdraw the collection of data which the Department believes is not applicable to the fulfillment of its duties because this will eliminate the burden to the utilities of filing the data and to the department of processing the data.

In proposed item C, the word "indicated" was replaced with "shown". This change was done to meet the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

In proposed item D, word and grammatical changes were made by the Revisor's office to confirm with form requirements pursuant to Minnesota Statutes section 14.07 (1990).

In proposed item F, the change being made is that the department will be requesting a copy of report form EIA-861 instead of F.P.C. Form Number 12. This change is needed because the latter is no longer being collected by the Energy Information Administration. Its data requests have been broken up and transferred to a number of different forms. The information needed by the department is now being collected through report form EIA-861. It is reasonable to undertake changes that will ensure that the department obtains the data it needs.

Subitems (1) and (2) of current item G will be separated into the two proposed items F and G, respectively. There is a need to make these changes to provide greater clarity in the statement of the rules. Instead of requesting for "whichever reports it files with either the [U. S.] Energy Information Administration or the [U. S.] Department of Agriculture", item F specifically requests for form EIA-861 which a utility files with the U. S. Energy Information Administration. Item G specifically requests that rural cooperatives file part D of the financial and statistical report filed to the U. S. Department of Agriculture. These

changes are reasonable because they specify data requirements in a clearer manner and, therefore, ensure the filing of accurate reports.

Item H lists the data on current capacity that must be filed by utilities that are not members of the M/WPSG. The members of the M/WPSG are excluded from the requirement in this part because the data have already been requested from these utilities in part 7610.0400. The data requested are the following: total megawatts of generation capacity, megawatt hours generated during the last calendar year, the amount of fuel used to generate electricity and the average Btu content of coal used for electric generation. There is a need to collect this information from all the utilities to have a more comprehensive understanding of the energy supply situation in the state. It is reasonable to request data on overall generation and capacity because this provides more useful and complete information than data on emergency standby generation. It is also reasonable to request for the average Btu content of the coal used for electric generation because this permits a more accurate comparison of electric generation by various types of fuel. Btu content of coal can vary considerably. These changes will also allow the department to stop distributing a separate questionnaire that currently requests this information from utilities.

In item J, revenues broken down by categories is added as a data requirement. This data has been collected from all utilities for several years. The addition of the data formalizes current practice. The collection of revenue data is needed and reasonable because it is useful for identifying trends in energy expenditures among the sectors of the economy.

7610.0700 QUARTERLY REPORTS OF ENERGY TO CONSUMERS

The proposed changes in this section would require the filing of quarterly reports only by those utilities with annual sales to ultimate consumers of over 2,000 gigawatt hours. This would include only the four regulated electric utilities in the state namely, Northern States Power, Minnesota Power, Otter Tail Power and Interstate Power Company. A proposed change in language is also being made to clarify that the quarterly data must be reported by customer classes defined by standard industrial classification (SIC) codes. The change is needed to streamline reporting requirements. It is reasonable to eliminate the smaller utilities from the quarterly reporting requirements because they do not collect quarterly data by SIC-defined customer classes. It will be overly burdensome

for them to be required to file the data only to fulfill the reporting requirements of the department. In addition, the processing of quarterly data from all the utilities poses an administrative burden to the department that far outweighs the value of the information obtained. The four regulated utilities currently supply the data and the Department believes that an understanding of the trends in energy consumption can reasonably be obtained with quarterly data from these utilities.

B. NATURAL GAS UTILITIES

7610.0800 DEFINITIONS

Subpart 2 contains a change in the shorthand term to be used to refer to the Minnesota Department of Public Service. The new term will be "department" instead of "agency". In 1987, Minnesota Laws, chapter 312, article 1, section 7, subdivision 3 defined "Department" to mean the Department of Public Service. The definition appears in Minn. Stat. section 216C.01. Chapter 216C concerns the Department of Public Service; Energy Division. As these proposed rules relate to Chapter 216C, there is a need to harmonize terminology. It is reasonable, therefore, to use the term "department" instead of "agency" as the descriptive shorthand term for the Department of Public Service to be used in these rules.

Subpart 6 which defined the term "construction" is deleted. This word is not being used in any portion of the rules pertaining to utilities and interstate gas pipeline companies. Therefore, its definition is unnecessary. There is a need to eliminate the definition of a term that is not being used. The appropriate, reasonable solution is to delete the unused term.

In subpart 16, the department proposes to replace the reference to Minnesota Statutes, section 84.57 with Minnesota Statutes section 103I.681, subdivision 1, paragraph (a). This change is needed because Minnesota Statutes, section 84.57 has been repealed and recodified at Minnesota Statutes, section 103I.681, subdivision 1, paragraph (a). It is reasonable to refer to the correct statute number to maintain accuracy in the statement of the rules.

7610.0810 PURPOSE AND SCOPE

In subpart 1, the parts referring to the "[implementation of] the forecasting, statistical, and informational reporting requirements of Minnesota Statutes, sections 216C.17 and 216C.18" were erroneously listed as parts 7610.0800 to 7610.1210 whereas it should be parts 7610.0800 to 7610.1230. The replacement of "7610.1210" for "7610.1230" eliminates this error. There is a need to eliminate an erroneous statement in the rules. To meet this need, the reasonable solution is to substitute the erroneous statement with the correct one.

Additionally, in the second sentence of subpart 1, the words "pursuant to" were replaced with "under"; and the word "paragraph" with "clause". These changes were done to meet

the Revisor's form requirements pursuant to Minn. Statutes section 14.07 (1990).

7610.0820 ANNUAL REPORTING DATES

Subpart 1 contained the phrase "Except as provided by the commissioner or in these parts, each...". The phrase is deleted and replaced with the statement: "For good cause shown, the department shall grant a utility an extension from the deadline following receipt of a written request from the utility". The deleted statement provides for an exception, but does not state specifically the kind of exception the commissioner can make. An exception to a rule must be stated in clear and unambiguous terms. Therefore, there is a need to state the standard for granting an exception in clear terms. It is reasonable to delete the ambiguous statement and replace it with this one that makes the nature of the exception specific and provides a standard.

Subpart 2 which contained the reporting dates for quarterly reports to be filed by natural gas utilities is deleted. This is because part 7610.1120 which contains the provisions for quarterly reporting by natural gas utilities has been deleted. Therefore, subpart 2 is no longer necessary.

There is a need to eliminate portions of the rule that are unnecessary because they pertain to a part that has been deleted. The reasonable solution is to delete that portion pertaining to an obsolete part of the rule.

Subpart 3 which specifies the reporting dates for forms filed by interstate gas pipeline companies is deleted. The reporting dates contained in subpart 3 are superseded by the proposed change in subpart 1 which indicates that all reports must be submitted by July 1 of each year. Therefore, subpart 3 is no longer necessary. It is reasonable to delete a subpart of the rule that is no longer necessary.

7610.0840 FEDERAL OR STATE DATA SUBSTITUTION FOR ENERGY
AGENCY DATA REQUIREMENTS

The changes in this part were made by the Revisor's office to conform with form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.0850 REGISTRATION

The changes in this part consist of word and grammatical changes made by the Revisor's Office to conform with form

requirements as required by Minn. Stat. section 14.07
(1990).

7610.0860 FEDERAL REPORTS FILED BY GAS UTILITIES AND
INTERSTATE GAS PIPELINE COMPANIES

The Department proposes to shorten the title of this part to "Federal Reports: Utility, Pipeline Company" for brevity and clarity. It is necessary and reasonable to shorten a title in order to provide greater clarity concerning the subject of the rule.

The former Federal Power Commission is now called the Federal Energy Regulatory Commission. This section corrects for this name change. Where a commission is erroneously labelled, there is a need to correct the error. It is reasonable to do so.

A change in language is also made in this section to clarify that the forms and reports which utilities regularly file with all federal agencies must be identified to the commissioner and copies of these forms or reports be made available to the commissioner upon request. Two federal agencies are cited to clarify this point. It is needed and reasonable to change the language of the rule to clarify a statement being made.

In the first sentence of this part, the word "Each" was changed to "A", "all" to "the", and the word "the" was added. In the second sentence, the word "any" was changed to "a". These changes were done to meet the Revisor's form requirements pursuant to Minnesota Statutes, section 14.07 (1990).

7610.0900 YEARS COVERED

This part is deleted because under the proposed rule change the length of utility forecasts will vary, with the full 15 year forecast to be limited to natural gas consumption by sector. The new varying requirements are now specified in other sections of the rules, making this section unnecessary. The discussion under sections 7600.0910 and 7610.1000 below explains the need and reasonableness of this change.

7610.0910 CONTENT OF ANNUAL REPORT

The Department proposes to change the title of this part to "Overall Supply and Demand". The change is needed to make the title descriptive of the types of data required in this

part. The data includes gas consumption for different uses in the utility's Minnesota service area and gas supply from various sources to meet users' consumption needs. The department believes that the proposed title is more appropriate than the current one. It is reasonable to use a title that more accurately conveys the meaning of the contents of the rule.

A change in language is also made to eliminate forecasting requirements for the tenth and fifteenth years for the list of supply, peak day and annual consumption data listed in this part. Forecasts of these types of data beyond 5 years has not been found by the department to be necessary in fulfilling its legislative mandate of identifying the trends in demand and supply in the natural gas sector. It is reasonable to withdraw the collection of data which the department believes is not vital to the fulfillment of its legislative mandate.

Newly proposed items B and C which require utilities to report other deliveries of gas to commercial and industrial consumers in Minnesota is added to this part. This provides a place to report utility transportation services to large consumers that purchase natural gas from suppliers other than the utility. The need to include items B and C arose when changes in federal regulations enabled large consumers

to bypass utilities and deal directly with producers. Under this new arrangement a utility's distribution line can be used to transport natural gas bought from sources other than the utility. It is reasonable to require utilities to report deliveries of gas resulting from this new arrangement because the additional data will provide a complete accounting of total demand for natural gas in the state.

Proposed item G contains a request for "the total annual gas consumption, for all purposes, in the utility's Minnesota service area". A proposed change in language is made to allow for the inclusion of the data requested in newly proposed items B and C. This change is needed and reasonable because it will complete the accounting of total annual gas consumption in the state.

Additionally, the word "with" was added. This was done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

In proposed item N, the word "such" was changed to "the". This change was done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

Current item Q which contains requests for historic and forecast sales and number of customers is deleted. The requirements contained in item Q, subitems (1), (2), (3),

(4), (5), (6), (7), (12) and (13) of this part are transferred to newly proposed part 7610.0914. Item Q, subitems (8), (9), (10) and (11) are deleted because they are redundant. The sum of the figures reported in item Q, subitems (8) and (9) results in a number equal to the figures reported in item Q, subitem (12). Item Q(10) is the same information requested in proposed item E and item Q(11) is the same as proposed item F. The transfer of the retained portions of item Q to newly proposed part 7610.0914 will allow the department to retain the current requirement for 15 year forecasts by the seven largest utilities, and to retain the requirement for historic data for the 19 smallest utilities in the state while eliminating forecasts by sector for the 19 smallest utilities. The reordering is needed to simplify reporting requirements. It is reasonable to stop requesting a detailed forecast from the small utilities because they supply a small percentage of total natural gas consumption in the state. The seven largest utilities supply 95 percent of total natural gas consumption in the state. The department will be able to project who will be the users of natural gas and the amounts these users are expected to consume in the future from the data provided by the large utilities.

7610.0914 SALES BY CUSTOMER CATEGORY

Newly proposed subpart 1 was previously contained in part 7610.0910, item Q. However, the level of detail regarding customer categories to be reported will be revised in subpart 1. Commercial firm customers who use less than, equal to or greater than 200 Mcf on peak day are combined into the category "commercial firm sales" in newly proposed item B. Industrial firm customers who use less than, equal to or greater than 200 Mcf on peak day are combined into the category "industrial firm sales" in newly proposed item D. These changes are needed to simplify reporting requirements. The department believes that forecasts at the current level of detail are no longer needed to understand the overall trends in natural gas consumption in the state. The economic classification of customers being proposed in this part is sufficient. It is reasonable to delete requirements which are no longer necessary for the department to fulfill its duties.

The requirements of newly proposed subpart 2 are addressed to the 19 smallest utilities. It provides a section where they can report the historic information previously requested in part 7610.0910, item Q. The need and reasonableness of these changes are found in the statement

of need and reasonableness for the changes made in part 7610.0910, item Q and part 7610.0914, subpart 1 above.

7610.0920 LAST CALENDAR YEAR HISTORICAL DATA

A technical change is made to the sentences which state:

"The agency recognizes that five to 15 year forecasts can be difficult to calculate and subject to considerable error, but utilities shall prepare these forecasts to the best of their ability and knowledge. The forecasts shall be based on those assumptions and factors that the reporting utility deems most likely to occur". This will be replaced with

"Utilities must prepare these forecasts to the best of their ability and knowledge based on those assumptions and factors that the reporting utility considers most likely to occur".

This change is needed and reasonable to make the language conform with the general practice of language used in writing administrative rules. This change in language does not in any way represent a change in the department's perception about the nature of the forecasts. The department still recognizes the difficulty of formulating forecasts and the error such a forecast can be subject to. Therefore, the sentence simply asks utilities for a forecast to the best of their present knowledge and ability.

Additionally, word and grammatical changes were made in this part to conform with the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.1000 WHO MUST FILE

The Department proposes to change the title of this part to "Peak-Day Forecast". The change is needed because the new title gives the reader a more accurate idea of the data that is being required in this part. It is reasonable to use a title that more accurately conveys the meaning of the contents of the rule.

A change in language is also being made in this part to specify that peak-day forecasts will be required only from utilities with annual Minnesota sales of more than 10,000,000 Mcf. This change would exclude Midwest Gas (formerly North Central Public Service Company) from the list of utilities required to file the forecast under this part. The change is needed because annual natural gas sales by Midwest Gas and other small companies are currently a small percentage of the state total compared to the share of each of the three large utilities that will still be required to file the detailed forecast. Over the last three years, Minnegasco accounted for approximately 45 percent of total consumption, NSP made up 25 percent, Peoples Natural

Gas Company held 12 percent while Midwest Gas accounted for 4 percent of the total. It is reasonable to relieve comparatively smaller utilities from filing a detailed forecast designed for the much larger utilities.

The length of the forecast period is shortened. Forecasts will no longer be required for the tenth and fifteenth year following the current year. This change is needed and reasonable to simplify reporting requirements. The department believes that the level and sources of demand on a utility's system during the peak day can reasonably be identified without requiring a forecast fifteen years into the future.

The Department proposes to reduce the categories of demand for which a forecast is required. Commercial firm customers who use less than, equal to or greater than 200 Mcf on peak day and industrial firm customers who use less than, equal to or greater than 200 Mcf on peak day are combined into "commercial industrial firm sales" in newly proposed item B. Commercial interruptible and industrial interruptible are combined into "commercial industrial interruptible sales" in newly proposed item C. These changes are necessary because the Department believes that forecasts at the current level of detail will no longer be needed to understand the different components of demand on a utility's system during

the peak day. "Other deliveries to ultimate customers" is a category added to this part. This additional category provides a section to report utility transportation services to large consumers that purchase natural gas from suppliers other than the utility. The need for this new category arose when regulatory changes establishing this new supply option for large consumers were adopted. It is reasonable to combine certain data categories for the purpose of reducing unnecessary detail in data requirements. It is reasonable to include the new customer category because it provides a complete accounting of demand for natural gas in the state.

Additionally, in the first paragraph, the word "its extended" was changed to "a" and the words "pursuant to" was changed to "under". These changes were made to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.1010 FORECAST DOCUMENTATION

Subpart 1 contains changes in language to specify that the forecast documentation will be eliminated for all except the three largest natural gas utilities in the state. This change is needed to streamline reporting requirements. The department believes that it can adequately fulfill its

legislative mandate of collecting and compiling energy forecasts and related energy statistics without the forecast documentation from utilities other than the three largest ones. It is reasonable to withdraw the collection of information that the department believes is no longer vital to the fulfillment of its legislative functions.

Additionally, in the first sentence of subpart 1, the word "Each" was changed to "A". This change was done to meet the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

7610.1120 QUARTERLY DISPOSITION OF GAS BY UTILITIES

The Department proposes to delete this part. This change is needed because the collection of quarterly data has been discontinued for several years. The deletion formalizes current practice. It is reasonable to eliminate the quarterly reporting requirements for utilities because the processing of quarterly data poses an administrative burden to the Department that far outweighs the value of the information obtained. The Department believes that it can adequately fulfill its legislative mandate of collecting and compiling data on energy statistics without the level of detail provided by quarterly reports.

7610.1130 OTHER INFORMATION TO BE REPORTED BY GAS
UTILITIES

The department proposes to shorten the title of this part to "Other Information Reported by Utilities" for brevity and clarity. It is necessary and reasonable to shorten a title in order to provide greater clarity concerning the subject of the rule.

In subpart 1, item A, a graph showing the annual load curve for consumption of gas will no longer be required. The change is needed and reasonable because current computer graphing capabilities make it more convenient for the Department to prepare its own graphs.

The categories "small volume interruptible" in subpart 1, subitem (3) and "large volume interruptible" in subitem (4) are combined into a single category "commercial industrial interruptible". This change is needed and reasonable because the Department believes that data at the current level of detail will no longer be needed to understand the overall trends in natural gas consumption in the state. In addition, the category "other deliveries to ultimate consumers" is added to subpart 1, item A as proposed subitem (5). The need to include this category arose when changes in federal regulations enabled large consumers to bypass

utilities and deal directly with producers. Under this new arrangement a utility's distribution line can be used to transport natural gas bought from sources other than the utility. It is reasonable to require utilities to report deliveries of gas resulting from this new arrangement because the additional data will provide a complete accounting of total natural gas consumption in the state.

In current subpart 1, item B, the word "any" was deleted and the word "which" was changed to "that". These changes were done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

In current subpart 1, item C the requirement for "a list of customers who will be curtailed or completely phased out in the five years following the year of filing" is deleted. This is needed and reasonable because the current situation in the natural gas industry no longer requires the curtailment of customers that wish to have firm natural gas service.

The requirement to report the total number of customers and total sales during the last calendar year to firm and interruptible commercial industrial customers that use more than 200 Mcf on peak day has been added to this part as newly proposed subpart 1, item C. This requirement was

formerly contained in part 7610.0910, item Q where the current statistic and forecast of this data was required. It was moved to this location so that only the previous calendar year data will be reported by all utilities. This change is needed and reasonable because the department believes that a forecast of these customer categories is no longer necessary to adequately identify the trends in natural gas consumption by user type.

The title of subpart 2, "customers and addresses" will be replaced by "customer information". The change is needed because from the old title the reader may mistakenly conclude that only customer names and addresses are required in this part when actually more information is being requested as listed in proposed items A to E. Hence, a new title is provided to avoid this potential source of confusion. It is reasonable to change the language of the rules to avoid misinterpretations and ensure the filing of accurate data.

Subpart 2, items B and C are deleted. This is needed and reasonable because the department believes that data on small volume interruptible users and firm customers with consumption of 6,000 Mcf or greater is no longer needed to adequately fulfill its function of collecting and compiling

data on energy statistics and identifying emerging trends in energy consumption.

C. INTERSTATE PIPELINE COMPANIES

7610.1200 BASIC FORECAST AND CURRENT STATISTICS FOR
INTERSTATE GAS PIPELINE COMPANIES

In the first paragraph of subpart 2, the word "shall" was changed to "must". This change was done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

Subpart 2, item A contains a change in language to require interstate gas pipeline companies to report their deliveries to utility distribution companies as well as sales for resale. The need for this change arose when changes in federal regulations allowed gas utilities to bypass interstate pipeline companies and purchase gas directly from producers. Pipeline companies act as transporters of gas purchased under this arrangement. It is reasonable to require interstate pipeline companies to report deliveries to utilities because the additional data will provide a complete accounting of total natural gas consumption in the state.

Newly proposed subpart 2, item B is added to require interstate gas pipeline companies to report "the annual sales and deliveries to ultimate consumers in Minnesota, excluding any sales and deliveries that are transported, in part, by Minnesota distribution utilities". The need for this additional requirement arose when changes in federal regulations allowed large users to purchase natural gas from suppliers other than the gas distribution utility. Under this new arrangement a pipeline company's distribution line can be used to transport gas bought by end users from the pipeline or other sources. The new category only includes sales and deliveries that reach customers via direct hookups with the interstate pipeline. All deliveries that reach customers via local utilities will be reported by local utilities under part 7610.0910. It is reasonable to require interstate pipeline companies to report direct sales and deliveries to ultimate consumers because this will provide a complete accounting of total natural gas consumption in the state.

In subpart 3, a technical change is made to the sentences which state: "The agency recognizes that five to 15 year forecasts can be difficult to calculate and subject to considerable error, but interstate pipeline companies shall prepare these forecasts to the best of their ability and knowledge. The forecasts shall be based on those

assumptions and factors that the reporting utility deems most likely to occur." These will be replaced with "Interstate pipeline companies must prepare these forecasts to the best of their ability and knowledge based on those assumptions and factors that the reporting utility considers most likely to occur". This change is needed and reasonable to make the language conform with the general practice of language used in writing administrative rules. This change in language does not in any way represent a change in the department's perception about the nature of the forecasts. The department still recognizes the difficulty of formulating five to 15 year forecasts and the error such a forecast can be subject to. Therefore, the sentence simply asks interstate pipeline companies for a forecast to the best of their present knowledge and ability.

The requirement in subpart 3 that interstate pipeline companies state in writing the assumptions and factors used in deriving the forecasts has been deleted. This change is needed to simplify reporting requirements and eliminate the burden to the utilities of preparing the reports. The department believes that it no longer needs a report of this aspect of the forecasts in order to fulfill its legislative mandate of identifying the trends in natural gas consumption and supply in the future. The documentation provided by the largest local utilities in Minnesota under section 7610.1010

is sufficient for this purpose. It is reasonable to withdraw the collection of data which the department believes is no longer vital to the fulfillment of its legislative mandate.

In subpart 3, word and grammatical changes were made to conform with the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.1210 PRESENT FACILITIES AND
7610.1220 FUTURE FACILITIES

The department proposes to revise the title of part 7610.1210 to "Map of Present Facilities" and of part 7610.1220 to "Map of Future Facilities". These changes are needed to make the titles more descriptive of the types of information to be required under these parts. The current requirement that utilities report detailed information on present and future natural gas storage facilities will be eliminated. Only a map of the utility's Minnesota service area showing present facilities will be required in part 7610.1210 and a Minnesota service area map identifying future facilities will be required in part 7610.1220. It is reasonable to use titles that more accurately convey the meaning of the contents of the rule. The information

contained in the deleted portions was originally requested because in the 1970s, there was great concern that available supplies were not adequate to meet the rising demand. Under these circumstances, detailed reports of present and future facilities were considered vital. At present, the great concern in the 1970s of meeting supply shortfalls no longer holds. Regulations that strictly limited prices to natural gas producers and contributed to shortages have been eliminated. Natural gas consumption is expected to increase steadily over the coming years, but current reserves and undiscovered resources of natural gas should be widely available through at least the first decade of the 21st century. Therefore, it is reasonable to withdraw the collection of data which the department considers is no longer needed to fulfill its legislative mandate to identify major trends and issues in natural gas consumption and supply.

7610.1230 DISPOSITION OF GAS BY INTERSTATE PIPELINE
 COMPANIES

The former Federal Power Commission is now called the Federal Energy Regulatory Commission. This section corrects for this name change. Where a commission is erroneously labelled, there is a need to correct the error. It is reasonable to do so.

Additionally, the department proposes to eliminate the requirement that an interstate pipeline company must file FERC form 16. This form contains information on monthly supplies to Minnesota utilities. The department believes that it no longer needs this information to be able to identify trends in natural gas consumption in the state.

D. PRIME PETROLEUM SUPPLIERS AND PETROLEUM PIPELINE COMPANIES

7610.1300 DEFINITIONS

Subpart 2 contains a change in the shorthand term to be used when referring to the Minnesota Department of Public Service. The new term will be "department" instead of "agency". In 1987, Minnesota Laws, chapter 312, article 1, section 7, subdivision 3 defined "Department" to mean the Department of Public Service. The definition appears in Minn. Stat. section 216C.01. Chapter 216C concerns the Department of Public Service; Energy Division. As these proposed rules relate to Chapter 216C, there is a need to harmonize terminology. It is reasonable, therefore, to use the term "department" instead of "agency" as the descriptive shorthand term for the Department of Public Service to be used in these rules.

Subpart 4 which defined the term "construction" is deleted. This word is not being used in any portion of the rules pertaining to utilities and interstate gas pipeline companies. Therefore, its definition is unnecessary. There is a need to eliminate the definition of a term that is not being used. The appropriate, reasonable solution is to delete the unused term.

7610.1330 ANNUAL REPORTING DATES

Subpart 1 contained the phrase "Except as provided by the commissioner, each generating and transmission...". The phrase is deleted and replaced with the statement: "For good cause shown, the department shall grant a utility an extension from the deadline following receipt of a written request from the utility". The deleted statement provides for an exception, but does not state specifically the kind of exception the commissioner can make. An exception to a rule must be stated in clear and unambiguous terms. Therefore, there is a need to state the standard for granting an exception in clear terms. It is reasonable to delete the ambiguous statement and replace it with a statement that makes the nature of the exception specific and provides a standard.

Subpart 1, items A to B which contained the reporting dates for quarterly reports to be filed by prime petroleum suppliers and petroleum pipeline companies is deleted. This is because part 7610.1600, subpart 1 which contains the provisions for quarterly reporting by prime petroleum and pipeline companies has been deleted. Therefore, subpart 1 is no longer necessary. There is a need to eliminate a portions of the rule that is unnecessary because it pertains

to a part that has been deleted. The reasonable solution is to delete that portion pertaining to an obsolete part of the rule.

Subpart 2 which specifies the reporting dates for forms filed by prime petroleum suppliers and pipeline companies is deleted. The reporting dates contained in subpart 2 are superseded by the proposed change in subpart 1 which indicates that all reports must be submitted by July 1 of each year. Therefore, subpart 2 is no longer necessary. It is reasonable to delete a subpart of the rule that is no longer necessary.

Subpart 3 which states the conditions by which changes in reporting dates can be made by the department is deleted. This change is needed to indicate that the department will not make any change in the reporting date unless the change is made as part of future rulemaking. The deadline of July 1 set forth in subpart 1 will be fixed. It is reasonable to delete a section of the rule that the department does not intend to use.

7610.1360 REGISTRATION

The sentence "Each prime petroleum supplier and petroleum pipeline company operating in Minnesota must file a registration statement with the commissioner by July 1, 1975" is deleted because this refers to a one time reporting requirement. Prime petroleum and petroleum pipeline companies file the reports required in parts 7610.1370 to 7610.1500 annually. Therefore, deleting the sentence is needed and reasonable because it carries no meaning in the context of the proposed rules.

"The word "director" is changed to "commissioner" so that the correct title is used when referring to the head of the department. In 1987, Minn. Laws, chapter 186, section 15, directed the revisor in the next edition of Minnesota Statutes to substitute the term "commissioner" for the term "director" whenever used to refer to the head of the Department of Public Service. Subpart 18 refers to the head of the department and therefore needs to be changed to conform with 1987 Minn. Laws, ch. 186, sec. 15. The appropriate solution, which is reasonable, is to change the designation "director" to "commissioner."

Word and grammatical changes were also made in this part by the Revisor to conform with form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.1380 HISTORICAL SUPPLY DATA

The requirements under this part were previously requested under part 7610.1410, item A. By moving the requirements to part 7610.1380 the department will be requesting all prime petroleum suppliers to submit only the data for the last calendar year and eliminate the requirement of a forecast. The historical data is needed for identifying the companies currently supplying petroleum products to the state. Such information helps the department to monitor the short term petroleum supply situation in the state and maintain any necessary contact with suppliers of petroleum products. The department believes that for this purpose a forecast of supply is not necessary. The change being made in this part is reasonable because it will streamline the department's energy data collection effort.

7610.1400 ANNUAL FORECASTS

A change in language is being proposed in this part to indicate that only a prime petroleum supplier who operates a refinery located in Minnesota or an adjacent state will be required to submit the current calendar year, five, ten, and 15 year forecasts of petroleum production at their Minnesota area refineries. This change is needed because the department believes that the amount of petroleum products produced in Minnesota area refineries will provide more accurate information about regional supplies of petroleum products in the state. The current forecasted supplies brought into the state by prime suppliers provides no useful information on the source or the supplies. This change is reasonable because it will improve the quality of the data being collected by the department and enable it to better fulfill its legislative mandate of collecting energy data and identifying the trends in petroleum supply and demand in the state.

7610.1410 CONTENT OF FORECASTS

Item A contains a change in language that indicates that the data requested in this section will be filed only by prime petroleum suppliers with refineries located in Minnesota or

an adjacent state. The need and reasonableness of this change is contained in the statement of need and reasonableness for the changes made in part 7610.1400.

Current item B requests for the annual demand for various petroleum products if supplies are not sufficient to meet total demand. This section is deleted because the information being requested is related to a federal price allocation control system which was eliminated in 1981. In the absence of this federal regulation the information requested in this section is no longer meaningful. It is reasonable to delete data requirements that no longer provide meaningful information.

Proposed item B which requests that a prime petroleum supplier submit a forecast of "the annual volume of crude oil in number of barrels available to the supplier's refineries located in Minnesota" is replaced with the requirement that a prime petroleum supplier that operates a refinery in Minnesota or an adjacent state must submit annually a forecast of "the annual volume of crude oil in number of barrels available to the supplier's refinery." The need and reasonableness of this change is contained in the statement of need and reasonableness for the changes made in part 7610.1400.

7610.1420 REPORTING YEARS

The sentence "In 1975, data shall also be supplied for the calendar year 1973" is deleted because this refers to a one time reporting requirement. Prime petroleum suppliers and petroleum pipeline companies file the reports required in part 7610.1410 annually. Therefore, deleting the sentence is needed and reasonable because it carries no meaning in the context of the proposed rules. -

7610.1430 CRITERIA FOR FORECAST

The requirement that each prime petroleum supplier file in writing the documentation for the forecasts of petroleum supply and demand within its Minnesota service area has been deleted. This change is needed to simplify reporting requirements and eliminate the administrative burden to the suppliers of preparing the documentation. The department believes that it no longer needs this documentation to fulfill its legislative mandate of identifying the trends in petroleum demand and supply. It is reasonable to withdraw the collection of data which the department believes is no longer needed for the fulfillment of its legislative mandate.

Additionally, word and grammatical changes were made in this part by the Revisor's Office to conform with form requirements as required by Minnesota Statutes section 14.07 (1990).

7610.1500 PRESENT FACILITIES

In the first paragraph of this part, the word "Each" was replaced with "A"; the words "with regard to any" were replaced by "on"; and the word "which" was replaced with "that". These changes were made to meet the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

Item A is deleted because the department currently collects information on refinery production through the forms provided by suppliers in part 7610.1370. The deletion is needed and reasonable because it will eliminate the duplication of data collected by state and federal agencies.

In current item C detailed data on pipelines will be deleted. Only a map showing the location of pipelines will be required. These changes are needed because the portions to be deleted contain a request for information that does not tend to vary from one reporting period to another. As long as the general location of pipelines can be determined

by the department through the map, any information about the pipelines that has been added or changed from a previous reporting period will be obtained by the department from the pipeline company as needed. It is reasonable to withdraw the annual collection of data that the department already has in its files and which does not tend to vary from one reporting period to the next. This eliminates the burden to the prime petroleum supplier or pipeline company of filing the same data every year.

7610.1510 FUTURE FACILITY REQUIREMENTS

The department proposes to delete this part because the information requested can be obtained from the certificate of need application filed by a prime petroleum supplier or pipeline company when it plans to construct additional facilities or addition to existing facilities. Unlike the electric and natural gas industries, the petroleum industry is not regulated. In addition, petroleum products can be stored so the concern for supply availability is not as heightened as it is with electric and natural gas. In order to fulfill its legislative mandate of collecting energy statistics and identifying the trends in energy supply and demand in the state, the department believes that it no longer needs information about future facility requirements

of prime petroleum suppliers and pipeline companies beyond that provided in their certificate of need applications. It is needed and reasonable to withdraw the collection of data that the department already has access to. This will simplify reporting requirements and eliminate the duplication of information filed.

7610.1520 REFINERY FUEL REQUIREMENTS

This part which requests for detailed information about each prime petroleum supplier's Minnesota refineries is deleted. This change is needed to simplify reporting requirements. The department believes that the information being provided through proposed part 7610.1410, item B for petroleum refineries located in Minnesota will be sufficient for the information needs of the department. It is reasonable to withdraw the collection of data which the department believes is no longer vital to the fulfillment of its duty.

7610.1600 PETROLEUM DELIVERED TO CUSTOMERS

The department proposes to delete subpart 1 of this part. This change is needed because the collection of quarterly data has been discontinued for several years. The deletion

formalizes current practice. It is reasonable to eliminate the quarterly reporting requirements for prime petroleum suppliers because the processing of quarterly data poses an administrative burden to the department that far outweighs the value of the information obtained. The department believes that it can adequately fulfill its legislative mandate of collecting and compiling data on energy statistics without the level of detail provided by quarterly reports.

The department proposes to delete subpart 2 of this part. Subpart 2 contains the requirement that enables a prime petroleum supplier to submit an alternate form when filing information requested in subpart 1. The deletion is needed because the department proposes to stop collecting the information currently being requested in subpart 1. This makes the requirement in subpart 2 obsolete and unnecessary. It is reasonable to delete a portion of a rule that has been rendered obsolete and unnecessary because it pertains to an information request that will no longer be collected.

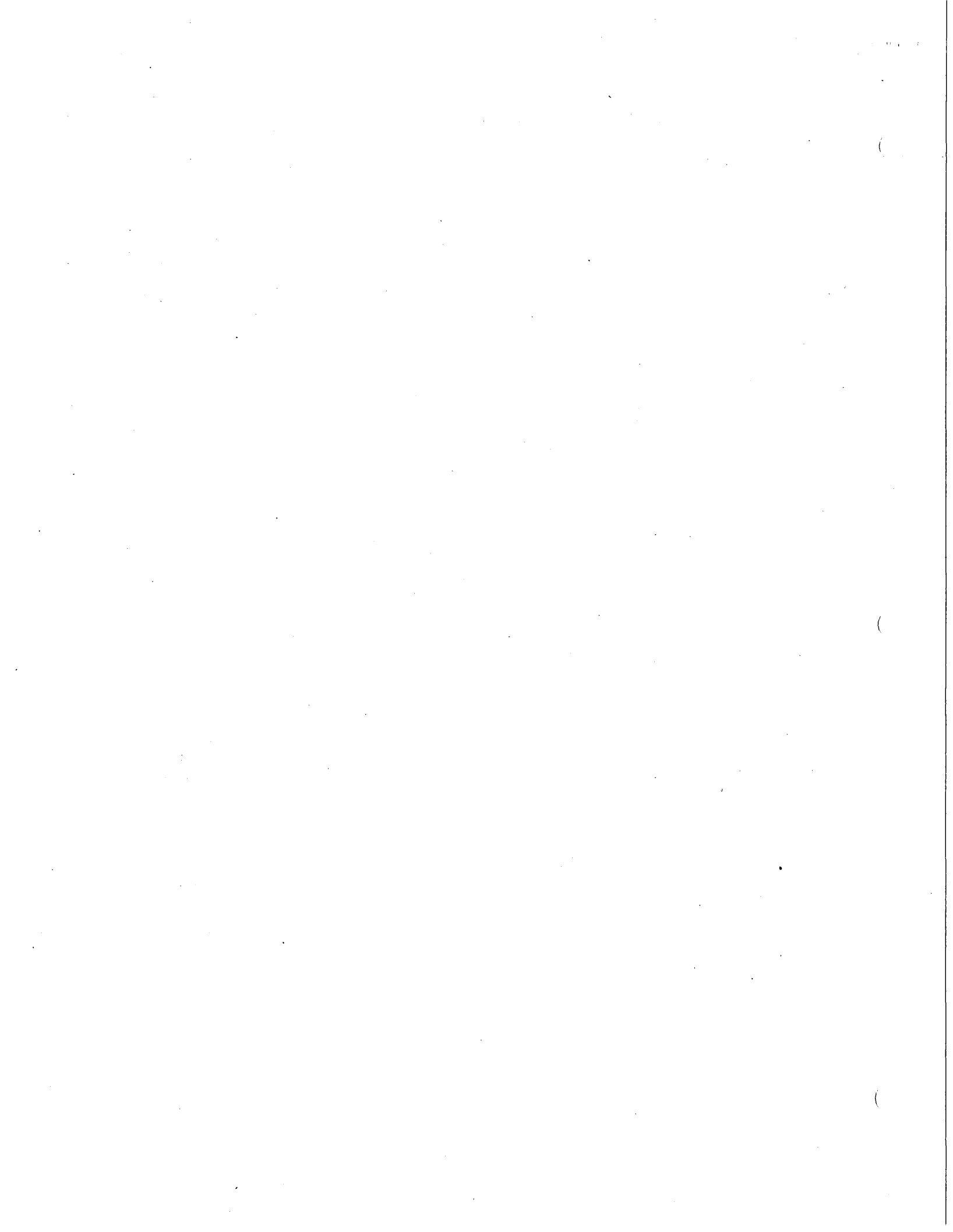
The department proposes to delete subpart 3 of this part. Subpart 3 contains the requirement that allows a prime petroleum supplier to meet the information requirements of subpart 1 by filing alternative information. The deletion is needed because the department proposes to stop collecting

the information currently being requested in subpart 1. This makes the requirement in subpart 3 obsolete and unnecessary. It is reasonable to delete a portion of a rule that has been rendered obsolete and unnecessary because it pertains to an information request that will no longer be collected.

The department proposes to delete subpart 4 because it refers to a one time reporting requirement. Under the current rules prime petroleum suppliers file reports annually. Therefore, deleting this subpart is needed and reasonable because it carries no meaning in the context of the proposed rules.

7610.1610 OTHER INFORMATION REPORTED ANNUALLY

The department proposes to delete this part. This deletion is needed and reasonable because this information has not been found by the department to be necessary for the fulfillment of its function of collecting data on energy and identifying trends in energy supply and demand in the state.



10/8/91

Statement of Need and Reasonableness

Energy Information Reporting

I. The Commissioner of the Minnesota Department of Public Service presents herein facts and justification establishing the need and reasonableness of proposed amendments to the existing rule provisions contained in Energy Information Reporting. The need to adopt these amended rules arises for the following reasons:

1. There is a need for the commissioner to streamline the reporting process to more adequately and precisely meet the forecasting and current energy statistical requirements mandated by state law.

The information being requested in the existing rule is collected pursuant to Minnesota Statutes, sections 216C.17 and 216C.18 for the purpose of identifying emerging trends and issues in energy demand and supply, conservation and public health and safety factors, and to determine the level of statewide and service area energy needs.

2. The department proposes to delete some of the information requirements because they are too burdensome to the electric, natural gas, interstate gas pipeline, and prime petroleum suppliers and petroleum pipeline companies based on the limited value of the information to the department.

3. The department proposes other deletions because certain information requirements are no longer necessary for the department to fulfill its legislatively mandated statistical and forecasting requirements.

4. Finally, certain changes were made to bring reporting requirements in line with actual data collection. An example of this type of change is the elimination of quarterly data reporting for natural gas utilities, interstate pipeline companies, prime petroleum suppliers and petroleum pipeline companies, and most electric utilities because quarterly data has not been collected from these utilities for several years.

It is submitted that the proposed amended rules as a whole are needed and reasonable for the foregoing reasons. Each substantive change in the original rules is explained and justified rule by rule in the paragraphs that follow. It should be noted that nonsubstantive changes in the rules, such as the reordering of items under a rule by a different number or letter, are not explained or justified. Such changes in reordering by number or letter have occurred to make numerical or alphabetical sense. It should also be noted that word and grammatical changes made by the Revisor's Office to conform with form requirements, as required by Minnesota Statutes section 14.07 (1990), are not further explained or justified in this statement of need and reasonableness.

The reasons that each proposed amended rule is reasonable and needed follows.

II. Impact on small business

Pursuant to Minnesota Statutes, section 14.115 (1990), the department, in proposing amendments to the rules, has taken steps to reduce the impact of the rules on small businesses. The proposed amendments to the rules would streamline the reporting process by reducing the reporting requirements and simplifying the reporting process for all those affected by the rules, including small businesses. Rule 7610.0130 will reduce the reporting requirement for small businesses by eliminating the requirement of filing the following data: (1) a table and graphed curve of demand in megawatts by hour over a 24-hour period during the summer and winter seasons (current part 7610.0600, item A); (2) the names and addresses of the utility's suppliers of primary fuels (current part 7610.0600, item C); and (3) quarterly reports of energy delivered to ultimate consumers (current part 7610.0700). The department has also provided an opportunity for small businesses to participate in the rulemaking process by directly notifying them of the proposed changes to the rules.

III. Need and Reasonableness of Each Change in Rule Provision

A. ELECTRIC UTILITIES

7610.0100 DEFINITIONS

Subpart 3 contains a change in the shorthand term to be used when referring to the Minnesota Department of Public Service. The new term will be "department" instead of "agency". In 1987, Minnesota Laws, chapter 312, article 1, section 7, subdivision 3 defined "department" to mean the Department of Public Service. The definition appears in Minn. Stat. section 216C.01. Chapter 216C concerns the Department of Public Service; Energy Division. As these proposed rules relate to Chapter 216C, there is a need to harmonize terminology. It is reasonable, therefore, to use the term "department" instead of "agency" as the descriptive shorthand term for the Department of Public Service to be used in these rules.

Subparts 9 and 12, which defined the terms "distribution only utility" and "generating and transmission utility" respectively, are deleted. Previously, the distinction between a distribution only utility and a generating and transmission utility was necessary because different forecast filing requirements applied. The proposed changes in parts 7610.0130 and 7610.0200 to 7610.0310 have made the

distinction unnecessary. Under the proposed changes, only the nine utilities which are members of the Minnesota/Wisconsin Power Suppliers Group (M/WPSG) as given in part 7610.0300 must file a forecast. Ten municipal electric utilities who previously filed a forecast no longer need to do so. Due to these changes there is a need to eliminate the definition of terms that are no longer used. The appropriate, reasonable solution is to delete the unused terms.

Subpart 10a will be added to the rules. The term "interruptible load" is defined. This term is used in subpart 26a of this part to define the term "schedule L purchase". There is a need to define the term "interruptible load" because doing so helps clarify the definition given for the term "schedule L purchase" and makes that definition easier to understand. It is reasonable to provide a definition for terms that are used to clarify language used in the rules because doing so ensures accuracy in the statement of the rules.

Subpart 13 which defined the term "heat rate" is deleted. The proposed change in data requirement in part 7610.0400, item E indicates that the average Btu content of coal, if coal is a fuel source, must be filed by utilities in place of the annual heat rate of a power plant. Due to this

change there is a need to eliminate the definition of a term that is no longer used. The appropriate, reasonable solution is to delete the unused term.

In subpart 18 the word "director" was changed to "commissioner" so that the correct title is used when referring to the head of the Department. In 1987, Minn. Laws, chapter 186, section 15, directed the revisor in the next edition of Minnesota Statutes to substitute the term "commissioner" for the term "director" whenever used to refer to the head of the Department of Public Service. Subpart 18 refers to the head of the department and therefore needs to be changed to conform with 1987 Minn. Laws, ch. 186, sec. 15. The appropriate solution, which is reasonable, is to change the designation "director" to "commissioner."

Subpart 26a will be added to the rules. The term "schedule L purchase" is defined. There is a need to define this term because it is used in newly proposed part 7610.0310, item G(2) as a new category for the load and generation capacity data requested in that part. It is reasonable to define this term to make the rules easier to understand. Through the definition, this new category can be distinguished from the other load and generation capacity data listed in items G(1) to G(15) of part 7610.0310.

7610.0110 PURPOSE AND SCOPE

The changes in this part were made by the Revisor's office to conform with form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.0130 ANNUAL REPORTING DATES

Subpart 1 contained the phrase "Except as provided by the commissioner, each generating and transmission utility...". The phrase is deleted and replaced with the statement: "For good cause shown, the department shall grant a utility an extension from the deadline following receipt of a written request from the utility". The deleted statement provides for an exception, but does not state specifically the kind of exception the commissioner can make. An exception to a rule must be stated in clear and unambiguous terms.

Therefore, there is a need to state the standard for granting an exception in clear terms. It is reasonable to delete the ambiguous statement and replace it with this one that makes the nature of the exception specific and provides a standard.

Subpart 1 also referred to "distribution only utilities" and "generation and transmission utilities". Under the proposed

changes in parts 7610.0130 and 7610.0200 to 7610.0310, utilities are no longer classified according to those categories. Because the distinctions between the two types of utilities are no longer necessary for the reasons stated above under part 7610.0100, subparts 9 and 12, and because their definitions have been deleted from the definitional section, the terms and references to them need to be deleted in this subpart. The reasonable way to meet that need is to delete the references in part 7610.0130, subpart 1, specific to "distribution only utilities" and "generation and transmission utilities".

New language is also added to subpart 1. This new language states utilities listed under part 7610.0300 shall file the information required by parts 7610.0100 to 7610.0700 while all other electric utilities shall file only the information required by parts 7610.0120, 7610.0170 and 7610.0600, items B to J. This additional language is needed because it specifies which parts of the rule apply to which electric utilities. It is reasonable to include clarifying language such as this because it will ensure the filing of accurate data by avoiding confusion among utilities in terms of determining which information they are required to file with the department.

Subparts 2 and 3 which specify the quarterly reporting dates for information submission and the notice requirements if dates are changed are deleted. The reporting dates for quarterly reports contained in subparts 2 and 3 are superseded by the proposed change in subpart 1 which indicate that all reports must be submitted by July 1 of each year. Quarterly data, when required under proposed part 7610.0700 no longer needs to be submitted four times a year; it is only to be submitted once a year by July 1. Because reporting quarterly data four times a year has been eliminated, there is a need to delete those subparts referring to these current quarterly reporting dates. The reasonable solution to meeting this need is to delete those obsolete subparts.

7610.0170 FEDERAL REPORTS FILED BY UTILITIES

The former Federal Power Commission is now called the Federal Energy Regulatory Commission. This section corrects for this name change. Where a commission is erroneously labelled, there is a need to correct the error. It is reasonable to do so.

A change in language is also made in this section to clarify that the energy-related forms and reports which utilities

regularly file with all federal agencies must be identified to the commissioner and copies of these forms or reports be made available to the commissioner upon request. The words "energy-related" were inserted to the first sentence and three federal agencies were cited to clarify this point. It is needed and reasonable to change the language of the rules to clarify a statement being made.

Additionally, in the first paragraph of this part, the word "Each" was replaced with "A"; and "all" with "the". In the second sentence of this part, the word "each" was again replaced with the word "a"; and the words "any such" with "the". These changes were done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.0200 ANNUAL DATA AND FORECAST

The department proposes to delete this part. First, part 7610.0200 contains a misstatement in that it says "each utility" must file the basic forecast. In reality, only "generation and transmission only utilities" have been required to file the forecast. Second, the proposed changes to parts 7610.0130, 7610.0200, 7610.0210, and 7610.0310 make this section unnecessary. Who must file will be covered by

part 7610.0300. What data must be filed will be covered by part 7610.0310. There is therefore a need to correct a misstatement and to eliminate redundant parts. To meet this need, the reasonable solution is to eliminate the inaccurate and redundant section.

7610.0210 BASIC FORECAST AND DATA

The contents of this part, with the exception of item G are moved to part 7610.0310 and labelled item B, subitems (1) to (7). The change was made in order to combine the basic forecast and extended forecast requirements into one set of requirements to be reported on one form. Previously, the basic forecast data was filed on the Generation and Transmission Section form, while the extended forecast was filed on the Extended Forecast Section form. Ten municipal electric utilities were required to file the basic forecast data only, while the nine members of the Minnesota/Wisconsin Power Suppliers Group were required to file both basic and extended forecasts. With the proposed changes, only the nine utilities enumerated in part 7610.0300 will be required to file forecasts. Therefore, only one form is required and all requirements may be subsumed under the same heading.

The elimination of forecast reporting requirements for the ten municipal utilities and the combination of the basic

and extended forecast reporting requirements for the nine large utilities are needed to simplify the reporting process. The nine utilities given in part 7610.0300 provide 97 percent of the electricity consumed in the state. A more comprehensive understanding of their operations and future plans is essential to the welfare of the state and for the department to fulfill its legislative mandate to collect data, forecast future electricity usage and identify electric energy trends. The ten municipal electric utilities generate only a very small fraction of electricity consumed in the state. It is reasonable that they be excluded from filing a forecast because the burden to them of filing such information far outweighs the value of the information to the department. It is the department's belief that it can accurately fulfill its legislative mandate without overburdening these small utilities.

The department proposes to delete item G from this part. The information contained in this part is already being requested in part 7610.0310, item G, subitem (1). There is, therefore, a need to eliminate redundant parts. To meet this need, the reasonable solution is to delete the redundant section.

In item H, the requirement of filing data on load factor for the system during the summer and winter seasons is replaced

with the requirement of filing data on total semiannual electrical consumption by the utility's ultimate consumers during May through October and November through April. This change is needed so that the department can have consistent data on summer and winter load factors. There are a number of ways to compute a load factor and utilities use any of these different methods. By combining the new information on semiannual electrical consumption with the seasonal system demand data required in proposed item G subitem (1) of this part, a utility's seasonal load factors can be computed. This approach would provide the department with more complete and consistent data on utility peaking characteristics. It is reasonable to change data requirements for the purpose of obtaining more complete and consistent data.

7610.0220 LAST CALENDAR YEAR HISTORICAL DATA

The department proposes to delete this part. Currently this part is contained in the form Generation and Transmission Section. It will be deleted because it describes the requirements for the basic forecast given in part 7610.0210. This part is similar in substance to part 7610.0320 of the form Extended Forecast Section. Since the department proposes to combine the contents of the Generation and

Transmission Section form with the Extended Forecast Section form, the deletion is made to eliminate redundancy in the statement of requirements. There is a need to eliminate redundant parts. To meet this need, the reasonable solution is to delete the redundant section.

7610.0300 WHO MUST FILE

The department proposes to delete the phrase "an extended forecast" from the first sentence of this part and replace it with "the information required by parts 7610.0100 to 7610.0700." There is a need to remove any reference to "an extended forecast" because of the reason that follows. Previously, a distinction was made between the "basic" forecast and the "extended" forecast. Some utilities have been required to file the basic forecast as contained in the form Generation and Transmission Section of the Rules and Regulations Governing Electric Utility Information Reporting, whereas others have been required to file the extended forecast as contained in the Extended Forecast Section form. Since the department proposes to combine these two forms and will require only one group of utilities to file a forecast (the nine utilities listed in this part), the distinction between basic and extended forecasts is no longer needed. It is reasonable to remove from the rules a

term that has been rendered meaningless because of changes in other parts of the rules. There is a need to add the phrase "the information required by parts 7610.0100 to 7610.0700" because this language specifies which parts of the rule apply to the nine electric utilities listed in this part. It is reasonable to include clarifying language such as this because it will ensure the filing of accurate data by avoiding confusion among utilities in terms of determining which information they are required to file with the department.

7610.0310 CONTENT OF THE EXTENDED FORECAST

The department proposes to change the title of this part to "Content of the Historical Data and Forecast". This change is needed to make the title more descriptive of the data required in this part. The word "historical data" will be included to recognize that in this part, aside from a forecast, historical data is also required. The word "extended" will be deleted from the title. The need for this deletion is given in the statement of need and reasonableness for the changes made in part 7610.0300. It is reasonable to use a title that more accurately conveys the meaning of the contents of the rule.

In the first paragraph of this part, the word "shall" was changed to "must". This change was done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

In the first paragraph of item A, the word "the" was inserted. This change was done to meet the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

In item A, subitems (1) to (6), minor consumer categories have been deleted as separate categories. They now appear merged into the principal economic sectors. Irrigation and drainage pumping has been included in the farm category; and mining in the industrial category. However, a provision is made in the proposed changes to report mining as a separate category in cases where it is a significant sector, such as in Minnesota Power. These changes are needed because the customers in these minor categories (except for Minnesota Power mining) consume a very small percentage of the electricity supplied by the utilities submitting a forecast. The department believes that data at the existing level of detail is no longer needed to obtain adequate information about the sectors of the economy contributing to future energy demands in the state. The change is reasonable because it simplifies reporting requirements while enabling the Department to fulfill its data collection function.

The department proposes to add the word "agricultural" to the concluding phrase of item A, subitem (3) to read "... water pumping other than pumping for agricultural irrigation, and other utilities;". This change is needed in order to clarify that the term "irrigation" in this part of the rules refers to irrigation for agricultural purposes. With this change, utilities will be informed clearly that if irrigation is for agricultural purposes, then electricity usage under that activity must not be reported under item A, subitem (3). The description of the category "farm" under item A, subitem (1) of this part states clearly that irrigation for agricultural purposes should be reported under that category. It is reasonable to change the language of the rules to clarify a statement being made and eliminate a source of confusion. This will ensure the filing of accurate reports.

In item A, subitem (1), the words "which" and "means a" were inserted. These changes were done to meet the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

In item A, proposed subitems (4) and (6), the word "all" was deleted. This change was done to meet the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

Proposed item B was added to this part. It consists of the material previously contained in part 7610.0210, though with some modification, as discussed below. The change is made to merge the forecasting requirements of two forms, the Generation and Transmission Section form and the Extended Forecast Section form. The need and reasonableness of the change are discussed in the statement of need and reasonableness for the changes made in part 7610.0210 above.

In proposed item G, two additional items will be requested as part of the load and generation capacity data being requested by the department and a change in language will be made to current subitems (1) to (13). These changes are needed in order to make the line items on the load and generation capacity data consistent with that being used by the Mid-Continent Area Power Pool (MAPP). The MAPP line items are being used by the nine electric utilities required to file the information requested in this part of the rule. It is reasonable for the department to use the MAPP line items because this will eliminate confusion in terms of identifying the data to be filed, thereby ensuring the filing of accurate information.

In addition, in the first paragraph of proposed item G, the word "all" was deleted. This change was done to meet

the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

In item H, the words "each utility shall provide" are deleted. This change was done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.0315 FORECASTS USING ALTERNATIVE SECTOR DEFINITIONS

The department proposes to add this section to the rule. It provides for the possibility of the department accepting alternative definitions of sector categories upon the submission by a utility of a written request defining the proposed category. This change is needed to enable the department to obtain accurate information about the sectors of the economy contributing to future demand for electricity in the state. It is reasonable to allow for changes in the definition of sector categories if the current definition is no longer consistent with the definition used by utilities in the forecasts. If the department and the utility do not use consistent definitions for each customer category the forecasts by sector filed by utilities will not carry meaningful information.

7610.0320 FORECAST DOCUMENTATION

In the first paragraph of subpart 1, the list of parts of the rules referring to the forecast requirements have been changed. The new list consists of parts 7610.0300, part 7610.0310, and newly proposed part 7610.0315. The previous reference to part 7610.0200 has been deleted because changes to the rules propose the deletion of this part. When the numbering of parts of the rules are changed or new parts to the rules are proposed, there is a need to update statements in other parts of the rule which refer to the newly numbered or newly proposed parts. This solution is reasonable because it leads to accuracy in the statement of the rules.

The department proposes to delete subpart 1, item G. This change is needed because this section of the rules specifies an information requirement that pertains to deleted parts of the rules, parts 7610.0200 to 7610.0220. The deletion of parts 7610.0200 to 7610.0220 makes the information requirement in part 7610.0320, subpart 1, item G obsolete. It is reasonable to delete a section of the rules which has been rendered obsolete by changes in other parts of the rules.

The department proposes to delete the reference to parts 7610.0200 to 7610.0220 in subpart 2. This change is needed because parts 7610.0200 to 7610.0220 have been deleted and this makes the reference to these parts in subpart 2 obsolete. It is reasonable to delete a section of the rules which has been rendered obsolete by changes in other parts of the rules.

The department proposes to delete the reference to parts 7610.0200 to 7610.0220 in subpart 4. This change is needed because parts 7610.0200 to 7610.0220 have been deleted and this makes the reference to these parts in subpart 4 obsolete. It is reasonable to delete a section of the rules which has been rendered obsolete by changes in other parts of the rules.

Additionally, in the first sentence of subpart 1, the word "Each" was changed to "An". This change was done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.0400 PRESENT FACILITIES

Under the proposed change in this section, only the nine large utilities given in part 7610.0300 must file the

information requested in this part. This reduces reporting requirements for ten municipal electric utilities who previously were also required to file the information. The change is needed to simplify reporting requirements. It is reasonable to continue requesting the information from the nine M/WPSG utilities because they generate the bulk of the energy being consumed in the state. A knowledge of the capability of their existing facilities is essential for assessing how the consumption needs of the state can be met by existing energy supply. The ten municipals generate a very small fraction of energy consumption in the state. It is reasonable that they be excluded from filing data on present facilities because the burden to them of filing such information far outweighs the value of the information to the department. Limited information on current capacity from these smaller utilities will be provided for by proposed changes to part 7610.0600 item H. The department believes that it can accurately fulfill its role of identifying emerging trends in energy supply without overburdening these smaller utilities.

Additionally, in the first paragraph of this part, the word "Each" was changed to "A" and the words "with regard to" was changed to "on". These changes were done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

In item B a proposed change in language is made to clarify the information being requested. "its location and address" is replaced with "the statutory or home rule charter city or town and the county in which the plant is located". The new language is needed to specify the information being requested more accurately. It is reasonable to use language which states a requirement in terms that are more accurate.

In item E, the average Btu content of coal, if coal is a fuel source will be requested instead of the annual heat rate of a plant. The term "heat rate" requires a detailed definition that in some cases may lead to ambiguity in interpretation. Originally, the heat rate of a plant was requested to have a measure of the efficiency of a power plant in converting fuel to electric energy. The department believes that the new data can sufficiently serve this purpose. The change is needed and reasonable because it specifies data requirements in unambiguous terms to ensure the filing of accurate data.

In item H, the phrase "and name plate megawatt rating" will be deleted. This change is needed and reasonable because it has been found that this data does not provide information that the department needs. Originally, this data was requested in order to obtain information about a plant's

capacity for generating electricity. However, the name plate megawatt rating is a rating assigned by the manufacturer to a plant and often does not match the capacity of a plant in operation. The actual summer and winter plant capacity reported by utilities in item C better meets the information needs of the department.

In item I, the word "all" was deleted. The change was made to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.0410 FUTURE FACILITY ADDITIONS

The proposed changes in these parts indicate that only the nine utilities given in part 7610.0300 will be required to file the information requested in these parts. This reduces reporting requirements for ten municipal electric utilities who previously were also required to file the information. The change is needed to streamline reporting requirements. It is reasonable to request only the nine large utilities for this information because they supply 97 percent of the energy being consumed in the state. A knowledge of their future facility plans is essential in determining how consumption needs in the state can be met by capacity in the future.

In the first paragraph of this part, the word "Each" was changed to "A". This change was done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

Item G which requests for an estimate of the heat rate of an additional power plant or addition to an existing plant is deleted. The change is needed because the department believes that this information is no longer required to obtain sufficient information about a utility's facility plans. It is reasonable to withdraw the collection of data which the department believes is no longer vital to the fulfillment of its duty of collecting data on energy statistics.

7610.0420 FUTURE FACILITY RETIREMENTS

The proposed changes in these parts indicate that only the nine utilities given in part 7610.0300 will be required to file the information requested in these parts. This reduces reporting requirements for ten municipal electric utilities who previously were also required to file the information. The change is needed to streamline reporting requirements. It is reasonable to request only the nine large utilities

for this information because they supply 97 percent of the energy being consumed in the state. A knowledge of their future facility plans is essential in determining how consumption needs in the state can be met by capacity in the future.

Additionally, in this part, word and grammatically changes were made by the Revisor's office to conform with form requirements pursuant to Minn. Stat. section 14.07 (1990).

7610.0430 FUEL REQUIREMENTS AND GENERATION BY FUEL TYPE

The Department proposes to replace the phrase "7610.0200 to 7610.0320" with "7610.0300 to 7610.0320". This change is needed because parts 7610.0200 to 7610.0220 have been deleted and due to this deletion, the forecast of electrical energy growth will now be contained in parts 7610.0300 to 7610.0320 instead of parts 7610.0200 to 7610.0320. The deletion of parts 7610.0200 to 7610.0220 renders obsolete the phrase "7610.0200 to 7610.0320". It is reasonable to delete a section of the rules that has been rendered obsolete by changes in other parts of the rules.

7610.0600 OTHER INFORMATION REPORTED ANNUALLY

In the first paragraph of this part, the word "Each" was changed to "A". This change was done to meet the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

In item A, a graphed curve of the greatest demand over a 24-hour period on a utility's system is no longer required. The change is needed and reasonable because current computer capabilities make it more convenient for the department to prepare its own graphs.

In item B, "600,000 kilowatt hours" is changed to "10,000 megawatt hours". This change will require utilities to report in its largest customer list only customers with annual consumption of over 10,000 MWh instead of those consuming over 600,000 kilowatt hours. This change is needed because the department believes that more detailed information about utility customers consuming 10,000 MWh or less annually will not be necessary to identify the trends in energy consumption among the state's largest industrial users. This change is reasonable because it reduces the burden to the utilities of reporting more data than is needed and will reduce the administrative burden to the department of processing the unnecessary data.

Current item C which requests the names and addresses of the utility's suppliers of primary fuels and types of fuel being purchased from this source is deleted. Originally, this information was requested as a means for identifying all suppliers of fuels to Minnesota consumers in accordance with the duty of the department to collect data on energy. However, in the past this information has not been determined to be necessary for this purpose. It is necessary and reasonable to withdraw the collection of data which the Department believes is not applicable to the fulfillment of its duties because this will eliminate the burden to the utilities of filing the data and to the department of processing the data.

In proposed item C, the word "indicated" was replaced with "shown". This change was done to meet the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

In proposed item D, word and grammatical changes were made by the Revisor's office to confirm with form requirements pursuant to Minnesota Statutes section 14.07 (1990).

In proposed item F, the change being made is that the department will be requesting a copy of report form EIA-861 instead of F.P.C. Form Number 12. This change is needed

because the latter is no longer being collected by the Energy Information Administration. Its data requests have been broken up and transferred to a number of different forms. The information needed by the department is now being collected through report form EIA-861. It is reasonable to undertake changes that will ensure that the department obtains the data it needs.

Subitems (1) and (2) of current item G will be separated into the two proposed items F and G, respectively. There is a need to make these changes to provide greater clarity in the statement of the rules. Instead of requesting for "whichever reports it files with either the [U. S.] Energy Information Administration or the [U. S.] Department of Agriculture", item F specifically requests for form EIA-861 which a utility files with the U. S. Energy Information Administration. Item G specifically requests that rural cooperatives file part D of the financial and statistical report filed to the U. S. Department of Agriculture. These changes are reasonable because they specify data requirements in a clearer manner and, therefore, ensure the filing of accurate reports.

Item H lists the data on current capacity that must be filed by utilities that are not members of the M/WPSG. The members of the M/WPSG are excluded from the requirement in

this part because the data have already been requested from these utilities in part 7610.0400. The data requested are the following: total megawatts of generation capacity, megawatt hours generated during the last calendar year, the amount of fuel used to generate electricity and the average Btu content of coal used for electric generation. There is a need to collect this information from all the utilities to have a more comprehensive understanding of the energy supply situation in the state. It is reasonable to request data on overall generation and capacity because this provides more useful and complete information than data on emergency standby generation. It is also reasonable to request for the average Btu content of the coal used for electric generation because this permits a more accurate comparison of electric generation by various types of fuel. Btu content of coal can vary considerably. These changes will also allow the department to stop distributing a separate questionnaire that currently requests this information from utilities.

In item J, revenues broken down by categories is added as a data requirement. This data has been collected from all utilities for several years. The addition of the data formalizes current practice. The collection of revenue data is needed and reasonable because it is useful for

identifying trends in energy expenditures among the sectors of the economy.

7610.0700 QUARTERLY REPORTS OF ENERGY TO CONSUMERS

The proposed changes in subpart 1 would require the filing of quarterly reports only by those utilities with annual sales to ultimate consumers of over 2,000 gigawatt hours. This would include only the four regulated electric utilities in the state namely, Northern States Power, Minnesota Power, Otter Tail Power and Interstate Power Company. A proposed change in language is also being made to clarify that the quarterly data must be reported by customer classes defined by standard industrial classification (SIC) codes. The change is needed to streamline reporting requirements. It is reasonable to eliminate the smaller utilities from the quarterly reporting requirements because they do not collect quarterly data by SIC-defined customer classes. It will be overly burdensome for them to be required to file the data only to fulfill the reporting requirements of the department. In addition, the processing of quarterly data from all the utilities poses an administrative burden to the department that far outweighs the value of the information obtained. The four regulated utilities currently supply the data and the Department

believes that an understanding of the trends in energy consumption can reasonably be obtained with quarterly data from these utilities.

The department proposes to delete subpart 2. This change is needed because it contains an information requirement that is no longer applicable because of the changes made in subpart 1. Subpart 2 states that the information required under subpart 1 must be reported in the form specified by the commissioner. The department believes that this statement is redundant because the form by which the commissioner requires the information to be reported is already specified clearly in subpart 1. Subpart 2 also states that a utility may report the information in a form different from that specified in subpart 1. The department proposes to delete this requirement and allow utilities to report the required information only by SIC code categories. The four regulated utilities required to report the information under part 7610.0700 all collect the required data by SIC code categories and they have the data readily available. Due to this, the department believes that the requirement contained in subpart 1 is the appropriate form for reporting the data. There is no need to allow for a different form to be reported. It is reasonable to eliminate a requirement that is redundant and no longer

applicable because in doing so, accuracy in the statement of the rules will be maintained.

B. NATURAL GAS UTILITIES

7610.0800 DEFINITIONS

The change in subpart 1 was made by the Revisor's office to conform with form requirements pursuant to Minnesota Statutes section 14.07 (1990).

Subpart 2 contains a change in the shorthand term to be used to refer to the Minnesota Department of Public Service. The new term will be "department" instead of "agency". In 1987, Minnesota Laws, chapter 312, article 1, section 7, subdivision 3 defined "Department" to mean the Department of Public Service. The definition appears in Minn. Stat. section 216C.01. Chapter 216C concerns the Department of Public Service; Energy Division. As these proposed rules relate to Chapter 216C, there is a need to harmonize terminology. It is reasonable, therefore, to use the term "department" instead of "agency" as the descriptive shorthand term for the Department of Public Service to be used in these rules.

Subpart 6 which defined the term "construction" is deleted. This word is not being used in any portion of the rules pertaining to utilities and interstate gas pipeline companies. Therefore, its definition is unnecessary. There

is a need to eliminate the definition of a term that is not being used. The appropriate, reasonable solution is to delete the unused term.

In subpart 16, the department proposes to replace the reference to Minnesota Statutes, section 84.57 with Minnesota Statutes section 103I.681, subdivision 1, paragraph (a). This change is needed because Minnesota Statutes, section 84.57 has been repealed and recodified at Minnesota Statutes, section 103I.681, subdivision 1, paragraph (a). It is reasonable to refer to the correct statute number to maintain accuracy in the statement of the rules.

7610.0810 PURPOSE AND SCOPE

In subpart 1, the parts referring to the "[implementation of] the forecasting, statistical, and informational reporting requirements of Minnesota Statutes, sections 216C.17 and 216C.18" were erroneously listed as parts 7610.0800 to 7610.1210 whereas it should be parts 7610.0800 to 7610.1230. The replacement of "7610.1210" for "7610.1230" eliminates this error. There is a need to eliminate an erroneous statement in the rules. To meet this

need, the reasonable solution is to substitute the erroneous statement with the correct one.

Additionally, in the second sentence of subpart 1, the words "pursuant to" were replaced with "under"; and the word "paragraph" with "clause". These changes were done to meet the Revisor's form requirements pursuant to Minn. Statutes section 14.07 (1990).

7610.0820 ANNUAL REPORTING DATES

Subpart 1 contained the phrase "Except as provided by the commissioner or in these parts, each...". The phrase is deleted and replaced with the statement: "For good cause shown, the department shall grant a utility an extension from the deadline following receipt of a written request from the utility". The deleted statement provides for an exception, but does not state specifically the kind of exception the commissioner can make. An exception to a rule must be stated in clear and unambiguous terms. Therefore, there is a need to state the standard for granting an exception in clear terms. It is reasonable to delete the ambiguous statement and replace it with this one that makes the nature of the exception specific and provides a standard.

Subpart 2 which contained the reporting dates for quarterly reports to be filed by natural gas utilities is deleted. This is because part 7610.1120 which contains the provisions for quarterly reporting by natural gas utilities has been deleted. Therefore, subpart 2 is no longer necessary. There is a need to eliminate portions of the rule that are unnecessary because they pertain to a part that has been deleted. The reasonable solution is to delete that portion pertaining to an obsolete part of the rule.

Subpart 3 which specifies the reporting dates for forms filed by interstate gas pipeline companies is deleted. The reporting dates contained in subpart 3 are superseded by the proposed change in subpart 1 which indicates that all reports must be submitted by July 1 of each year. Therefore, subpart 3 is no longer necessary. It is reasonable to delete a subpart of the rule that is no longer necessary.

7610.0840 FEDERAL OR STATE DATA SUBSTITUTION FOR ENERGY
AGENCY DATA REQUIREMENTS

The changes in this part were made by the Revisor's office to conform with form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.0850 REGISTRATION

The changes in this part consist of word and grammatical changes made by the Revisor's Office to conform with form requirements as required by Minn. Stat. section 14.07 (1990).

7610.0860 FEDERAL REPORTS FILED BY GAS UTILITIES AND
INTERSTATE GAS PIPELINE COMPANIES

The Department proposes to shorten the title of this part to "Federal Reports: Utility, Pipeline Company" for brevity and clarity. It is necessary and reasonable to shorten a title in order to provide greater clarity concerning the subject of the rule.

The former Federal Power Commission is now called the Federal Energy Regulatory Commission. This section corrects for this name change. Where a commission is erroneously labelled, there is a need to correct the error. It is reasonable to do so.

A change in language is also made in this section to clarify that the forms and reports which utilities regularly file with all federal agencies must be identified to the

commissioner and copies of these forms or reports be made available to the commissioner upon request. Two federal agencies are cited to clarify this point. It is needed and reasonable to change the language of the rule to clarify a statement being made.

In the first sentence of this part, the word "Each" was changed to "A", "all" to "the", and the word "the" was added. In the second sentence, the word "any" was changed to "a". These changes were done to meet the Revisor's form requirements pursuant to Minnesota Statutes, section 14.07 (1990).

7610.0900 YEARS COVERED

This part is deleted because under the proposed rule change the length of utility forecasts will vary, with the full 15 year forecast to be limited to natural gas consumption by sector. The new varying requirements are now specified in other sections of the rules, making this section unnecessary. The discussion under sections 7600.0910 and 7610.1000 below explains the need and reasonableness of this change.

The Department proposes to change the title of this part to "Overall Supply and Demand". The change is needed to make the title descriptive of the types of data required in this part. The data includes gas consumption for different uses in the utility's Minnesota service area and gas supply from various sources to meet users' consumption needs. The department believes that the proposed title is more appropriate than the current one. It is reasonable to use a title that more accurately conveys the meaning of the contents of the rule.

A change in language is also made to eliminate forecasting requirements for the tenth and fifteenth years for the list of supply, peak day and annual consumption data listed in this part. Forecasts of these types of data beyond 5 years has not been found by the department to be necessary in fulfilling its legislative mandate of identifying the trends in demand and supply in the natural gas sector. It is reasonable to withdraw the collection of data which the department believes is not vital to the fulfillment of its legislative mandate.

Newly proposed items B and C which require utilities to report other deliveries of gas to commercial and industrial

consumers in Minnesota is added to this part. This provides a place to report utility transportation services to large consumers that purchase natural gas from suppliers other than the utility. The need to include items B and C arose when changes in federal regulations enabled large consumers to bypass utilities and deal directly with producers. Under this new arrangement a utility's distribution line can be used to transport natural gas bought from sources other than the utility. It is reasonable to require utilities to report deliveries of gas resulting from this new arrangement because the additional data will provide a complete accounting of total demand for natural gas in the state.

Proposed item G contains a request for "the total annual gas consumption, for all purposes, in the utility's Minnesota service area". A proposed change in language is made to allow for the inclusion of the data requested in newly proposed items B and C. This change is needed and reasonable because it will complete the accounting of total annual gas consumption in the state.

Additionally, the word "with" was added. This was done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

In proposed item N, the word "such" was changed to "the". This change was done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

Current item Q which contains requests for historic and forecast sales and number of customers is deleted. The requirements contained in item Q, subitems (1), (2), (3), (4), (5), (6), (7) and (13) of this part are transferred to newly proposed part 7610.0914. Item Q, subitems (8), (9), (10), (11) and (12) are deleted because they are redundant. The sum of the figures reported in item Q, subitems (8) and (9) results in a number equal to the figure reported in item Q, subitem (12) while item Q, subitem (12) is the same information requested in proposed item D. Item Q, subitem (10) is the same information requested in proposed item E and item Q, subitem (11) is the same as proposed item F. The transfer of the retained portions of item Q to newly proposed part 7610.0914 will allow the department to retain the current requirement for 15 year forecasts by the seven largest utilities, and to retain the requirement for historic data for the 19 smallest utilities in the state while eliminating forecasts by sector for the 19 smallest utilities. The reordering is needed to simplify reporting requirements. It is reasonable to stop requesting a detailed forecast from the small utilities because they supply a small percentage of total natural gas consumption

in the state. The seven largest utilities supply 95 percent of total natural gas consumption in the state. The department will be able to project who will be the users of natural gas and the amounts these users are expected to consume in the future from the data provided by the large utilities.

7610.0914 SALES BY CUSTOMER CATEGORY

Newly proposed subpart 1 was previously contained in part 7610.0910, item Q. However, the level of detail regarding customer categories to be reported will be revised in subpart 1. Commercial firm customers who use less than, equal to or greater than 200 Mcf on peak day are combined into the category "commercial firm sales" in newly proposed item B. Industrial firm customers who use less than, equal to or greater than 200 Mcf on peak day are combined into the category "industrial firm sales" in newly proposed item D. These changes are needed to simplify reporting requirements. The department believes that forecasts at the current level of detail are no longer needed to understand the overall trends in natural gas consumption in the state. The economic classification of customers being proposed in this part is sufficient. It is reasonable to delete requirements

which are no longer necessary for the department to fulfill its duties.

The requirements of newly proposed subpart 2 are addressed to the 19 smallest utilities. It provides a section where they can report the historic information previously requested in part 7610.0910, item Q. The need and reasonableness of these changes are found in the statement of need and reasonableness for the changes made in part 7610.0910, item Q and part 7610.0914, subpart 1 above.

7610.0920 LAST CALENDAR YEAR HISTORICAL DATA

A technical change is made to the sentences which state:
"The agency recognizes that five to 15 year forecasts can be difficult to calculate and subject to considerable error, but utilities shall prepare these forecasts to the best of their ability and knowledge. The forecasts shall be based on those assumptions and factors that the reporting utility deems most likely to occur". This will be replaced with
"Utilities must prepare these forecasts to the best of their ability and knowledge based on those assumptions and factors that the reporting utility considers most likely to occur".
This change is needed and reasonable to make the language conform with the general practice of language used in

writing administrative rules. This change in language does not in any way represent a change in the department's perception about the nature of the forecasts. The department still recognizes the difficulty of formulating forecasts and the error such a forecast can be subject to. Therefore, the sentence simply asks utilities for a forecast to the best of their present knowledge and ability.

Additionally, word and grammatical changes were made in this part to conform with the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.1000 WHO MUST FILE

The Department proposes to change the title of this part to "Peak-Day Forecast". The change is needed because the new title gives the reader a more accurate idea of the data that is being required in this part. It is reasonable to use a title that more accurately conveys the meaning of the contents of the rule.

A change in language is also being made in this part to specify that peak-day forecasts will be required only from utilities with annual Minnesota sales of more than 10,000,000 Mcf. This change would exclude Midwest Gas (formerly North Central Public Service Company) from the

list of utilities required to file the forecast under this part. The change is needed because annual natural gas sales by Midwest Gas and other small companies are currently a small percentage of the state total compared to the share of each of the three large utilities that will still be required to file the detailed forecast. Over the last three years, Minnegasco accounted for approximately 45 percent of total consumption, NSP made up 25 percent, Peoples Natural Gas Company held 12 percent while Midwest Gas accounted for 4 percent of the total. It is reasonable to relieve comparatively smaller utilities from filing a detailed forecast designed for the much larger utilities.

The length of the forecast period is shortened. Forecasts will no longer be required for the tenth and fifteenth year following the current year. This change is needed and reasonable to simplify reporting requirements. The department believes that the level and sources of demand on a utility's system during the peak day can reasonably be identified without requiring a forecast fifteen years into the future.

The Department proposes to reduce the categories of demand for which a forecast is required. Commercial firm customers who use less than, equal to or greater than 200 Mcf on peak day and industrial firm customers who use less than, equal

to or greater than 200 Mcf on peak day are combined into "commercial industrial firm sales" in newly proposed item B. Commercial interruptible and industrial interruptible are combined into "commercial industrial interruptible sales" in newly proposed item C. These changes are necessary because the Department believes that forecasts at the current level of detail will no longer be needed to understand the different components of demand on a utility's system during the peak day. "Other deliveries to ultimate customers" is a category added to this part. This additional category provides a section to report utility transportation services to large consumers that purchase natural gas from suppliers other than the utility. The need for this new category arose when regulatory changes establishing this new supply option for large consumers were adopted. It is reasonable to combine certain data categories for the purpose of reducing unnecessary detail in data requirements. It is reasonable to include the new customer category because it provides a complete accounting of demand for natural gas in the state.

Additionally, in the first paragraph, the word "its extended" was changed to "a" and the words "pursuant to" was changed to "under". These changes were made to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.1010 FORECAST DOCUMENTATION

Subpart 1 contains changes in language to specify that the forecast documentation will be eliminated for all except the three largest natural gas utilities in the state. This change is needed to streamline reporting requirements. The department believes that it can adequately fulfill its legislative mandate of collecting and compiling energy forecasts and related energy statistics without the forecast documentation from utilities other than the three largest ones. It is reasonable to withdraw the collection of information that the department believes is no longer vital to the fulfillment of its legislative functions.

Additionally, in the first sentence of subpart 1, the word "Each" was changed to "A". This change was done to meet the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

7610.1120 QUARTERLY DISPOSITION OF GAS BY UTILITIES

The Department proposes to delete this part. This change is needed because the collection of quarterly data has been discontinued for several years. The deletion formalizes current practice. It is reasonable to eliminate the quarterly reporting requirements for utilities because the

processing of quarterly data poses an administrative burden to the Department that far outweighs the value of the information obtained. The Department believes that it can adequately fulfill its legislative mandate of collecting and compiling data on energy statistics without the level of detail provided by quarterly reports.

7610.1130 OTHER INFORMATION TO BE REPORTED BY GAS UTILITIES

The department proposes to shorten the title of this part to "Other Information Reported by Utilities" for brevity and clarity. It is necessary and reasonable to shorten a title in order to provide greater clarity concerning the subject of the rule.

In subpart 1, item A, a graph showing the annual load curve for consumption of gas will no longer be required. The change is needed and reasonable because current computer graphing capabilities make it more convenient for the department to prepare its own graphs.

The categories "small volume interruptible" in subpart 1, subitem (3) and "large volume interruptible" in subitem (4) are combined into a single category "commercial industrial interruptible". This change is needed and reasonable

because the Department believes that data at the current level of detail will no longer be needed to understand the overall trends in natural gas consumption in the state. In addition, the category "other deliveries to ultimate consumers" is added to subpart 1, item A as proposed subitem (5). The need to include this category arose when changes in federal regulations enabled large consumers to bypass utilities and deal directly with producers. Under this new arrangement a utility's distribution line can be used to transport natural gas bought from sources other than the utility. It is reasonable to require utilities to report deliveries of gas resulting from this new arrangement because the additional data will provide a complete accounting of total natural gas consumption in the state.

In current subpart 1, item B, the word "any" was deleted and the word "which" was changed to "that". These changes were done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

In current subpart 1, item C the requirement for "a list of customers who will be curtailed or completely phased out in the five years following the year of filing" is deleted. This is needed and reasonable because the current situation in the natural gas industry no longer requires the

curtailment of customers that wish to have firm natural gas service.

The requirement to report the total number of customers and total sales during the last calendar year to firm and interruptible commercial industrial customers that use more than 200 Mcf on peak day has been added to this part as newly proposed subpart 1, item C. This requirement was formerly contained in part 7610.0910, item Q where the current statistic and forecast of this data was required. It was moved to this location so that only the previous calendar year data will be reported by all utilities. This change is needed and reasonable because the department believes that a forecast of these customer categories is no longer necessary to adequately identify the trends in natural gas consumption by user type.

The title of subpart 2, "customers and addresses" will be replaced by "customer information". The change is needed because from the old title the reader may mistakenly conclude that only customer names and addresses are required in this part when actually more information is being requested as listed in proposed items A to E. Hence, a new title is provided to avoid this potential source of confusion. It is reasonable to change the language of the

rules to avoid misinterpretations and ensure the filing of accurate data.

Subpart 2, items B and C are deleted. This is needed and reasonable because the department believes that data on small volume interruptible users and firm customers with consumption of 6,000 Mcf or greater is no longer needed to adequately fulfill its function of collecting and compiling data on energy statistics and identifying emerging trends in energy consumption.

C. INTERSTATE PIPELINE COMPANIES

7610.1200 BASIC FORECAST AND CURRENT STATISTICS FOR
INTERSTATE GAS PIPELINE COMPANIES

In the first paragraph of subpart 2, the word "shall" was changed to "must". This change was done to meet the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

Subpart 2, item A contains a change in language to require interstate gas pipeline companies to report their deliveries to utility distribution companies as well as sales for resale. The need for this change arose when changes in federal regulations allowed gas utilities to bypass

interstate pipeline companies and purchase gas directly from producers. Pipeline companies act as transporters of gas purchased under this arrangement. It is reasonable to require interstate pipeline companies to report deliveries to utilities because the additional data will provide a complete accounting of total natural gas consumption in the state.

Newly proposed subpart 2, item B is added to require interstate gas pipeline companies to report "the annual sales and deliveries to ultimate consumers in Minnesota, excluding any sales and deliveries that are transported, in part, by Minnesota distribution utilities". The need for this additional requirement arose when changes in federal regulations allowed large users to purchase natural gas from suppliers other than the gas distribution utility. Under this new arrangement a pipeline company's distribution line can be used to transport gas bought by end users from the pipeline or other sources. The new category only includes sales and deliveries that reach customers via direct hookups with the interstate pipeline. All deliveries that reach customers via local utilities will be reported by local utilities under part 7610.0910. It is reasonable to require interstate pipeline companies to report direct sales and deliveries to ultimate consumers because this will provide a

complete accounting of total natural gas consumption in the state.

In subpart 3, a technical change is made to the sentences which state: "The agency recognizes that five to 15 year forecasts can be difficult to calculate and subject to considerable error, but interstate pipeline companies shall prepare these forecasts to the best of their ability and knowledge. The forecasts shall be based on those assumptions and factors that the reporting utility deems most likely to occur." These will be replaced with "Interstate pipeline companies must prepare these forecasts to the best of their ability and knowledge based on those assumptions and factors that the reporting utility considers most likely to occur". This change is needed and reasonable to make the language conform with the general practice of language used in writing administrative rules. This change in language does not in any way represent a change in the department's perception about the nature of the forecasts. The department still recognizes the difficulty of formulating five to 15 year forecasts and the error such a forecast can be subject to. Therefore, the sentence simply asks interstate pipeline companies for a forecast to the best of their present knowledge and ability.

The requirement in subpart 3 that interstate pipeline companies state in writing the assumptions and factors used in deriving the forecasts has been deleted. This change is needed to simplify reporting requirements and eliminate the burden to the utilities of preparing the reports. The department believes that it no longer needs a report of this aspect of the forecasts in order to fulfill its legislative mandate of identifying the trends in natural gas consumption and supply in the future. The documentation provided by the largest local utilities in Minnesota under section 7610.1010 is sufficient for this purpose. It is reasonable to withdraw the collection of data which the department believes is no longer vital to the fulfillment of its legislative mandate.

In subpart 3, word and grammatical changes were made to conform with the Revisor's form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.1210 PRESENT FACILITIES AND
7610.1220 FUTURE FACILITIES

The department proposes to revise the title of part 7610.1210 to "Map of Present Facilities" and of part 7610.1220 to "Map of Future Facilities". These changes are

needed to make the titles more descriptive of the types of information to be required under these parts. The current requirement that utilities report detailed information on present and future natural gas storage facilities will be eliminated. Only a map of the utility's Minnesota service area showing present facilities will be required in part 7610.1210 and a Minnesota service area map identifying future facilities will be required in part 7610.1220. It is reasonable to use titles that more accurately convey the meaning of the contents of the rule. The information contained in the deleted portions was originally requested because in the 1970s, there was great concern that available supplies were not adequate to meet the rising demand. Under these circumstances, detailed reports of present and future facilities were considered vital. At present, the great concern in the 1970s of meeting supply shortfalls no longer holds. Regulations that strictly limited prices to natural gas producers and contributed to shortages have been eliminated. Natural gas consumption is expected to increase steadily over the coming years, but current reserves and undiscovered resources of natural gas should be widely available through at least the first decade of the 21st century. Therefore, it is reasonable to withdraw the collection of data which the department considers is no longer needed to fulfill its legislative mandate to identify

major trends and issues in natural gas consumption and supply.

7610.1230 DISPOSITION OF GAS BY INTERSTATE PIPELINE
 COMPANIES

The former Federal Power Commission is now called the Federal Energy Regulatory Commission. This section corrects for this name change. Where a commission is erroneously labelled, there is a need to correct the error. It is reasonable to do so.

Additionally, the department proposes to eliminate the requirement that an interstate pipeline company must file FERC form 16. This form contains information on monthly supplies to Minnesota utilities. The department believes that it no longer needs this information to be able to identify trends in natural gas consumption in the state.

D. PRIME PETROLEUM SUPPLIERS AND PETROLEUM PIPELINE
COMPANIES

7610.1300 DEFINITIONS

Subpart 2 contains a change in the shorthand term to be used when referring to the Minnesota Department of Public Service. The new term will be "department" instead of "agency". In 1987, Minnesota Laws, chapter 312, article 1, section 7, subdivision 3 defined "Department" to mean the Department of Public Service. The definition appears in Minn. Stat. section 216C.01. Chapter 216C concerns the Department of Public Service; Energy Division. As these proposed rules relate to Chapter 216C, there is a need to harmonize terminology. It is reasonable, therefore, to use the term "department" instead of "agency" as the descriptive shorthand term for the Department of Public Service to be used in these rules.

Subpart 4 which defined the term "construction" is deleted. This word is not being used in any portion of the rules pertaining to utilities and interstate gas pipeline companies. Therefore, its definition is unnecessary. There is a need to eliminate the definition of a term that is not being used. The appropriate, reasonable solution is to delete the unused term.

Subpart 1 contained the phrase "Except as provided by the commissioner, each...". The phrase is deleted and replaced with the statement: "For good cause shown, the department may grant a prime petroleum supplier an extension from the deadline following receipt of a written request from the company". The deleted statement provides for an exception, but does not state specifically the kind of exception the commissioner can make. An exception to a rule must be stated in clear and unambiguous terms. Therefore, there is a need to state the standard for granting an exception in clear terms. It is reasonable to delete the ambiguous statement and replace it with a statement that makes the nature of the exception specific and provides a standard.

In subpart 1, reference to "pipeline company" was added to the first paragraph. This change is needed in order to clarify that the requirement in this part also refers to pipeline companies. Without the added reference to a pipeline company, one might erroneously think that the requirements apply only to prime petroleum suppliers whereas in reality the requirements apply to both groups of respondents. It is reasonable to add language in the rule

that clarifies a statement being made because this will maintain accuracy in the statement of the rule.

Subpart 1, items A and B which contained the reporting dates for quarterly reports to be filed by prime petroleum suppliers and petroleum pipeline companies is deleted. This is because part 7610.1600, subpart 1 which contains the provisions for quarterly reporting by prime petroleum and pipeline companies has been deleted. Therefore, subpart 1 is no longer necessary. There is a need to eliminate a portions of the rule that is unnecessary because it pertains to a part that has been deleted. The reasonable solution is to delete that portion pertaining to an obsolete part of the rule.

Subpart 2 which specifies the reporting dates for forms filed by prime petroleum suppliers and pipeline companies is deleted. The reporting dates contained in subpart 2 are superseded by the proposed change in subpart 1 which indicates that all reports must be submitted by July 1 of each year. Therefore, subpart 2 is no longer necessary. It is reasonable to delete a subpart of the rule that is no longer necessary.

Subpart 3 which states the conditions by which changes in reporting dates can be made by the department is deleted.

This change is needed to indicate that the department will not make any change in the reporting date unless the change is made as part of future rulemaking. The deadline of July 1 set forth in subpart 1 will be fixed. It is reasonable to delete a section of the rule that the department does not intend to use.

7610.1360 REGISTRATION

The sentence "Each prime petroleum supplier and petroleum pipeline company operating in Minnesota must file a registration statement with the commissioner by July 1, 1975" is deleted because this refers to a one time reporting requirement. Prime petroleum and petroleum pipeline companies file the reports required in parts 7610.1370 to 7610.1500 annually. Therefore, deleting the sentence is needed and reasonable because it carries no meaning in the context of the proposed rules.

"The word "director" is changed to "commissioner" so that the correct title is used when referring to the head of the department. In 1987, Minn. Laws, chapter 186, section 15, directed the revisor in the next edition of Minnesota Statutes to substitute the term "commissioner" for the term "director" whenever used to refer to the head of the

Department of Public Service. Subpart 18 refers to the head of the department and therefore needs to be changed to conform with 1987 Minn. Laws, ch. 186, sec. 15. The appropriate solution, which is reasonable, is to change the designation "director" to "commissioner."

Word and grammatical changes were also made in this part by the Revisor to conform with form requirements pursuant to Minnesota Statutes section 14.07 (1990).

7610.1380 HISTORICAL SUPPLY DATA

The requirements under this part were previously requested under part 7610.1410, item A. By moving the requirements to part 7610.1380 the department will be requesting all prime petroleum suppliers to submit only the data for the last calendar year and eliminate the requirement of a forecast. The historical data is needed for identifying the companies currently supplying petroleum products to the state. Such information helps the department to monitor the short term petroleum supply situation in the state and maintain any necessary contact with suppliers of petroleum products. The department believes that for this purpose a forecast of supply is not necessary. The change being made in this part

is reasonable because it will streamline the department's energy data collection effort.

7610.1400 ANNUAL FORECASTS

A change in language is being proposed in this part to indicate that only a prime petroleum supplier who operates a refinery located in Minnesota or an adjacent state will be required to submit the current calendar year, five, ten, and 15 year forecasts of petroleum production at their Minnesota area refineries. This change is needed because the department believes that the amount of petroleum products produced in Minnesota area refineries will provide more accurate information about regional supplies of petroleum products in the state. The current forecasted supplies brought into the state by prime suppliers provides no useful information on the source or the supplies. This change is reasonable because it will improve the quality of the data being collected by the department and enable it to better fulfill its legislative mandate of collecting energy data and identifying the trends in petroleum supply and demand in the state.

7610.1410 CONTENT OF FORECASTS

Item A contains a change in language that indicates that the data requested in this section will be filed only by prime petroleum suppliers with refineries located in Minnesota or an adjacent state. The need and reasonableness of this change is contained in the statement of need and reasonableness for the changes made in part 7610.1400.

Current item B requests for the annual demand for various petroleum products if supplies are not sufficient to meet total demand. This section is deleted because the information being requested is related to a federal price allocation control system which was eliminated in 1981. In the absence of this federal regulation the information requested in this section is no longer meaningful. It is reasonable to delete data requirements that no longer provide meaningful information.

Proposed item B which requests that a prime petroleum supplier submit a forecast of "the annual volume of crude oil in number of barrels available to the supplier's refineries located in Minnesota" is replaced with the requirement that a prime petroleum supplier that operates a refinery in Minnesota or an adjacent state must submit annually a forecast of "the annual volume of crude oil in

number of barrels available to the supplier's refinery." The need and reasonableness of this change is contained in the statement of need and reasonableness for the changes made in part 7610.1400.

7610.1420 REPORTING YEARS

The sentence "In 1975, data shall also be supplied for the calendar year 1973" is deleted because this refers to a one time reporting requirement. Prime petroleum suppliers and petroleum pipeline companies file the reports required in part 7610.1410 annually. Therefore, deleting the sentence is needed and reasonable because it carries no meaning in the context of the proposed rules.

7610.1430 CRITERIA FOR FORECAST

The requirement that each prime petroleum supplier file in writing the documentation for the forecasts of petroleum supply and demand within its Minnesota service area has been deleted. This change is needed to simplify reporting requirements and eliminate the administrative burden to the suppliers of preparing the documentation. The department believes that it no longer needs this documentation to fulfill its legislative mandate of identifying the trends in

petroleum demand and supply. It is reasonable to withdraw the collection of data which the department believes is no longer needed for the fulfillment of its legislative mandate.

Additionally, word and grammatical changes were made in this part by the Revisor's Office to conform with form requirements as required by Minnesota Statutes section 14.07 (1990).

7610.1500 PRESENT FACILITIES

In the first paragraph of this part, the word "Each" was replaced with "A"; the words "with regard to any" were replaced by "on"; and the word "which" was replaced with "that". These changes were made to meet the Revisor's form requirements pursuant to Minn. Stat. section 14.07 (1990).

Item A is deleted because the department currently collects information on refinery production through the forms provided by suppliers in part 7610.1370. The deletion is needed and reasonable because it will eliminate the duplication of data collected by state and federal agencies.

In current item C detailed data on pipelines will be deleted. Only a map showing the location of pipelines will

be required. These changes are needed because the portions to be deleted contain a request for information that does not tend to vary from one reporting period to another. As long as the general location of pipelines can be determined by the department through the map, any information about the pipelines that has been added or changed from a previous reporting period will be obtained by the department from the pipeline company as needed. It is reasonable to withdraw the annual collection of data that the department already has in its files and which does not tend to vary from one reporting period to the next. This eliminates the burden to the prime petroleum supplier or pipeline company of filing the same data every year.

7610.1510 FUTURE FACILITY REQUIREMENTS

The department proposes to delete this part because the information requested can be obtained from the certificate of need application filed by a prime petroleum supplier or pipeline company when it plans to construct additional facilities or addition to existing facilities. Unlike the electric and natural gas industries, the petroleum industry is not regulated. In addition, petroleum products can be stored so the concern for supply availability is not as heightened as it is with electric and natural gas. In order

to fulfill its legislative mandate of collecting energy statistics and identifying the trends in energy supply and demand in the state, the department believes that it no longer needs information about future facility requirements of prime petroleum suppliers and pipeline companies beyond that provided in their certificate of need applications. It is needed and reasonable to withdraw the collection of data that the department already has access to. This will simplify reporting requirements and eliminate the duplication of information filed.

7610.1520 REFINERY FUEL REQUIREMENTS

This part which requests for detailed information about each prime petroleum supplier's Minnesota refineries is deleted. This change is needed to simplify reporting requirements. The department believes that the information being provided through proposed part 7610.1410, item B for petroleum refineries located in Minnesota will be sufficient for the information needs of the department. It is reasonable to withdraw the collection of data which the department believes is no longer vital to the fulfillment of its duty.

The department proposes to delete subpart 1 of this part. This change is needed because the collection of quarterly data has been discontinued for several years. The deletion formalizes current practice. It is reasonable to eliminate the quarterly reporting requirements for prime petroleum suppliers because the processing of quarterly data poses an administrative burden to the department that far outweighs the value of the information obtained. The department believes that it can adequately fulfill its legislative mandate of collecting and compiling data on energy statistics without the level of detail provided by quarterly reports.

The department proposes to delete subpart 2 of this part. Subpart 2 contains the requirement that enables a prime petroleum supplier to submit an alternate form when filing information requested in subpart 1. The deletion is needed because the department proposes to stop collecting the information currently being requested in subpart 1. This makes the requirement in subpart 2 obsolete and unnecessary. It is reasonable to delete a portion of a rule that has been rendered obsolete and unnecessary because it pertains to an information request that will no longer be collected.

The department proposes to delete subpart 3 of this part. Subpart 3 contains the requirement that allows a prime petroleum supplier to meet the information requirements of subpart 1 by filing alternative information. The deletion is needed because the department proposes to stop collecting the information currently being requested in subpart 1. This makes the requirement in subpart 3 obsolete and unnecessary. It is reasonable to delete a portion of a rule that has been rendered obsolete and unnecessary because it pertains to an information request that will no longer be collected.

The department proposes to delete subpart 4 because it refers to a one time reporting requirement. Under the current rules prime petroleum suppliers file reports annually. Therefore, deleting this subpart is needed and reasonable because it carries no meaning in the context of the proposed rules.

7610.1610 OTHER INFORMATION REPORTED ANNUALLY

The department proposes to delete this part. This deletion is needed and reasonable because this information has not been found by the department to be necessary for the fulfillment of its function of collecting data on energy and identifying trends in energy supply and demand in the state.