

The Commission met on **Thursday, December 13, 2012**, with Chair Heydinger and Commissioners Boyd, Reha, and Wergin present.

The following matters came before the Commission:

TELECOMMUNICATIONS AGENDA

P-999/M-12-194

In the Matter of Commission Consideration of Any Changes in Lifeline Certification and Verification Procedures in Light of the FCC Lifeline Order, Docket No. P-999/M-12-194

This item was removed from the Commission's agenda.

ENERGY AGENDA

G-001/M-12-299

In the Matter of Request by Interstate Power and Light Company for Approval of the Company's 2011 Conservation Cost Recovery Adjustment and 2011 Natural Gas Demand Side Management Financial Incentive

Commissioner Reha moved to do the following:

1. Approve the 2011 demand-side management (DSM) financial incentive of \$15,349 proposed by Interstate Power and Light Company (IPL) to be included in IPL's tracker account for conservation improvement programs (CIP) no sooner than the date of the Commission's order.
2. Approve IPL's 2011 gas CIP tracker account, as provided in IPL's petition and summarized in the November 20, 2012 comments of the Minnesota Department of Commerce (the Department), Table 1, including employee-related CIP expenses of \$700 and carrying charges of \$81,683 for 2011.
3. Approve IPL's proposed revised gas conservation cost recovery adjustment (CCRA) of \$0.0308 per therm for all Minnesota customer classes, to be effective on the first billing cycle in the next full month after Commission approval, conditioned on the Company submitting, within 10 days of the date of the Order, a compliance filing with the relevant tariff sheets and necessary calculations that comply with the Commission's determinations.
4. Require IPL to include the following Department-recommended bill message (with the appropriate date) in the billing month immediately following the date of the Commission's order:

IPL recovers the costs of its energy conservation programs in Minnesota through a Conservation Cost Recovery Adjustment (CCRA). The CCRA is an annual adjustment subject to Minnesota Public Utilities Commission approval. Based on actual and anticipated energy efficiency costs, the revised 2012 CCRA, as approved by the Commission, will be \$0.0308 per therm, effective [insert date]. Learn more about reducing your energy use by visiting our website at www.alliantenergy.com/save or calling us at 1-866-255-4528.

The motion passed 4 – 0.

G-008/M-12-437

In the Matter of CenterPoint Energy’s 2011 Demand Side Management Financial Incentive, Conservation Improvement Program Tracker Report, and Conservation Cost Recovery Adjustment Aggregated Compliance Filing

Commissioner Wergin moved to do the following:

1. Approve a 2011 DSM financial incentive of \$4,590,392 proposed by CenterPoint Energy (CenterPoint or the Company), a Division of CenterPoint Energy Resources Corporation, to be included in the Company’s CIP tracker account no sooner than the issue date of the Commission’s order.
2. Approve CenterPoint’s revised 2011 CIP tracker account, as provided in the Company’s response to the Department’s discovery and summarized in the Department’s November 30, 2012 comments, Table 1, including \$43,925 of employee-related CIP expenses and \$275,800 of carrying charges for 2011.
3. Approve CenterPoint’s proposed CCRA of \$0.01426 per therm, to be effective on the first billing cycle in the next full month after Commission approval, conditioned on the Company’s submitting, within 10 days of the issue date of the order, a compliance filing with the relevant tariff sheets and necessary calculation that comply with the Commission’s determinations.
4. Approve the following bill message:

The MPUC has approved a Conservation Cost Recovery Adjustment (CCRA) factor of \$0.01426 per therm. This charge is used to fund energy conservation activities and has been added to your delivery charge. For more information please call 1-800- 245-2377 or visit our website at www.centerpointenergy.com.

The motion passed 4 – 0.

G-004/M-12-439

In the Matter of Great Plains Natural Gas Co.'s, A Division of MDU Resources Group, Inc., Request for Approval of its Proposed 2011 Conservation Improvement Program Tracker Account, Including a Proposed Conservation Cost Recovery Adjustment and a Proposed Demand Side Management Financial Incentive for 2011

Commissioner Boyd moved to do the following:

1. Approve the 2010 DSM financial incentive of \$37,707 proposed by Great Plains Natural Gas Co. (Great Plains or the Company), a division of MDU Resources Group, Inc., to be included in the Company's CIP tracker account no sooner than the issue date of the Commission's order.
2. Approve the Company's 2011 CIP tracker account, as provided in the Company's petition and summarized in Table 1 above, including carrying charges of \$10,979 and employee-related CIP expenses of \$125 for 2011.
3. Approve Great Plains' proposed CCRA of \$0.0601 per dekatherm for all customer classes and require that the CCRA approved by the Commission be effective within 10 days of the date of the order, conditioned on the Company submitting, within 10 days of the order, a compliance filing with the relevant tariff sheets and necessary calculations that comply with the Commission's determinations.
4. Require Great Plains to include the following bill message in the billing month immediately following the date of the order:

Great Plains recovers the cost changes in its energy conservation programs from the base established in 2007 in Minnesota through a Conservation Cost Recovery Adjustment (CCRA) subject to MN Public Utilities Commission approval. A CCRA of \$0.0601 per dk as shown in the Resource Adjustment above is effective. Learn more about reducing your energy use by visiting our website at www.gpng.com or calling us at 1-877-267-4764.

The motion passed 4 – 0.

E-002/GR-12-961

In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota

Commissioner O'Brien moved to find exigent circumstances under Minn. Stat. § 216B.16, subd. 3(b).

The motion failed 1-4. Chair Heydinger and Commissioners Boyd, Reha, and Wergin voted no.

Commissioner Wergin moved to do the following:

Accept this filing as being in proper form and substantially complete as of November 2, 2012.

1. Suspend the proposed final rates until the Commission makes its final determination in this matter.
2. Direct Northern States Power Company d/b/a Xcel Energy (Xcel) to file testimony addressing the following issues within 30 days of the date of the order:
 - a. explaining why, given the current low interest rate environment, it has not refinanced other higher cost bonds;
 - b. addressing the effect of adjusting the capital structure to finance with a higher percentage of debt (one to five percent);
 - c. presenting the effect of adjusting the capital structure to allocate a higher percentage (one to five percent) to debt on a Minnesota-jurisdictional basis; and
 - d. reporting for each of the past five years (2007-2011) the Company's authorized return on equity and its actual return on equity as reported on form 10-k, on a jurisdictional, total company, and regulated company basis.
3. Request the ALJ's report on or before July 3, 2013. If the statutory deadline for the Commission's decision is extended beyond the normal ten months at any point during this proceeding for any reason (e.g.. settlement discussions, waiver, etc.) request the ALJ's report at least two months before the extended deadline for the Commission's decision.
4. Identify issues requiring development of a complete record in this case.
 - a. Is the test year revenue increase sought by the Company reasonable or will it result in unreasonable and excessive earnings by the Company?
 - b. Is the rate design proposed by the Company reasonable?
 - c. Are the Company's proposed capital structure and return on equity reasonable?
5. Authorize Xcel to implement interim rates for service rendered on and after January 1, 2013.
6. Approve an annual interim rate revenue deficiency of \$250.548 million, or 9.39 percent.
7. Approve Xcel's proposed interim cost of capital for setting interim rates.
8. Approve Xcel's request to collect the \$250.548 million interim rate increase as a uniform 13.81 percent interim rate adjustment to the base rate portion of customer bills. And to display the interim rate increase on customer bills using a single, line-item interim rate adjustment.

9. In the Notice and Order for Hearing, require the following:
 - a. This Order will be served on the Company, which shall mail copies of the Order to all municipalities, counties, and local governing bodies in its Minnesota service area.
 - b. Public Hearings shall be held in this matter at locations within the service area of the Company.
 - c. The Company shall give the following notices of the evidentiary and public hearings:
 - 1) Individual written notice to each customer, which may be in the form of a bill insert, and shall be served at least ten days before the first day of hearings.
 - 2) Written notice to the governing bodies of all municipalities, counties, and local governing bodies in the area affected and to all parties in the Company's last two rate cases. These notices shall be mailed at least ten days before the first day of hearings.
 - 3) Display advertisements in legal newspapers of affected counties and other newspapers of general circulation within the Company's Minnesota service area. These advertisements shall appear at least ten days before the first day of hearings. They shall include the heading **RATE INCREASE NOTICE**, which shall appear in bold face type no smaller than 30 points.
 - d. The Company shall submit proposed notices for Commission approval prior to publication or service.
10. In the Order Setting Interim Rates require the following:
 - a. Order the Company to file with the Commission and the Department of Commerce-Division of Energy Resources interim rate tariff sheets and supporting documentation reflecting the decisions herein. The Company's filing should also include the notice to customers, approved by the Executive Secretary, regarding the rate change under the interim rate schedule. Order the Company to keep such records of sales and collections under interim rates as would be necessary to compute a potential refund. Any refund should be made within 120 days of the effective date of the Commission's final order in a manner approved by the Commission.
 - b. Order the Company to include with each customer's first bill under the interim rate schedule a notice of the rate change, approved by the Executive Secretary. Upon completion of this task, the Company shall certify this fact to the Commission.
 - c. Require Xcel to maintain records of CIP costs and collection through the interim period so that it can be ascertained that recoveries dedicated to CIP are properly recorded as CIP.

11. Delegate authority to approve notices, bill inserts, and bill format to the Commission's Executive Secretary for the duration of this proceeding.

The motion passed 4 – 0.

E-002/MR-12-1150

In the Matter of the New Base Cost of Energy to be Implemented Concurrently with Interim Rates in Docket E-002/GR-12-961

Commissioner Boyd moved to do the following:

1. Accepted the revised base cost of energy of \$0.02729 per kWh at this point in the rate case, Docket No. E-002/GR-12-961, *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota*.
2. Find that, if any significant adjustment to the cost of energy occurs during the Rate Case, the Commission will require that the base cost of energy be reconsidered at the appropriate time.
3. Find that Xcel's fuel clause rider language may be addressed in the rate case.

The motion passed 4 – 0.

E,G-002/M-12-188

In the Matter of the Petition of Northern States Power Company for Approval of a Customer Data Privacy Tariff as an Amendment to Our Electric and Natural Gas Rate Books

Chair Heydinger moved to do the following:

1. Take no action on Xcel's proposed customer data privacy tariff.
2. Solicit comments on the scope of a potential generic proceeding to address utilities' collection, storage, and dissemination of customer data.
3. Leave the docket open.

The motion passed 4 – 0.

E-015/CG-11-1073

In the Matter of the Petition by Highwater Wind LLC and Gadwall Wind LLC for Resolution of a Cogeneration and Small Power Production Dispute with Minnesota Power under Minn. Stat. § 216B.164, Subd. 5

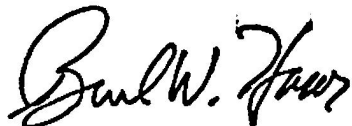
Commissioner Wergin moved to do the following:

1. Determine a legally enforceable obligation (LEO) has not been formed between Gadwall Wind LLC and Minnesota Power.
 - a. Determine a LEO does not exist because Gadwall Wind LLC had nondiscriminatory access to markets and the project would be located in a service area that has been relieved of the obligation to purchase energy from qualifying facilities (QFs) larger than 20 megawatts (MW) prior to the filing of its petition to resolve this dispute.
 - b. Determine a LEO does not exist because Gadwall Wind LLC's project has not reached a degree of project development to indicate the project is viable.
2. Determine a legally enforceable obligation has not been formed between Highwater Wind LLC and Minnesota Power.
 - a. Determine a LEO does not exist because Highwater Wind LLC had nondiscriminatory access to markets and the project would be located in a service area that has been relieved of the obligation to purchase energy from QFs larger than 20 MW prior to February 15, 2011.
 - b. Determine a LEO does not exist because Highwater Wind LLC's project has not reached a degree of project development to indicate the project is viable.

The motion passed 4 – 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: March 13, 2013



Burl W. Haar, Executive Secretary