

The Commission met on **Thursday, June 7, 2012**, with Acting Chair Reha and Commissioners Boyd 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

Commissioner Boyd moved to do the following:

1. Not adopt additional Lifeline requirements related to certification and annual re-certification at this time.
2. Direct eligible telecommunications carriers (ETCs) to implement the directives of the Federal Communications Commission (FCC) pursuant to the Lifeline certification and annual re-certification requirements until otherwise ordered in the future.
3. Find that Minnesota Telecom Alliance's 2012 re-certification plans to allow its members to either participate in a continued electronic certification process or use other specified methods consistent with the FCC's requirements.
4. Find that a rulemaking is not needed at this time.
5. Direct interested parties to submit any suggestions on Attachment C to staff by June 17, 2012, and require ETCs to use the approved form, unless they obtain approval from Commission or Department staff to use a different form.
6. Direct ETCs to make the appropriate tariff filings by July 2, 2012.
7. Direct ETCs to provide customer notices through bill inserts or other printed mailings by July 31, 2012. And require ETCs to post information about the Lifeline program, including the support amount, the eligibility criteria, application form and instructions on their websites.
8. Refrain from changing to the telephone assistance plan at this time.

The motion passed 3 - 0.

ENERGY AGENDA

E-111/M-12-144

In the Matter of Dakota Electric Association's Petition for a Clarification of Property Tax Adjustment Qualifying Criteria

Commissioner Wergin moved to do the following:

1. Determine that the requirement under Minn. Stat. § 216B.241, subd. 2b -- to spend at least 1.75 percent of gross revenues from the provision of electric service for conservation improvement programs in the prior year in order to include property taxes in an adjustment for the subsequent year -- has not been modified by subd. 1c(b).
2. Conclude that if Dakota Electric Association reduces its spending below the 1.75% requirement in any year, then it will not be permitted to include an adjustment for property taxes in rates in the following year.

The motion passed 3 – 0.

G-007,011/M-11-1045

In the Matter of Minnesota Energy Resources Corporation's (MERC) Petition for Approval of a New Area Surcharge Rider

Commissioner Wergin moved to do the following:

1. Approve the New Area Surcharge Rider proposed by Minnesota Energy Resources Corporation (MERC).
2. Determine that the discount rate used for calculating the net present value of MERC's Contributions in Aid of Construction should be the cost of long-term debt from the most recent rate case.
3. Approve the proposed tariff and the New Area Surcharge model from the February 9, 2012 supplement with the following modification to the last sentences on tariff page 9.14 under Rate: "*The net present value of the new area surcharge will be treated as a Contribution-in-Aid-of-Construction for accounting and ratemaking purposes,*" and clarify that the New Area Surcharge calculation must include the full life of all plant additions.
4. Determine that any filing for a miscellaneous rate change for a specific New Area Surcharge project should include at a minimum:
 - an updated surcharge tariff sheet and its related spreadsheets with and without the proposed surcharge for each new surcharge area;

- its workpapers showing all underlying assumptions concerning interest rates, costs, depreciation, demographics, rate structure, etc.
 - a surcharge rate for each customer class, even if no customers are anticipated for the class;
 - the Company's proposed customer notice; and
 - all pertinent contract demand entitlement change requests as soon as the required information is ascertained.
5. Require MERC to file revised tariff pages reflecting the Commission's decisions within 10 days of the date of the Order.

The motion passed 3 – 0.

E-002/M-11-1263

In the Matter of the Petition by Northern States Power Company d/b/a Xcel Energy for Approval of Deferred Accounting for Property Tax Costs

Commissioner Boyd moved to do the following:

1. Deny the petition of Northern States Power Company d/b/a Xcel Energy (Xcel) for deferred accounting for 2012 property tax costs.
2. Deny Xcel's request for a property tax rider.

The motion passed 3-0.

E-104,114,121,126, 145/CG-12-146

In the Matter of the Petition by Renewable Energy SD, LLC for Resolution of Cogeneration and Small Power Production Disputes with Benco Electric Cooperative, Federated Rural Electric Association, Meeker Cooperative Light & Power Association, Nobles Cooperative Electric and Tri-County Electric Cooperative under Minn. Stat 216B.164, Subd. 5

Commissioner Boyd moved to do the following:

1. Determine that there are issues in the February 16, 2012 Petition of Renewable Energy SD, LLC, that should be addressed.
2. Determine that capacity as used in Minn. Stat. § 216B.164 means the capability of the qualifying facility (QF) as measured by maximum average demand.
3. Determine that the average over 15 minute interval should be used to verify capacity.
4. Regarding customer communication,

- Require Benco Electric Cooperative, Federated Rural Electric Association, Meeker Cooperative Light & Power Association, Nobles Cooperative Electric and Tri-County Electric Cooperative (collectively, the Cooperatives) to issue letters clarifying the eligibility requirements for net metering under Minn. Stat. § 216B.164, and
 - Require the Cooperatives to submit their draft letters to the Commission's Executive Secretary for approval before issuance.
5. Regarding operation of wind turbines at or over 40 kilowatts (kW), find that the Commission has insufficient information and direct the Cooperatives to provide to the Commission and to owners of wind turbines, within 30 days of the Commission's order, between nine and twelve months of operational data identifying the periods during which a customer's turbine generated more than 39.9 kW. The Cooperatives should include data from winter months.
 6. Determine that for qualifying facilities under 40 kW, utility providers must use an unaltered version of the Uniform Statewide Contract provided in Minnesota Rules, part 7835.9910.
 7. Regarding the loads claimed by customers to qualify for net metering,
 - Find that the Commission has insufficient information to declare that minimal loads used or created solely for the purpose of obtaining payments of the Cooperative's average retail energy rate are ineligible for the average retain rate billing under the net metering law, and
 - Open a generic docket on this and related issues.
 8. Direct the Cooperatives to submit copies of their Board policies concerning net metering eligibility that comply with Minn. Stat. 216B.164 and Commission rules.
 9. Decline to direct the Cooperatives to file existing contracts in this docket at this time.
 10. Determine that a request for settlement at this point is premature.
 11. Require calibration documentation on the meters connected to all turbines installed within the service territories of the Cooperatives in order to determine if proper calibration is in place as a standard and on a regular basis.
 12. Find that it is premature to make a determination on legal fees paid by the parties to this proceeding.

The motion passed 3 – 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: August 15, 2012

A handwritten signature in black ink, reading "Burl W. Haar". The signature is written in a cursive style with a large initial "B".

Burl W. Haar, Executive Secretary