

The Commission met on **Thursday, August 12, 2010**, with Commissioners Boyd, O'Brien, Pugh, Reha and Wergin present.

The following matters were taken up by the Commission:

ENERGY AGENDA

E-017, 229/SA-10-545

In the Matter of the joint Petition by Otter Tail Power Company, Detroit Lakes Public Utilities Commission and City of Detroit Lakes for Modification of Assigned Service Areas

Commissioner Pugh moved that the Commission approve the petition, as recommended by the OES.

The motion passed, 5 - 0.

E-002/M-09-821

In the Matter of the Petition of Northern States Power Company Regarding Eligibility of the Bay Front Project for Recovery Under the Renewable Energy Standard Rider

Commissioner Reha moved that the Commission:

1. Grant Xcel's request to withdraw the filing; and
2. Request that if Xcel decides to re-file the proposal that the Company address the inconsistencies between the comments in the Wisconsin Commission's October 22, 2009 Order and the comments of the OES.

The motion passed, 5 - 0.

E-002/M-10-633

In the Matter of a Petition by Northern States Power Company d/b/a Xcel Energy for Approval of Power Purchase and Diversity Exchange Agreements with the Manitoba Hydro Electric Board

Commissioner Pugh moved that the Commission:

Approve the petition with the modifications and additions set forth below:

1. The Company shall substitute the revised press release attached to this order for the press release in Appendix D-lb.

2. The Company shall substitute the revised notification attached to this order for the notification in Appendix D-2b.
3. The Company shall provide the press release described in paragraph 1 to the list of media contacts set forth in its filing in Table D-1.
4. The Commission approves the guidance documents submitted by the Company in Appendix D-3.
5. The Commission approves the October 1, 2010 deadline proposed by the Company for alternative proposals.
6. For the duration of this case the Commission delegates to the Executive Secretary the authority to approve press releases, lists of media contacts, and proposed notices and notifications.
7. Commission staff will act as a liaison for purposes of responding to procedural questions from potential alternative suppliers, other parties and stakeholders, and members of the public.
8. On or before October 11, 2010, Xcel shall make a filing demonstrating compliance with the notice plan approved herein.
9. This case as currently framed will not support a decision on whether the proposed contracts with Manitoba Hydro - or the Renewable Energy Credits associated with those contracts - may be credited toward the Company's Renewable Energy Standard obligations under Minn. Stat. § 216B.1691. If the Company wishes to include that issue in this proceeding, the Company must make a supplemental filing directly raising the issue and including supporting information.

The motion passed, 5 - 0.

E-015/S-09-1233

In the Matter of the Petition of Minnesota Power for Approval of its Capital Structure and Authorization to Issue Securities Under Minnesota Statute § 216B.49

Commissioner Boyd moved that the Commission:

1. Take no action regarding compliance with the Commission's March 29, 2010 Order.
2. MP shall, in its next securities issuance petition, provide a list of all planned future investments, regardless of their time period, that have been publicly disclosed.
3. MP's lists of planned future investments are subject to the conditions set forth in ordering paragraph 13 of the Commission's March 29, 2010 Order.

4. MP shall submit in its next securities issuance petition the Company's investment plans not only for the next year, but for at least the next five years.
5. The second sentence of ordering paragraph 1 of the Commission's March 29, 2010 Order is amended to read:

This approval will remain effective until the later of April 30, 2011, or the date on which the Commission issues a new capital structure Order unless the Commission finds that the Company's next capital structure petition is not complete.

6. Minnesota Power shall file its next securities issuance petition no later than March 1, 2011 and will work with Commission staff and parties to have the next capital structure approval in place no later than September 2011.

The motion passed, 5 - 0.

E-017/M-09-1484

In the Matter of Otter Tail Power Company's Request for Approval of its 2010 Renewable Resource Cost Recovery Adjustment Factor

E-017/GR-10-239

In the Matter of the Application of Otter Tail Power Company for Authority to Increase Rates for Electric Utility Service in Minnesota

Commissioner O'Brien moved that the Commission:

1. Exclude capitalized labor and internal costs, subject to future true-up if the Commission determines in Otter Tail's pending rate case, Docket No. E-017/GR-10-239, that the amount should be included;
2. Direct Otter Tail to implement the Renewable Rider and 2010 Cost Recovery Factor using a twelve month time period beginning on September 1, 2010 and going through August 31, 2011;
3. Allocate the rider revenue requirement to classes based on 8% capacity/92% energy. Collect the revenue requirement as a flat per kWh charge for all classes except the large general service (LGS). Collect from the LGS class through a demand and an energy charge based on an 8% demand/92% energy split;
4. Make a compliance filing with the Commission by August 24, 2010 reflecting the decisions made herein including the new RRA factor and related tariff sheets;
5. Update the rider for the rate of return and the jurisdictional allocator after Commission makes those determinations in Otter Tail's pending rate case;

6. Require Otter Tail in its next RRA filing to include a presentation of the allocation to classes based on a percentage of revenue method; and
7. Direct Otter Tail to provide on its website information explaining all components of the resource adjustment line of its bills reflecting current rates for each of those components by October 1, 2010;
8. Direct Otter Tail, in its pending rate case docket, to provide supplemental testimony and exhibits by September 15, 2010, showing the effects of including the Langdon, Ashtabulah, and Luverne wind facilities in base rates concurrent with the implementation of final rates. The supplemental testimony and exhibits shall include: supporting schedules detailing rate base and income statement adjustments: class cost of service study treatment, class revenue allocation, and rate design: and the proposed treatment of PTCs. Otter Tail has agreed to file a letter in these dockets (Docket E-017/M-09-1484 and Docket No. E-017/GR-10-239), informing the parties where the preceding information, if already filed, can be located, or to file the information in the rate case docket by September 15, 2010. The Commission requests that the OES and other interested parties examine this issue in the rate case; and
9. Make no determination at this time as to whether the three facilities (Langdon, Ashtabulah, and Luverne wind facilities) should be moved into base rates concurrent with implementation of final rates in the pending rate case.

The motion passed, 5 - 0.

IP-6687/CN-08-951

In the Matter of the Application of Noble Flat Hill Windpark I, LLC for a Certificate of Need for a Large Energy Facility, a 201 MW Large Wind Energy Conversion System and Associated Facilities in Clay County

IP-6687/TL-08-988

In the Matter of the Application for a Route Permit for the Noble Flat Hill Windpark I 230 kV Transmission Line

IP-6687/WS-08-1134

In the Matter of the Noble Application for a Large Wind Energy Conversion System (LWECS) Site Permit for the Noble Flat Hill Windpark I Project (Project) in Clay County

Commissioner Reha moved that the Commission:

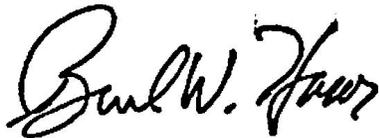
1. Reopen the record in the 08-988 docket (routing permit) and the 08-1134 docket (siting permit) for the limited purpose of supplementing the evidentiary record on issues regarding the potential for impacts of the Noble Flat Hill Windpark and transmission line on Radio Fargo-Moorhead's (RFM's) operations;

2. Refer the matter to the Office of Administrative Hearings to conduct a contested case proceeding specifically addressing the potential for impacts on RFM's operations;
3. Determine, after further record development, whether revocation, suspension or modification of either or both of the permits is supported by the record; and
4. Request the Office of Energy Security supplement the Environmental Impact Statement, if deemed necessary.

The motion passed, 5 - 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: SEPTEMBER 22, 2010



Burl W. Haar, Executive Secretary