

The Commission met on **Tuesday, December 21, 2010**, with Chair Boyd and Commissioners O'Brien, Pugh, Reha, and Wergin present.

The following matters were taken up by the Commission:

TELECOMMUNICATIONS AGENDA

P-466,430/C-10-1249

In the Matter of the Complaint of Sprint Communications Company L.P. v. Embarq Minnesota, Inc. d/b/a CenturyLink

Commissioner Pugh moved that the Commission:

1. Find that the matter is within the Commission's jurisdiction and that there are reasonable ground to investigate the matter.
2. Serve the complaint and require CenturyLink to file an answer to the complaint within 20 days pursuant to Minn. Rules 7829.1800, subp. 2.
3. Vary Minn. Rules, part 7829.1900 to provide for interested parties to file comments by the same date on which the answer must be filed.

The motion passed 5-0.

ENERGY AGENDA

E-002/CN-10-694

In the Matter of the Application of Northern States Power Company, a Minnesota Corporation, for a Certificate of Need for two 115 kV High Voltage Transmission Lines in the Midtown Area of South Minneapolis, Hennepin County

Commissioner Wergin moved that the Commission:

1. Grant a variance to Minnesota Rules, part 7849.0200, subp. 5 to extend the period for Commission consideration of the completeness of the application for an unspecified, but reasonable period of time.
2. Grant a variance to Minnesota Rules, part 7849.1400 to allow more time to begin the process of environmental review and the conduct a public meeting to scope the Environmental Report.

The motion passed 5-0.

IP-6844/CN-10-429

In the Matter of the Application of Prairie Wind Energy, LLC for a Certificate of Need for its 100 MW Wind Project in Otter Tail Company

Commissioner Wergin moved that the Commission:

1. Grant a variance to Minnesota Rules, part 7849.0200, subp. 5 to extend the period for Commission consideration of the completeness of the application for an unspecified, but reasonable period of time.
2. Grant a variance to Minnesota Rules, part 7849.1400 to allow more time to begin the process of environmental review and the conduct a public meeting to scope the Environmental Report.

The motion passed 5-0.

E-002/CN-09-1390

In the Matter of the Application of Northern States Power Company, a Minnesota Corporation, and the City of Glencoe for a Certificate of Need for 115 kV transmission Line Upgrades to the Glenconia – Waconia 69 kV System in Carver and MacLeod Counties

Commissioner Wergin moved that the Commission:

1. Grant a variance to Minnesota Rules, part 7849.0200, subp. 5 to extend the period for Commission consideration of the completeness of the application for an unspecified, but reasonable period of time.
2. Grant a variance to Minnesota Rules, part 7849.1400 to allow more time to begin the process of environmental review and the conduct a public meeting to scope the Environmental Report.

The motion passed 5-0.

U-999/R-06-212

In the Matter of Possible Amendments to the Rules of Practice and Procedure, Minnesota Rules, Chapter 7829, to Set New Notice Requirements for Certificate of Need Applications for Pipelines

Commissioner Reha moved that the Commission:

Approve the attached rule draft with the following change, as recommended by staff, and authorize staff to take the necessary steps to continue the rulemaking process:

1. 7829.2560, subpart 4(F). Remove the reference to Chapter 7849.

The motion passed 5-0.

E-111/M-10-1053

In the Matter of Dakota Electric Association's Annual Conservation Tracker Report

Commissioner Pugh moved to grant the Association's petition and approve its annual tracker report.

The motion passed 5-0.

G-008/M-10-1137

In the Matter of CenterPoint Energy's Petition for Approval of a Tariff Revision Regarding the Standard Customer Billing Form

Commissioner Pugh moved to grant the petition and require the Company to use consistent language when referring to the Automatic Bank Draft program throughout the Company's tariff and on its website.

The motion passed 5-0.

G-002/M-10-422

In the Matter of the Petition of Northern States Power Company for Deferred Accounting Treatment of Costs Relating to Identifying and Eliminating Sewer/Natural Gas Line Conflicts

Commissioner Reha moved that the Commission:

1. Approve the request for deferred accounting with the following conditions:
 - A. approve deferral of only Plan operation and maintenance (O&M) costs for external resources;
 - B. require the Company to justify any outsourcing of Plan tasks;
 - C. require that any such revenue or savings that might result from the Plan work be included in the deferred account as separate item;
 - D. approve the Company's implementation date of May 10, 2010;
 - E. require that Xcel Energy provide a summary of actual Plan O&M costs incurred annually beginning January 30, 2011 using a format similar to Xcel Energy's filing Attachment C;
 - F. require Xcel Energy to provide a filing with a summary of all deferred Plan costs in this same format 60 days prior to the Company's next general gas rate case; and
 - G. require that the Company provide updates when the actual Plan costs exceed \$3.5 million per year as a compliance filing in the current docket.

2. Require Xcel to file the following in future rate cases or other dockets where it is seeking recovery of the Plan costs:
 - A. The details of the final resolution of the MNOPS Notice of Probable Violation and the status of any proposed penalties;
 - B. Discussion and explanation of any legal actions or settlements regarding the explosion;
 - C. Discussion and analysis regarding third party recovery related to Plan costs;
 - D. Discussion, analysis and documentation that demonstrates that the cost of the Plan was prudent; and
 - E. Provide an analysis of what it would have cost to perform the plan if it had started in 2003 and spread the investigation over 10 years.

The motion passed 5-0.

G-999/CI-09-409

In the Matter of a Commission Investigation into Gas Service Quality Standards

Commissioner Wergin moved that the Commission:

1. Require Great Plains to report call center response times using the eighty-percent-of-calls-answered-within-twenty-seconds (80/20) performance standard. Require Great Plains to report this information for all of calendar year 2011, effective January 1, 2011, beginning with its second annual report on May 1, 2012.
2. Require Greater Minnesota Gas to track and report the total number of phone calls received during an annual reporting period. Require the Company to begin tracking call volume effective January 1, 2011 for calendar year 2011. Require the Company to report this information annually in reports due no later than May 1, of each year for the preceding calendar year beginning with the Company's second annual report, for calendar year 2011, due no later than May 1, 2012.
3. Require Great Plains to report telephone response times for its gas emergency phone line. Authorize Great Plains to start reporting this information annually, effective January 1, 2010, in the Company's calendar-year 2011 annual report, due no later than May 1, 2010.
4. Require Great Plains to provide an explanation of the level of answer time performance it expects from its employees who answer the gas emergency phone lines and the procedures these employees follow for handling gas emergency calls.
5. Require Greater Minnesota Gas to track and report the total number of gas emergency calls that it receives during each annual reporting period. Require Greater Minnesota Gas to begin tracking gas emergency call volume (traffic) effective January 1, 2011 for calendar year 2011. Require Great Plains to report this information in annual reports due no later than May 1

each year for the preceding calendar year starting with the Company's second annual report for calendar year 2011, due no later than May 1, 2012.

6. Authorize Great Plains to start reporting gas emergency response times. Require Great Plains to provide summaries of the information reported to the Minnesota Office of Pipeline Safety (MOPS) that are similar to the summary gas emergency response time information reported by CenterPoint and MERC. Require Great Plains to also include copies of its MOPS Emergency Response Reports in its annual service quality reports. Require Great Plains to start annual reporting of this information, effective January 1, 2010, in Great Plains' first annual report due no later than May 1, 2011.

7. Require Great Plains to report every sixty days on the Company's progress installing its new mobile reporting system.

8. Require Greater Minnesota Gas to develop a manual process for recording gas emergency response data and to begin tracking and reporting gas emergency response times, effective January 1, 2011, with the first annual report for calendar-year 2011 to be submitted no later than May 1, 2012.

9. Authorize Great Plains to report gas service interruptions annually by providing copies of the report it submits to the Minnesota Office of Pipeline Safety (MOPS). Require Great Plains to provide summaries of all service interruptions caused by system integrity pressure issues and summary information about major incidents based on the incident reports Great Plains submits to MOPS. Require Great Plains to include this information in its first annual report on May 1, 2011 for calendar-year 2010. Require Great Plains to start providing contemporaneous (meaning no later than the close of the following business day) notification for immediately reportable incidents to the PUC CAO and OES in the same way as CenterPoint, MERC, Xcel and IPL effective with the Commission's order.

10. Authorize Greater Minnesota Gas to begin annual reporting for gas service interruptions and major incidents, as proposed by the Company, effective January 1, 2011 with the first report for calendar-year 2011 due no later than May 1, 2012. And require Greater Minnesota Gas to provide contemporaneous notification for immediately reportable incidents to the PUC CAO and OES in the same way as CenterPoint, MERC, Xcel, IPL, and Great Plains, effective with the Commission's order.

11. Authorize Great Plains and Greater Minnesota Gas to report mislocates (including the number of times a line is damaged due to a mismarked line or failure to mark a line) annually in the same format that this information is currently reported to the Minnesota Office of Pipeline Safety (MOPS). Authorize Great Plains and Greater Minnesota Gas to also provide summary information in their annual Service Quality Reports based on the reports submitted to the MOPS that is similar to the summary information provided to the Commission by the other natural gas utilities.

a. Authorize Great Plains to begin reporting annual reporting of mislocate data, effective January 1, 2010, in its first annual report for calendar-year 2010 that will be filed no later than May 1, 2011.

b. Authorize Greater Minnesota Gas to begin reporting mislocate information effective January 1, 2011, in its calendar-year 2011 report that will be filed no later than May 1, 2012.

12. Authorize Great Plains to report gas system damage by providing the same information it provides to the Minnesota Office of Pipeline Safety in Great Plains annual report to the Commission. Authorize Great Plains to also provide summary gas system damage information in its annual Service Quality Reports that is similar to the information provided by CenterPoint, MERC, Xcel and Interstate. Authorize Great Plains to begin reporting gas system damage information for the annual reporting period that started on January 1, 2010, in its first annual service quality report that will be filed no later than May 1, 2011.

13. Authorize Greater Minnesota Gas to meet this reporting requirement by providing copies of its Annual Utility Damage Report Form which is submitted annually to the Minnesota Office of Pipeline Safety. Authorize Greater Minnesota Gas to begin reporting gas system damage information effective January 1, 2010, in its calendar-year 2010 report that will be filed no later than May 1, 2011.

14. Require Great Plains to consult with other large Minnesota gas utilities on how to implement the customer complaint reporting requirement (in Minn. Rule 7826.2000) without extending call center response times and to submit a proposal on this issue within sixty days of the Commission's order approving Great Plains' service quality proposal.

15. Authorize Great Minnesota Gas to begin tracking and reporting the total number of customer complaints received and the number of complaints resolved for each of the following categories: alleged billing errors, inaccurate metering, wrongful disconnection, high bills, inadequate service, service extension intervals, and service restoration intervals, in addition to its current process of tracking and reporting customer complaints received by the Commission's Consumer Affairs Office. Require GMG to report on a prospective basis, effective on January 1, 2011, with the first annual report for calendar year 2011 to be submitted no later than May 1, 2012.

16. Require Great Plains and Greater Minnesota Gas to start reporting annually the same meter-reading performance data electric utilities file pursuant to Minn. Rule 7826.1400, effective January 1, 2011. The first annual meter-reading performance reports will be for calendar-year 2011 and must be submitted no later than May 1, 2012.

17. Require Great Plains and Greater Minnesota Gas to report involuntary service disconnections by citing to the reports that are submitted pursuant to Minn. Stat. §§ 216B.091 (monthly) and 216B.096, subd. 11 (annually at the beginning of the cold weather reporting time period and weekly during the cold weather time period) in their natural gas service quality reports. This reporting requirement becomes effective January 1, 2010 and the annual report, for calendar-year 2010, must be submitted no later than May 1, 2011.

18. Require Great Plains and Greater Minnesota Gas to report the same service extension request response time data in their annual natural gas service quality reports that electric utilities file pursuant to Minn. Rule 7826.1600, paragraphs A and B. Clarify that requests for service to locations previously served by the utility and reported as a disconnection/ reconnection pursuant to Minn. Stat. §§ 216B.091 and 216B.096, subd. 11 do not need to be included in this service

extension request response time data. Authorize this reporting requirement to become effective January 1, 2011 for calendar-year 2011. The first annual service extension request response time reports must be submitted no later than May 1, 2012.

19. Require Great Plains and Greater Minnesota Gas to report the same customer deposit data that electric utilities report pursuant to Minn. Rule 7826.1900, effective January 1, 2011, for calendar-year 2011, beginning with their May 1, 2012 annual reports. [Great Plains, GMG, OES]

20. Require Great Plains and Greater Minnesota Gas to report customer service related operations and maintenance expenses in their annual, May 1st service quality reports. Require these reports to only include Minnesota regulated customer service related expenses based on the costs recorded in FERC accounts 901 and 903 plus payroll taxes and benefits.

- FERC account 901 is entitled “supervision” and includes “the cost of labor and expenses incurred in the general direction and supervision of customer accounting and collecting activities.”

- FERC account 903 is entitled “customer records and collection expenses” and includes “the cost of labor, materials used and expenses incurred in work on customer applications, contracts, orders, credit investigations, billing and accounting, collections and complaints.”

- For Great Plains, this requirement becomes effective January 1, 2010, and for Greater Minnesota Gas, this requirement becomes effective January 1, 2011.

21. Authorize Great Plains and Greater Minnesota Gas to submit natural gas service quality reports on an annual basis, beginning May 1, 2011 for the proceeding calendar-year.

22. Authorize the May 1 annual reports to be treated as miscellaneous tariff filings for procedural purposes.

23. Authorize the opening of a new docket for Great Plains and Greater Minnesota Gas each year for these reports.

The motion passed 5-0.

E-999/CI-01-1127

In the Matter of an Investigation into Disclosure of Environmental Information to Utility Customers

E,G-999/CI-00-1343

In the Matter of an Investigation into Informing Customers of the Cost of Generation and Delivery of Electricity

Commissioner Boyd moved that the Commission:

1. Require the utilities to engage in discussion with the OES regarding the following suggested modifications to the current environmental disclosure brochure and cost of generation brochure:
 - A. the addition of the year to the Table title;
 - B. inclusion of dollar amounts for the “electricity supply ranked by cost” (currently the table ranks electricity supply by cost but does not provide a numerical value for that cost);
 - C. clarification of the cost ranking criteria to state that the rankings do not incorporate subsidies or assess the impact of currently unregulated emissions (with the exception of the Federal Production Tax Credit for some wind resources);
 - D. provision of a comparison of Green Power rates and non-Green Power rates (which include adjustments to rates due to changes in fuel costs each month);
 - E. if the Commission requires inclusion of relative costs of other generation types, include a requirement to show costs of *new* resources (currently new wind costs are compared to existing generation such as coal, hydro, and nuclear);
 - F. reevaluation of the method by which efficiency is presented in chart labeled “How Electricity Needs Are Met”;
 - G. an alteration of the comparison in chart comparing utility’s emissions to regional average, to instead compare the utility to other Minnesota utilities;
 - H. an amendment to the nuclear waste statement to include the amount produced in the past year or on a relatable scale such as the average customer’s kWh usage;
 - I. customization of each bill to show emissions created by each customer’s electric consumption;
 - J. if reliability information is provided, a requirement to include a description of what “electric supply reliability” means;
 - K. removal of table referencing reliability due to customer confusion;
 - L. an update to the description of where air emissions are generated; and
 - M. updates to the environmental and emission provided by the MPCA are appropriate and should focus on regional and national emission data.
2. In such discussions, utilities shall provide context to the numbers provided with respect to the items to be discussed above regarding the transition and timing of the transition to web-based delivery of the information to customers.

3. Utilities shall report the results of their individual consultations with the OES regarding the items listed in Item 1 above and any proposed changes to the Executive Secretary of the Commission by June 1, 2011.
4. Utilities shall file with the Commission copies/screenshots of their modified brochures, newsletters and/or websites after consultation with the OES and prior to implementation regarding the information enumerated herein in Item 1.
5. Utilities shall reduce the frequency of paper mailings regarding environmental disclosure/cost generation information to an annual printing either as a bill insert or newsletter for the next two years. The next release of such information shall be no later than September 1, 2011. Concurrently, utilities shall develop or continue to develop web-based information relating to environmental disclosure/cost generation information. Customers shall be directed in the annual printed bill insert or newsletter regarding environmental disclosure/cost generation information to the proper web site for expanded information as well as provided instruction on how to contact the utility for paper copies of environmental/cost generation information.
6. At least semi-annually (twice a year), all utilities shall provide in an on-bill message or newsletter information directing customers to the specific location on a utility's website for environmental and generation cost information.
7. Utilities shall update their website/brochure information annually regarding environmental disclosure/cost generation information and file copies of the modifications with the Commission as of June 1 of each year. In the annual update, utilities shall comment on the effectiveness of the various modes of delivery of the environmental disclosure/cost generation information.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: JANUARY 19, 2011



Burl W. Haar, Executive Secretary