

The Commission met on **Wednesday, January 19, 2011**, with Commissioners Boyd, O'Brien, Pugh, Reha and Wergin present.

The following matters were taken up by the Commission:

ENERGY AGENDA

E-017/M-10-1013

In the Matter of the Petition of Otter Tail Power Company for Approval of a Power Purchase Agreement with District 45 Dairy, LLP

Commissioner Wergin moved that the Commission:

1. Approve the power purchase agreement.
2. Approve the cost recovery as requested by Otter Tail Power.
3. Require Otter Tail Power to report in its automatic adjustment reports whether Otter Tail Power obtains any revenue from any source as a result of unit specific sales relating to the power purchase adjustment and to itemize any such revenues by source and amount.
4. Find that the purchases under the power purchase agreement qualify to satisfy the REO and RES obligations set forth in Minn. Stat. § 216B.1691.

The motion passed, 5 – 0.

E-015/GR-09-1151

In the Matter of the Application of Minnesota Power for Authority to Increase Rates for Electric Service in Minnesota

Commissioner O'Brien moved to adopt the clarifications set forth below:

1. *Future Rate Case Salary Disclosure* – Clarify the November 2, 2010 Order and direct the Company to work with Staff on determining the necessary information.
2. *Rate Case Expense - Jurisdictional Allocation* – Clarify the November 2, 2010 Order and approve the settled adjustment of \$119,700 to correct the 2010 rate case amortization jurisdictional allocation.
3. *Overall Financial Schedules* – Clarify the November 2, 2010 Order by including the table shown on page 13 of MP's request for reconsideration identifying the typographical errors.

4. *Class Revenue Allocation and Percent Increases* – Clarify the November 2 Order so that the percentage limits in the Commission’s class revenue apportionment decision are based on updated calculations as described in the staff comment on page 35 of the staff briefing materials.
5. *Lobbying Expenses* – Grant MP’s request for clarification, and find the Commission, in this decision, is not prohibiting recovery of Lobbying Expenses in each and every instance, under all circumstances, in all future rate cases.

The motion passed 5-0.

Chair Boyd moved to toll the time period to allow adequate time to prepare a written order.

The motion passed 5-0.

Commissioner O’Brien moved to deny all petitions for reconsideration.

The motion passed 5-0.

E-002/M-10-854

In the Matter of a Petition by Northern States Power d/b/a Xcel Energy for Approval of its Electric Lower Income Program Meter Surcharge

Commissioner Pugh moved that the Commission:

1. Approve Xcel’s request to increase the level of funding for its low income program.
2. Approve Xcel’s request to increase the per meter charge from \$0.39 per meter, per month, to \$0.54 per meter, per month, effective no earlier than the issuance date of the Order in this matter.
3. Approve Xcel’s request to revise its tariff sheets, as attached to the Company’s September 15, 2010 filing in this docket, to reflect the change in customer charges.
4. Accept Xcel’s proposal not to seek recovery in this docket or future dockets of the \$600,590 in program expenses or the \$97,079 in carrying charges, both of which resulted from the Company’s accounting errors.
5. Approve Xcel’s bill message as proposed in its filing, updated to reflect the appropriate effective date.
6. Require Xcel to file quarterly reports as proposed. These quarterly reports should provide information on low income program funding and disbursements over the three-year tracker deficit amortization period. If these reports demonstrate either a tracker balance deficit or surplus inconsistent with Xcel’s forecasts in the current filing, the Company should, as part of the report, propose a method to address the deficit/surplus.

7. Require Xcel to file a proposal evaluating various cost allocation methods for the low income program across all customers and customer classes. Xcel should file this proposal no later than July 1, 2011, so that if any changes are determined appropriate by the Commission they might be implemented by January 1, 2012.

The motion passed, 5 – 0.

ET-2/M-10-1188

In the Matter of Great River Energy's Proposed Carbon Offset Plan Pursuant to Minnesota Statutes § 216H.03

Commissioner Pugh moved to refer GRE's carbon offset plan to the Office of Administrative Hearings, for examination of whether it is in compliance with Minnesota Statutes § 216H.03.

The amended motion passed 3 – 2; Chair Boyd and Commissioner Wergin voted no.

ET-2, E-015/CN-10-973

In the Matter of the Application of Great River Energy and Minnesota Power for a Certificate of Need for a 115kV High Voltage Transmission Line in St. Louis and Carlton Counties

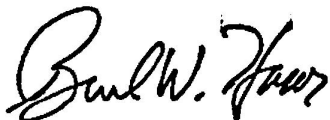
Commissioner O'Brien moved that the Commission:

1. Approve the notice plan as proposed by the Applicant.
2. Require a compliance filing confirming that the notice plan has been implemented as represented.

The motion passed, 5 – 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: FEBRUARY 16, 2011



Burl W. Haar, Executive Secretary