

The Commission met on **Thursday, June 10, 2010**, with Chair Boyd and Commissioners O'Brien, Pugh, Reha, and Wergin present.

The following matters were taken up by the Commission:

ENERGY AGENDA

ET-2,E-002/CN-06-1115

In the Matter of the Application of Great River Energy, Northern States Power Company (d/b/a Xcel Energy) and Others for Certificates of Need for the Three CapX 345 kV Transmission Projects

Commissioner Reha moved to do the following:

1. Grant a variance to Minnesota Rules, part 7849.040, subp. 2(H) to extend the period for Commission consideration of the notice of timing change.
2. Solicit comments replying to the comments filed in this matter.
3. Solicit additional reply comments that are strictly limited to addressing information that was addressed in the prior comments.

The motion passed 5 - 0.

G-008/GR-08-1075

In the Matter of an Application by CenterPoint Energy for Authority to Increase Natural Gas Rates in Minnesota

Commissioner Wergin moved that the Commission

1. require CenterPoint Energy to modify its Conservation Enabling Rider so that the March 1 implementation of the revenue decoupling rate adjustment is conditioned on CenterPoint Energy having received Commission approval for its decoupling evaluation plan, and authorize CenterPoint Energy to implement new, final rates on customer bills, including implementation of the Conservation Enabling Rider as currently filed, effective July 1,2010 on bills rendered rather than prorated, on a services rendered basis, with the clarifications that upon unfavorable review or lack of acceptance of the Company's Evaluation Plan or for other good cause, the Commission may terminate the Pilot Program on a going forward basis but in any event not retroactive to July 1, 2010; and require CenterPoint Energy to submit revised Conservation Enabling Rider tariff language in a compliance filing within thirty days of the date the Commission issues its order;

2. require CenterPoint Energy to monitor and retain all data on all aspects of customer response to revenue decoupling and inverted-block rates as will be determined in the evaluation plan subsequently approved by the Commission;
3. request comments from OES and any other interested person on CenterPoint Energy's proposed revenue decoupling evaluation plan within sixty days of CenterPoint Energy submitting its proposal, provided that any issues will be brought to the Commission for decision no later than December 31, 2010;
4. clarify that the Commission's Executive Secretary continues to have the authority to modify procedural deadlines, including comment periods established by Commission Order, for the duration of this proceeding, provided that any issues will be brought to the Commission for decision no later than December 31, 2010;
5. approve CenterPoint Energy's proposed customer bill format including its proposal for showing the inverted block rate design on customer bills starting with final rates on July 1,2010, and deferring implementation of the line item adjustments for the revenue decoupling rate adjustment and the inverted block rate reconciliation adjustment until 2011;
6. request CenterPoint Energy to submit its proposal for implementing the inverted block rate reconciliation rate adjustment no later than July 1,2010, provided that any issues will be brought to the Commission for decision no later than December 31, 2010;
7. request comments from OES and any other interested person on CenterPoint Energy's proposal for implementing the inverted block rate reconciliation rate adjustment within sixty days of CenterPoint Energy submitting its proposal, provided that any issues will be brought to the Commission for decision no later than December 31, 2010;
8. clarify that the Commission's Executive Secretary continues to have the authority to modify procedural deadlines, including comment periods established by Commission order, for the duration of this proceeding, provided that any issues will be brought to the Commission for decision no later than December 31, 2010;
9. approve CenterPoint Energy's proposed revised communication strategy including its proposal identified in the briefing papers on page 9 for explaining (a) revenue decoupling and the revenue decoupling rate adjustment, and (b) inverted block rates and the inverted block rate reconciliation adjustment;
10. find that the proposed implementation of new, higher customer charges without a decrease in the non-gas distribution rates in the Company's compliance filing is acceptable in this case due to the *de minimis* effect and is reasonably reasonable and consistent with the rate design and class revenue apportionment adopted by the Commission in its January 11 Order;

11. find the class revenue apportionment proposed in CenterPoint Energy's compliance filing is acceptable and is reasonably reasonable and consistent with [the] Commission's January 11 Order;
12. defer any decision regarding CenterPoint Energy's proposed base cost of gas to Docket No. G-008/MR-10-353;
13. approve CenterPoint Energy's proposed refund plan;
14. approve CenterPoint Energy's proposal to true-up the difference in the estimated versus actual June 2010 off system sales revenue in the September 2010 annual automatic adjustment reports and annual true-up filing;
15. require CenterPoint Energy to submit, within ten days of completing the refunds, a compliance filing that separately shows the actual refunds and interest paid by customer class, and including all relevant calculations;
16. approve CenterPoint Energy's proposed Conservation Cost Recovery charge of \$0.06440 per dekatherm for all non-CIP exempt customers; and
17. take no action on CenterPoint Energy's proposed customer notices. As soon after the Commission's June 10 meeting as is practical, a Commission notice approving CenterPoint Energy's customer notices, revised if so directed, will be issued.

The motion passed 5 - 0.

G-008/MR-10-353

In the Matter of a Petition for Approval by CenterPoint Energy Minnesota Gas to Establish a New Base Cost of Gas in Compliance with the Commission's Order in CenterPoint Energy's General Rate Filing

Commissioner O'Brien moved to approve CenterPoint's new base cost of gas to coincide with the implementation of final rates in Docket No. G-008/GR-08-1075.

The motion passed 5 - 0.

E,G-002/D-10-173

In the Matter of Xcel's Request for Approval of the Annual Review of Remaining Lives Depreciation for Electric and Gas Production and Gas Storage Facilities for 2010

Commissioner Reha moved that the Commission:

1. Approve Xcel Energy's proposed service lives, salvage rates, and resulting depreciation rates effective January 1, 2010 for plant in service, and the month placed in-service for the Nobles Wind Plant;
2. Require Xcel Energy to continue to provide in future depreciation studies an explanation and schedule of the differences between the depreciation remaining lives and IRP planning lives of electric production plant;
3. Require Xcel Energy to file its next annual RL update for electric and gas production and gas storage facilities on February 17, 2011;
4. Require Xcel Energy to file its next five-year depreciation study for electric and gas production and gas storage facilities on February 17, 2015;
5. Alter the reporting format for the Annual Review of Remaining Lives to include a history of the last time a change occurred to either the estimated life or salvage value estimate, in a format such as is set forth below, or as the parties hereinafter agree to utilize:

Account	Description	Remaining Life (Years)	Net Salvage (%)	Effective Date of Latest Change (Docket #)	Life Change	Salvage Value Change	Number of Changes in the Last Five Years
---------	-------------	------------------------	-----------------	--	-------------	----------------------	--

and

6. Require Xcel, in its pre-filed direct testimony in its next rate case, to identify significant additions to plant investment proposed to be included in rates, and discuss how a life extension for each such plant has been reflected in the depreciation rates used in the rate case, or why a life extension has not been proposed.

The motion passed 5 - 0.

TELECOMMUNICATIONS AGENDA

P-442/M-09-1065

In the Matter of Revisions to AT&T Communications of the Midwest, Inc.'s Message Telecommunications Service Tariff Regarding Late Payment Fees

Commissioner Pugh moved to refrain from acting on this matter at this time.

The motion passed 5 - 0.

P-421, et al./PA-10-456

In the Matter of the Joint Petition for Approval of Indirect Transfer of Control of Qwest Operating Companies to CenturyLink

Commissioner Reha moved that the Commission take the actions set forth below:

1. Acknowledge that the intervention petitions of Integra and Velocity have been granted.
2. Refer to the Office of Administrative Hearings for contested case proceedings all issues related to the merger as raised by the parties, including, but not limited to, all scheduling issues, requesting that the Administrative Law Judge issue his or her report by November 30, 2010, with the following guidelines regarding the scope of the proceeding:
 - a. Whether the post-merger company will have the financial, technical, and managerial resources to enable the Qwest and CenturyLink Operating Companies to continue providing reliable, quality telecommunications services in Minnesota.
 - b. What impact the transaction will have on customers and competition.
 - c. What impact the transaction will have on Commission authority.
 - d. Whether the transaction is in the public interest as required under Minn. Stat. §§ 237.23 and 237.74, subd. 12.
3. Order the merging companies to notify their customers of the merger by way of a separate mailing as quickly as reasonably possible. That mailing shall inform customers that they may submit comments on the merger to the Commission by mail or via the “Comment on an Issue” button on the Commission’s homepage. Additionally, the notice should include reference to the Commission’s telephone number, 651-296-7124, its toll free number, 800-657-3782, and its fax number, 651-297-7073.
4. Approve the protective order filed June 3, 2010.
5. Require that all settlement agreements reached in the case be transparent and filed with the Commission.

The motion passed 5-0.

P-405/AR-07-516

In the Matter of Frontier Communications of Minnesota, Inc.’s Notice of Extension of its Alternative Form of Regulation Plan

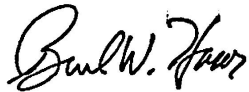
Commissioner Pugh moved to take all the actions set forth below:

1. Find that the extension of Frontier's current AFOR for an additional one year period requires Commission approval.
2. Approve the extension of Frontier's current AFOR until October 31, 2011.
3. Require that, if Frontier seeks to change any rates pursuant to Section IV.B.1 (a) of its current AFOR Plan, Frontier must submit a proposed notice for Commission review.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: JULY 14, 2010



Burl W. Haar, Executive Secretary