

The Commission met on **Thursday, September 8, 2011**, with Commissioners Anderson, Boyd, O'Brien, Reha and Wergin present.

The following matters were taken up by the Commission:

## **TELECOMMUNICATIONS AGENDA**

### **P-6869/NA-11-581**

#### **In the Matter of Lake Communications' Application to Provide Resold Local Exchange Service and Interexchange Service**

Commissioner Wergin moved that the Commission:

1. Grant conditional approval of Lake Communications' application to provide resold local services in the Qwest exchanges of: Biwabik, Buhl, Chisholm, Cloquet, Cook, Duluth, Hibbing, Silver Bay, and Virginia, and the Citizens exchanges of: Alborn, Aurora, Babbitt, Brimson, Brookston, Crane Lake, Ely, Embarrass, Floodwood, Greaney, Hoyt Lakes, Isabella, Kabetogama, Meadowlands, Palo, Tower, and Two Harbors;
2. Grant operational approval of Lake Communications' request to provide interexchange service on a statewide basis;
3. Approve the proposed tariff as filed on June 15, 2011 and revised on June 17, 22, and 24, 2011;
4. Grant a waiver under Minn. Rules, part 7829.3200 to the notification requirements in Minn. Rules, part 7812.0200, subp. 6; and
5. Note that, before the carrier begins providing interexchange service, Section 6, page 2, of the interexchange tariff should be revised to include the actual long distance rates, and, prior to commencing operation, Lake Communications must obtain Commission approval of any necessary interconnection agreements with incumbent local exchange carriers and must obtain Commission approval of a 911 plan.

The motion passed 5-0.

## **ENERGY AGENDA**

### **ET-6675/MC-11-566**

#### **In the Matter of the Application by ITC Midwest, LLC for a Minor Alteration to Construct the Faribault Switch Station in Faribault County, Minnesota**

Commissioner Reha moved that the Commission authorize the minor alteration request for the Faribault switch station with the following conditions:

1. At least ten days before the switch station is to be placed into service, ITC shall notify the Commission of the date on which the station will be placed into service and the date on which construction was complete.
2. At least ten days before the switch station is to be placed into service, ITC shall verify that construction of the station is consistent with the site plan and drawings submitted with ITC's request for minor alteration authorization. If ITC anticipates significant changes to this plan, it shall notify the Commission at least ten days before implementing the changes.
3. Within 60 days after completion of construction, ITC shall submit to the Commission geo-spatial information for the switch station.

The motion passed, 5-0.

**E-290,001/SA-11-651**

**In the Matter of the Joint Petition of the City of Owatonna and Interstate Power and Light Company for Approval of their Settlement Agreement Concerning a Change in their Service Territory Boundaries and Related Compensation**

Commissioner Wergin moved that the Commission approve the Petition for approval of the settlement agreement concerning a service territory transfer between the City of Owatonna and Interstate Power and Light Company.

The motion passed, 5-0.

**E-017/PA-11-309**

**In the Matter of the Petition for Approval of a Transfer of Property**

Commissioner O'Brien moved that the Commission

1. Require OTP to provide the gain or loss on sale information and proposed accounting treatment in future plant acquisition sales in the initial petition.
2. Require OTP to provide all final journal entries recording the sale of the customer service center as a compliance filing to this docket 30 days after the sale occurs.
3. Approve the sale.

The motion passed, 5-0.

**G-001/M-11-245**

**In the Matter of a Request for Approval of the Company's 2010 Conservation Cost Recovery Adjustment and 2010 Natural Gas Demand Side Management Financial Incentive**

Commissioner Boyd moved that the Commission:

1. Approve IPL's proposed 2010 DSM financial incentive of \$85,716 to be included in the Company's CIP tracker account no sooner than the issue date of the Commission's *Order* in the present docket;
2. Approve IPL's 2010 gas CIP tracker account, as provided in the Company's *Petition* and summarized in Table 1 above, including employee-related CIP expenses of \$3,743;
3. Approve IPL's proposed revised gas CCRA of \$0.0650 per therm for all Minnesota customer classes, to be effective on the first billing cycle in the next full month after Commission approval, conditioned on the Company submitting, within 10 days of the issue date of the *Order* in the present docket, a compliance filing with the relevant tariff sheets and necessary calculations that comply with the Commission's determinations; and
4. Require IPL to include the following Department-recommended bill message (with the appropriate date) in the billing month immediately following the date of the *Order* in the present docket:

IPL recovers the costs of its energy conservation programs in Minnesota through a Conservation Cost Recovery Adjustment (CCRA). The CCRA is an annual adjustment subject to Minnesota Public Utilities Commission approval. Based on actual and anticipated energy efficiency costs, the revised 2011 CCRA, as approved by the Commission, will be \$0.0650 per therm, effective [insert date]. Learn more about reducing your energy use by visiting our website at [www.alliantenergy.com/save](http://www.alliantenergy.com/save) or calling us at 1-866-255-4268 (1-866-ALLIANT).

The motion passed, 5-0.

#### **G-022/S-11-535**

#### **In the Matter of the Petition of Greater Minnesota Gas, Inc. for Approval of 2011 Capital Structure and Permission to Issue Securities**

Commissioner O'Brien moved that the Commission

1. Approve the proposed security issuances and resulting capital structure. This approval will remain effective until the Commission issues a new capital structure and securities issuance Order.
2. Require Greater Minnesota Gas to file a new securities issuance petition by June 3, 2012.
3. Approve GMG's equity ratio contingency of plus/minus 10 percent around its proposed equity ratio of 35.26%. Equity ratios outside this range may not exceed a period of 60 days without prior Commission approval.

4. Approve GMG's total capitalization's contingency of \$1,441,971 above its estimated 2011 year-end total capitalization. GMG may not exceed its total capitalization including the requested contingency for a period longer than 60 days without prior Commission approval.
5. Approve any issuance of equity or short term debt securities during the authorization period that would not result in an equity ratio outside the proposed range or a total capitalization exceeding its proposed cap for more than 60 days.
6. Require GMG to obtain prior approval for issuance of any securities during the authorization period that would result in an equity ratio outside the approved range or a total capitalization exceeding its approved cap for more than 60 days.
7. Require GMG to provide the following information within 20 days of each non-recurring issuance of securities:
  - (A) The specific purposes for individual issuances.
  - (B) The type of issuances.
  - (C) The timing of issuances.
  - (D) The amounts of issuances.
  - (E) Issuance costs.
  - (F) Interest rates.
8. Indicate that Company is required to seek Commission approval before issuing any long term debt securities for any purpose other than refinancing.

The motion passed, 5-0.

**E-002/M-11-198**

**In the Matter of a Petition by Northern States Power Company d/b/a Xcel Energy for Approval of an Amendment to a Power Purchase Agreement with Fibrominn, LLC**

Commissioner Reha moved that the Commission approve Amendment 2 to the Fibrominn, LLC, Power Purchase Agreement with Xcel.

There being no further business, the meeting was adjourned

**APPROVED BY THE COMMISSION: September 21, 2011**



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**Burl W. Haar, Executive Secretary**