

The Commission met on **Tuesday, August 3, 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-421/CI-05-1996**

**In the Matter of a Potential Proceeding to Investigate the Wholesale Rates Charged by Qwest**

Commissioner Wergin moved to deny all petitions for reconsideration.

The motion passed 5-0.

### **ENERGY AGENDA**

**E-001, 015, 002, 017/M-08-528**

**In the Matter of Interstate Power and Light Company, Minnesota Power, Northern States Power Company, and Otter Tail Power Company's Joint Petition for Approval of Proposed Accounting to Recover Costs and Pass-Through Revenues Related to MISO Ancillary Services Market**

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

1. Accept Xcel's, Minnesota Power's and IPL's Quarterly Report in compliance with the Commission's March 17, 2009, Order in the above-referenced docket.
2. Determine that Xcel, MP and IPL have generally shown overall benefits of ASM that supports cost recovery of the ASM charges through the FCA. Determine that it is appropriate to continue to allow the utilities to flow the ASM-related costs and benefits through the FCA.
3. With the exception of the Contingency Reserve Deployment Failure and Excess/Deficient Energy Charges, remove the "subject to refund" provision of the Commission's March 29, 2009 order for costs incurred in 2009.
4. With the exception of the Contingency Reserve Deployment Failure and Excess/Deficient Energy Charges, remove the "subject to refund" provision of the Commission's March 29, 2009 order for future ASM cost recovery and close the docket. Recovery of the ASM costs is still subject to the normal FCA and AAA review and recovery.
5. Adopt the OES's recommendation to require utilities to continue to monitor negative benefits (costs) and work with MISO in ensuring that negative benefits occur, if at all, during a very

limited period of time with a small financial impact. OES also recommended that the utilities (Joint Petitioners) continue to report on the negative benefits in future AAA filings.

6. Adopt the OES's recommendation and
  - a. Require that ASM costs be reviewed in future AAA filings. For 2010 ASM costs through June 30, 2010, require utilities to include ASM costs in their 2011 AAA filings, due in September 2010. For 2010 ASM costs beginning July 1, 2010, require utilities to include these ASM costs in their 2012 AAA filings, due in September 2011. The ASM reports will continue in future AAA filings.
  - b. Require that utilities use the format of Xcel and MP for future AAA filings.
    - i. For the annual summary of the 12 ASM charges, require utilities use a format similar to that provided by MP in its Attachment 1 to its February 5, 2010 filing (4th quarter report) and work with the OES to develop a format that is acceptable.
    - ii. For daily activity of ASM and overall net savings created by ASM, require utilities use a format similar to that provided by Xcel in Attachment A to its February 5, 2010 filing and work with the OES to develop a format that is acceptable.
    - iii. Written narrative on benefits of ASM and impact on utilities system consistent with Xcel's and MP's 4th quarter ASM report.
    - iv. Detailed and specific explanations for Contingency Reserve Deployment Failure and Excess/Deficient Energy Charges are incurred and why they should be recovered – if under utility control what action did utility take to minimize these costs.
7. Require that any ASM values included in the AAA report or the FCA be clearly identified and listed separately from other costs. Note: Excess and Non-Excess Charges would be reporting in MISO Day 2 information of AAA, not ASM.

The motion passed 5-0.

#### **E,G-001/S-10-508**

#### **In the Matter of Interstate Power and Light Company's Petition Regarding its Capital Structure**

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

1. Find that Minn. Stat. § 216B.49 does not require Interstate Power and Light Company to secure Commission approval before issuing securities that do not subject any property in this state to an encumbrance – notwithstanding the Company's past practice of seeking Commission approval in these cases – because the Company is not organized under the laws of this state.

2. Reiterate that under Minn. Stat. § 216B.49, Interstate Power and Light Company must secure Commission approval before issuing any securities that would subject any property in Minnesota to an encumbrance for the purpose of securing the payment of any indebtedness.
3. Require the Company to file notice of all securities issuances, including issuances that do not subject any Minnesota property to an encumbrance, within 20 days of issuance.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: AUGUST 18, 2010**

A handwritten signature in cursive script that reads "Burl W. Haar".

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**Burl W. Haar, Executive Secretary**