

The Commission met on **Thursday, February 25, 2010**, with Chair Boyd and Commissioners O'Brien, and Wergin present.

## **ENERGY AGENDA**

### **E-147,229/SA-09-1432**

#### **In the Matter of the Joint Petition of Wild Rice Electric Cooperative, Inc., Detroit Lakes Public Utilities Commission and City of Detroit Lakes for Modification of Assigned Service Areas**

Commissioner Wergin moved that the Commission approve the service area transfer.

The motion was adopted, 3-0.

### **E-999/CI-09-753**

#### **In the Matter of the Standard Contract for Purchase of Electricity from Facilities of 5 MW or Less Required by MN Laws 2009, Chapter 110, Section 10**

Commissioner O'Brien moved that the Commission

1. solicit comments regarding whether Basin Electric Power Cooperative must file, or how it may be excused from filing, a standardized contract pursuant to Minn. Stat. § 216B.1613;
2. approve the six contracts that clearly meet the statutory requirements, i.e., those filed by the Central Minnesota Municipal Power Agency; Heartland Consumers Power District; Minnesota Municipal Power Agency; Minnkota Power Cooperative, Inc.; Northwestern Wisconsin Electric Company and Otter Tail Power Company;
3. require each of the remaining utilities to file, within 30 days, either
  - A. comments on how their contract as filed complies with Minn. Stat. § 216B.1613  
or
  - B. a new contract that meets the statutory requirements; and
4. delegate to the Executive Secretary authority to establish appropriate comment periods.

The motion passed 3-0.

**E,G-001/D-10-44**

**In the Matter of IPL's Request for an Extension of Time for the Five-Year Depreciation Filing**

Commissioner O'Brien moved that the Commission grant IPL's revised request to file its Five-Year Depreciation Study by July 1, 2010 with the following conditions:

1. IPL will file its rate case based on depreciation rates approved by the Commission in its last annual update (2009);
2. IPL will file with the Commission its 2010 Five-Year Study by July 1, 2010;
3. if the July 1, 2010 Five-Year Study results in increased depreciation expense from the level based upon current depreciation rates, IPL will make no adjustments to the amount of its rate request; if the 2010 Five-Year Study results in reduced depreciation expense, IPL will file supplemental testimony and schedules in the rate case proceeding reflecting this reduced level of depreciation expense and incorporate it into the Company's proposed revenue requirements for purposes of final rates to be approved by the Commission; and
4. IPL will provide basic information in its depreciation study in a format acceptable to the OES including:
  - proposed changes in lives and salvage rates;
  - overall financial impact of those changes on the total Company and Minnesota jurisdiction; and
  - reasons for each change in its depreciation filing.

The motion was adopted, 3-0.

**IP-6830/WS-10-49**

**In the Matter of the Application of Paynesville Wind, LLC for a Large Wind Energy Conversion System Site Permit for the 95 MW Paynesville Wind Farm in Stearns County**

Commissioner Wergin moved that the Commission

1. accept the Paynesville Wind, LLC Site Permit Application for a Large Wind Energy Conversion System as complete with the condition that Paynesville Wind, LLC will provide additional information as requested by the Commission and the Office of Energy Security Energy Facilities Permitting staff for the Paynesville Wind Farm;

2. authorize the Office of Energy Security Energy Facilities Permitting staff to name a public advisor for this project; and
3. grant a variance to Minnesota Rules, part 7854.0800 to extend the period for the Commission to make a preliminary determination on whether a permit may be issued or should be denied for an unspecified, but reasonable period of time.

The motion was adopted, 3-0.

**IP-6684/WS-08-1448**

**In the Matter of the Application of Buffalo Ridge Power Partners, LLC, for an up to 138 MW Large Wind Energy Conversion System in Yellow Medicine and Lincoln Counties**

Commissioner Wergin moved that the Commission

1. make a preliminary determination that a draft site permit may be issued; and
2. approve the proposed Draft Site Permit, revised on February 25, 2010as to Section III, N, incorporating Energy Facility Permitting staff amendment shown below, for distribution and public comment;

**N. SPECIAL CONDITIONS**

Special conditions shall take precedence over any of the other conditions of this Permit if there should be a conflict between the two.

**1. SHADOW FLICKER**

The applicant shall provide data on shadow flicker impacts at the time it submits the final site plan and profile. Information should include, but not be limited to, the results of modeling used (if any), assumptions made, and the anticipated levels of impact from turbine shadow flicker. Adoption of this special condition is based on facts unique to this case and provides no precedent or prediction regarding the information to be requested on shadow flicker that the Commission may deem appropriate and reasonable to require in future dockets.

**2. APPLICATION OF COUNTY STANDARDS**

The applicant shall site all wind turbines and associated facilities consistent with the wind energy ordinances adopted by Lincoln and Yellow Medicine counties.

Lincoln County has adopted more stringent standards than those identified in Permit Condition III,C for the following features:

- Turbines shall have a setback of 300 feet from the edge of rights-of-way from roads, recreational trails, power lines and other rights-of-way;
- Turbines shall be setback equal to 1.25 times their total height (base to tip of fully extended blade) from structures other than homes or dwellings;
- Turbines shall not be placed within a Shoreland District (land within 300 feet of a creek/stream/river or 1,000 feet of a lake);
- Turbines shall be setback 5 rotor diameters from other project boundaries.

Yellow Medicine County has adopted more stringent standards than those identified in Permit Condition III.C. for the following features:

- Turbines shall be setback equal to the total height (distance from ground surface to vertically extended rotor tip) from the edge of the road right-of-way; this setback may be reduced for minimum maintenance roads or a road with an Average Daily Traffic Count of less than 10;
- Turbines shall be setback 600 feet, or the Wind Access Buffer Setback as defined in the Commission's Order Establishing General Wind Permit Standards, whichever is greater. from USFWS Types III, IV, and V wetlands;

3. authorize EFP staff to implement the public participation process found in Minn. Rules, Part 7854.0900.

The motion was adopted, 3-0.

~~IP-6829/WS-09-1239 PULLED~~

**In the Matter of the Application of Lakefield Wind Project, LLC for a Large Wind Energy Conversion System (LWECS) Site Permit for the 201 MW Lakefield Wind Project in Jackson County**

**E-002/TL-09-1448**

**In the Matter of the Route Permit Application for the CapX2020 Hampton-Rochester-La Crosse 345kV and 161 Kilovolt High Voltage Transmission Lines Dakota, Goodhue, Olmsted and Wabasha Counties**

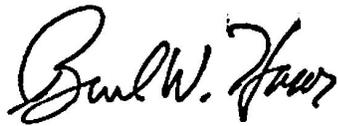
Commissioner O'Brien moved that the Commission

1. accept the Capx2020 Hampton-Rochester-La Crosse Transmission Line Route Permit Application as complete and authorize the Office of Energy Security to process the application under the full review process in Minn. Rule 7850.1700-2700;
2. authorize the Office of Energy Security to name a public advisor in this case;
3. request that the Office of Energy Security recommend for Commission approval necessary task forces, as well as a proposed structure and charge for such task forces, including the issues surrounding the Mississippi River crossing; and
4. refer the CapX2020 Hampton-Rochester-La Crosse Transmission Line Route Permit Docket E002/TL-09-1448 to the Office of Administrative Hearings for conduct of the Minn. R. 1405 contested case hearing.

The motion was adopted, 3-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: MARCH 10, 2010**



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**Burl W. Haar, Executive Secretary**