

The Commission met on **Thursday, March 8, 2012**, with Commissioners Boyd, O'Brien, and Wergin present.

The following matters were taken up by the Commission:

### **TELECOMMUNICATIONS AGENDA**

#### **P-6873, 421/IC-12-59**

#### **In the Matter of the Application for Approval of an Interconnection Agreement between CenturyLink and US Signal Company.**

Commissioner Wergin moved that the Commission:

1. Approve the Interconnection Agreement as filed and subsequently amended, and include the following statement in the Commission's order:

Although voice services under this agreement cannot be provided under this agreement until US Signal Company obtains operational facilities-based local authority, US Signal Company can provide non-voice data services under this agreement with his operational local niche authority granted in the Commission's November 9, 2011 Order in Docket P-6873/NA-11-920.

The motion passed 3 – 0.

### **ENERGY FACILITIES AGENDA**

#### **IP-6688/CN-08-961**

#### **In the Matter of the Application of EcoHarmony West Wind, LLC for a Certificate of Need for a 280 Megawatt Wind Farm in Fillmore County in Southeastern Minnesota**

Commissioner O'Brien moved that the Commission determine that the change in timing from December 2010 to June 2014 is acceptable without recertification.

The motion passed 3 – 0.

#### **E-002, ET-2/TL-09-1056**

#### **In the Matter of the Application for a Route Permit for the Fargo to St. Cloud 345 kV Transmission Line Project**

Commissioner O'Brien moved that the Commission approve the Permittees' request and adopt Adjustment 4.2, as depicted on the Minor Alteration Application map.

The motion passed 3 – 0.

Commissioner Wergin moved that the Commission direct the Permittees to work with the Department of Natural Resources to add bird diverters along the altered route.

The motion passed 3 – 0.

## **ENERGY AGENDA**

### **E-111/M-12-74**

#### **Petition by Dakota Electric Association to Modify the Monthly Rate for the Optional Renewable Energy Rider**

Commissioner O'Brien moved that the Commission approve the Petition as filed.

The motion passed, 3 – 0.

### **E-002/M-02-633**

#### **In the Matter of Northern States Power Company d/b/a Xcel Energy, Inc.'s Petition for Approval of its 2012 Emissions Reduction Project Revenue Requirement and Tracker Balance Report**

Commissioner Wergin moved that the Commission approve the Petitioner's proposal in accordance with the Settlement Agreement.

The motion passed, 3 – 0.

### **E-016/GR-12-42**

#### **In the Matter of Northwestern Wisconsin Electric Company's Application for Authority to Change its Rates and Rules in Minnesota to conform to its Rates and Rules in Wisconsin**

Commissioner Wergin moved that the Commission:

1. Approve the proposed change in rates;
2. Grant the requested variance to Minn. Rules, part 7820.5500, subp. 2 with a duration as long as the rates established in this matter; and
3. Require the Company to file updated tariff sheets within 10 days of the order in this matter.

The motion passed, 3 – 0.

**E-002/M-10-854**

**In the Matter of the Petition of Xcel Energy for Approval of its Low Income Program Meter Surcharge**

Commissioner O'Brien moved that the Commission approve a flat surcharge that is tiered according to class, with the exemption of all Lighting Service customers and all customers receiving LIHEAP, based on the weighted ½ each customers and revenue method, resulting in the following surcharges per customer, per class:

Residential: \$0.40  
C & I Non-Demand: \$0.45  
\$C & I Demand: 4.87

The motion failed 1 – 2, with Commissioners Boyd and Wergin voting against the motion.

Commissioner O'Brien moved that the Commission:

1. Require Xcel to recover the surcharge through a separate line item on customer bills.
2. Require Xcel's to exempt customers who receive LIHEAP assistance from paying the program surcharge.
3. Approve Xcel's request to exempt the Lighting class service customers from the program surcharge.
4. Require Xcel, within 30 days of the date of this Order, to submit a compliance filing that includes revised tariff sheets reflecting the Commission's decision herein, including a plan detailing how Xcel will notify customers of changes to the program.
5. Require Xcel to file on an annual basis the information currently required in its quarterly reports, in this docket. The filing should also be filed as part of Xcel's annual report, filed December 1 under Docket No. E-002/M-04/1956.
6. Require Xcel to file a report if the program's tracker account balance is projected to remain 20 percent over or under Xcel's annual program funding level for twelve months, and require Xcel to file the report within 45 days of the projected over or under recovery.

The motion passed, 3 – 0.

Commissioner Wergin moved that the Commission approve the following monthly program surcharge allocation:

- a. \$0.50 for the residential class;
- b. \$0.67 for the C & I Non-Demand; and
- c. \$2.02 for the C & I Demand.

The motion passed, 2 – 1, with Commissioner O'Brien voting against the motion.

**E-017/M-10-1061**

**In the Matter of Otter Tail Power Company's Request for Approval of a Transmission Cost Recovery Rider Including the Proposed 2011 Transmission Factor**

Commissioner O'Brien moved to take the actions set forth below:

1. Calculate the Transmission Cost Recovery Rider revenue requirement using the all-in approach with a 2012 revenue requirement of \$2,506,562 as proposed on Attachment 1 of the DOC October 27, 2011 supplemental comments.
2. Approve a change in billing method within the LGS class to collect all Transmission Cost Recovery costs through the demand charge.
3. Direct the implementation of the Transmission Cost Recovery Rider effective April 1, 2012.
4. Direct the Company to file updated tariff pages and calculations supporting the Transmission Cost Recovery Rider rate factor reflecting the Commission's decision within 10 days of the order in this proceeding.
5. Direct the Company to include notice with customers' bills in the month that the Transmission Cost Recovery Rider rates are implemented. Direct the Company to consult in drafting the notice with Commission staff.
6. Require the Company to include in its next annual Transmission Cost Recovery Rider filing an analysis of using a percentage of revenue method for allocating costs among and within customer classes.

The motion passed 3 – 0.

**G-999 / AA-10-885, et al**

**In the Matter of the Review of the 2009 – 2010 Annual Automatic Adjustment Reports and Annual Purchased Gas Adjustment (PGA) True-up Filings**

Commissioner O'Brien moved that the Commission:

1. Accept the gas utilities' fiscal year 2009 – 2010 annual reports as filed, and subsequently amended, by the gas utilities as being complete as to Minnesota Rules 7825.2390 through 7825.2920.
2. Accept Greater Minnesota Gas's true-up filing in Docket No. G-022/AA-10-963.
3. Authorize Greater Minnesota Gas to implement its true-up, as shown in Attachment G5 to the Department's Annual Automatic Adjustment Reports Review.
4. Direct Greater Minnesota Gas to take prudent actions to minimize punitive daily delivery variance charges, and to minimize gas costs overall.

5. Direct Greater Minnesota Gas to use greater care in composing future AAA filings and information request responses, and to review its information to ensure that all gas contracts are accounted for in the appropriate type of gas purchase (e.g., first-of-month-priced monthly contracts are placed with Monthly-Index priced gas).
6. Accept Greater Minnesota Gas's meter testing report.
7. Accept Great Plains's true-up filing in Docket No. G-004/AA-10-931.
8. Authorize Great Plains to implement its true-up, as shown in Attachment G6 to the Department's Annual Automatic Adjustment Reports Review.
9. Direct Great Plains to address the error in calculating true-up factors for its South District to reflect a refund of Kansas's ad valorem tax in Docket Nos. G-999/AA-11-793 and G-004/11-876.
10. Accept Interstate Gas's true-up filing in Docket No. G-001/AA-10-958.
11. Authorize Interstate Gas to implement its true-up, as shown in Attachment G7 to the Department's Annual Automatic Adjustment Reports Review.
12. Accept MERC-PNG's true-up filing in Docket No. G-001/AA-10-960.
13. Authorize MERC-PNG to implement its true-up adjustments, as shown in Attachment G8 to the Department's Annual Automatic Adjustment Reports Review.
14. Require MERC to pay interest relating to an overstatement of costs for the period September 1, 2010 to September 1, 2011.
15. Require MERC, as part of the review-and-response process for the fiscal year ending in 2011, in Docket No. G-999/AA-11-793, to address the derivation and calculation of sales volume and revenues, cost volume, and dollar amounts included in MERC's true-up and lost-and-unaccounted-for gas calculations (e.g., the calculation of purchases, storage injections/withdrawals, imbalances, cash-outs).
16. Require MERC, in its next Annual Automatic Adjustment report, to detail various modifications to the Department's lost-and-unaccounted-for methodology to ensure a result that is not adversely impacted by transportation customers, and shall clearly identify each purchase contract's type in response to Department information requests (e.g., first-of-month, daily spot).
17. Accept MERC-NMU's true up filing in Docket No. G-007/AA-10-959.
18. Authorize MERC-NMU to implement its true-up adjustment as presented in Attachment G9 to the Department's Annual Automatic Adjustment Reports Review.
19. Accept CenterPoint Energy's true up filing in Docket No. G-008/AA-10-955.
20. Authorize CenterPoint Energy to implement its true-up adjustment as presented in Attachment G10 to the Department's Annual Automatic Adjustment Reports Review.
21. Accept Xcel Gas's true up filing in Docket No. G-002/AA-10-962.
22. Authorize Xcel Gas to implement its true-up adjustment as presented in Attachment G11 to the Department's Annual Automatic Adjustment Reports Review.

23. Require all regulated gas utilities to provide additional information on the embedded cost/benefit associated with physical hedges used in the procurement of gas supplies, in addition to all information currently required concerning gas-price hedging practices, in future initial Annual Automatic Adjustment reports.
24. Require all regulated gas utilities to meet with the Department to discuss and if possible agree upon a minimum standard for reporting contractor main strikes. Require participants to also discuss coordinating contractor main strike information in Annual Automatic Adjustment dockets with the damage reporting and service interruption reporting in the natural gas service quality dockets. Require that meeting to take place within 60 days of the date of this Order to ensure that if tariff revisions are necessary the revisions can be filed and placed into effect as soon as possible, hastening rate relief to customers.
25. Within 60 days of the date of this order, in a compliance filing in this docket, require each regulated gas utility to file a report reflecting its complete meter testing plan, and detailing its individual policies and procedures.
26. Direct all regulated gas utilities to provide a specific justification for each piece of information designated as a trade secret in future annual reports and true-up filings. Further direct all companies to limit the designation of trade secret to words, numbers, or phrases that are actually trade secret, and none may designate entire paragraphs or pages which contain the trade secret words, numbers, or phrases.

The motion passed 3 – 0.

The meeting was adjourned.

**APPROVED BY THE COMMISSION: May 2, 2012**



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**Burl W. Haar, Executive Secretary**