

The Commission met on **Wednesday, September 28, 2011**, with Commissioners Anderson, Boyd, O'Brien, Reha and Wergin present.

The following matters were taken up by the Commission:

ENERGY AGENDA

E-280/TL-09-512

In the Matter of the Application for a HVTL Route permit for the ESSAR Steel Transmission Project

Commissioner Boyd moved that the Commission approve the amendment requests.

The motion passed 5-0.

E-319,015/SA-11-803

In the Matter of the Petition for Approval of a Compensation and Service Territory Agreement between the City of Two Harbors and Minnesota Power

Commissioner Boyd moved that the Commission approve the Petition.

The motion passed 5-0.

G-008/M-11-809

In the Matter of the Petition of CenterPoint Energy Minnesota Gas for Approval of a Tariff Revision

Commissioner Reha moved that the Commission approve the requested tariff revision.

The motion passed 5-0.

E-002/M-10-1066

In the Matter of the Petition of Northern States power company, a Minnesota Corporation, Regarding the 2011 Renewable Energy Standard Rider and the 2010 RES Tracker Report

Commissioner Boyd moved that the Commission:

1. Approve the 2010 Tracker Compliance and True-up Report;
2. Approve a revenue requirement of \$40.8 million;

3. Approve a percentage of revenue(interim rate) allocation method;
4. Order Xcel to refund the over-collection of rider revenue from 2010 and from the removal of Merricourt, using existing methodology, in November 2011. Direct Xcel to calculate the 2011 RES factor on an annualized basis to be implemented on December 1, 2011, subject to the normal tracker/true-up reporting requirements with Xcel's next RES filing;
5. Direct Xcel to file schedules of calculations modifying its 2011 RES rate adjustment to reflect the decisions made in this docket. This information, including revised tariff pages and revised customer notice should be filed within 10 days of the Order in this proceeding.

The motion passed 5-0.

E-002/M-10-1064

In the Matter of the Northern States Power MN d/b/a Xcel Energy's Petition for Approval of a Modification to its TCR Tariff, 2011 Project Eligibility, TCR Rate Factors, Continuation of Deferred Accounting and 2010 True-up Report

Commissioner Wergin moved that the Commission:

1. Approve the 2010 tracker compliance and true-up report;
2. Direct Xcel to not include the Brookings Project in the 2011 TCR, resulting in revenue requirements of approximately \$11.6 million to be offset by the carryover amounts when calculating the 2011 rider factors;
3. Make no decision on cost cap escalation and request the parties to more fully develop the issue for the 2012 filing;
4. Direct Xcel to use the D10T allocator to classes, as proposed by Xcel;
5. Approve a demand based allocator (D10T) within the C&I class as proposed by XLI and MCC;
6. Direct Xcel to include a proposal reflecting the allocation of the TCR rate adjustment based on the percentage of revenue basis, illustrating comparative impacts on the customer classes and customers within the demand-billed classes;
7. Direct Xcel to recalculate the 2011 TCR rate factor on an annualized basis to be implemented on November 1, 2011, reflecting the Commission decision on revenue requirements; and

8. Direct Xcel, within 10 days of the Commission's Order, to file schedules of calculations modifying its 2011 TCR rate adjustment to reflect the decision made in this docket.

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 Reha moved to do the following:

1. Accept the Revenue Decoupling and Inverted Block Rate Evaluation Report (evaluation report) and Inverted Block Rate-Related Gas Price Elasticity Analysis (IBR analysis) filed by CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas (CenterPoint).
2. Decline CenterPoint's March 1, 2011 revenue decoupling rate adjustments. Require CenterPoint to use the revenue decoupling adjustments proposed by the Minnesota Department of Commerce (the Department), including the Department's modified calculations that use the rate case weather-normalization process and CenterPoint data and the revenue decoupling tariff language. Require CenterPoint to submit within 30 days a compliance filing with recalculated decoupling rate adjustments that implement the Department's recommendation as described in the Department's comments.
3. Authorize CenterPoint to continue its revenue decoupling pilot program.
4. Suspend the inverted block rate structure effective two weeks from the date of the Commission's order until the Commission issues an order reinstating or reauthorizing CenterPoint's inverted block rate structure.
 - i. Direct gas cost rates to revert to the residential, Tier 2 level, for all residential, Commercial and Industrial-A (C&I A) and Commercial and Industrial-B (C&I B) customers, and
 - ii. Require CenterPoint to submit a compliance filing within ten days of the Commission's order with a proposal and revised tariff language that implements the Commission's decision, and
 - iii. Authorize CenterPoint to organize a workgroup of commenting parties in this docket and any other interested persons. Request the workgroup to address one or more, or all, of the following issues, and any other issue that workgroup participants are concerned about:
 - a. Medical necessity opt-out provision
 - b. Energy conservation opt-out provision for consumers that have made sufficient efforts and investments in energy conservation measures
 - c. multi-unit housing opt-out or per-unit-of-housing prorating provision

- d. renters' opt-out provision
 - e. Low Income Heating Energy Assistance Program (LIHEAP) or other low-income opt-out provision
 - f. Conservation programs which could serve as alternatives to the inverted block rate structure
 - g. prospective adjustments for billing periods that are unusually long
 - h. customer charges assessed on a daily -- rather than a monthly -- basis
- iv. Request the group to submit its report with its proposal and revised tariff language no later than March 1, 2012.
5. Require CenterPoint to make IBR-related bill adjustments because of overly long billing periods. Require CenterPoint to submit a compliance filing within thirty days with a proposal for calculating and making bill adjustments to customers who were overcharged, including a proposal for funding these adjustments.
6. Request CenterPoint and the Department to meet, discuss and report to the Commission within ninety days on what, if any, modifications should be made to the CenterPoint's revenue decoupling evaluation plan, including the annual evaluation reports and IBR analyses.
7. Delegate authority to the Commission's Executive Secretary to modify and vary procedural deadlines, including the deadlines in this order, for the duration of this proceeding and the decoupling pilot program.
8. Issue an order suspending the inverted block rates and directing CenterPoint to use the Department's revenue decoupling adjustments, and issue a separate order addressing the remaining topics.

The motion passed 5 – 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: November 2, 2011



Burl W. Haar, Executive Secretary