

The Commission met on **Thursday, October 4, 2012**, with Chair Heydinger and Commissioners Boyd, O'Brien, Reha, and Wergin present.

The following matters came before the Commission:

ENERGY FACILITIES AGENDA

ET-6675/MC-12-898

In the Matter of ITC Midwest LLC's Application for Approval of a Minor Alteration to Rebuild the Heron Lake to Lakefield Junction 161 kV Transmission Line in Jackson County

Commissioner Wergin moved to authorize the minor alteration request for the Heron Lake to Lakefield Junction 161kV transmission line reroute and rebuild, as proposed by ITC Midwest, LLC, with the conditions proposed by the Energy Facilities Permitting staff of the Minnesota Department of Commerce (the Department) as modified by Commission staff.

The motion passed 5 – 0.

E-002/TL-09-1448

In the Matter of the Route Application for the CapX2020 Hampton-Rochester-La Crosse 345kV Transmission Line

Commissioner Boyd moved to find that the Commission does not have jurisdiction over this matter and therefore there is no reasonable basis to investigate the matter further.

The motion passed 5 – 0.

ET-2/TL-08-1474

In the Matter of the Route Permit Application for a 345 kV Transmission Line from Brookings County, South Dakota to Hampton, Minnesota

Commissioner Boyd moved that the Commission authorize the minor alteration request for Alteration 5 in Northern Brown County of the Brookings County-Hampton 345 kilovolt (kV) Transmission Line Project without conditions.

The motion passed 5 – 0.

ENERGY AGENDA

E-017/M-03-30

In the Matter of Otter Tail Power Company's Petition for Approval of a Monthly Fuel Clause Adjustment True-up Mechanism

Commissioner Wergin moved to approve Otter Tail Power Company's compliance report and the annual true-up debit of 0.5 mills per kilowatt-hour to be collected over the 12-month period beginning September 1, 2012.

The motion passed 5 – 0.

E, G-999/CI-08-133

In the Matter of Commission Review of Utility Performance Incentives for Energy Conservation Pursuant to Minn. Stat. 216B.241, Subd. 2c

E-002/M-11-278

In the Matter of a Request by Xcel Energy for Approval of its 2010 CIP Tracker Account, DSM Financial Incentive, and CIP Adjustment

E-015/M-11-241

In the Matter of a Request by Minnesota Power for Approval of its 2010 CIP Tracker Account, DSM Financial Incentive and CIP Adjustment

E-017/M-11-185

In the Matter of a Request by Otter Tail Power Company for Approval of its 2010 CIP Tracker Account, DSM Financial Incentive and CIP Adjustment

E-001/M-11-244

In the Matter of a Request by Interstate Power & Light Company for Approval of its 2010 CIP Tracker Account, DSM Financial Incentive and CIP Adjustment

G-002/M-11-279

In the Matter of the Petition by Xcel Energy for Approval of its 2010 CIP Tracker Account, DSM Financial Incentive and Conservation Cost Recovery Adjustment

G-001/M-11-245

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

G-008/M-11-383

In the Matter of the Petition by CenterPoint Energy for Approval of its 2010 CIP Tracker Account, DSM Financial Incentive and Conservation Cost Recovery Adjustment

G-004/M-11-404

In the Matter of the Petition by Great Plains Natural Gas Co. for Approval of its 2010 CIP Tracker Account, 2010 DSM Financial Incentive and Conservation Cost Recovery Adjustment

G-007/M-11-406

In the Matter of Minnesota Energy Resources Corporation (MERC) – NMU for Approval of its 2010 CIP Tracker Account, DSM Financial Incentive and Conservation Cost Recovery Adjustment

G-011/M-11-407

In the Matter of the Petition by Minnesota Energy Resource (MERC) – PNG for Approval of its 2010 CIP Tracker Account, DSM Financial Incentive and Conservation Cost Recovery Adjustment

Commissioner Reha moved to do the following:

1. Modify existing language in the Orders listed below to require the use of the Average Savings Method (ASM) for measuring energy savings from conservation improvement program (CIP) behavioral programs to be used in the calculation of demand-side management (DSM) financial incentives effective beginning with the 2013 DSM financial incentive. The Orders to be modified include:
 - A. Informal Order, *In the Matter of the Petition by CenterPoint Energy for Approval of its 2010 CIP Tracker Account, DSM Financial Incentive and Conservation Cost Recovery Adjustment*, in Docket No. G-008/M-11-383, issued November 30, 2011.
 - B. Informal Order, *In the Matter of the Petition by Xcel Energy for Approval of its 2010 CIP Tracker Account, DSM Financial Incentive and Conservation Cost Recovery Adjustment*, in Docket No. G-002/M-11-279, issued December 22, 2011.
 - C. Order Approving 2010 CIP Tracker, DSM Financial Incentive, and CIP Adjustment, *In the Matter of a Request by Xcel Energy for Approval of its 2010 CIP Tracker Account, DSM Financial Incentive, and CIP Adjustment*, in Docket No. E-002/M-11-278, issued January 11, 2012.
 - D. Order Approving 2010 CIP Tracker, DSM Financial Incentive, and CIP Adjustment, *In the Matter of a Request by Minnesota Power for Approval of its 2010 CIP Tracker Account, DSM Financial Incentive, and CIP Adjustment*, in Docket No. E-015/M-11-241, issued January 11, 2012.
 - E. Order Approving 2010 CIP Tracker, DSM Financial Incentive, and CIP Adjustment, *In the Matter of a Request by Otter Tail Power Company for Approval of its 2010 CIP Tracker Account, DSM Financial Incentive, and CIP Adjustment*, in Docket No. E-017/M-11-185, issued January 12, 2012.
 - F. Order Approving 2010 CIP Tracker, DSM Financial Incentive, and CIP Adjustment, *In the Matter of a Request by Interstate Power and Light Company for Approval of its 2010 CIP Tracker Account, DSM Financial Incentive, and CIP Adjustment*, in Docket No. E-001/M-11-244, issued January 12, 2012.

Require all utilities with approved DSM financial incentives including those covered by the Orders cited above to use the ASM for measuring energy savings from CIP behavioral programs in the calculation of their DSM financial incentive beginning with the 2013 incentive.

The motion passed 5-0.

E-001/M-10-312

In the Matter of Interstate Power and Light Company's Petition for Approval of Eligibility for Investment in Whispering Willow - East, Renewable Energy Recovery Adjustment, and 2010 Rate

Chair Heydinger moved to do the following:

1. Determine that a contested case proceeding is appropriate for this docket, will facilitate development of the record and the Commission's decision-making, and refer this case to the Minnesota Office of Administrative Hearings (OAH) for contested case proceedings.
2. Because the proper treatment of costs associated with Whispering Willow east has been pending for some time, requests that the OAH's administrative law judge (ALJ) and parties expedite the process to the extent reasonable.
3. Determine that the following information is appropriately included, but not exclusive, in the current docket:
 - (i) The information in Docket No. E-001/GR-10-276 is included in this docket by reference.
 - (ii) Include in this docket any trade secret information for the three other wind projects relied upon by the Department including the Luverne (Docket Nos. E-017/M-09-833 and E-017/M-09-1484), Bison 1 (Docket Nos. E-015/M-09-285 and E-015/M-10-273), and Nobles wind farms (Docket Nos. E-002/M-08-1437 and E-002/M-09-1083).
4. Request the ALJ to issue a protective order as necessary to protect trade secret information and direct Interstate Power and Light Company to work with the parties to submit a proposed protective order if one is required.

The motion passed 5 – 0.

TELECOMMUNICATIONS AGENDA

P-6861/M-11-202

In the Matter of the Petition of TerraCom, Inc. for Designation as an Eligible Telecommunications Carrier (ETC) in Minnesota

Commissioner Wergin moved to do the following:

1. Regarding Criterion #1, *“Common Carriage and Supported Services. The applicant must be a common carrier and commit to providing voice telephony services: (1) voice grade access to the public switched telephone network or its functional equivalent, (2) minutes of local usage at no additional charge, (3) access to 911 and E-911 services, and (4) toll limitation for qualifying low-income customers,”* find that TerraCom, Inc. (TerraCom) meets the criterion.
2. Regarding Criterion #2, *“Facilities Ownership. The applicant must offer services either using its own facilities or a combination of its own facilities and resale of another carrier’s services,”* find that, by virtue of a waiver of the Federal Communications Commission (FCC), TerraCom is not required to meet this criterion.
3. Regarding Criterion #3: *“Service Offering. The applicant must file information describing the terms and conditions of any voice telephony plan offered to Lifeline subscribers,”* find that TerraCom meets the criterion.
4. Regarding Criterion #4, *“Advertising Plan. The applicant must publicize the availability of Lifeline service in a manner reasonably designed to reach those likely to qualify for service,”* find that TerraCom meets the criterion subject to the condition that within 30 days of the Commission’s Order, TerraCom must submit a formal advertising and outreach plan listing the local and community newspapers and commercial broadcast stations in Minnesota through which it intends to advertise the availability of Lifeline service under 54 C.F.R. Subpart E, and a proposed schedule or anticipated frequency of such advertising.
5. Regarding Criterion #5, *“Emergency Functionality. The applicant must demonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations,”* find that TerraCom meets the criterion.
6. Regarding Criterion #6, *“Consumer Protection. The applicant must demonstrate that it will satisfy applicable consumer protection and service quality standards. A commitment to comply with the Cellular Telecommunications and Internet Association’s (CTIA) Consumer Code for Wireless Service will satisfy this requirement,”* find that TerraCom meets the criterion.

7. Regarding Criterion #7, *“Informational Tariff. The applicant must file an informational tariff, or customer service agreement that shows the rates, service plans, cost of related equipment and installation charges, and all terms and conditions related to the universal service offering, and including the CTIA’s Consumer Code for Wireless Service,”* find that TerraCom meets this criterion subject to the condition that within 30 days of the Commission’s Order, TerraCom must file a revised tariff or customer service agreement containing all rates, terms, conditions, service quality commitments, and other provisions that apply to its Lifeline service. The tariff or customer service agreement shall include a detailed description of its service offering, any additional services which may be added to it, and the areas in Minnesota in which it is offered. TerraCom shall be required to attach a copy of the CTIA standards to which it will adhere, and the Minnesota Rules by which it has agreed to be bound, to its tariff for the purpose of public disclosure. Additionally, TerraCom shall be required to notify the Commission and the Department, in writing, immediately upon any change to the Lifeline offering terms, conditions, or rates, or if it seeks to withdraw its Lifeline offering or any portion thereof. TerraCom must submit a revised tariff or customer service agreement page to reflect such changes.
8. Regarding Criterion #8, *“Financial and Technical Ability. The applicant must demonstrate that it is financially and technically capable of providing Lifeline service,”* find that TerraCom meets this criterion.
9. Regarding Criterion #9, *“Public Interest. Prior to designating an eligible telecommunications carrier the state commission shall determine that such designation is in the public interest,”* --
 - (i) Find that TerraCom’s proposed rates for its Lifeline service are in the public interest.
 - (ii) Find that TerraCom obtained certification from the Minnesota Department of Public Safety that the applicant’s handsets are 911 and E911 compliant.
 - (iii) Find that a review of TerraCom’s ETC status by April 1, 2014 is in the public interest.
 - (iv) Direct TerraCom to do the following:
 - a. If it determines that it cannot reasonably serve a consumer, report the unfulfilled request to the Department and the Commission within 10 days after making such a determination.
 - b. Comply with the collection and remittance provisions of Minn. Stat. §§ 403.11 and 237.52.

- c. Be subject to the same process for annual customer validation for Lifeline verification as are other ETCs in Minnesota, approved by the Commission in Docket No. P-999/M-12-194, *In the Matter of Commission Consideration of Changes in Lifeline Certification and Verification Procedures in Light of the FCC Lifeline Order*, and as revised subsequently.
10. Approve TerraCom's petition for ETC designation for Lifeline services subject to the terms and conditions addressed in each of the decisions above.

Commissioner Boyd proposed to amend the motion at paragraph 9(iii) to replace the proposed finding with a finding that the Commission need not set a date certain for review of TerraCom's ETC designation.

Commissioner Wergin accepted the proposal.

The amended motion passed 5 – 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: November 21, 2012



Burl W. Haar, Executive Secretary