

The Commission met on **Thursday, April 11, 2013**, with Chair Heydinger and Commissioners Boyd, Lange, O'Brien, and Wergin present.

The following matters were taken up by the Commission:

TELECOMMUNICATIONS AGENDA

P-6656/M-10-264

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

Commissioner Boyd moved to take the following actions:

1. Find that Nexus is a common carrier and has committed to provide the voice telephony services required by 47 C.F.R. § 54.101.
2. Find that, by virtue of the FCC's waiver, Nexus is not required to offer services using its own facilities or a combination of its own facilities and resale of another carrier's services.
3. Find that Nexus has filed information describing the terms and conditions of its Lifeline voice telephony plan.
4. Find that Nexus meets the advertising requirement of 47 CFR § 54.202(a)(2), subject to the condition that within 30 days of the Commission's Order, Nexus must submit a formal advertising and outreach plan listing the specific local and community newspapers and commercial broadcast stations in Minnesota through which it intends to advertise the availability of Lifeline service, including a proposed schedule or anticipated frequency of such advertising.
5. Find that Nexus meets the emergency-functionality requirements of 47 CFR § 54.202(a)(2).
6. Find that Nexus meets the consumer-protection requirement of 47 CFR § 54.202(a)(3).
7. Find that Nexus has filed an informational tariff, subject to the condition that within 30 days of the Commission's Order, Nexus must update its tariff to reflect its current offerings and to eliminate inapplicable language about Link-up and service activation fees. The tariff must also be updated to reflect Nexus' non-utilization policy, enrollment and de-enrollment practices, annual recertification, and reporting practices that reflect current FCC rules and requirements and Commission Orders. Nexus shall attach a list of the Minnesota exchanges where its Lifeline offerings will be available and a copy of the

CTIA Consumer Code by which it has agreed to be bound. Nexus must immediately notify the Commission and DOC, in writing, upon any change to the Lifeline offering terms, conditions, or rates, or if it seeks to withdraw its Lifeline offering or any portion thereof. Nexus shall submit a revised tariff or customer service agreement page to reflect these changes.

8. Find that Nexus has demonstrated that it is financially and technically capable of providing Lifeline service.
9. Find that Nexus' proposed rates for its Lifeline service are in the public interest and require Nexus to offer, in Minnesota, the highest number of free minutes of usage and supplementary minutes priced at the lowest level offered in any other jurisdiction in which Nexus provides wireless Lifeline service, provided that the available support is the same. Nexus must provide supplemental minutes at no more than 10¢/minute.
10. Find that Nexus has obtained certification from the Minnesota Department of Public Safety that its handsets are 911 and E911 compliant.
11. Require Nexus to meet the following conditions:
 - a. If Nexus determines that it cannot reasonably serve a Lifeline-qualified consumer, it will report the unfulfilled request to DOC and the Commission within 10 days after making such a determination.
 - b. Nexus shall comply with the collection and remittance provisions of Minn. Stat. §§ 403.11 and 237.52.
 - c. Nexus shall only assign its Lifeline customers telephone numbers within the free calling area for the local telephone exchange where the customer resides.
12. Approve Nexus' petition for ETC designation for Lifeline services subject to the terms and conditions set forth above.

The motion passed 5-0.

ENERGY AGENDA

IP-6646/CN-13-193

In the Matter of the Application of EDF Renewable Energy for a Certificate of Need for the 100 MW Stoneray Wind Project in Pipestone and Murray Counties

Commissioner Lange moved to take the following actions:

1. Grant a variance to Minnesota Rules part 7849.0200, subp. 5 and subp. 6 to extend both 30-day time periods provided for Commission consideration of the exemption request and the completeness of the application. Provide a variance for an unspecified but reasonable period of time.

The motion passed 5 – 0.

E-015/TL-12-1123

In the Matter of the Application of Minnesota Power for a Route Permit for the 39 Line 115 kV High Voltage Transmission Line Project in St. Louis County

Commissioner Boyd moved to take no action regarding route alternatives.

The motion passed 5 – 0.

E-015/M-13-93

In the Matter of the Request for Approval of an Amendment to the Electric Service Agreement Between Magnetation, LLC and Minnesota Power

Commissioner Wergin moved to approve the amendment to the electric service agreement.

The motion passed 5 – 0.

E-016/GR-13-167

In the Matter of Northwestern Wisconsin Electric Company's 2013 Application for Authority to Change its Rates and Rules in Minnesota to Conform to its Rates and Rules in Wisconsin

Commissioner Wergin moved to:

1. Approve the notice of Company's proposed notice of rate decrease and the mailing of this notice to all customers with customer bills at the same time new rates become effective.
2. Approve the \$900.02, approximately 1.34%, per year decrease in rates, effective May 6, 2013.

3. Find that the Company does not need, and the Commission need not address, a variance from the rules that cover rate case filing requirements, so long as the Company remains exempt from section 16 of Minn. Laws Ch. 216B, pursuant to Minn. Stat. Section 216B.16, subd. 12a.
4. The Company's request for an extension of the variance to the amount of late payment charge rule, Minn. R. 7820.5500, subp. 2 is approved for as long as this provision for late payment charges remains in effect in the Company's tariffs.
5. The Company's request for an extension of the variance to the "current period rule" (Minn. R. 7825.2400, subp. 13), for calculating monthly adjustments for its power cost adjustment clause is approved for as long as the method the Company is currently using to calculate the clause remains in effect in the Company's tariffs.
6. Northwestern shall file updated tariff sheets within ten days of the order in this matter.
7. Northwestern shall make a compliance filing verifying that all of its customers have been notified of this change in rates using the approved customer notice.

The motion passed 5 - 0.

E-002/M-12-1132

In the Matter of a Petition by Xcel Energy for Approval to Share Proceeds from the Sale of Renewable Energy Certificates with Customers

Chair Heydinger moved to take the following actions:

1. Find that 100% of proceeds from REC transactions are to be returned to ratepayers through the Company's RES rider unless the Commission makes a specific determination to allow sharing of the proceeds in response to a filing by Xcel, in which case the Commission will decide based upon the filing whether to allow a sharing of the proceeds.
 - a. The Commission will decide whether to approve a sharing of proceeds based on Xcel's filing and other conditions, including
 1. a demonstration that the net proceeds resulting from REC trading over a designated period are significant and merit a reward;
 2. a documentation of the specific costs of each REC transaction; and
 3. a demonstration of, and basis for, the appropriate award.
 - b. Allow Xcel to submit a filing requesting a sharing of net proceeds for a specific REC sale or sales completed over the previous 12 months, with the first 12 month period to begin no earlier than April 1, 2013. The filing should be made no later

than 90 days after the close of the 12-month period over which Xcel seeks review and reward for REC transactions. This filing should include

1. a specific dollar amount of the net proceeds to be shared with ratepayers and an accounting of all transaction costs associated with the sale, purchase, or replacement of RECs; net proceeds subject to a reward should be net of any costs associated with the transactions, including replacement costs and an accounting for the assigned cost of RECs sold;
 2. a proposal for the appropriate level of sharing between Xcel and ratepayers;
 3. a demonstration that RECs sold have been replaced or an explanation for why replacement is not necessary;
 4. a demonstration that the Company remains in compliance with Minn. Stat. § 216B.1691 as well as any requirements ordered by the Commission in its biennial review of RES compliance under § 216B.1691;
 5. the number and type (biomass, solar, etc.) of RECs sold and the facilities from which the RECs were sourced; if the Company has purchased replacement RECs, the number and type of RECs and the facilities from which the RECs were sourced;
 6. the owner of the REC prior to the sale (marketer, utility, etc.);
 7. the date of sale and the sale price for each REC transaction; and
 8. a confirmation that all net REC proceeds will be returned to ratepayers through the RES rider.
2. Direct that any REC sales proceeds credited to the ratepayers shall not be recoverable by Xcel, nor be recorded as a recoverable expense.
 3. Find that Xcel may sell RECs from facilities subject to Minn. Stat. § 216B.2424 (Biomass Mandate) or Minn. Stat. § 216B.2423 (Wind Mandate); however, if these RECs are needed to meet the Minnesota RES, they must be replaced by RECs from a facility that meets the definition of an eligible energy technology under Minn. Stat. § 216B.1691, subd. 1.
 4. Require Xcel to include a clause in all REC sales contracts prohibiting the purchaser from reselling RECs back to a utility subject to Minn. Stat. § 216B.1691 prior to 2021.
 5. Require Xcel to request M-RETS to flag specific restrictions for use of RECs in compliance programs in accordance with Minn. Stat. § 216B.1691, subd. 4(e), including those RECs that are imported (once import is permitted).

6. Require Xcel to provide detailed information on all REC transactions in its annual RES rider report.
7. Within 30 days of the issuance date of the Order in this matter, require Xcel to file revised tariff sheets reflecting decisions made by the Commission in this matter or notify the Commission if no revision is necessary.

The motion passed 5 - 0.

~~E-002/M-12-50~~

~~In the Matter of Xcel's Petition for Approval of 2012 Transmission Cost Recovery Project Eligibility, TCR Rate Factors, and 2011 True-up~~

PULLED

G-011/M-10-407

In the Matter of a Petition by Minnesota Energy Resources Corporation-PNG for Approval of its 2009 CIP Tracker Account, DSM Financial Incentive, and CIP Adjustment Factor

G-007/M-10-409

In the Matter of a Petition by Minnesota Energy Resources Corporation-NMU for Approval of its 2009 CIP Tracker Account, DSM Financial Incentive, and CIP Adjustment Factor

Commissioner Wergin moved to take the actions set forth below:

1. Determine that LSP has met all the requirements for a CIP exemption under Minnesota Statute 216B.241, subd. 1 (j) and change its CIP exemption status from provisional to permanent for its Cottage Grove facility and approve an effective date of November 1, 2010 and require MERC to issue the appropriate refunds and file with the Commission the appropriate refund reports.
2. Determine that Sappi has met all the requirements for a CIP exemption under Minnesota Statute 216B.241, subd. 1 (j) and approve its CIP exemption petition for its facility for all of Sappi natural gas usage.
3. Determine that RPU has met all the requirements for a CIP exemption under Minnesota Statute 216B.241, subd. 1 (j) and approve its CIP exemption petition for Silver Lake facilities.
4. Determine that RPU has met all the requirements for a CIP exemption under Minnesota Statute 216B.241, subd. 1 (j) and approve its CIP exemption petition for Cascade Creek facilities.

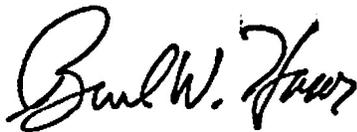
5. Approve the CIP exemptions from the CCRC and the CCRA for Sappi and RPU with an effective date of 90 days after the filing date of each customer and require MERC to issue the appropriate refunds and file with the Commission the appropriate refund reports.
6. Approve a plan that would let the under-collected balance for any prior period remain in the CIP tracker account and let the balance be absorbed through the normal tracker process.
7. Accept MERC's proposed plan on the CIP-exemption petition process, tariff provisions, and customer notifications.
8. Determine that the uncollected CCRA revenues for those customers that have received CIP exemptions should be collected through the normal course of the CIP tracker mechanism. Determine that the uncollected CCRA revenues for customers who were denied CIP exemptions or did not apply for CIP exemptions should be collected from those non-exempt customers. Require MERC to work with those non-exempt customers responsible for uncollected CCRA revenues in identifying workable repayment mechanisms and to make a compliance filing detailing its implementation plan.
9. Determine that for the four CCRA-suspended customers who filed for a CIP exemption as a large customer facility-gas and were granted the CIP exemption, the suspension period should end on January 1, 2012.
10. Determine that for the two CCRA-suspended customers who filed for a CIP exemption as a commercial customer facility and were denied the CIP exemption, the suspension period should end the last day of the month the exemption was denied and the CCRA factor should be billed starting on the first day of the following month.
11. Determine that for the two CCRA-suspended customers who did not file for a CIP exemption under any Minnesota Statute, the suspension period should end on the date of the order in this matter.
12. Determine that for the CCRA suspended customer who filed for a CIP exemption as a large energy facility and was granted the exemption (Sappi), the suspension period should end on the date the Commission makes the CIP exemption effective.
13. Determine that no refund is necessary for the November and December 2010 CIP amounts collected.
14. Determine that CCRA-suspended customers who received a 2010 CIP program rebate should not be required to pay back CIP rebates.
15. Have MERC and the Department further develop the issue of CIP charges in discounted transactions in the 2013 CIP adjustment filing.

16. Direct MERC to include in its 2013 CIP adjustment filing schedules that show the CIP tracker balance used in the 10-407 and 10-409 dockets and all adjustments made to arrive at the tracker balance to be used in the 2013 filings. Each adjustment should be clearly described and labeled to show the origin of the adjustment (e.g., credit for the 10-977 rate case, refund to LSP, etc.) and the date the adjustment was made.

The motion passed 4-1. Commissioner Lange voted no.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: May 1, 2013

A handwritten signature in black ink that reads "Burl W. Haar". The signature is written in a cursive, flowing style.

Burl W. Haar, Executive Secretary