

The Commission met on **Thursday, December 15, 2011**, with Chair Anderson and Commissioners O'Brien, Reha and Wergin present.

The following matters were taken up by the Commission:

ENERGY AGENDA

E-004/M-11-1038

In the Matter of the Petition of Great Plains Natural Gas Company for a Variance to Minnesota Rules, Part 7820.4000

Commissioner Reha moved that the Commission approve Great Plains' request for a variance.

The motion passed, 4-0.

G-008/M-11-1043

In the Matter of the Petition of CenterPoint Energy Minnesota Gas, A Division of CenterPoint Energy Resources Corp., a Delaware Corporation, to Update Tariff Section VIII, Page 3, Which Displays the Back of the Standard Customer Billing Form

Commissioner Wergin moved that the Commission approve CenterPoint's proposed changes the bill back removing references to the suspended inverted block rate structure.

The motion passed, 4-0.

E-015/M-11-806

In the Matter of a Petition by Minnesota Power for Approval of a Rider for Facilities Franchise Fee

Commissioner Reha moved that the Commission grant the City of Cohasset's request for reconsideration for the sole purpose of allowing more time to consider the merits of the issues.

The motion passed, 4-0.

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 that the Commission approve the compliance report, subject to Otter Tail Power filing additional information in reply comments, and the new annual true-up (increase in rates) of 0.5 mills per kWh.

The motion passed, 4-0.

G-022/M-11-804

In the Matter of the Petition of Greater Minnesota Gas to Provide New Utility Purchase for Resale Service

Commissioner Wergin moved that the Commission:

1. Approve Greater Minnesota Gas, Inc.'s (GMG) request for a new purchase for resale service that will be implemented through a new tariff entitled Utility Purchases Transport Services (UPTS). [GMG and DOC recommendation]
2. Require GMG to modify the UPTS tariff to state that the Company's extension tariff will apply to new purchase for resale customers under the proposed UPTS tariff using the following tariff language:

Customers will be subject to GMG's extension tariff, including payment to the Company of any contribution in aid of construction.

3. Require GMG to identify in the new UPTS tariff the general calculation of the retail rate of the participating local distribution company (LDC) using the following tariff language: Retail Rate shall be the participating LDC's retail rate under which the Company is providing service to the customer, including gas costs and all riders paid to the participating LDC by the Company, but excluding the participating LDC's customer charge.
4. Require GMG to include a page in its monthly PGA filings listing all upstream rate schedules used under the purchase for resale service (UPTS) tariff and the total rate that will be passed through to customers through the billing process, and require the following GMG-proposed tariff modification:
 - Disclosure of Retail Rates
The Retail Rate shall be filed monthly for each of the upstream rate schedules under which Company is taking service as part of Company's monthly purchased gas adjustment filing.
5. Require GMG to submit revised tariff sheets that reflect the Commission's decision in this docket within ten days of the Commission issuing its order.
6. Require GMG to provide each year, in its annual September 1st automatic adjustment of charges report, for each relevant GMG rate class and for each upstream rate schedule used for the purchase for resale service (i.e. for each group of purchase for resale customer): (1) the number of upstream LDC meters, (2) the number of retail GMG customers, and (3) the volume of gas sold to each group of purchase for resale customer.
7. Require GMG to provide in the service extension request response time section of its annual service quality report, effective January 1, 2012 and starting with the service quality report that will be filed in 2013 for calendar-year 2012, the number of requests for new service GMG receives each year compared to the number of requests that are fulfilled. In addition, for the requests that are not fulfilled, the Company should track and report the number of requests GMG turns down (or denies) including the reason the

customer was turned down, and the number of requests that are not fulfilled (or are turned down by the customer) including the reason the customer turned down the Company's offer.

8. Require GMG to show in the Company's next rate case that the rates charged to customers under this tariff cover the costs of adding the customers to GMG's system.

The motion passed, 4-0.

G-004/PA-11-1008

In the Matter of a Request for the Approval of the Transfer of Property of Great Plains Natural Gas Co.

PULLED.

G-008/AI-10-1088

In the Matter of the Petition of CenterPoint Energy for Approval of an Affiliated Interest Agreement Between CenterPoint Energy and CenterPoint Energy Services Inc., a CenterPoint Energy Company

Commissioner Wergin moved that the Commission:

1. Approve the September 14, 2010, three-month, non-recallable capacity release transaction agreement between CPE and CESI.
2. Require CPE to provide supplemental information in Docket Nos. G008/M-10-1162 and/or G008/M-11-1078, which more fully explains and supports the reasonableness of charging firm ratepayers for costs associated with capacity that is not currently needed and available to provide ratepayer service.
3. Provide approval of capacity release transactions between CPE and CESI for a limited time period, such as 2010-2012, as long as the transactions are conducted in accordance with Northern Natural's FERC approved tariffs and use Northern Natural's capacity release system. Require CPE to again request approval of any releases of capacity to CESI beyond August 31, 2012.
4. Require CPE to provide details of any additional transactions with CESI within 30 days of occurrence in CPE's PGA, including at a minimum, the Mcf of the pipeline capacity released, the type of release (e.g., recallable, non-recallable), the revenues for each such transaction, and the revenues credited to ratepayers;
5. Summarize the capacity release transactions with CESI in its monthly PGA filings and its AAA.

6. Provide information on all additional capacity release transactions with CESI (outside of the agreement noted above) within 30 days of occurrence.

The motion passed, 4-0.

**In the Matter of the Review of Northwestern Wisconsin Electric's Safety, Reliability, and Service Quality Report, and Proposed Reliability Standards
Docket No. E-016/M-11-405**

**In the Matter of the Review of Otter Tail Power Company's Safety, Reliability, and Service Quality Report, and Proposed Reliability Standards
Docket No. E-017/M-11-291**

**In the Matter of the Review of Minnesota Power's Safety, Reliability, and Service Quality Report, and Proposed Reliability Standards
Docket No. E-015/M-11-292**

**In the Matter of the Review of Interstate Power and Light Company's Safety, Reliability, and Service Quality Report, and Proposed Reliability Standards
Docket No. E-001/M-11-277**

**In the Matter of the Review of Xcel Energy's Safety, Reliability, and Service Quality Report, and Proposed Reliability Standards
Docket No. E-002/M-11-293**

Commissioner O'Brien moved the following:

For Northwestern Wisconsin Electric:

1. That the Commission accept Northwestern Wisconsin Electric Company's May 2, 2011 safety, reliability, and service quality report, and related information, as meeting the requirements of Minnesota Rules, Chapter 7826 and relevant Commission Orders.
2. That Northwestern Wisconsin's reliability standards for 2011 be set at the levels proposed by the Company and the Department.
3. That the Company be required to provide in its annual reporting a narrative description of the policies, procedures, and actions that the Company has taken and plans to take to ensure adequate and increased system reliability.

For Otter Tail Power Company:

1. That the Commission accept Otter Tail Power Company's April 1, 2011 safety, reliability, and service quality report, and related information, as meeting the requirements of Minnesota Rules, Chapter 7826 and relevant Commission Orders.

2. That Otter Tail Power's 2011 reliability standards be set at the levels described on page 17 of the Department's August 15, 2011 comments.
3. That Otter Tail Power be required to include in its next filing a description of the policies, procedures, and actions the Company has implemented and plans to implement to ensure reliability, including information demonstrating proactive management of the system as a whole, increased reliability, and active contingency planning.
4. That Otter Tail Power be required to include in its next filing a summary table that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability.
5. That Otter Tail Power be required to work with staff to develop more meaningful reliability reporting on an ongoing basis.
6. That the Commission eliminate the requirement that Otter Tail Power report SAIDI, SAIFI, and CAIDI based on non-normalized data but require the Company to provide a comparison of the results of using IEEE 2.5 beta method and its former method of storm normalization in its next two annual reports due April 2012 and April 2013.

For Minnesota Power:

1. That the Commission accept Minnesota Power's April 1, 2011 safety, reliability, and service quality report and related information, as complying with Minnesota Rules, Chapter 7826.
2. That Minnesota Power's 2011 reliability standards be set at the levels described on page 15 of the Department's August 15, 2011 comments.
3. That Minnesota Power be required to include in its next filing a description of the policies, procedures, and actions that it has implemented and plans to implement to ensure reliability, including information demonstrating proactive management of the system as a whole, increased reliability, and active contingency planning.
4. That Minnesota Power be required to include in its next filing a summary table that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability.
5. That Minnesota Power be required to work with staff to develop more meaningful reliability reporting on an ongoing basis.

For Interstate Power and Light Company:

1. That the Commission accept IPL's April 1, 2011 safety, reliability, and service quality report and related information, as complying with Minnesota Rules, Chapter 7826 and relevant Commission Orders.
2. That IPL's 2011 reliability standards be set at the levels described on page 22 of the Department's August 15, 2011 comments.

3. That IPL be required to include in its next filing a description of the policies, procedures, and actions that it has implemented and plans to implement to ensure reliability, including information demonstrating proactive management of the system as a whole, increased reliability, and active contingency planning, as well as corrections of deficiencies in its 2010 results.
4. That IPL be required to include in its next filing a summary table that allows the reader to more easily assess the overall reliability of the system and identify the main factors affecting reliability.
5. That IPL be required to work with staff to develop more meaningful reliability reporting on an ongoing basis.

For Xcel:

1. That the Commission accept Xcel's April 1, 2011 safety, reliability, and service quality report as complying with Minnesota Rules, Chapter 7826 and relevant Commission orders.
2. That Xcel's 2011 reliability standards be set at the levels described on page 19 of the Department's August 15, 2011 comments.
3. That Xcel be required to include in its next filing a description of the policies, procedures, and actions that it has implemented and plans to implement to ensure reliability, including information demonstrating proactive management of the system as a whole, increased reliability, and active contingency planning.
4. That Xcel be required to include in its next filing a summary table that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability.
5. That Xcel be required to continue to report on the major causes of outages for major event days.
6. That Xcel be required to provide a detailed explanation for the basis of its proposed 2011 indices.
7. That Xcel be required to continue to increase efforts to improve reporting of major service interruptions to the Commission's Consumer Affairs Office.
8. That the Commission eliminate the requirement that Xcel include in its annual report information on vegetation management.

The motion passed 4-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: January 25, 2012

A handwritten signature in black ink, reading "Burl W. Haar". The signature is written in a cursive style with a large initial "B".

Burl W. Haar, Executive Secretary