

The Commission met on **Thursday, March 4, 2010**, with Commissioners Boyd, Pugh, Reha and Wergin present.

The following matters were taken up by the Commission:

ENERGY AGENDA

G-007, 011/M-08-271

In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval to Consolidate its Purchase Gas Adjustments

Pulled.

G-008/M-09-1190

In the Matter of a Request by CenterPoint Energy, a Division of CenterPoint Energy Resources Corp., a Delaware Corporation for Approval of Proposed Charges for Customer Requested Utility Work, Including Service Alterations and Winter Construction

Commissioner Wergin moved that the Commission

1. Approve CenterPoint's proposed tariff for customer requested utility work, as filed, but with the modification requested by CenterPoint that reduces the charge for frost burners used during winter construction in conjunction with main and service line installations from \$240 to \$204 per day.
2. Require CenterPoint to clarify the *Expense of Installation – Gas Mains* part of its tariff to explain the conditions during winter construction (between November 1 and April 1) that allow CenterPoint to refuse to install gas service pipe.
3. Require CenterPoint to clarify its tariff to explain the circumstances under which guard posts (or meter guards) may be installed at the customer's expense and when guard posts are installed at CenterPoint's expense.
4. Require CenterPoint to submit, within 10 days of the issue date of the Commission's Order in this docket, the relevant tariff sheets that are consistent with the Commission's determination in this matter.
5. Require CenterPoint to file annual compliance filings, starting in January 2011, showing, for each steel service line relocation and each relocation of meters rated at 630 cubic feet per hour (CFH) or greater, the itemized costs associated with each relocation, with this information to be submitted in CenterPoint's fourth quarter (i.e. January 31st) service quality filings.

The motion passed 4-0.

E-999/AA-08-995

In the Matter of the Review of the Electric Utilities' 2007-2008 Annual Automatic Adjustment Reports

Commissioner Reha moved that the Commission:

1. Accept the electric utilities' fiscal-year 2008 annual automatic adjustment reports as filed, and subsequently amended, as being substantially complete as to Minnesota Rules 7825.2390 through 7825.2920.
2. Find that Xcel satisfied the Commission's directive in Docket E-002-CI-00-415 to include in its annual automatic adjustment filing a monthly comparison of generation costs allocated to retail and wholesale customers for the months of June, July and August. Require Xcel to continue to report this information in future annual automatic adjustment filings.
3. Accept Xcel's natural gas financial instruments compliance filing in Docket Nos. E-002/M-01-1953 and E-999/AA-02-951. Continue the compliance filing requirements established for Xcel in Docket Nos. 01-1953 and 02-951 and require Xcel to submit its compliance filing in its fiscal-year 2009 AAA filing. Request that the OES review Xcel's continued compliance with this requirement in the OES review of Xcel's fiscal-year 2009 AAA report.
4. Accept Xcel's wind curtailment report.
5. Find that the information provided by Minnesota Power about the rates charged to Keewatin Taconite complies with the Commission's September 22, 2006, Order approving Minnesota Power's amended electric service agreement with Keewatin Taconite, in Docket No. E-015/M-06-861.
6. Accept Xcel's Nuclear Fuel Sinking Fund compliance filing. Request that the OES continue monitoring this issue in future Xcel AAA filings and compliance reports and require Xcel to keep the OES informed in the event of a resulting refund from the U.S. Department of Energy regarding spend nuclear fuel.
7. Accept Otter Tail Power's compliance filing regarding Enbridge Energy's electric service agreement and Enbridge Energy's switch from purchasing incremental energy at a system marginal price to a fixed price. Request that the OES continue monitoring these compliance filings in future AA reports.
8. Accept the MISO Day 1 compliance reports that were submitted with the electric utilities' fiscal-year 2008 AAA reports.
9. Accept the information Minnesota Power filed in its fiscal-year 2008 AAA reports regarding Minnesota Power's firm transmission rights' and auction revenue rights' costs and revenues for fiscal-year 2008.

10. Accept the information Otter Tail filed regarding non-asset based transactions for the fiscal-year 2008 AAA period. Require Otter Tail to provide, within 45 days of the Commission's Order in this docket, the same information for the fiscal-year 2009 AAA period that Otter Tail provided for the fiscal-year 2008 AAA period.
11. Accept the information Xcel submitted regarding revenue neutrality uplift allocations. Request that the OES examine this issue further in its analysis of Xcel's fiscal-year 2009 AAA reports.
12. Require the electric utilities to work with their contractors to identify and develop reasonable contingency plans to mitigate against the risk of delays or lack of performance when contractors perform poorly and increase costs during plant outages. Request that the OES continue monitoring this issue and include a report on the electric utilities' plans in its next review.
13. Accept Otter Tail's treatment of the plant outage settlement because Otter Tail capitalized the costs of the rewind project and used the settlement amount to reduce rate base (i.e., credit FERC plant Account 314) rather than credit expenses.
14. Require Interstate to:
 - a. Help the OES obtain and work with data that Interstate does have available and provide the OES with information about sources of data that the OES may obtain from MISO. This will enable the OES to better evaluate its concerns about the amount of "local capacity" held by Interstate.
 - b. Help the OES obtain public information that may be useful to the OES to further investigate its concerns about the market deliverability of Interstate's generation resources.
 - c. Provide the OES with generation offer price data for relevant Interstate generating units.

The motion passed, 4-0.

E-6472/GS-06-668

In the Matter of the Application for LEPPG Site Permit, an HVTL Route Permit, and a Pipeline Route Permit for the Mesaba IGCC Generation Station Project

Commissioner Pugh moved that the Commission approve and adopt the Findings of Fact, Conclusions of Law and Order for the MEP-I LLC and MEP-II LLC Mesaba IGCC Power Station (PUC Docket No. E6472/GS-06-668), which:

1. Determines that the environmental impact statement and record created at the public hearing address the issues identified in the EIS Scoping Decision;

2. Designates the West Range Site as the site for the construction/implementation of the Mesaba IGCC Power Station project and associated facilities; and
3. Issues a LEPGP Site Permit, a HVTL Route Permit, and a Pipeline Route Permit, with appropriate conditions, to Excelsior Energy.

The motion passed 4-0.

IP-6829/WS-09-1239

In the Matter of the Application of Lakefield Wind Project, LLC for a Large Wind Energy Conversion System Site Permit for the 201 MW Lakefield Wind Project in Jackson County

Commissioner Wergin moved that the Commission:

1. Take no action on the DNR proposed exclusion areas as shown in attachment 3 at this time.
2. Require the Applicant to work with EFP and DNR staff to identify and conduct studies to assess the need for exclusion areas and avian and bat specific permit conditions.
3. Make a preliminary determination that a draft site permit may be issued.
4. Approve the proposed draft site permit for the Lakefield Wind Project for distribution and public comment. Authorize OES EFP staff to implement the public participation process found in Minnesota Rules 7854.0900.

The motion passed 4-0.

TELECOMMUNICATIONS AGENDA

P-421/CI-05-1996

In the Matter of a Potential Proceeding to Investigate the Wholesale Rates Charged by Qwest

Commissioner Wergin moved to do the following:

1. Adopt the Administrative Law Judges' October 14, 2009 Findings of Fact, Conclusions, and Recommendation (ALJs' Report) with respect to its finding that the Commission retains jurisdiction over the rates charged by Qwest Corporation (Qwest) for wholesale services offered to competitive local exchange carriers for the provision of local service, even if those services are not subject to 47 U.S.C. § 251 (non-251 elements).
2. Adopt the rest of the ALJs' Report except to the extent incompatible with this order.
3. Direct Qwest to do the following:

- A. Submit to the Commission for its review and approval a wholesale price list for non-251 elements that it is obligated to provide to local service competitors or that it voluntarily provides.
 - B. Submit rationale for pricing interstate and intrastate rates differently should Qwest propose different prices for interstate and intrastate elements.
 - C. Implement Qwest's commitment to change the price of interconnection tie pairs on its intrastate tariff to be consistent with the interstate access rates.
- 4. Direct Qwest to make its compliance filing within 60 days of the Commission's order.
 - 5. Authorize the Executive Secretary to vary the filing date.
 - 6. Decline to adopt the recommendation in the ALJs' Report to apply the Commission's wholesale service quality standards¹ to non-251 elements at this time.

The motion passed 4 – 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: MAY 5, 2010



Burl W. Haar, Executive Secretary

¹ See *In the Matter of Qwest's Wholesale Service Quality Standards*, Docket No. P-421/AM-00-849, Order Adopting Wholesale Service Quality Standards (July 3, 2003).