

The Commission met on **Wednesday, August 24, 2011**, with **Commissioners Reha, Boyd, O'Brien and Wergin** present.

The following matters were taken up by the Commission:

TELECOMMUNICATIONS AGENDA

P-6517/RV-11-553

In the Matter of the Revocation of Asia Talk Telecom, Inc. d/b/a HelloCom Inc.'s Certificate of Authority

Commissioner Wergin moved that the Commission revoke the certificate of authority of Asia Talk Telecom, Inc. d/b/a HelloCom Inc.

The matter passed, 4-0.

P-6856/M-11-123

In the Matter of T-Mobile Central LLC's Petition for Designation as an Eligible Telecommunications Carrier in Minnesota

Commissioner Wergin moved that he Commission designate T-Mobile an ETC subject to the following conditions:

1. T-Mobile shall not impose deposit conditions.
2. T-Mobile shall offer the mobile basic universal service offering and shall consider offering a wireless local loop basic universal service offering if requested. If a wireless local loop option is offered, that service must include an option to lease equipment for \$5.00 per month.
3. T-Mobile shall make filings detailing unfulfilled requests for basic universal service.
4. T-Mobile shall file a revised tariff and information tariff reflecting the terms of this order;
5. ETC designation applies to T-Mobile only; any acquiring company must apply for ETC designation.
6. T-Mobile shall file a report of any change in structure or organization.

The matter passed, 4-0/

ENERGY AGENDA

IP-6603/WS-08-1449

In the Matter of the Site Permit Issued to Lakeswind Power Partners, LLC for Up to a 60 Megawatt Large Wind Energy Conversion System for the Lakeswind Power Plant in Becker, Clay , and Ottertail Counties

Commissioner Wergin moved that the Commission grant the requests for amendment by Lakeswind Power Partners, LLC and amend its Large Wind Energy Conversion System Site

Permit as modified to indicate that the site permit is to construct and operate a less than 50 MW Large Wind Energy Conversion System, and that the amended site permit will expire on December 31, 2041.

The matter passed, 4-0.

IP-6844/WS-10-438

IN the Matter of the Application of Prairie Wind Energy, LLC for a Large Wind Energy Conversion System Site Permit for the 100 MW Prairie Wind Energy Project in Otter Tail County

Commissioner Boyd moved that the Commission:

1. Make a preliminary determination that a draft site permit may be issued.
2. Approve the proposed draft site permit for the Prairie Wind Energy Project for distribution and public comment. Authorize EFP staff to implement the public participation process found in Minn. Rules 7854.0900.

The matter passed, 4-0.

E-002/TL-11-152

In the Matter of the Route Permit Application for the Hollydale 115 kV Transmission Line Project in the Cities of Plymouth and Medina, Hennepin County

Commissioner Boyd moved that the Commission:

1. Accept the Xcel Energy and Great River Energy route permit application for the Hollydale 115 kV transmission line project as complete, and authorize EFP staff to process the application under the alternative permitting process pursuant to Minnesota Rules 7850.2800 to 7850.3900.
2. Authorize EFP staff to name a public advisor.
3. Authorize EFP staff to establish an advisory task force with the proposed structure and charge for the task force.

The matter passed, 4-0.

E-111/M-11-533

In the Matter of Dakota Electric Association's Request to Modify the Bill Format

Commissioner Boyd moved that the Commission approve DEA's proposed billing statement changes.

The matter passed, 4-0.

E-002/M-11-416

In the Matter of the Request for Approval to Cancel its Excess Energy – St. Anthony Falls Lock and Dam Tariff, and Add a New Tariff Sheet for St. Anthony Falls Upper Lock and Dam

Commissioner Boyd moved that the Commission approve Xcel's proposal to cancel its Excess Energy St. Anthony Falls Locks and Dam Tariff, and add a St. Anthony Falls Upper Lock and Dam Tariff Sheet.

The matter passed, 4-0.

G-007,011/M-11-154

In the Matter of a Request by Minnesota Energy Resource Corporation for Approval of a Variance and Notice of Refund Plan

Commissioner Wergin moved that the Commission:

1. Require MERC to add interest at the prime rate to all the refunds (including the August 2005 refund interest amounts) from the time each refund was received by MERC.
2. Require MERC to accrue interest on the un-refunded amounts for sales customers excluding Super Large Volume (SLV) customers, including the continued application of the appropriate prime interest rate until the balances are fully refunded;
3. Require the submission of a compliance filing within 30 days of the balance being fully refunded with details of dates received, interest, and balance calculations; and
4. Approve a variance to Minnesota Rules part 7825.2700, subpart. 8, to allow the Company to return the proposed refunds to sales customers, excluding SLV customers, via the Company's April 2011 PGA adjustment rather than as customer bill credits.

The matter passed, 4-0.

E,G-002/D-11-144

In the Matter of Xcel's Request for Approval of the Annual Review of Remaining Lives Depreciation for Electric and Gas Production and Gas Storage Facilities for 2011

Commissioner Boyd moved that the Commission:

1. Approve Xcel's proposed service lives, salvage rates, and resulting depreciation rates effective January 1, 2011 for plant in service, with the exception of Minnesota Valley plant.
2. Condition the approvals in the instant docket on the resolution of any outstanding depreciation issues in the pending rate case, Docket E-002/GR-10-971;
3. Not approve the Merricourt Wind Project remaining life and net salvage rate due to the cancellation information provided by the Company;

4. Require Xcel to continue to provide in future depreciation studies an explanation and schedule of the differences between the depreciation remaining lives and IRP planning lives of electric production plant;
5. Require Xcel to continue to provide in future depreciation studies a historical comparison of changes in remaining lives and net salvage rates;
6. Require Xcel to file its next annual RL update for electric and gas production and gas storage facilities on February 17, 2012; and
7. Require Xcel to file its next five-year depreciation study and net salvage rate study for electric and gas production and gas storage facilities on February 17, 2015.

The matter passed, 4-0

G-001/M-07-1397

In the Matter of the Petition of Interstate Power and Light Company, a Wholly Owned Subsidiary of Alliant Energy Company, for Approval of changes in the 2007-2008 Demand Entitlement to serve Company's Firm Customers

PULLED

G001/M-08-1298

G001/M-09-1264

G001/M-10-1155

In the Matter of the Petition of Interstate Power and Light Company, a wholly owned subsidiary of Alliant Energy Company, for Approval of Changes in the 2008 -2009 Demand Entitlement to serve the Company's Firm Customers;

In the Matter of the Petition of Interstate Power and Light Company, a wholly owned subsidiary of Alliant Energy Company, for Approval of Changes in the 2009 -2010 Demand Entitlement to serve the Company's Firm Customers;

In the Matter of the Petition of Interstate Power and Light Company, a wholly owned subsidiary of Alliant Energy Company, for Approval of Changes in the 2010 -2011 Demand Entitlement to serve the Company's Firm Customers.

PULLED

E-017/S-11-392

In the Matter of the Petition of Otter Tail Power Company for Approval of 2011 Capital Structure and Permission to Issue Securities

Commissioner Wergin moved that the Commission:

1. Approve the proposed capital structure and security issuances. This approval will remain effective until the Commission issues a new capital structure and securities issuance Order.

2. Require Otter Tail Power to file a new capital structure and securities issuance petition by May 1, 2012.
3. Approve Otter Tail Power's equity ratio contingency of plus/minus 10 percent around its proposed equity ratio of 49.8%. Equity ratios outside this range may not exceed a period of 60 days without prior Commission approval.
4. Approve Otter Tail Power's total capitalization's contingency of \$68 million above its 2010 total capitalization. Otter Tail may not exceed its total capitalization including the requested contingency for a period longer than 60 days without prior Commission approval.
5. Approve any issuance of securities during the authorization period that would not result in an equity ratio outside the proposed range or a total capitalization exceeding its proposed cap for more than 60 days.
6. Require OTP to obtain prior approval for issuance of any securities during the authorization period that would result in an equity ratio outside the approved range or a total capitalization exceeding its approved cap for more than 60 days.
7. Require Otter Tail to provide the following information within 20 days of each non-recurring issuance of securities:
 - (1) The specific purposes for individual issuances.
 - (2) The type of issuances.
 - (3) The timing of issuances.
 - (4) The amounts of issuances.
 - (5) Issuance costs.
 - (6) Interest rates.
8. Indicate that Company is not required to seek Commission approval before issuing securities, as long as issuing these securities will not result in a capital structure out of compliance with the one approved in this Order.

The matter passed, 4-0.

E-015/AI-11-75

E-015/PA-04-2020

**In the Matter of Minnesota Power Company's Petition for Approval of Affiliated Interest Agreements with American Transmission Company
In the Matter of Minnesota Power's Petition for Review of an Agreement Between Minnesota Power and American Transmission Company**

Commissioner Reha moved that the Commission find that the 4 affiliate interest Agreements contained in Minnesota Power's January 27, 2011 filing in Docket No. E-015/AI-11-75 are reasonable and consistent with the public interest and approve the affiliate interest transactions effective December 29, 2010. These agreements are:

1. An Operation and Maintenance Agreement;
2. Ownership and Cost Sharing Agreement;
3. First Responder Service Agreement; and
4. Fiber Optic Facilities License Agreement.

The matter passed, 4-0.

E-015/M-11-234

In the Matter of a Petition of Minnesota Power for Approval of Investment and Expenditure in the Bison 2 Wind Project Pursuant to Minn. Stat. § 216B.1645, subd. 1

Commissioner Boyd moved that the Commission:

1. Determine that the Bison 2 Project is an eligible energy technology under Minn. Stat. §216B.1691.
2. Determine that the petition meets the requirements set for the in Minn. Stat. §216B.1645, subd. 1.
3. Approve the expenditure for Bison 2.
4. Limit Minnesota Power's Bison 2 Project cost recovery through the renewable rider to the amount of the initial estimates in the petition. Clarify that the Company will have the opportunity to seek recovery of excluded costs on a prospective basis (no deferred accounting) in a subsequent rate case.
5. Require Minnesota Power to file with the Commission and the Department the following information:
 - A. Receipts of all permits from the North Dakota Public Service Commission, needed to start construction of the plant.
 - B. The dates on which Bison 2 becomes operational.
 - C. The dates and amount of any curtailment due to use of the AC transmission system. Minnesota Power should file this information as soon as practical after a curtailment event.

The matter passed, 4-0.

E-015/M-11-409

In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential Electricity

Commissioner Wergin moved that the Commission:

1. Approve Minnesota Power's revised pilot affordability proposal, with an effective date of November 1, 2011.
2. Exempt customers, who have qualified for the Low Income Home Energy Assistance Program but do not participate in Minnesota Power's pilot affordability program, from paying the affordability surcharge.
3. Exclude recovery of administrative costs through the pilot program tracker account.
4. Require the Company to submit a compliance filing within fifteen days of the date of this Order that includes a copy of the pilot rider and a detailed description addressing compliance with the above conditions.
5. Direct Minnesota Power to present in its annual review filing a proposal for a surcharge that is tiered according to class, as an alternative to the flat-rate surcharge.
6. Approve Minnesota Power's request to add approximately \$40,000 in remaining unpaid incentive compensation for calendar year 2009 to the pilot program tracker account.

The motion passed, 3-1, with Commissioner Reha dissenting.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: September 28, 2011



Burl W. Haar, Executive Secretary