

The Commission met on **Thursday, April 26, 2012**, with Acting Chair Reha, Commissioners Boyd, O'Brien, and Wergin present.

The following matters were taken up by the Commission:

### **ENERGY FACILITIES AGENDA**

**PL-6884/CN-12-127**

**In the Matter of the Application of High Prairie Pipeline, LLC for a Certificate of Need for the High Prairie Pipeline Project from the North Dakota Border to Clearbrook, Minnesota**

Commissioner Boyd moved that the Commission approve the proposed Notice Plan as modified.

The motion passed 4 – 0.

### **ENERGY AGENDA**

**E-015/S-12/184**

**In the Matter of a Petition by Minnesota Power for Approval of its 2012 Capital Structure and Authorization to Issue Securities**

Commissioner Boyd moved that the Commission

1. Approve Allete's 2012 estimated capital structure. This approval will remain effective until the latter of May 1, 2013, or the date at which the Commission issues a new capital structure order.
2. Approve Allete's equity ratio contingency of plus/minus 10 percent around its 2012 proposed equity ratio. Equity ratios outside this range may not exceed a period of 60 days without prior Commission approval.
3. Approve Allete's total capitalization contingency of \$269 million above its 2012 total capitalization. Allete may not exceed its total capitalization including the requested contingency of \$269 million for a period longer than 60 days without prior Commission approval.
4. Approve any issuance of securities in 2012 that would not result in an equity ratio outside the proposed range or a total capitalization exceeding its approved cap for more than 60 days.
5. Require MP to obtain prior approval for the issuance of any securities in 2012 that would result in an equity ratio outside the approved range or a total capitalization exceeding its approved cap for more than 60 days.
6. Require MP to provide, within 20 days after each non-recurring issuance of securities, the following information:
  - a. the specific purposes for individual issuances;

- b. the type of issuances;
  - c. the timing of issuances;
  - d. the amounts of issuances;
  - e. issuance costs (for common equity issuances, include price per share); and
  - f. interest rates.
7. Require MP to provide, in its next capital structure filing, an exhibit showing a general projection of capital needs, projected expenditures, anticipated sources, and anticipated timing, with the understanding that such exhibit is not intended to require dollar-for-dollar on the uses identified in the exhibit or to limit issuances to project-specific financing. The exhibit need not list short-term, recurring security issuances.
8. Require MP to provide, in its next annual capital structure filings, a report of actual issuances and uses of the funds from the prior year. The report will be for information purposes only and need not cover short-term recurring security issuances.
9. Approve MP's request for a variance to allow it to treat any loan under its multi-year credit facility as a short-term debt and require MP to report on its use of such facilities, including:
  - a. how often they are used;
  - b. the amount involved;
  - c. rates and financing costs; and
  - d. the intended uses of the financing.
10. Require MP to keep the Commission informed of any corporate restructuring.
11. Require MP to keep the Commission informed of any rating agency action.

The motion passed, 4 – 0.

**E-002/M-12-163**

**In the Matter of Northern States Power Company d/b/a Xcel Energy, Inc.'s Petition for Approval of a Competitive Market Agreement with Gerdau and a Revised Competitive Market Rider Tariff.**

Commissioner Wergin moved that the Commission

1. Adopt the Department's recommendations, agreed to by Xcel and Gerdau.
2. Approve the Competitive Rate Agreement Rider between NSP and Gerdau with the requirement that Xcel report annually Gerdau's energy use per ton of products produced at the St. Paul plant during the term of the contract.
3. Approve the revised Competitive Market Rider Tariff with the Department-recommended modification, adding to the end of the new sentence under the heading

Qualified Billing Demand And/or Billed Energy, and subheading Existing Customers: “; such applications require prior approval from the Minnesota Public Utilities Commission.”

4. Require that Xcel inform the Department and the Commission regarding the Status of the Agreement no later than January 1, 2013.

The motion passed, 4 – 0.

#### **E-111/MR-12-115**

#### **In the Matter of a Petition by Dakota Electric Association for Approval to Revise its Power Cost Adjustment and Energy Cost Adjustment Base Rates**

Commissioner Wergin moved to take the following actions:

- Grant a variance under Minn. Rules, part 7829.3200, subp. 1, to vary the Commission’s errors rule, Minn. Rules, part 7825.2920, subp. 2, to approve DEA’s proposed PCA and ECA base charges, permit the 2011 Annual Resource and Tax Adjustment (RTA) to continue until such time as DEA’s next RTA is approved, and require DEA to submit an RTA petition within 45 days of the Commission’s order in this docket, based on the record and the oral statements provided today that the three variance requirements have been met.
- Grant a variance under Minn. Rules, part 7829.3200, subp. 1, to vary the Commission’s errors rule, Minn. Rules, part 7825.2920, subp. 2, to accept DEA’s proposed handling of the \$2.8 million in PCA and ECA overcharges from 2010, based on the record and the oral statements provided today that the three variance requirements have been met.

The motion passed 4-0.

#### **Docket No. G-004/CI-11-1110**

#### **In the Matter of the Investigation of the Earnings Level of Great Plains Natural Gas Company, a Division of MDU Resources Group, Inc.**

Commissioner Wergin moved that the Commission:

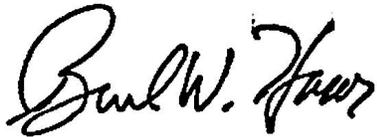
1. Approve and adopt the Settlement Agreement.
2. Rescind ordering paragraphs 1 and 2 of the Commission’s January 30, 2012 Order Initiating Rate Case, Requiring Settlement Discussions, and Requiring Compliance Filings.
3. Require Great Plains to implement the revenue-requirement reduction on a volumetric basis as a reduction to the distribution delivery charge, as proposed by Great Plains and the DOC in the Settlement.

4. Require Great Plains to implement the reduction as a component of base rates.
5. Require Great Plains, within ten days of the date of this order, to file new tariffs in compliance with the Commission's decision.
6. Require Great Plains to work with Commission staff to develop a notice to customers of the rate change.
7. Require Great Plans to implement the new rates for service rendered on and after June 1, 2012.

The motion passed, 4 – 0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: June 20, 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**