

The Commission met on **Thursday, March 10, 2011**, with Commissioners O'Brien, Reha, and Wergin present.

The following matters were taken up by the Commission:

ENERGY AGENDA

G-007,G-011/AI-11-23

In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of a Modification to the Affiliated Interest Agreement Related to the Formation and Operation of Integrys Business Support, LLC

This item was pulled.

G-004/M-07-1235

In the Matter of the Petition by Great Plains Natural Gas Co., a division of MDU Resources Group, Inc., for Approval of a Gas Affordability Program

G-004/M-10-322

In the Matter of the Petition by Great Plains Natural Gas Company for Approval to Reduce the Household Income Threshold Under its Gas Affordability Program

Commissioner Wergin moved that the Commission:

1. Accept Great Plains' report;
2. Accept West Central MN Communities Action, Inc., as the third-party administrator of Great Plains' gas affordability program (GAP);
3. Accept Great Plains' outreach program, application process, and communications materials; and
4. Require Great Plains, within 15 days of this Order, to submit its revised application form and outreach materials, including the GAP brochure and any other outreach materials used to promote its program.

The motion passed 3-0.

G-022/AI-10-1159

In the Matter of the Petition of Greater Minnesota Gas, Inc. for Approval of an Affiliated Interest Agreement with Paul Borchert and the Canopy Group

Commissioner Wergin moved that the Commission:

1. Find that Greater Minnesota Gas, Inc.'s, (GMG) affiliated interest agreement with Paul Bochert and the Canopy Group is exempt from the Commission approval requirement under Minn. Stat. § 261B.48, subd. 4, because the amount of financial consideration
2. Find that GMG will need to identify Paul Bochert and the Canopy Group as an affiliate of the Company in its annual affiliated interest filing pursuant to Minn. Rules, part 7835.2200(A); and
3. Find that GMG must maintain detailed information regarding its agreement with Paul Bochert and the Canopy Group for possible analysis in future general rate proceedings pursuant to Minn. Rules, part 7825.2300.

The motion passed 3-0.

G-022/AI-10-1160

In the Matter of the Petition of Greater Minnesota Gas, Inc. for Approval of an Affiliated Interest Agreement with Groebner and Associates

Commissioner O'Brien moved that the Commission:

1. Approve Greater Minnesota Gas, Inc.'s (GMG) construction material loan agreement with Groebner and Associates, Inc.
2. Require GMG to keep track and have available for review:
 - a. the month-end balance on the Groebner account according to the balance due on invoices that are 40 or fewer days outstanding, 41 to 100 days outstanding, and over 100 days outstanding;
 - b. a calculation showing the thirteen-month weighted average outstanding balance due on this loan; and
 - c. the exact interest rate charged on this account (e.g., the Wells Fargo prime rate plus four or five percent if that is the interest rate used for this loan and the rate is still tied to the prime rate), and how the interest rate is applied to outstanding account balances.
3. Require GMG to explore alternatives for obtaining construction materials, such as working with other local distribution companies to obtain competitive bidding, or other alternatives. GMG should provide its report on the results of its investigation into alternative sources of construction materials in the initial filing of its next general rate case.

The motion passed 3-0.

G-999/AA-09-896

In the Matter of the Review of the 2008-2009 Annual Automatic Adjustment Reports and Annual Purchased Gas Adjustment True-Up Filings

Commissioner O'Brien moved that the Commission:

1. Accept the gas utilities' fiscal year 2008-2009 annual automatic adjustment reports as filed, and subsequently amended, as complete under Minn. Rules 7825.2390 through 7825.2920.
2. The Commission hereby accepts the true-up proposal as filed by Greater Minnesota Gas, Inc., in Docket No. G-022/AA-09-1073, and authorizes the Company to implement its true-up, as shown in attachment G5 of the OES's June 18, 2010 review. The Company shall update its sales volume forecast, in compliance with Minnesota Rule 7825.2700, subpart 7, to calculate its rate class true-up factors in future true-up filings.
3. The Commission hereby accepts the true-up proposal as filed by Great Plains Natural Gas Company, in Docket No. G-004/AA-09-1032, and authorizes the Company to implement its true-up, as shown in attachment G6 of the OES's June 18, 2010 review. The Company shall take all necessary and reasonable steps to ensure that all firm customers are provided with reliable, cost-effective gas supplies.
4. The Commission hereby accepts the true-up proposal as filed by Interstate Power and Light Company, in Docket No. G-001/AA-09-1042, and authorizes the Company to implement its true-up, as shown in attachment G7 of the OES's June 18, 2010 review.
5. The Commission hereby accepts the true-up proposal as filed by MERC-PNG, in Docket No. G-011/AA-09-1039, and authorizes the Company to implement its true-up, as shown in attachment G8 of the OES's June 18, 2010 review. The Company shall implement adjustments and corrections to its current annual automatic adjustment and true-up filings in the manner described on pages 1 and 2 of its August 30, 2010 reply comments.
6. The Commission hereby accepts the true-up proposal as filed by MERC-NMU, in Docket No. G-007/AA-09-1038, and authorizes the Company to implement its true-up, as shown in attachment G9 of the OES's June 18, 2010 review. The Company shall implement adjustments and corrections to its current annual automatic adjustment and true-up filings in the manner described on pages 1 and 2 of its August 30, 2010 reply comments.
7. The Commission hereby accepts the true-up proposal as filed by CenterPoint Energy, in Docket No. G-008/AA-09-1037, and authorizes the Company to implement its true-up, as shown in attachment G10 of the OES's June 18, 2010 review.
8. The Commission hereby accepts the true-up proposal as filed by Xcel Energy, in Docket No. G-002/AA-09-1044, and authorizes the Company to implement its true-up, as shown in attachment G11 of the OES's June 18, 2010 review.

9. All gas utilities shall provide a specific justification for each piece of information for which the designation trade secret is claimed in their annual reports and true-up filings. Companies shall limit the trade secret designation to words, numbers, or phrases that are actually trade secret and shall not designate entire paragraphs or pages, which contain the trade secret words, numbers, or phrases.
10. The Commission requests that the OES include the same Commission-requested information in its next review as it included in its current review.
11. The Commission requests that the OES continue its investigation into utility revenues from pipeline capacity releases and corresponding refunds to customers.
12. The Commission requests that the OES comment in its next report on the different interpretations of “forecasted sales volumes,” as used in Minnesota Rules, part 7825.2700, subp. 7 and recommend whether the definition needs more clarification and whether more uniformity is needed among the gas utilities (this information is pertinent if the twelve-month forecast appears unreasonable and is likely to result in a large over- or under-recoveries over the period in which the resulting rates are implemented).
13. Xcel’s request for a variance to Minnesota Rules, part 7825.2700, subpart 7, is hereby granted.
14. The Commission requests that the OES continue developing and reporting a summary and comparison of each regulated gas utility’s lost-and-unaccounted-for gas percentages and to include the following in the OES’s next review:
 - a table or attachment that includes the data used in the calculations of the LUF percentages;
 - a summary of the volume and dollar amounts that underlie the Average Annual Commodity Purchase Prices by Component as contained in Table G19 on page 70 of the OES’s report; and
 - a reconciliation for each utility, starting with the volumes and dollars underlying Table G19, that shows all volumetric and dollar adjustments (such as plus/minus peakshaving injections and withdrawals, off-system sales, and company use) necessary to reconcile the relevant costs included in each true-up as well as the relevant volumes shown in each LUF calculation.
15. MERC shall file information in its next annual automatic adjustment filing that states:
 - the number and percentage of meters tested from November 1, 2009 through mid-August 2010;
 - the number and percentage of meters tested from mid-August 2010 through December 2010; and

- the results of the mid-August through December 2010 testing, including information showing whether the percentage of meters that tested outside the two percent tolerance level increased, declined, or stayed the same, as well as information showing the relevance and comparison of the samples.

The motion passed 3-0.

E-002/M-10-1278

In the Matter of the Petition for Approval of Revisions to the Solar Rewards Program Contract Tariff

This item was pulled.

E-015/GR-08-415

In the Matter of a Request for Approval of customer Refund of Unpaid Incentive Compensation for 2009

Commissioner Wergin moved that the Commission:

1. Accept Minnesota Power's 2009 incentive compensation compliance report.
2. Approve the Company's refund plan, including its proposal to make the refund within 60 days of this Order.
3. Require the company to file a refund report within 30 days of completing the refund.
4. Reject the Company's future refund threshold proposal.

The motion passed 3-0.

E-015/GR-09-1151

In the Matter of the Application of Minnesota Power for Authority to Increase Electric Service Rates in Minnesota

Commissioner O'Brien moved that the Commission grant ECC's request for intervenor compensation in the amount of \$15,909.48.

The motion passed, 3-0.

E-017/M-10-1082

In the Matter of Otter Tail Power Company's Petition for an Advance Determination of Prudence for its Big Stone Air Quality Control System Project

Commissioner Reha moved that the Commission take the following actions:

1. Establish a 45-day comment period for interested persons to file comments identifying any areas in which the Company's filing fails to adequately address the filing requirements listed in the statute, identifying any issues in dispute and any material facts in dispute, and describing efforts taken by the commenting parties to address those issues.
2. Establish a 15-day period for the Company to file comments in response to all filings made during the initial 45-day comment period.
3. Require that all filings include a statement signed by the person who signed the filing certifying that that person has a good faith belief that (a) the facts asserted are true and correct; (b) the legal assertions made or relied upon are warranted by existing law; and (c) the conclusions asserted are supported by the facts and the law.

The motion passed 3-0.

IP-6855/CN-11-112

In the Matter of the Application of Ellerth Wind LLC for a Certificate of Need for a 98.9 MW Wind Project in Marshall County

Commissioner Wergin moved that the Commission:

Grant a variance to Minnesota Rules, part 7849.0200, subp. 6, to extend the period for Commission consideration of the exemption request and the request for variance for an unspecified but reasonable period of time.

The motion passed 3-0.

IP-6728/WS-09-553

In the Matter of the Site Permit Issued to Elm Creek Wind II, LLC for a Large Wind Energy Conversion System in Jackson and Martin Counties

Commissioner Wergin moved that the Commission:

- approve the Sound Monitoring Protocol as proposed for the 148.8 MW Elm Creek II Wind Project in Jackson and Martin Counties;
- require that upon completion of the study, survey results be reported to the Commission; and

- require the permittee to make a compliance filing once the four monitoring locations are determined, citing the monitoring locations and the rationale for selecting the locations.

The motion passed 3-0.

ET-6657/WS-08-573

In the Matter of the Site Permit Issued to Wisconsin Power and Light Company for the Bent Tree Wind Project Phase 1 for a Large Wind Energy Conversion System in Freeborn County

Commissioner O'Brien moved that the Commission:

Approve the Operational Sound Level Survey Test Protocol as proposed for Phase I (201.3 MW) of the 400 MW Bent Tree Wind Project in Freeborn County pursuant to site permit condition III.F.2., with the following additional data requirements:

- Representative sample of unweighted one-third octave band analysis
- Post-construction sound measurement data documenting impacts of the project on the existing environment.
- Upon completion of the study, survey results will be reported to the Commission.

The motion passed 3-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: April 13, 2011



Burl W. Haar, Executive Secretary