

The Commission met on **Thursday, September 6, 2012**, with Acting Chair Reha and Commissioners O'Brien and Wergin present.

The following matters came before the Commission:

TELECOMMUNICATIONS AGENDA

P-6588/RV-12-471

In the Matter of the Revocation of Dinamica Telecom, Inc.'s Certificate of Authority

Commissioner Wergin moved to revoke the company's certificate of authority.

The motion passed 3 – 0.

P-5793/RV-12-489

In the Matter of the Revocation of Prime Time Communications, Inc.'s Certificate of Authority

Commissioner Wergin moved to revoke the company's certificate of authority.

The motion passed 3 – 0.

P-6849/RV-12-507

In the Matter of the Revocation of Midwestern Telecommunications, Inc.'s Certificate of Authority

Commissioner Wergin moved to do the following:

1. Revoke the company's certificate of authority.
2. Place Qwest Corporation dba CenturyLink QC, the Department of Public Safety, and the Metropolitan Emergency Services Board on the service list for this docket.

The motion passed 3 – 0.

ENERGY FACILITIES AGENDA

E-002,ET-2/CN-12-113

In the Matter of the Application of Northern States Power Company and Great River Energy for a Certificate of Need for the 115 kV Transmission Line Project in the Cities of Plymouth and Medina

Commissioner O'Brien moved to do the following:

1. Accept the application as complete as filed on July 2, 2012.
2. Direct the use of the contested case review process, requesting the Minnesota Office of Administrative Hearings to further develop the issues as deemed appropriate by the Administrative Law Judge (ALJ).
3. Determine that, per Minn. Stat. § 216B.243, subd. 4, a joint proceeding is not in the public interest.
4. To facilitate the review process, adopt the following items:
 - Provide the name, telephone number, and e-mail address of the Commission employee designated to facilitate citizen participation in the process.
 - Request that the Minnesota Department of Commerce (the Department) continue to study issues and indicate during the hearing process its position on the reasonableness of granting a certificate to Northern States Power Company d/b/a Xcel Energy (Xcel) and Great River Energy (jointly, the Applicant).
 - Require that the Applicant facilitate in every reasonable way the continued examination of the issues by the Department and Commission staff.
 - Request that the Applicant place a compact disc (CD) or hard copy of the Application for review in one or more Government Center(s) and/or Public Library(ies) in the vicinity of the project.
 - Direct that Commission staff work with the ALJ and the staff of the Department in selecting suitable locations for a public hearing on the application.
 - Direct that the Applicant work with the ALJ and the staffs of the Commission and the Department to arrange for publication of the notice of hearings in newspapers of general circulation at least ten (10) days prior to the hearings, that such notice be in the form of visible display ads, and proofs of publication of such ads be obtained from the newspapers selected.

The motion passed 3 – 0.

E-002/TL-11-800

In the Matter of the Route Permit Application by Xcel Energy for the North Rochester to Chester 161 kV Transmission Line Project in Olmsted County, Minnesota

Commissioner Wergin moved to do the following:

1. Determine that the environmental assessment (EA) and record developed address the issues identified in the EA scoping decision.

2. Approve and adopt the proposed findings of fact and conclusions as amended by the Department's Energy Facility Permitting (EFP) staff and the Department of Natural Resources (DNR) for the Xcel North Rochester to Chester 161 kV Transmission Line Project in Olmsted County, Minnesota.
3. Designate the route as described by the Department's EFP staff, including all associated facilities.
4. Issue a high voltage transmission line route permit, with appropriate conditions as amended by the Department's EFP staff and the DNR, to Xcel.

The motion passed 3 – 0.

ENERGY AGENDA

E-015/AI-11-978

In the Matter of Minnesota Power's Petition for Approval of an Affiliated Interest Agreement with Superior Water, Light and Power Company

Commissioner Reha moved that the Commission approve Minnesota Power's Electric Service Agreement with SWLP.

The motion passed 3 – 0.

E-6125/RP-12-723

In the Matter of Basin Electric Power Cooperative's Integrated Resource Plan Report

Commissioner Wergin moved that the Commission:

1. Rename this docket as follows: In the Matter of Basin Electric Power Cooperative's Optional Integrated Resource Plan Compliance.
2. Acknowledge that the cooperative is qualified to submit the report under Minn. Stat. 216B.2422, subd. 2b, and that the report was timely filed.
3. Request comments on the report within 30 days of the Commission's order, with 10 days for reply comments. After comments and reply comments have been filed, the matter will be brought to an agenda meeting and the Commission will decide how to treat the report at that time. For the initial report filed June 29, 2012, the Commission will schedule a presentation of the report by Basin Electric Power Cooperative at a regularly scheduled Commission meeting.

The motion passed, 3 – 0.

G-007,011/GR-10-977

In the Matter of the Application of Minnesota Energy Resources Corporation for Authority to Increase Rates for Natural Gas Service in Minnesota

Commissioner Wergin moved, on the Commission's own motion, to reopen the Commission's July 13, 2012 order in this docket for the limited purpose of correcting the typographical errors in the order regarding the sales forecast.

The motion passed, 3 - 0.

Commissioner Wergin then moved to clarify pages 26 and 48 (ordering paragraph 3) of the July 13, 2012, order to indicate that the last four words of the ALJ's Finding 454, i.e. "or the later one" should have been crossed out rather than underlined. The correction to the error reads as follows:

454. MERC has agreed to, and is currently in the process of conducting a full billing system audit. The data existing after this full audit can be used to calculate MERC's RDM, ~~whether the Commission approves based on any corrections from this audit to MERC's original forecast or the later one.~~ based on any corrections from this audit to MERC's original forecast.

The motion passed, 3 – 0.

Commissioner Wergin moved that the Commission deny MERC's and the OAG's requests for reconsideration as follows:

Whether to grant MERC's request to clarify the requirements necessary to demonstrate the reasonableness of including construction work in progress/allowance for funds used during construction in rate base: Commissioner Wergin moved to deny rehearing and reconsideration with respect to this issue.

The motion passed, 3 – 0.

Whether to grant the OAG's request to reconsider the Commission's modification to the Department's calculation of the cost of equity: Commissioner Wergin moved to deny rehearing and reconsideration with respect to this issue.

The motion passed, 3 – 0.

Whether to grant the OAG's request to reduce MERC's authorized rate of return on equity capital by 16.73 basis points to reflect the Commission's approval of MERC's full revenue decoupling mechanism and to recognize the reduction in MERC company specific risk: Commissioner Wergin moved to deny rehearing and reconsideration with respect to this issue.

The motion passed, 3 – 0.

Whether to grant MERC's request for reconsideration of pension expense: Commissioner Wergin moved to deny rehearing and reconsideration with respect to this issue.

The motion passed, 3 – 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: September 19, 2012

A handwritten signature in black ink, appearing to read "Burl W. Haar". The signature is written in a cursive, flowing style.

Burl W. Haar, Executive Secretary