

The Commission met on **Thursday, September 16, 2010**, with Chair Boyd and Commissioners Pugh, O'Brien, Reha, and Wergin present.

## **TELECOMMUNICATIONS AGENDA**

### **P-421/AM-09-1175**

#### **In the Matter of Qwest's Petition to Halt Excessive Minnesota Performance Assurance Plan (MPAP) Payment for Certain MR-8 Metrics**

Commissioner Reha moved that the Commission approve the Stipulation for Settlement.

The motion was adopted, 5-0.

### **P-999/M-10-451**

#### **In the Matter of Annual Certifications related to Eligible Telecommunications Carriers' (ETCs) Use of the Federal Universal Service Support**

Commissioner Pugh moved that the Commission certify, based on the information provided, that all of the petitioning ETCs will use Federal High-Cost USF support received in 2011 only for the provision, maintenance and upgrading of facilities and services for which the support is intended.

The motion was adopted, 5-0.

## **ENERGY AGENDA**

### **E,G002/M-10-821**

#### **In the Matter of a Petition for Approval of Two Customer Agreements Associated with Online Account Management**

### **E,G002/M-10-809**

#### **In the Matter of a Petition for Approval of Amendments to Standard Billing Forms and Notices**

### **E-015/M-10-266**

#### **In the Matter of a Petition by Minnesota Power for Approval of its 2009 CIP Tracker Account, DSM Financial Incentive and CIP Adjustment Factor**

Commissioner Reha moved that the Commission take action as follows:

- **regarding Docket No. E,G002/M-10-821**, approve Xcel's petition, with the following modifications:
  1. Xcel shall make the following clarifying edit to section 20 (b) of the MA agreement:

You acknowledge that you are using the Services at your convenience, have made your own independent assessment of the adequacy of the Internet as a delivery mechanism for accessing information and initiating instructions and that you are satisfied with that assessment.

2. Xcel shall make the following clarifying edits to the EBP service agreement:

#### Section 6. Bill Payments

Timely payment requires that payment be initiated by 4 PM Mountain Time (5 p.m. Central Time) on the Payment Due Date. However, if you choose the option to pay by a credit or debit card via our payment partner (a transaction fee applies and this option is not available in Texas), payment must be initiated a minimum of one business day before payment is due. eBill payments initiated after 4 p.m. Mountain Time (5 p.m. Central Time) on any Business Day (the “Cutoff Time”) are considered submitted the next business day.

...

The Payment Date is, (1) with respect to one-time payments, the date selected by you in My Account on which your payment will post to your Xcel Energy account and the date on or after which funds will be drawn or deducted from your Payment Account, or (2) with respect to recurring payments, on or up to ten days prior to the Due Date or when statement is ready, as selected by you in My Account, when payment will post to your Xcel Energy account and the date on or after which your funds will be withdrawn or deducted from your Payment Account.

#### Section 12. Account and History Information

After your enrollment in eBill, you will be able to view and print the electronic copy of your bills (in PDF) presented to you through eBill for a past period up to 24 months after your enrollment in eBill.

#### Section 14. In Case of Errors or Questions about a Payment

Xcel Energy is responsible for eBill Payment as described in these eBill and eBill Payment Terms of Use and for resolving any errors made by Xcel Energy.

#### Section 19. Notices

You agree that by subscribing to eBill, all notices or other communications which Xcel Energy may be required to give you arising from our obligations under these eBill and eBill Payment Terms of Use or eBill Payment may be sent to you electronically to any electronic mail address you provide or in any other manner permitted by law.

By checking on “I Agree” below, you indicate your acceptance of these eBill and eBill Payment Terms of Use.

- **regarding Docket No. E,G002/M-10-809**, approve Xcel’s petition and direct the Company to include all of the potential charges on each of the standard billing forms in the applicable natural gas or electric rate book;
- **regarding E-015/M-10-266**, take the following actions:
  1. approve a 2009 year-end balance of \$0.00 for MP’s CIP Tracker 1 Account;
  2. approve MP’s 2009 CIP Tracker 2 Account activity as summarized in Table 1 (in the OES comments filed August 13, 2010, page 2);
  3. approve a 2009 DSM financial incentive for MP of \$878,709 to be included in the Company’s CIP tracker no sooner than the issue date of the Order in this matter;
  4. approve the change in allocation method for MP’s CIP adjustment factor from a percentage-of-revenue basis to a per kWh basis beginning with the 2010/2011 CIP adjustment factor; the Commission authorizes MP to begin collecting the new CIP adjustment factor on the first billing cycle in the next full month after Commission approval, conditioned upon submitting a compliance filing within 10 days of this meeting that includes a calculation of a revised factor to reflect the implementation date;
  5. combine the CIP adjustment factor with the FCA on customer bills.

The motion was adopted, 5-0.

**G-004/M-07-1401**

**In the Matter of a Request by Great Plains Natural Gas Company for Approval of its 2007-2008 Demand Entitlements**

**G-004/M-08-1306**

**In the Matter of a Request by Great Plains Natural Gas Company for Approval of its 2008-2009 Demand Entitlements**

**G-004/M-09-1262**

**In the Matter of a Request by Great Plains Natural Gas Company for Approval of its 2009-2010 Demand Entitlements**

Commissioner O’Brien moved that the Commission take the following actions:

**in Docket No. G-004/M-07-1401,**

1. accept Great Plains Natural Gas Company’s filing as complying with Minnesota Rules part 7825.2910, subp. 2 and allow the Company to recover the cost of its allowed entitlements effective November 1, 2007;
2. direct the Company to work with the OES in developing a methodology that addresses the OES concerns and proposed filing requirements as well as other issues raised in this briefing paper; require a compliance filing that describes the new methodology and provides a description of how it

resolves all the concerns raised; require the Compliance filing to be filed no later than 30 days after an agreement is reached between the Company and the OES;

3. approve the Company's proposal for allocating storage and balancing cost to all sales customers effective November 1, 2010;

**in Docket No. G-004/M-08-1306,**

4. accept Great Plains Natural Gas Company's filing as complying with Minnesota Rules part 7825.2910, subp. 2 and allow the Company to recover the cost of its allowed entitlements effective November 1, 2008;

**in Docket No. G-004/M-09/1262,**

5. accept the filing as complying with Minnesota Rules, part 7825.2910, subp. 2 and allow the Company to recover the cost of its allowed entitlements effective November 1, 2009.

6. direct the Company to reduce its reserve margin to approximately five percent or explain why it is not reasonable to do so; and

7. direct the Company to submit a compliance filing, within 30 days of the date of the Commission's Order, containing an analysis of the cost of repairing the propane peaking facility in Redwood Falls, versus the cost associated with obtaining replacement pipeline capacity. In its filing, the Company should show cause why it shouldn't reduce its annual demand costs by \$22,299 effective March 1, 2010, to offset the peaking plant costs recovered in base rates; such reduction will continue until the effective date for interim rates in its next general rate case.

The motion passed, 5-0.

**E-002/M-10-210**

**In the Matter of Reviewing the Annual Petition and Compliance Filing State Energy Policy Rider Adjustment Factors**

Commissioner Pugh moved that the Commission:

1. approve Xcel's petition.
2. in its next SEP Rider filing, along with the information currently required, Xcel should include:
  - A. a comparison by month for the past twelve months for which actual data is available of the actual electric and natural gas costs to the budgeted costs;
  - B. a discussion of reasons for deviations from budgeted amounts (both higher and lower);

- C. a bridging schedule which reflects and corrects for the differences in the SEP tracker from the Commission's decisions in the gas rate case in Docket No. G002/GR-09-1153; and
- D. with respect to the cast iron replacement Project:
  - 1. cost per mile of the replacement, by subcategories, including the following subcategories and any others that Xcel Energy believes would be helpful:
    - (a) areas where Xcel Energy was able to coordinate with other construction work being done (cost per mile and total miles);
    - (b) areas where Xcel Energy was not able to coordinate with other construction work being done (cost per mile and total miles);
    - (c) areas where Xcel Energy converted from low-pressure to high-pressure pipe (cost per mile and total miles);
    - (d) areas where Xcel Energy did not convert from low-pressure to high-pressure pipe (cost per mile and total miles); and
    - (e) savings Xcel Energy was able to achieve due to not needing to install regulators or other equipment due to high-pressure pipe, along with supporting documentation for these avoided costs; and
  - 2. industry standards of costs per mile of installed pipe, preferably for the relevant subcategory (*e.g.*, Handy-Whitman Index or other indices);
  - 3. areas where costs were higher than budgeted, the reasons for the higher costs, and any lessons learned about such circumstances; and
  - 4. areas where costs were lower than budgeted, the reasons for the cost savings, and any lessons learned about such circumstances;
- 3. in future SEP Rider filings, Xcel should include the rate of return that will be decided by the Commission in the Company's ongoing gas rate case in Docket No. G002/GR-09-1153;
- 4. the Commission authorizes Xcel to begin collecting the new SEP factor on electric and natural gas bills effective October 1, 2010, conditioned upon submitting a compliance filing within 10 days of the Commission meeting which includes a calculation of a revised SEP factor to reflect this implementation date, schedules supporting the calculation, and revised tariff pages;

5. the Commission directs that in future filings, all Company-prepared schedules more clearly identify the beginning balances, current period transactions, and subsequent ending balances for tracker accounts.

The motion passed, 5-0.

**E-001/M-10-285**

**In the Matter of Reviewing the Annual Safety, Reliability, Service Quality and Proposed Annual Reliability Standards**

Commissioner Wergin moved that the Commission

1. accept NWWEC's March 31, 2010 safety, reliability and service quality reports and related information, as complying with Minn. Rules, Chapter 7826 and relevant Commission orders; set the reliability standards for 2010 as the level proposed by NWWEC and the OES; and
2. require NWWEC to provide in its annual reporting requirement a narrative description of the policies, procedures and actions that NWWEC has taken, and plans to take, to assure adequate and increased system reliability.

The motion was adopted, 5-0.

**E-015/M-10-284**

**In the Matter of Reviewing the Annual Safety, Reliability, Service Quality and Proposed Annual Reliability Standards**

**E-001/M-10-291**

**In the Matter of Reviewing the Annual Safety, Reliability, Service Quality and Proposed Annual Reliability Standards**

**E-017/M-10-307**

**In the Matter of Reviewing the Annual Safety, Reliability, Service Quality and Proposed Annual Reliability Standards**

**E-002/M-10-310**

**In the Matter of Reviewing the Annual Safety, Reliability, Service Quality and Proposed Annual Reliability Standards**

Commissioner O'Brien moved that the Commission take action as follows:

**in Docket No. E-001/M-10-284,**

1. accept MP's March 31, 2010 safety, reliability and service quality reports and related information, as complying with Minn. Rules, Chapter 7826 and relevant Commission orders and set the reliability standards for 2010 at the level proposed on page 22 of the OES June 30, 2010 comments; and

2. continue to require MP to augment their next filing to include a description of the policies, procedures and actions that it has implemented, and plans to implement, to assure reliability; MP should include information on how it is demonstrating pro-active management of the system as a whole, increased reliability and active contingency planning;
3. continue to require MP to incorporate into its next filing a summary table (or summary information in some other format) that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability;
4. continue to require MP to submit additional information as a follow up to the OES request that SAIDI, SAIFI and CAIDI be calculated using the data excluded by the IEEE 2.5 beta method (data from major event days); MP should provide the outage data both normalized and non-normalized and provide detailed explanations of the differences of the two methods;
5. require MP to work with staff to develop more meaningful reliability reporting on an on-going basis;
6. continue to require that MP give status reports for reporting on MAIFI and begin to discuss other relevant power quality issues;

**in Docket No. E-001/M-10-291,**

1. accept MP's March 31, 2010 safety, reliability and service quality reports and related information, as complying with Minn. Rules, Chapter 7826 and relevant Commission orders; set the reliability standards for 2010 at the level proposed on page 22 of the OES June 30, 2010 comments;
2. continue to require MP to augment their next filing to include a description of the policies, procedures and actions that it has implemented, and plans to implement, to assure reliability. MP should include information on how it is demonstrating pro-active management of the system as a whole, increased reliability and active contingency planning;
3. continue to require MP to incorporate into its next filing a summary table (or summary information in some other format) that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability;
4. continue to require MP to submit additional information as a follow up to the OES request that SAIDI, SAIFI and CAIDI be calculated using the data excluded by the IEEE 2.5 beta method (data from major event days); MP should provide the outage data both normalized and non-normalized and provide detailed explanations of the differences of the two methods;
5. require MP to work with staff to develop more meaningful reliability reporting on an on-going basis; and
6. continue to require that MP give status reports for reporting on MAIFI and also begin to discuss other relevant power quality issues;

**in Docket No. E-017/M-10-307,**

1. accept OTP's April 1, 2010 safety, reliability and service quality reports and related information, as complying with Minn. Rules, Chapter 7826 and relevant Commission orders. Set the reliability standards for 2010 at the level proposed on page 22 of the OES June 30, 2010 comments; and
2. continue to require OTP to augment their next filing to include a description of the policies, procedures and actions that it has implemented, and plans to implement, to assure reliability. OTP should include information on how it is demonstrating pro-active management of the system as a whole, increased reliability and active contingency planning;
3. continue to require OTP to incorporate into its next filing a summary table (or summary information in some other format) that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability;
4. require OTP to work with staff to develop more meaningful reliability reporting on an on-going basis;
5. continue to require that OTP give status reports for reporting on MAIFI and also begin to discuss other relevant power quality issues; and
6. continue to require OTP to submit additional information as a follow up to the OES request that SAIDI, SAIFI and CAIDI be calculated using the data excluded by the IEEE 2.5 beta method (data from major event days); OTP should provide the outage data both normalized and non-normalized and provide detailed explanations of the differences of the two methods;

**in Docket No. E-002/M-10-310,**

1. accept Xcel's April 1, 2010 safety, reliability and service quality reports and related information, as complying with Minn. Rules, Chapter 7826 and relevant Commission orders; set the reliability standards for 2010 at the level proposed on page 10 of the OES June 30, 2010 comments;
2. require Xcel to augment their next filing to include a description of the policies, procedures and actions that it has implemented, and plans to implement, to assure reliability. Xcel should include information on how it is demonstrating pro-active management of the system as a whole, increased reliability and active contingency planning;
3. continue to require Xcel to incorporate into its next filing a summary table (or summary information in some other format) that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability;
4. continue to require Xcel to submit additional information so that SAIDI, SAIFI and CAIDI is calculated using the data excluded by the IEEE 2.5 beta method (data from major event days). Xcel should provide detailed explanations of the differences:

1. Storm normalized using the IEEE 2.5 Beta method
2. Storm normalized using Xcel's current method
3. Non-storm normalized; and

5. require Xcel to report on the major causes of outages for major event days;
6. require Xcel to provide a detailed explanation for the basis of the indices they propose for 2010. Encourage Xcel to propose a higher level of reliability performance indices for 2011;
7. require Xcel to continue and increase efforts to improve reporting of major service interruptions to the Commission's CAO; and
8. require that Xcel make preparation to begin reporting on MAIFI and also begin to discuss other relevant power quality issues.

The motion was adopted, 5-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: OCTOBER 6, 2010**



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**Burl W. Haar, Executive Secretary**