

The Commission met on **Thursday, March 25, 2010**, with Commissioners O'Brien, Pugh, and Wergin present.

The following matters were taken up by the Commission:

TELECOMMUNICATIONS AGENDA

P-6312,421/M-09-196

In the Matter of the Application of Qwest Corporation for Expedited Approval to Discontinue Physical Connection with KTF Telecom, Inc.

Pulled.

ENERGY AGENDA

ET2/TL-10-86

In the Matter of the Route Permit Application for the Potato Lake 115 kV Substation and High Voltage Transmission Line in Hubbard County

Commissioner O'Brien moved that the Commission

1. accept the Great River Energy route permit application for the Potato Lake 115 kV transmission line and substation project as complete after it includes 2009 demand data;
2. authorize the OES EFP staff to process the application under the alternative permitting process pursuant to Minn. Rules, Part 7850.2800 to 7850.3900;
3. authorize OES EFP staff to name a public advisor in this case; and
4. authorize EFP staff to establish an advisory task force and to issue the attached draft decision, structure and charge with one change: the number of private citizens to be named to the advisory task force is increased from two (the number of private citizens that appears in the draft) to four.

The motion was adopted, 3-0.

E,G-002/M-09-1191

In the Matter of a Petition by Northern States Power Company d/b/a Xcel Energy for Approval of an Online Account Customer Agreement

Commissioner Wergin moved that the Commission approve Xcel's petition.

The motion was adopted, 3-0.

E-017/M-09-1057

In the Matter of the Petition of Otter Tail Power Company for Approval of Minor Amendments to its Rate Schedules

Commissioner Wergin moved that the Commission

1. approve the proposed amendment with these modifications:
 - a. use a factor of 1.15 percent in the multiplication of the annual avoided capacity cost; and
 - b. remove the changes in the customer charges; and
2. require OTP to file new tariff pages reflecting these changes on or before April 1, 2010.

The motion was adopted, 3-0.

G-007, 011/SAI-09-1108

In the Matter of the Petition of the Annual Capital Structure Filing of Minnesota Energy Resources Corporation and Request for Approval of Affiliated Interest Agreement

Commissioner Wergin moved that the Commission

1. determine that MERC need not seek Commission approval for securities issuances where no Minnesota utility property is encumbered, as in this case; and
2. approve the affiliated interest agreement for short-term borrowing from Integrys and require MERC to file for re-approval if the terms of the agreement change.

The motion was adopted, 3-0.

E,G-999/CI-08-133

In the Matter of Commission Review of Utility Performance Incentives for Energy Conservation

Commissioner O'Brien moved as follows: considering the utility's approved decoupling mechanism, CPE's financial incentive calibration shall be set at \$3 per Mcf.

The motion was adopted, 3-0.

G-001/M-09-359

In the Matter of Interstate Power and Light's Request for Approval of the Company's 2008 CIP Tracker Activity, DSM Financial Incentive, and Adjustment Factor

Commissioner Wergin moved that the Commission:

1. approve IPL's proposed gas 2008 DSM financial incentive of \$86,463;
2. allow IPL to record its proposed gas 2008 DSM financial incentive of \$86,463 in the Company's gas CIP tracker account;
3. approve the OES's method of calculating carrying charges for IPL's 2008 gas CIP tracker account;
4. approve IPL's 2008 gas CIP tracker account as modified by the OES;
5. approve the OES's recommended revised CCRA of \$0.0173 per therm, to be effective in the first billing cycle after the date of this Order; and
6. within 10 days of the date of the Order in this matter, require IPL to file the relevant tariff sheets reflecting the Commission's determinations in this matter.

The motion passed 3-0.

G-004/M-09-508

In the Matter of Great Plains Natural Gas Company's Request for Approval of the Company's 2008 CIP Tracker Activity, DSM Financial Incentive, and CIP Adjustment Factor

Commissioner Pugh moved that the Commission:

1. approve Great Plain's request to not be awarded a DSM financial incentive for the 2008 CIP program year;
2. require Great Plains to use a method of applying interest to the balance in its CIP tracker account so that the effective annual rate of interest is not greater than the Company's authorized rate of return of 8.96 percent. Find that either of the two methods proposed by the OES (in comments filed January 20, 2010) would be appropriate;
3. permit Great Plains to correct the amount of carrying charges added to its 2008 CIP tracker account as reflected in the OES's December 21, 2009 comments in this docket at Table S-5, page 7, as follows:

- A. allow Great Plains to correct the carrying charge number in the Company's initial petition to reflect the mistake of adding a negative rather than a positive carrying charge amount; and
 - B. allow Great Plains to correct the carrying charge number in the Company's initial petition by allowing the Company to add the expenses omitted from the tracker in the calculation of carrying charges. These expenses total \$112,026;
4. approve the Company's CIP tracker account modified to reflect decisions made by the Commission in this matter;
 5. require the Company to recalculate and submit a revised CCRA based on the Commission's decisions in the present docket within 10 days of the issue date of the Order in this matter;
 6. require the Company to submit the relevant tariff sheets reflecting the Commission's determination in this matter within 10 days of receiving notice of compliance from the OES;

The motion was adopted, 3-0.

G-002/M-09-346

In the Matter of Xcel Energy's Request for Approval of the Company's 2008 CIP Tracker Activity, DSM Financial Incentive, and Adjustment Factor

Commissioner O'Brien moved that the Commission:

1. approve a 2008 gas DSM financial incentive for Xcel of \$798,200 based on the full exclusion of IREE and NGEA assessments from the calculation of net benefits;
2. allow Xcel to record the approved 2008 gas DSM financial incentive in the Company's gas CIP tracker account as of the issue date of the Commission's Order in this matter;
3. take no action to provide specific direction, apart from the Commission's deliberations and Order in this matter, regarding how the Commission intends to interpret or apply the "set-in-stone" policy in Xcel's 2009 financial incentive filing;
4. allow Xcel to recover \$565 of its proposed CIP-related employee expenses relating to entertainment for 2008, as summarized in Table S-1 (in the OES comments filed February 23, 2010);
5. allow Xcel to recover CIP recognition award expenses of \$41 for 2008, as summarized in Table S-1 (in the OES comments filed February 23, 2010);

6. allow the remaining \$39,750 out of \$40,315 of CIP-related employee expenses for 2008 to be recovered in the Company's 2008 gas CIP tracker account;
7. approve Xcel's proposed method of calculating carrying charges for its 2008 gas CIP tracker account, which results in an effective annual rate of interest for the tracker that is not greater than the Company's authorized overall rate of return;
8. approve Xcel's 2008 gas CIP tracker account, as submitted in the Company's Petition and summarized in Table 4 of the OES's initial comments (filed on August 31, 2009) in this matter;
9. continue to require Xcel to account for, on a monthly basis, any CIP costs that are not recovered from flexible rate customers due to rate discounting, and to provide this information in the Company's annual CIP tracker account and DSM financial incentive filings;
10. require Xcel to file an updated CIP Adjustment factor based on the most recent actual numbers and recalculated to reflect the Commission decisions in this matter as a compliance filing within 10 days of the Order in this matter;
11. require Xcel to file the relevant tariff sheets that comply with the Commission's determinations in this matter as a compliance filing within five days of receiving approval from the OES regarding the compliance filings in Decision Alternative #10;

The motion was adopted, 3-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: APRIL 21, 2010



Burl W. Haar, Executive Secretary