

The Commission met on **Thursday, February 24, 2011**, with Commissioners O'Brien, Pugh, Reha, and Wergin present.

The following matters were taken up by the Commission:

TELECOMMUNICATIONS AGENDA

P-6197/RV-10-810

In the Matter of the Revocation of the Certificate of Authority of Master Communications Systems, Inc. d/b/a Avvid Technologies

P-6012/RV-10-811

In the Matter of the Revocation of the Certificate of Authority of Network US Inc. d/b/a CA Affinity

Commissioner Pugh moved that the Commission revoke each carrier's authority as follows:

1. Revoke Master Communications Systems, Inc. d/b/a Avvid Technologies' certificate of authority with the following conditions:
 - a. the carrier remains responsible for any unpaid regulatory assessments or fees;
 - b. the carrier's 911 plan, approved in Docket No. P-6197/EP-08-1444, should be canceled;
 - c. Qwest Corporation, as an incumbent local exchange carrier that has an interconnection agreement with the carrier, should be notified that the carrier no longer has authority to provide telecommunications services in Minnesota and services should no longer be offered under its interconnection agreement(s); and
 - d. the following parties are placed on the service list for this docket:
 - Minnesota Department of Public Safety
 - Metropolitan Emergency Services Board
 - Qwest Corporation for purposes of its interconnection agreement with Avvid
 - North American Numbering Plan Administration

2. Revoke Network US Inc. d/b/a CA Affinity's certificate of authority with the following requirement:
 - a. the carrier remains responsible for any unpaid regulatory assessments or fees.

The motion passed 4-0.

P-6638/PA-10-1084

In the Matter of the Joint Petition of STi Prepaid, LLC and Vivaro Corporation for Approval of Transfer of Control

Commissioner O'Brien moved that the Commission adopt the recommendations of the Department of Commerce as follows:

Find that the Petitioner violated Minn. Stat. § 237.74, subd. 12. A settlement in the amount of \$1000 payable to the Department of Commerce has been negotiated between the Applicants and the Department of Commerce. Agreement to this Settlement is not an admission of a knowing and intentional violation of Minnesota law. Payment of this settlement is due within 30 days of the receipt of this Order. The Department of Commerce will deposit the remittance into the State of Minnesota General Fund.

The motion passed 4-0.

P-421/CI-04-200

In the Matter of a Complaint by the Minnesota Telecom Alliance Against Qwest Regarding Traffic Termination from Qwest's Tandem Switches.

Commissioner Wergin moved that the Commission approve the agreement and dismiss the complaint without prejudice to issues being considered in Docket No. P-421/AM-10-1257.

The motion passed 4-0.

P-999/M-10-211

In the Matter of the 2010 Lifeline Verification Results

Commissioner Pugh moved that the Commission:

1. Accept the ETCs filed reports.
2. Approve the sample size for the 2011 surveys.
3. Approve MTA's implementation of the electronic verification procedures with the Department of Human Services (DHS) to complement the existing verification procedures. Allow the Minnesota Telecom Alliance to add participants and to explore working with other governmental agencies. Direct participants to submit a status report by September 1, 2011 including any cost and funding information for a planned continuation of electronic verification.
4. Require adding the social security number to the verification form, provided that customers are notified about the possible use of the SSN through the following language:

“I agree that information about my ongoing eligibility or participation in any of the programs listed in item 1 above may be shared with appropriate state agencies for purposes of determining eligibility for this program.”

5. Do not clarify the appropriate timeframe for the verification work with DHS.
6. Clarify that eligible telecommunications carriers may revise the Department’s template letters and verification form, subject to Department and/or Commission staff approval.

The motion passed, 4-0.

ENERGY AGENDA

E-015/M-06-1501

In the Matter of Minnesota Power’s Request to Extend the Start-Up Period for the Mercury Emissions Reduction Plan at its Boswell 3 Generation Facility

E-002/M-07-1601

In the Matter of Xcel Energy’s Request to Extend the Start-Up Period for the Mercury Emissions Reduction System at its Sherburne County Generating Facility Unit 3

Commissioner Reha moved that the Commission approve the requests for an extension and require each utility to submit a June 1, 2011 status report.

The motion passed, 4-0.

E,G-002/AI-10-690

In the Matter of the Petition and Compliance Filing of Northern States Power Company for Approval of Cost Allocation Procedures and General Allocator

E-002/GR-10-971

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

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

1. Require that the Company use the FTE method of Assets, Revenues and Allocated Labor Hours with Overtime for Xcel’s general allocator and all allocators where the Company uses number of employees in its allocators; and
2. Direct the Company to provide calculations using total hours instead of number of employees in the general allocator formula in the Company’s current electric rate case; and

3. Direct the Company to provide supplemental testimony and an adjustment to reflect these allocation changes in their electric rate case within eight days of the date of the order; and
4. Determine that the Company's Attachment 1 does not provide the information required by the Commission's Order in Docket E-002/GR-08-1065 and require Xcel to re-file the Attachment.

The motion passed 4-0.

E-002/M-10-1054

In the Matter of a Petition by Northern States Power for Approval of a 2011 Renewable Development Fund Rate Rider Factor

Commissioner O'Brien moved that the Commission:

1. Approve the OES recommendation not to reallocate to the Minnesota jurisdiction RDF program expenses currently allocated to the jurisdictions of North Dakota and South Dakota.
2. Approve Xcel's 2009 actual RDF expenditures, final true-up for 2008, and revenues as summarized in OES Attachment 1 (in November 1, 2010 comments).
3. Approve Xcel's 2010 actual and forecast RDF expenditures, final true-up amounts for 2009, and revenues as summarized in OES Attachment 2 (in November 1, 2010 comments).
4. Approve Xcel's 2011 forecasted RDF expenditures adjusted for 2010 estimated over recovery. These forecasted expenditures include the following amounts for legislative mandates:
 - A. \$10,650,00 for REPI payments
 - B. \$5,000,000 for the University of Minnesota's Initiative for Renewable Energy and the Environment
 - C. \$312,500 for the OES
5. Approve a 2011 rate rider factor, as follows:
 - A. Approve the factor at the level of \$0.000598 per kWh (reflects no change in the current jurisdictional allocation to North Dakota and South Dakota, as proposed by the OES), to be adjusted in compliance to reflect the effective date of the rider and the actual versus the estimated 2010 tracker balance surplus.

- B. Allow the Company to continue to calculate its future RDF rate rider factors based on known and measureable RDF expenditures, which, in limited circumstances, can include forecasted amounts, using the criteria for “known and measureable” agreed to by Xcel and the OES.
 - C. Notify Xcel that, if significant tracker balances continue, the Commission may in the future take specific actions to reduce the surplus.
6. Require Xcel to meet with the OES to clarify the definition and application of the five percent administrative cost cap. Prior to or as part of the Company’s October 1, 2011 RDF tracker account report and true-up filing, Xcel should file for approval a proposal that clarifies how the cap is to be applied.
 7. Approve Xcel’s proposed language for the notice on customers’ bills updated to reflect the level of the RDF rate rider factor approved by the Commission in this docket.
 8. Require Xcel, in future RDF tracker reports, to provide the following information to more accurately fulfill the reporting requirements of Ordering Point 3 in the Commission’s December 23, 2002 Order in Docket No. E-002/M-00-1583: (1) an updated version of Table A as proposed by the Company in its November 11, 2010 reply comments (see Attachment D), and (2) an updated version of Attachment 9 as filed by the Company in its October 1, 2010 initial filing in this docket.
 9. Require Xcel within 20 days of the issue date of the Order in this matter to submit a compliance filing to provide an explanation of the application of the RDF rate rider factor to customers taking service on the Windsource tariff. In the compliance, Xcel should identify the Commission approved language that exempts Windsource customer from the RDF rate rider, and provide revised RDF rate rider and Windsource program tariff sheets that indicate clearly that Windsource customers are exempt from the RDF rate rider factor.
 10. Require Xcel within 20 days of the issue date of the Order in this matter to submit a compliance filing reflecting the Commission’s decisions in this matter. The compliance filing should include a revised tariff page, and workpapers to support any recalculation of the rate rider factor.

The motion passed, 3-1, with Commissioner Reha voting no.

E,G-999/CI-09-970

In the Matter of Updating Language to Comply with Minnesota Statute and Rule Changes

Commissioner Wergin moved that the Commission:

1. Accept the tariff filings of Minnesota Power, Otter Tail Power, Interstate Power and Light Company (IPL), Great Plains Natural Gas, MERC, Xcel Energy, and CenterPoint Energy. Any utility that has not already done so, except for Xcel Energy, shall file the following language in its tariff within 30 days of the Order in this docket:

The Company will notify the Minnesota Public Utilities Commission of any new, expired, or changed fee, as authorized by Minn. Stat. § 216B.36 to raise revenue, at least 60 days prior to its implementation. Notification to the Minnesota Public Utilities Commission will include a copy of the relevant franchise fee ordinance, or other operative document imposing the fee.

2. Direct all utilities, except Greater Minnesota Gas, to file the fee language they intend to use on customer notices and/or bill inserts in their tariffs within 30 days of the Order in this docket and allow for further comments by the parties. The utilities shall serve the filing on all cities within their respective service territories.
3. Find that utilities may implement new or amended fees on their bills without prior Commission approval, but only if the utility has fulfilled the following conditions:
 - a. provides the Commission with a filing 60 days prior to the implementation of the fee and services the filing on the city requiring the fee;
 - b. agrees to provide customer notice on the first bill on which the new or modified fee is listed, using language consistent with that filed in its approved tariff;
 - c. will list the fee as a separate line item on the bill each month;
 - d. provides a copy of the franchise fee ordinance, or other operative document imposing the fee, which gave rise to the new or amended fee;
 - e. provides a revised tariff page listing the new or amended fee or appropriate language; and
 - f. includes a statement in its tariff that the utility will remit 100% of the fee it collects, and will not include any administrative fee or other rate for the utility's costs of administering the fee.
4. This process should be used in place of the process identified for IPL's fees in Docket No. E,G-001/M-08-200.
5. Do not order Dakota Electric Association to refund the administrative fee and find the matter closed.
6. Do not order IPL to refund the Owatonna franchise fee and find the matter closed.

The motion passed, 4-0.

E-002/ET2/TL-09-246

In the Matter of the Application for a Route Permit for the Monticello to ST. Cloud 345 kV Transmission Line Project

Commissioner Pugh moved that the Commission:

1. Approve the Permittees' request and adopt a Permit Amendment, widening the route width and altering the transmission alignment for one or more of the following:
 - a. Span 89-93, as depicted on the attached map;
 - b. Span 95-97, as depicted on the attached map;
 - c. Span 122-124, as depicted on the attached map.
2. Determine that no further Plan and Profile filing under Route Permit Section IV.A is required to implement the changes approved in the Permit Amendment.

The motion passed, 4-0.

IP-665/WS-06-1445

In the Matter of the Site Permit Issued to Kenyon Wind, LLC for a Large Wind Energy Conversion System in Goodhue County

Commissioner Wergin moved that the Commission decline to reconsider its decision of December 23, 2010.

The motion passed, 4-0.

E-002/CN-08-992

In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for a Certificate of Need for a 161 kV Transmission Line in Dodge, Olmstead, and Mower Counties in Southeastern Minnesota

E-002/TL-09-1315

In the Matter of the Application for a Route Permit for the Pleasant Valley to Byron 161 kV Transmission Line Project

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

1. For purposes of the certificate of need, find that the EIS adequately addresses the issues identified in the Scoping Decision; and
2. Grant Xcel a certificate of need for the Pleasant Valley to Byron 161 kV transmission line and associated facilities; and

3. Approve and adopt the Findings of Fact, Conclusions of Law, and Order for the Pleasant Valley to Byron 161-kV transmission line project attached to the OES Comments and Recommendations, thereby
 - a) Determining the Environmental Impact Statement addressed the issue identified in the EIS Scoping Decision; and
 - b) Issuing the high voltage transmission line route permit, with appropriate conditions, as attached to the OES Comments and Recommendations.

The motion passed 4-0.

E-017, ET-6131, ET-6130, ET-6144, ET-6135, ET-10/TR-05-1275

In the Matter of the Application of Otter Tail Power Company and Others for a Route Permit for the Big Stone Transmission Project in Western Minnesota

Commissioner Wergin moved to do the following:

1. Amend the Commission's Order Extinguishing Certificate of Need, Suspending Route Permit, Providing for Permit Revocation, and Requiring Filings (February 25, 2010) and extend the expiration of the route permit to March 17, 2013.
2. Order the extension to be effective the day of the Commission's decision.
3. Require periodic reporting (180 days) detailing the progress made toward the investment in and construction of the Big Stone lines and require a letter be provided from Otter Tail Corporation d/b/a Otter Tail Power Company to landowners affected by the route permit which provides an update on the status of the transmission lines and their development.
4. Clarify that the Commission is suspending – and may ultimately revoke – the route permit without prejudice, due simply to the unique procedural posture of the case.

The motion passed 4-0.

ET-02, E-002 et al/CN-06-1115

In the Matter of the Application of Great River Energy, Northern States Power Company and Others for Certificates of Need for the Three CapX 345 kV Transmission Projects

Commissioner Wergin moved that the Commission determine that an in-service date of 3rd quarter 2014 is acceptable, thereby allowing additional flexibility for the cost allocation and ownership issues to be resolved and allowing until 3rd quarter 2015 for the project to be operational without further Commission action.

The motion passed, 4-0.

ET-2, E015/CN-10-973

In the Matter of the Application for a Certificate of Need for the Savanna 115 kV Transmission Project

Commissioner Pugh moved to do the following:

1. Grant a variance to Minnesota Rules, part 7849.0200, subp. 5, to extend for an unspecified but reasonable period the time for Commission consideration of the completeness of the application of Great River Energy and Minnesota Power to obtain a certificate of need for a new 115 kilovolt (kV) switching station and approximately 37 miles of 115 kV high voltage transmission line between the Cedar Valley Substation north of Floodwood, Minnesota, and the Cromwell Substation south of Cromwell, Minnesota.
2. Grant a variance to Minnesota Rules, part 7849.1400, to extend for an unspecified but reasonable period the time for conducting a public meeting and beginning the process for environmental report preparation.

The motion passed 4-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: April 27, 2011



Burl W. Haar, Executive Secretary