

The Commission met on **Thursday, October 7, 2010**, with Commissioners Boyd, Pugh, and Reha present.

The following matters were taken up by the Commission:

ENERGY AGENDA

G-007, 011/D-10-459

In the Matter of the Request by Minnesota Energy Resources Corporation for Certification of 2010 Depreciation Rates

Commissioner Reha moved that the Commission approve MERC's proposed lives, salvage values and resulting depreciation rates as corrected.

The motion passed, 3 – 0.

G-011/M-10-407

In the Matter of a Petition by Minnesota Energy Resources Corporation-PNG for Approval of its 2009 CIP Tracker Account, DSM Financial Incentive and CIP Adjustment Factor

Commissioner Pugh moved that the Commission:

1. Accept MERC-PNG's proposed exclusion of NGEA assessments of \$139,282 from the calculation of 2008 net benefits.
2. Approve MERC-PNG's proposed 2009 DSM financial incentive award of \$528,926, to be included in the Company's CIP tracker account no sooner than the issue date of the Order in this matter.
3. Approve MERC-PNG's 2009 CIP tracker account, as provided in the Company's petition and summarized in OES Table 1 (in OES comments filed August 31, 2010, p. 3).
4. Approve MERC-PNG's proposed CIP adjustment factor of \$0.01719 per therm, to be effective in the first billing cycle in the next full month after Commission approval, conditioned upon submitting a compliance filing within 10 days of the issue date of the Order in this matter that includes a calculation supporting the revised factor above and the relevant tariff sheets that comply with the Commission's determination in the present docket.
5. Approve MERC-PNG's proposed customer bill message, with a modification of the July 1, 2010 implementation date to reflect the Commission's determination in the present docket.

The motion passed, 3 – 0.

G-007/M-10-409

In the Matter of a Petition by Minnesota Energy Resource Corporation-NMU for Approval of its 2009 CIP Tracker Account, DSM Financial Incentive and CIP Adjustment Factor

Commissioner Pugh moved that the Commission:

1. Accept MERC-NMU's proposed exclusion of NGEA assessments of \$54,272 from the calculation of 2008 net benefits.
2. Approve MERC-NMU's proposed 2009 DSM financial incentive award of \$43,362 to be included in the Company's CIP tracker account no sooner than the issue date of the Order in this matter.
3. Approve MERC-NMU's 2009 CIP tracker account, as provided in the Company's petition and summarized in OES Table 1 (in OES comments filed August 31, 2010, p. 3).
4. Approve MERC-NMU's proposed CIP adjustment factor of \$0.02715 per therm, to be effective in the first billing cycle in the next full month after Commission approval, conditioned upon submitting a compliance filing within 10 days of the issue date of the Order in this matter that includes a calculation supporting the revised factor above and the relevant tariff sheets that comply with the Commission's determination in the present docket.
5. Approve MERC-NMU's proposed customer bill message, with a modification of the July 1, 2010 implementation date to reflect the Commission's determination in the present docket.

The motion passed, 3 – 0.

G-008/M-10-416

In the Matter of a Petition by CenterPoint Energy, A Division of CenterPoint Energy Resources corp., for Approval of its 2009 CIP Tracker Account and DSM Financial Incentive

G-008/M-10-634

In the Matter of a petition by CenterPoint Energy, A Division of CenterPoint Energy Resources Corp., for Approval of its CIP Adjustment Factor

Commissioner Reha moved that the Commission:

1. Approve a 2009 DSM financial incentive for CPE of \$1,394,200 to be included in the Company's CIP tracker as of the issue date of the Order in this matter.
2. Approve a proposed CIP adjustment factor of \$0.00896 per therm to be effective November 1, 2010.

3. Approve CPE's 2009 CIP tracker account, as summarized in OES Table 1 (from the OES comments filed August 13, 2010, page 3).
4. Require CPE to file its CIP tracker, DSM financial incentive and CIP adjustment filing on May 1 of each year.
5. Approve CPE's revised tariff sheet (Section V, page 13), included as Attachment A to the Company's June 10, 2010 comments in 10-634.

The motion passed, 3 – 0

E-002/M-10-296

In the Matter of a Petition by Northern States Power Company d/b/a Xcel Energy for Approval of its 2009 CIP Tracker Account, DSM Financial Incentive and CIP Adjustment Factor

Commissioner Pugh moved that the Commission:

1. Approve Xcel electric's 2009 CIP Tracker Account as summarized in Table 1 (in the OES comments filed September 9, 2010, page 3).
2. Approve a DSM financial incentive award for 2009 for Xcel of \$16,398,115 to be included in the Company's CIP tracker account no sooner than the issue date of the Order in this matter.
3. Approve a CIP adjustment factor of \$0.002373 per kWh for Xcel electric. The Commission authorizes Xcel 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 revised tariff sheets, and the calculations supporting the CIP adjustment factor above.

The motion passed, 3 – 0.

G-001/M-10-295

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

Commissioner Reha moved that the Commission:

1. Approve IPL's proposed gas 2009 DSM financial incentive of \$86,463 to be included in the Company's CIP tracker account no sooner than the issue date of the Order in this matter.
2. Approve IPL's 2009 gas CIP tracker account, including carrying charges of \$52,032, as provided in the Company's petition and summarized in OES Table 1 (in the OES comments filed August 30, 2010, p. 3).

3. Approve IPL's proposed revised CIP adjustment factor of \$0.0314 per therm for all Minnesota customer classes. The Commission authorizes IPL 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 the relevant tariff sheets that comply with the Commission's determination in the present docket.
4. Require IPL to notify its customers on an annual basis of the change in the CIP adjustment factor through a message on its bill. Approve IPL's proposed bill message as provided in reply comments filed on September 9, 2010 in this docket.

The motion passed, 3 – 0.

E-001/RP-08-673

In the Matter of the Notice of Changed Circumstances in Interstate Power and Light Company's 2008 Resource Plan

Commissioner Reha moved that the Commission take no action in this matter.

The motion passed, 3 – 0.

E, G-001/AI-10-732

In the Matter of the Petition for Approval of an Affiliated Interest Agreement

Commissioner Boyd moved that the Commission approve the Petition, finding:

1. That IPL complied with the Commission's Order in Docket No. E,G999/CI-98-651, and with the filing requirements under Minnesota Rule 7825.2200B,
2. That the Master Railcar Lease Agreement is reasonable and consistent with the public interest, and the Commission will so approve, effective June 1, 2010; and
3. The Commission will require IPL to file for Commission approval as soon as practical if there are any proposed changes to the Agreement, including termination, in the future.

The motion passed, 3 – 0.

E, G-001/D-10-747

In the Matter of Interstate Power and Light Company's Petition for Approval of its Five-Year Depreciation Study

Commissioner Pugh moved that the Commission:

1. Approve Interstate's Five-Year Depreciation Study, including remaining lives as proposed, existing salvage values, and resulting rates for depreciation purposes effective January 1, 2010 with the following conditions:

- A. The rates are approved for purposes of financial reporting purposes. The Commission reserves the right to change the rates in the Company's ongoing rate case (E-001/GR-10-276).
 - B. Require Interstate to provide in its next depreciation filing basic information related to its depreciation study in a format acceptable to the OES including:
 - 1. Proposed changes in lives and salvage rates,
 - 2. Overall financial impact of those changes on the total Company and Minnesota jurisdiction,
 - 3. Reasons for each change in its depreciation filing, and A table comparing remaining lives used or depreciation purposes and the lives used for resource planning purposes, including explanations of any differences between the two lives.
 - 4. Updating the OES and Commission on the status of its generating units, and reflecting depreciation lives consistent with capital additions.
2. Interstate shall make its next Five-Year Depreciation filing by July 1, 2015.

The motion passed, 3 – 0.

E, G-001/AI-10-413

In the Matter of Interstate Power and Light Company's Petition for Approval of a Modification to Agreements with Affiliates Related to Sale of Accounts Receivable

Commissioner Reha moved that the Commission deny, without prejudice, IPL's request for approval of a modification to the agreements with affiliates related to the sale of accounts receivable, and request parties to develop the issues in IPL's pending rate case.

The motion passed, 3 – 0.

P-421/AM-06-713

In the Matter of Qwest's Application for Commission Review of TELRIC Rates Pursuant to 47 U.S.C. § 251

Commissioner Reha moved that the Commission approve the DC Power Self Certification Amendment as in compliance with its September 3, 2009 Order in this Docket and alert CLECs to the window for obtaining the retroactive pricing options.

The motion passed, 3 – 0.

P-426/AM-10-676

In the Matter of the Petition of Scott-Rice Telephone Company d/b/a Integra Telecom to Consolidate Several of its Rate Centers into the Twin Cities Rate Center

Commissioner Pugh moved that the Commission find that Scott-Rice Telephone Company may voluntarily consolidate the existing rate centers as proposed.

1. Scott-Rice, with the concurrence of Qwest, Citizens, and Frontier, is permitted to consolidate the Prior Lake, Savage, New Market, and Webster rate centers into the Twin Cities rate center; and
2. The Commission clarifies that the Commission's approval does not constitute a government mandate and that no network or infrastructure-related costs incurred by any affected carrier are required by the Commission.

The motion passed, 3 – 0.

P-438, 421/C-09-1054

In the Matter of a Complaint of POPP.com, Inc. Against Qwest Corporation for Breach of Interconnection Agreement and for Anticompetitive Conduct

Commissioner Reha moved that the Commission accept the Interim Stipulation filed by the parties.

The motion passed 3 – 0.

P-6823/M-09-802

In the Matter of a Petition of TracFone Wireless, Inc. for Designation as an Eligible Telecommunications Carrier for the Limited Purpose of Offering lifeline Service to Qualified Households

P-6823/CI-10-519

In the Matter of an Investigation into TracFone's Compliance with Remittance Responsibilities Under Minn. Stat. §§ 403.11 and 237.52

Commissioner Pugh moved that the Commission not reconsider the Order.

The motion passed, 3 – 0.

P-421/C-10-1000

In the Matter of the Complaint by Wikstrom Telephone Company Against Qwest Corporation Pursuant to the parties' Interconnection Agreement

The matter was pulled.

ET-2, E-015/CN-10-973

In the Matter of the Application of Great River Energy and Minnesota Power for a Certificate of Need for a 115 kV High Voltage Transmission Line in St. Louis and Carlton Counties

Commissioner Pugh 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 a variance for an unspecified but reasonable period of time.

The motion passed 3 – 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: OCTOBER 20, 2010

A handwritten signature in black ink, reading "Burl W. Haar". The signature is written in a cursive style with a large initial "B".

Burl W. Haar, Executive Secretary