

The Commission met on **Thursday, January 19, 2006**, with Chair Koppendray and Commissioners Johnson, Nickolai, Pugh and Reha present.

Comment [COMMENT1]: Minutes by Eric Witte, Marcia Johnson, Peter Brown. 6 motions were made.

The following matters were taken up by the Commission:

ENERGY

E-002/M-05-974

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of the International Paper Facilities Lease Agreement

Commissioner Nickolai moved to do the following:

1. Approve the proposed amended agreement whereby Northern States Power Company d/b/a Xcel Energy (Xcel) would lease facilities to International Paper Corporation, and vary Minnesota Rules part 7825.1800, subpart B.
2. Direct Xcel to provide the original cost and depreciation of the leased facilities, along with any other information requested by the Department regarding this matter, in Docket No. E-002/GR-05-1428 *In the Matter of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in Minnesota.*

The motion passed 5-0.

TELECOMMUNICATIONS

P-6104/M-05-1858

In the Matter of the Cancellation of the Authority of Infone LLC to Provide Resold Interexchange Telecommunications Services and Withdrawal of Tariff

Commissioner Nickolai moved to do the following:

1. Permit Infone LLC (Infone) to withdraw its filing to cancel its authority.
2. Rescind the Commission's Order of December 15, 2005, accepting the relinquishment of Infone's certificate of authority.

The motion passed 5-0.

P-5893,6454/PA-05-1647;

P-6454/NA-05-1119

In the Matter of the Transfer of Network Services Operations (Including Assets and Liabilities) of Inflow, Inc., to SunGard Network Solutions, Inc.

Commissioner Johnson moved to do the following:

1. Approve the transfer of the assets, liabilities and network service operations of Inflow, Inc. (Inflow), to SunGard NetWork Solutions, Inc. (SNS), subject to the Commission's approval of SNS's request for a Certificate of Authority in Docket No. P-6454/NA-05-1119.
2. Direct SNS to submit a check payable to the Department in lieu of penalties authorized by Minnesota Statutes § 237.74, subdivision 11, for violation Minnesota Statutes § 237.74, subdivision 12, for the Department to deposit into the State of Minnesota General Fund.
3. Clarify that the agreement to this settlement by SunGard Data Systems Inc. – the indirect parent corporation of SNS – is not admission of a knowing and intentional violation of Minnesota law; and specify that payment of this settlement amount is due within 30 days of the receipt of this Order.
4. Declare that upon Commission approval of SNS's application for a Certificate of Authority in Docket No. P-6454/NA-05-1119, Inflow's Certificate of Authority approved in Docket No. P-5893/NA-00-395 will be relinquished without any additional filings or actions required by SNS.
5. Clarify that SNS is responsible for any unpaid Inflow assessments and its 2005 annual report, and that the Department is to send all correspondence for Inflow in care of SNS at SNS's address.

The motion passed 5-0.

P-999/CI-05-1722

In the Matter of Modification to the IntraLATA Presubscribed Interexchange Carrier (PIC) Change Charge

Commissioner Pugh moved to do the following:

1. Adopt the safe harbor presubscription interexchange carrier (PIC) change charge of \$1.25 for electronically processed intraLATA PIC changes and \$5.50 for manually processed intraLATA PIC changes as approved by the February 17, 2005 Report and Order of the Federal Communications Commission (FCC) in Common Carrier Bureau Docket No. 02-53.
2. Decide that if a subscriber simultaneously changes its choice of 1) presubscribed provider

to complete calls to parties within its local access telecommunications area (LATA) and 2) presubscribed provider to complete calls to parties beyond its LATA, the subscriber should be charged one-half of the relevant rate.

3. Clarify that these rates should also be considered a safe harbor charge for competitive local exchange carriers under Minnesota Rules part 7812.2210, subpart 8.
4. Order all companies subject to the FCC Order to update their tariffs to reflect the applicable charges, and invite any carrier not subject to the FCC Order but wishing to adopt safe harbor rates to update its tariff pursuant to the relevant rules.
5. Require that tariff changes be filed within 30 days.

The motion passed 5-0.

PT-6458/M-05-1122

In the Matter of American Cellular Corporation's Petition for Designation as an Eligible Telecommunications Carrier (ETC) and Redefinition of Rural Telephone Company Service Area Requirement

Commissioner Nickolai moved to do the following:

1. Find that American Cellular Corporation (ACC) meets the Commission's requirements for designation as an eligible telecommunications carrier (ETC).
2. Certify to the FCC and the Universal Service Administrative Company that ACC will use all federal high-cost support it will receive for the provision, maintenance and upgrading of facilities and services for which the support is intended pursuant to 47 U.S.C. § 254(e).
3. Find that ACC's petition meets the Commission's requirements for redefining service areas, and approve ACC's petition to redefine the service areas of Paul Bunyan Rural Telephone Cooperative and Red River Rural Telephone Association at the wire center level.
4. Petition the FCC to concur in the redefinition of the service areas of Paul Bunyan Rural Telephone Cooperative and Red River Rural Telephone Association.

The motion passed 5-0.

ENERGY

E-001/PA-05-1272

In the Matter of the Joint Application for Approval and Consent of Interstate Power and Light Company and FPL Energy Duane Arnold, LLC, Requesting that the Minnesota Public Utilities Commission Allow Interstate Power and Light to Sell and Transfer Duane Arnold Energy Center to FPL Energy Duane Arnold, LLC.

Commissioner Nickolai moved to approve the petition to permit the sale of the Duane Arnold Energy Center from Interstate Power and Light Company (IPL) to FPL Energy Duane Arnold, LLC (FPLE), with the following conditions and reporting requirements:

1. IPL shall maintain base rates for nuclear plant costs at the level to be approved in IPL's rate cases.
2. IPL shall recover only the level of nuclear fuel costs in its Fuel Clause Adjustment set at the level of average 2005 nuclear fuel costs, inflated at an appropriate level per year.
3. IPL will not be allowed to recover other potential transaction costs charged by FPLE because of the sale of the nuclear plant.
4. IPL shall make a filing each year until February 2024 to show the inflated amount of 3% or such amount set by the Commission, allowed for nuclear fuel cost recovered through the Fuel Clause Adjustment.
5. The Commission will review IPL's capacity costs or adjusted base rates for nuclear plant cost in the next rate case.
6. IPL shall supply journal entries recording the Transaction herein within 30 days of the closing date with FPLE.
7. Minnesota ratepayers will not be subjected to pay higher rates as a result of this transaction.
8. Nothing herein limits the Commission from making other appropriate future ratemaking adjustments to protect Minnesota ratepayers, such as an adjustment to the cost of capital to reflect risks of the purchased power agreement that arises from this transaction.
9. The Commission determines for the sole and limited purpose of the federal Public Utility Holding Company Act of 1935 (PUHCA) § 32(c) that allowing the Duane Arnold Energy Center to be an eligible facility 1) will benefit consumers, 2) will be in the public interest, and 3) does not violate Minnesota law.

The motion passed 4-1. Commissioner Johnson voted no.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: FEBRUARY 1, 2006

Burl W. Haar, Executive Secretary