

The Commission met on **Thursday, May 11, 2006**, with Chair Koppendrayer and Commissioners Johnson, Nickolai, Pugh, and Reha present.

Comment [COMMENT1]: Minutes by Peter Brown. 7 motions were made.

The following matters were taken up by the Commission.

TELECOMMUNICATIONS

P-999/CI-06-5

In the Matter of the Department of Commerce/Telecommunications Access Minnesota Program's 2005 Annual Report

P-999/CI-06-403

In the Matter of the Department of Commerce/Telecommunications Access Minnesota Program's FY 2007 Proposed Budget and Surcharge Recommendations

Commissioner Johnson moved that the Commission

1. accept the Department of Commerce/ Telecommunications Access Minnesota's 2005 Annual Report;
2. approve the Department of Commerce/ Telecommunications Access Minnesota's proposed budget for FY 2007;
3. approve the Department of Commerce/ Telecommunications Access Minnesota's proposal to reduce the surcharge from \$0.07 to \$0.03 per month; and
4. direct local service providers to file conforming tariffs within 30 days of the Commission's Order.

The motion was adopted, 5-0.

ENERGY

E-275,134/SA-06-221

In the Matter of the City of Moorhead's Petition to Extend Service Area into the Area Presently Served by Red River Valley Cooperative Power Association Under the Terms and Conditions of the Settlement Agreement in Docket No. E-275,134/SA-02-1207

Commissioner Pugh moved that the Commission

1. approve the transfer of service territory for the area detailed in the current petition from the Cooperative to the City under the Agreement; and
2. change the service territory boundaries between the City and the Cooperative as described

in the joint petition.

The motion was adopted, 5-0.

E-001/GR-05-748

In the matter of a Petition by Interstate Power and Light Company for Authority to Increase Electric Rates in Minnesota

Commissioner Reha moved that the Commission

1. accept Interstate's compliance filing with an effective date of May 15, 2006;
2. accept Interstate's compliance filing with an effective date of May 15, 2006 and the following modifications:
 - a. require Interstate to change the tariff language used to describe the frozen status of its Controlled Water Heating service (as described in the briefing papers.)
 - b. defer approval of the proposed tariff language for substitute paragraph (1) of the Energy Supply Cost Adjustment rider to Docket E-001/M-05-406;
 - c. defer making a decision on Interstate's schedules of its Conservation improvement programs tracker account to Docket No. E-001/M-06-515; and
 - d. defer any decision regarding Interstate's proposed base cost of energy to Docket No. E-001/MR-06-654;
3. approve Interstate's proposed refund plan with refunds starting on June 30, 2006 and the following modifications:
 - a. require Interstate to calculate the refund using actual amounts to be refunded (rather than the estimated amounts included in the April 3, 2006 compliance filing) and to include these calculations in an addendum to the Compliance Filing when available;
 - b. require Interstate to make interim rate refunds to inactive customers for amounts of \$2.00 or greater;
 - c. require Interstate to handle unrefunded monies as if it were potentially abandoned property and in the same way as unclaimed customer deposits, pursuant to Minn. Stat. § 345.34 and 345.41 through 345.48;
4. require Interstate to submit, within 10 days of the Commission's Order, the Company's entire tariff with the revised rates and tariff language, and with the new effective date; and

5. require Interstate to submit, within 10 days of completing this refund, a compliance filing that shows the actual refunds and interest paid by class including all calculations; these calculations shall include but not be limited to detailing the amounts refunded in total and by customer class, interest paid in total and by customer class, and the amount of the refund it was unable to distribute.

The motion was adopted, 5-0.

E-001/MR-06-654

In the Matter of a Petition by Interstate Power and Light Company for Approval of the Base Cost of Energy to Coincide with the Implementation of Final Rates

Commissioner Reha moved that the Commission accept the base cost of energy of \$0.01692 as proposed by IPL (making no findings here on paragraph f. of the tariff which was addressed in the compliance review elsewhere on this agenda) to be effective the first day that final rates approved in Docket E-001/GR-05-748 are effective.

The motion was adopted, 5-0.

ET-2,E-015/TL-05-867

In the Matter of the Request by Great River Energy and Minnesota Power for Certification of the Badoura and Tower Transmission Lines as Priority Projects

Commissioner Nickolai moved that the Commission

1. regarding completeness of the Environmental Report, find and conclude that the Environmental Report and the record created in this matter adequately address the issues identified by the Content of Environmental Report, Commissioner Decision, signed by Department of Commerce Commissioner Wilson on January 17, 2006;
2. regarding certification of the Badoura Project, certify that the project is needed and is a priority electric transmission project; and
3. regarding certification of the Tower Project, certify that the project is needed and is a priority electric transmission line.

The motion was adopted, 5-0.

E-999/TL-05-1739

In the Matter of the 2005 Biennial Transmission Projects Report

Commissioner Nickolai moved that the Commission

1. accept the 2005 Biennial Report as filed by the Minnesota Transmission Owners (MTO);
2. require that the 2007 Biennial Report provide information regarding transmission upgrades necessary for the relevant individual utilities to meet their good faith efforts under the Renewable Energy Objective (REO);
3. direct staff to facilitate a discussion of potential changes to improve public participation in the transmission planning process;
4. direct MTO to file with the Commission the report on the study that's being done in conjunction with their agreement with the North American Water Office (NAWO);
5. schedule a public meeting in the Fall where we get an opportunity to have a presentation about that study and the implications of that study; and
6. ask Commission staff to post the report on the Commission's website.

The motion was adopted, 5-0.

G-008/GR-04-901

In the Matter of an Application by CenterPoint Energy Minnegasco, a Division of CenterPoint Energy Resources Corp. for Authority to Increase Natural Gas Rates in Minnesota

G-008/GR-05-1380

In the Matter of the Application of CenterPoint Energy for Authority to Increase Natural Gas Rates in Minnesota

Commissioner Nickolai moved that, in light of the agreement of CenterPoint to waive the statutory deadline for putting its proposed rates into effect for an additional month and their agreement to put that agreement into writing, the Commission will

1. order the Administrative Law Judge (ALJ) to allow additional discovery and to conduct an additional hearing on the issue of the prudence of the investment in and the implementation of the Company's new billing system and related calling issues;
2. not set a specific date for that hearing, but ask the ALJ to convene a prehearing conference to work out the specific dates, looking at her schedule and the schedule of the parties, but recognizing that there is still a statutory deadline;
3. ask the ALJ to proceed with her current schedule for the other issues and then work in the additional hearing as she is able to do so; and

4. rescind the part of the Commission motion in this matter adopted at the May 4, 2006 that directed Commission staff to request comments from CenterPoint and other potentially interested parties on other possible measures that would address CenterPoint's telephone response times, abandoned call rates, and telephone busy signals.

The motion was adopted, 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: MAY 24, 2006

Burl W. Haar, Executive Secretary