

## AMENDED MINUTES

Comment [COMMENT1]: Minutes by Peter Brown. 20 motions were made.

The Commission met on **Thursday, August 17, 2006**, with Chair Koppendraye and Commissioners Johnson, Pugh, Nickolai, and Reha present.

### TELECOMMUNICATIONS AGENDA

The following matters were taken up by the Commission.

#### **P-5329/RV-05-1614**

#### **In the Matter of the Revocation of North American Telephone Network, LLC's Certificate of Authority**

Commissioner Pugh moved that the Commission

1. revoke North American Telephone Network, LLC's certificate of authority; and
2. clarify that the Company remains liable for any unpaid regulatory assessments or fees;

The motion passed 5-0.

#### **P-6333,6198/M-06-719**

#### **In the Matter of CP Telecom's Petition to Disconnect Service to Minnesota Phone Company**

Commissioner Pugh moved that the Commission defer action on CP Telecom's petition.

The motion passed, 5-0.

#### **P-408,420,421/CP-06-711**

#### **In the Matter of a Petition for Extended Area Service from the Frazee Exchange to the Perham, Vergas and Detroit Lakes Exchanges**

Commissioner Reha moved that the Commission

1. find that the Frazee exchange is adjacent to the Perham, Vergas and Detroit Lakes exchanges;
2. find that the Commission's traffic requirements are not met for EAS from the Frazee exchange to the Perham and Vergas exchanges and dismiss the request for the two proposed routes;

3. find that the Commission's traffic requirements are met for EAS from the Frazee exchange to the Detroit Lakes exchange;
4. order the affected telephone companies to file cost studies and proposed rates for the Frazee to Detroit Lakes route within 90 days of the service date of the Order, with each company proposing rates recovering its own costs of providing EAS; also order the affected companies to provide supporting information as requested by the Commission staff and the Department;
5. require the Department to file a report and recommendation regarding proposed rates within 60 days following the filing of cost studies and proposed rates by the companies;
6. allow the parties 20 days to respond to the Department's report; and
7. grant the Executive Secretary the authority to vary the above deadlines if the Executive Secretary deems necessary.

The motion passed, 5-0.

**P-430/AR-02-290**

**In the Matter of Sprint Minnesota, Inc.'s Alternative Form of Regulation Plan**

Commissioner Pugh moved that the Commission

1. find that Sprint has met the terms of its AFOR Plan and has committed to pay the appropriate penalty; and
2. take no further action at this time.

The motion passed, 5-0.

**P-430/AR-02-290**

**In the Matter of Embarq Minnesota, Inc.'s (formerly Sprint Minnesota, Inc.'s) Revised Alternative Form of Regulation Plan**

Commissioner Pugh moved that the Commission grant Embarq's request for extension of its Revised Alternative Form of Regulation Plan (AFOR) Plan through December 31, 2007.

The motion passed, 5-0.

**P-421/AR-97-1544**

**In the Matter of Qwest Corporation's Alternative Form of Regulation Service Quality Plan  
P-3009, 3052, 5096, 421, 3017/PA-99-1192  
In the Matter of Qwest Corporation's Compliance with the Retail Service Quality  
Components of its Merger Agreement**

Commissioner Pugh moved that the Commission

1. regarding the service quality results, approve Qwest and the DOC's penalty calculations of \$135,589 related to Qwest's service performance for 2005, with \$95,589 as credits to affected customers for exchange-specific penalties, and \$40,000 as addition to the telecommunications fund for the statewide penalties. Also, direct Qwest to issue the bill credits to customers in the affected exchanges and to add the statewide penalty to the telecommunications funds within 60 days; and
2. regarding the Telecommunications Fund, accept the Department's proposal to solicit grant proposals to be funded from the remaining balance of the Telecommunications Fund. Direct the Department to make a final report on the grants and fund within one year.

The motion passed, 5-0.

**P-421/AM-00-849**

**In the Matter of Qwest Corporation's Wholesale Service Quality Standards**

Commissioner Pugh moved that the Commission authorize Qwest Corporation (Qwest) to dissolve the escrow account established pursuant to the Commission's ORDER ACCEPTING AFFIDAVIT AND ADOPTING PARTIAL STAY (February 17, 2004) and claim the funds contained therein.

The motion passed 5-0.

Commissioner Pugh moved that the Commission retain the Wholesale Service Quality standards (MN WHSQ Plan) established pursuant to the Commission's ORDER ADOPTING WHOLESALE SERVICE QUALITY STANDARDS (July 3, 2003) and to order Qwest to continue reporting its performance of the provision of wholesale services under the MN WHSQ Plan's reporting requirements.

The motion passed 5-0.

**P-421/AM-06-713**

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

Commissioner Pugh moved that the Commission review some or all of the UNE rates proposed by Qwest in the instant docket.

The motion passed, 5-0.

Commissioner Pugh moved regarding the scope of the rate investigation that the Commission not include DS1 and DS3 Digital Loop and Entrance Facilities within the scope of the rate investigation.

The motion passed, 5-0.

Commissioner Pugh moved that the Commission include the 03-1754 elements and new elements within the scope of the rate investigation.

The motion passed, 5-0.

Commissioner Pugh moved regarding whether Qwest's New Element Prices should be effective immediately that the Commission neither approve nor disapprove Qwest's plan to begin offering certain new rate elements, leaving the issue to be determined by the various parties' interconnection agreements (ICAs).

The motion passed, 5-0.

Commissioner Pugh moved that the Commission Initiate a series of workshops allowing the parties to informally review Qwest's cost studies and adopt the following structure:

- Submit all issues within the approved scope of the investigation to the Office of Administrative Hearings for a contested case proceeding.
- Ask the ALJ to hold a prehearing conference not before October 31, 2006.
- Allow the parties to determine the number and scheduling of workshops as they see fit. The parties may utilize a third-party workshop facilitator. The parties may wish to request the OAH assign an ALJ as facilitator.
- By the date of the prehearing conference, the parties shall submit a report to the

investigating ALJ setting forth the UNEs for which costs must be determined and including a discussion of any disagreement as to whether any UNEs are considered “new UNEs” and whether any UNEs have been appropriately restructured.

- Grant the Executive Secretary authority to modify the duration of the workshop process.

The motion passed, 5-0.

### **ENERGY AGENDA**

The following matters were taken up by the Commission. Commissioner Reha recused herself from participation in the first item.

#### **E-002/CN-04-1176**

#### **In the Matter of Northern States Power Company d/b/a Xcel Energy and Dairyland Power Cooperative for a Certificate of Need for a 115 kV and 161 kV Transmission Line from Taylors Falls to Chisago County Substation**

Commissioner moved that the Commission approve the Applicants proposed notice plan as represented in its August 4, 2006 reply comments with the additional requirement of including language regarding its exemption.

The motion passed, 4-0.

Commissioner Reha rejoined the Commission for the remaining items.

#### **PL-6580/GP-06-931**

#### **In the Matter of the Application by Greater Minnesota Transmission, LLC for a Pipeline Route Permit (Partial Exemption) for the Cannon Falls Gas Pipeline**

Commissioner Nickolai moved that the Commission accept the application of Greater Minnesota Transmission, LLC (GMT) for a partial exemption from pipeline route selection procedures and for a pipeline routing permit for the proposed 13.0 mile, 16 inch outside diameter natural gas pipeline for the Canon Falls Energy Center Project.

The motion passed, 5-0.

#### **ET-2/CN-06-367**

#### **In the Matter of the Application by Great River Energy for a Certificate of Need for the**

**Mud Lake-Wilson Lake 115kV High Voltage Transmission Line**

Commissioner Reha moved that the Commission

1. accept the application as substantially complete and require the Applicant to provide the additional information identified by the Department;
2. approve the Department proposal to combine the environmental review of the certificate of need process with the environmental assessment of the routing proposal;
3. approve the Department proposal to combine the public hearings of the certificate of need process with those required under the route permitting process;
4. adopt the review process recommended by the Department in this matter which includes a comment period to identify contested issues; this would delegate scheduling authority to the Executive Secretary; if contested issues are identified and any party requests a contested case proceeding by the date reply comments are due, the matter will be brought back to the Commission; if no contested issues are identified, the Executive Secretary would establish further comment and reply comment deadlines; an Administrative Law Judge would be used to conduct the required public hearing(s) and would file a summary of those hearings with the Commission.

The motion passed. 5-0.

**ET-2/TL-06-980**

**In the Matter of the Application for a Route Permit for the Mud Lake-Wilson Lake 115kV High Voltage Transmission Line**

Commissioner Reha moved that the Commission

1. accept the Great River Energy Mud Lake to Wilson Lake transmission line route permit Application under the alternative review process as complete;
2. authorize the Minnesota Department of Commerce Energy Facilities Permitting staff to name a public advisor in this case;
3. take no action on an advisory task force at this time;
4. combine the environmental review documents and procedures in ET2/CN-06-3 67 and ET2/TL-06-980 as allowed by Minnesota Rule 4410.7060 and authorize DOC EFP staff to initiate and conduct the environmental review process; and
5. join the public hearings in ET2/CN-06-367 and ET2/TL-06-980. Authorize DOC BFP and Commission staff to request assignment of an Administrative Law Judge to schedule,

notice, and preside over the joint public hearing(s), and implement other actions necessary to carry out the hearing process.

The motion passed, 5-0.

**E-6472/GS-06-668**

**In the Matter of a Joint LEPPG Site Permit, HVTL Route Permit and Pipeline (Partial Exemption) Route Permit Application for the Mesaba Energy Project, a 1,200-Megawatt, IGCC power plant proposed by Excelsior Energy in Itasca County**

Commissioner Nickolai moved that the Commission refer the matter of a Joint LEPPG Site Permit, HVTL Route Permit and Pipeline (Partial Exemption) Route Permit Application for the Mesaba Energy Project to the Office of Administrative Hearing for a contested case proceeding.

The motion passed, 5-0.

**E,G-002/CI-02-2034**

**In the Matter of an Investigation and Audit of Northern States Power Company's Service Quality Reporting**

Commissioner moved that the Commission

1. grant Xcel's request for additional time (until March 1, 2007) to renegotiate and refile any proposed changes to the value of the SAIDI threshold in Xcel's service quality tariff; require Xcel to make a compliance filing to amend its tariff;
2. authorize the 98 minute SAIDI standard in Xcel's service quality tariff to remain in effect for 2006;
3. require another renegotiation of Xcel's reliability measure performance thresholds (both SAIDI and SAIFI) once the Company has provided five years of raw outage data under its new outage management system (OMS) with consistent outage count methodology; and
4. authorize parties to renegotiate underlying definitions relating to reliability performance indices (e.g. standby designation method) as necessary when the thresholds are renegotiated.

The motion passed, 5-0.

Commissioner Nickolai moved that the Commission

1. direct parties to engage in discussion to resolve the gas emergency response reporting

issue, including a discussion of the prioritization standards, what direction the dispatchers have, and how the prioritization standards relate to the benchmark times set for response, and return to the Commission with a proposal within 60 days; and

2. direct Xcel to provide information regarding industry standards or averages relating to gas emergency response time, with the intent to re-evaluate the definition of “customer emergency calls reporting gas leaks” and its accompanying response time threshold.

The motion passed, 5-0.

There being no further business before the Commission, the meeting was adjourned.

**APPROVED BY THE COMMISSION: OCTOBER 12, 2006**

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**Burl W. Haar, Executive Secretary**