

The Commission met on **Tuesday, March 7, 2006**, with Chair Reha and Commissioners Nikolai and Pugh present.

Comment [COMMENT1]: Minutes by Marcia Johnson. 9 motions were made.

The following matters were taken up by the Commission:

TELECOMMUNICATIONS

P-404, et al./CP-05-902

In the Matter of a Petition for Extended Area Service from the Cokato Exchange to the Minneapolis/St. Paul Metropolitan Calling Area

Commissioner Pugh moved to take the actions set forth below:

- Adopt the EAS rate additives proposed by Sprint for balloting subscribers in the Cokato exchange.
- Approve the lower-cost service option proposed by Sprint.
- Adopt the EAS rate additives proposed by the affected telephone companies for the other exchanges in the metropolitan calling area.
- Require the affected telephone companies to provide a single EAS number which reflects both the facilities cost and lost access and EAS revenues in customers' monthly bills, if the proposed EAS is implemented.
- Require that the balloting materials and (if the proposed EAS is implemented) the affected telephone companies' tariffs itemize EAS rate additives so as to indicate the portion of the EAS rate additive that recovers facilities cost and the portion that recovers lost access revenue and/or lost toll contribution.
- Require the affected telephone companies to provide cooperation and assistance to the Commission staff and Commission contractors during the polling process by providing usable, deliverable addresses for all access lines in a format and under time frames set by the Commission staff; and provide proof of the accuracy of customer lists as requested by the Commission staff.

The motion passed 3-0.

ENERGY

E-304,145/SA-06-61

In the Matter of the Joint petition of the City of St. Charles and Tri-County Electric Cooperative for Approval of a Settlement Agreement and a Change in Service Territory Boundary

Commissioner Nikolai moved to give notice to interested parties prior to the Commission's hearing in this matter. The Department will recommend approval of the Petition at this hearing.

The motion passed 3-0.

E-001/M-05-1709

In the Matter of Alliant Energy Corporate Services, Inc., Conformed System Coordination and Operating Agreement

Commissioner Nickolai moved to approve the revised System Coordination and Operating Agreement with the proposed changes, with the exception of further information to be provided by AECS regarding:

- 5) Schedule F, Distribution of Operating Expenses of the Central Control Center, and
- 6) the effective date of January 1, 2001 as the date of the SCOA, and

To amend Section 9.09(a) of the SCOA to add the following language to the last sentence:

. . . unless affirmative action on the amendment is required by a state's laws or regulations, or by the procedures of a state regulatory commission with jurisdiction over the matter.

The motion passed 3-0.

G-001/M-05-1709

In the Matter of A Petition filed by Interstate Power and Light Company, a Wholly Owned Subsidiary of Alliant Energy Corporation, for Minnesota Public Utilities Commission Approval of Changes to Interstate's Demand Entitlements to Serve the Company's Firm Customers

Commissioner Pugh moved the following:

1. approve the requested TF-12B/TF-12V reallocation;
2. approve the requested changes in the Company's overall TF-5, TFX, FDD, SMS and SBA entitlements;
3. approve the requested increase in the Company's overall Desing Day Capacity; and
4. approve the PGA recovery of the costs associated with the requested changes, effective November 1, 2005.

The motion passed 3-0.

E-015/M-05-1989

In the Matter of a Petition for Approval of an Amended and Restated Electric Service Agreement Between Stora Enso North America Corp. and Minnesota Power

Commissioner Nickolai moved to approve the petition by Minnesota Power of an Amended and Restated Electric Service Agreement with Stora Enso North America Corp. and to grant a variance of Minnesota Rules Part 7825.3200 to allow the proposed Agreement to take effect December 31, 2005.

The motion passed, 3-0.

G-252/M-06-220

In the Matter of the City of Hutchinson Request to Extend the Timeline of the Stipulation Agreement and an Escrow Agreement Concerning a De-compaction Fund for Agricultural Impact Mitigation

Tabled. No action necessary.

PT-6528/WS-06-91

In the Matter of the Application of High Prairie Wind Farm I, LLC, for a Large Wind Energy Conversion System Site Permit

Commissioner Nickolai moved that the Commission:

1. accept the High Prairie Wind Farm I, LLC application for a site permit as complete;
2. appoint Department of Public Service staff member Jeff Haase as the Public Advisor;
3. make a preliminary determination that a draft site permit may be issued;
4. approves the attached draft site permit for the High Prairie Wind Farm I, LLC for distribution and public comment.

The motion passed 3-0.

E-002/M-05-1648

In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the 2005 Review of Nuclear Plant Decommissioning

Commissioner Nickolai moved that the Commission:

1. direct that Xcel work with the Department in preparing a proposed accessible external account for submission to the Commission, which fund should be operational as soon as possible in 2006;
2. take no action on the NRC cost estimate issue;
3. approve a cost escalation rate of 3.61 percent;
4. approve an interest rate on external accounts of 5.40 percent;
5. establish plant end-of-life dates of 2020 for Monticello, 2013 for Prairie Island 1 and 2014 for Prairie Island 2;
6. require the next decommissioning filing on or before October 11, 2008, and direct Xcel to include the most recent monthly balance sheet accounts for STAS143; and
7. approve end-of-life fuel accrual of \$972,616.

The motion passed 3-0.

E-002/GR-05-1428

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

Commissioner Nickolai moved that the Commission deny the request for rehearing and not reconsider the Order.

The motion passed, 2-1. Commissioner Pugh voted no.

E-015/M-05-554

E-016/M-05-615

E-001/M-05-513

E-017/M-05-533

E-002/M-05-561

In the Matter of Reviewing the Adequacy of the Above-Listed Companies' Annual Filings Concerning Safety, Reliability, Service Quality, and Proposed Annual Reliability Standards Pursuant to Minnesota Rules Chapter 7826

Commissioner Pugh moved to take the following action on individual companies' annual reports:

Xcel Energy

- (1) Accept Xcel's April 1, 2005 filing, as supplemented on June 10, 2005. Set the reliability standards for 2005 at the levels proposed by Xcel and summarized on page 11 of the Department's June 1, 2005 comments.
- (2) Set the requirements set forth below for the Company's annual report due in 2007:
 - (a) Require Xcel to report on the 25 worst performing circuits for each of its 4 work centers in its 2007 Report.
 - (b) Require Xcel to report on its annual tree trimming budget for the past year and compare it to actual expenditures. If they are spending under budget, an explanation should be provided. Xcel should report on tree trimming cycle or interval they plan to follow for both transmission lines and distribution lines, along with a listing of circuits that have not been trimmed/maintained in 5 years or longer. If 5 % or more of the circuits have not been maintained within the 5 year cycle, Xcel must explain how it will budget for and schedule extra tree trimming crews to bring the schedule back in order within the following year.
 - (c) Require Xcel to report on the number of low voltage substations on their systems and report on their initiatives to upgrade their local substation voltages as appropriate to reduce low voltage and circuit overloading problems.
 - (d) Require Xcel to work with staff to develop a spreadsheet to report on identification of circuits and outage causes.

Otter Tail Power

- (1) Accept the Company's April 1, 2005 filing. Set the reliability standards for 2005 at the levels proposed by Otter Tail and summarized on page 13 of the Department's June 1, 2005 comments. Require the Company to report in its next filing on its experience with its new interruption monitoring system on its ability to assess the causes of goal exceedences.
- (2) Set the requirements set forth below for the Company's annual report due in 2007:
 - (a) Require the Company to report on its annual tree trimming budget for the past year and compare it to actual expenditures. If they are spending under budget, an explanation should be provided. The Company should report on tree trimming cycle or interval they plan to follow for both transmission lines and distribution lines, along with a listing of circuits that have not been trimmed/maintained in 5 years or longer. If 5 % or more of the circuits have not been maintained within the 5 year cycle, the Company must explain how it will budget for and schedule extra tree trimming crews to bring the schedule back in order within the following year.
 - (b) Require the Company to report on the number of low voltage substations on their systems and report on their initiatives to upgrade their local substation voltages as appropriate to reduce low voltage and circuit overloading problems.
 - (c) Require the Company to work with staff to develop a spreadsheet to report on identification of circuits and outage causes.

Interstate Power and Light Company

- (1) Accept the Company's April 1, 2005 filing. Set the reliability standards for 2005 at the levels proposed by the Company and summarized on page 10 of the Department's June 1, 2005 comments.
- (2) Set the requirements set forth below for the Company's annual report due in 2007:
 - (a) Require the Company to report on its annual tree trimming budget for the past year and compare it to actual expenditures. If they are spending under budget, an explanation should be provided. The Company should report on tree trimming cycle or interval they plan to follow for both transmission lines and distribution lines, along with a listing of circuits that have not been trimmed/maintained in 5 years or longer. If 5 % or more of the circuits have not been maintained within the 5 year cycle, the Company must explain how it will budget for and schedule extra tree trimming crews to bring the schedule back in order within the following year.
 - (b) Require the Company to report on the number of low voltage substations on their systems and report on their initiatives to upgrade their local substation voltages as appropriate to reduce low voltage and circuit overloading problems.
 - (c) Require the Company to work with staff to develop a spreadsheet to report on identification of circuits and outage causes.

- (d) Require the Company to include outage data due to bulk power outages, planned outages, outages due to public damage, and outages due to employee errors in calculating the SAIFI, SAIDI, and CAIDI reliability indexes.

Minnesota Power

- (2) Accept the Company's April 1, 2005 filing. Set the reliability standards for 2005 at the levels proposed by the Company and summarized on page 10 of the DOC s June 1, 2005 comments.
- (3) Set the requirements set forth below for the Company's annual report due in 2007:
 - (a) Require the Company to report on its annual tree trimming budget for the past year and compare it to actual expenditures. If they are spending under budget, an explanation should be provided. The Company should report on tree trimming cycle or interval they plan to follow for both transmission lines and distribution lines, along with a listing of circuits that have not been trimmed/maintained in 5 years or longer. If 5 % or more of the circuits have not been maintained within the 5 year cycle, the Company must explain how it will budget for and schedule extra tree trimming crews to bring the schedule back in order within the following year.
 - (b) Require the Company to report on the number of low voltage substations on their systems and report on their initiatives to upgrade their local substation voltages as appropriate to reduce low voltage and circuit overloading problems.
 - (c) Require the Company to work with staff to develop a spreadsheet to report on identification of circuits and outage causes.

Northwestern Wisconsin Electric Company

Accept the Company's April 18, 2005 filing, as supplemented on May 23, 2005. Set the reliability standards for 2005 at the levels proposed by the Company and summarized on page 6 of the DOC s June 1, 2005 comments.

The motion passed 3-0.

E-111/M-05-1814

In the Matter of Dakota Electric Association's Petition to Implement a Municipality Requested Facilities Surcharge Rider

The Company withdrew the matter from consideration.

APPROVED BY THE COMMISSION: MARCH 29, 2006

Burl W. Haar, Executive Secretary