

The Commission met on **Thursday, March 30, 2006**, with Chair Koppendraye, and Commissioners Marshall, Nickolai, Pugh and Reha present.

Comment [COMMENT1]: Minutes by Marcia Johnson. 14 motions were made.

The following matters were taken up by the Commission:

TELECOMMUNICATIONS

P-306/RV-05-1626

In the Matter of the Revocation of Teleclose Inc.'s Certificate of Authority

Commissioner Pugh moved that the Commission revoke Teleclose's Certificate of Authority.

The motion passed 5-0.

P-6371/NA-04-367

In the Matter of the Application of Earth Telecom, LLC for a Certificate of Authority to Provide Resold Long Distance Service

Commissioner Johnson moved that the Commission deny the application without prejudice.

The motion passed 5-0.

ENERGY

E-001,290/SA-06-106

In the Matter of the Joint Petition of Interstate Power and Light Company and the City of Owatonna For Approval of their Settlement Agreement Concerning a Change in their Service Territory Boundaries and Related Compensation

Commissioner Johnson moved that the Commission give notice to interested parties and approve the petition.

The motion passed 5-0.

E-124,281/SA-06-218

In the Matter of the Modification to Assigned Service Area Agreement between Minnesota Valley Electric Cooperative and the City of New Prague Municipal Utility

Commissioner Johnson moved that the Commission give notice to interested parties and approve the petition.

The motion passed 5-0.

E-017/M-06-11

In the Matter of Otter Tail Power Company's Request for Approval of a Revised Voluntary Renewable Energy Rider

Commissioner Reha moved that the Commission:

- 1) approve the petition; and
- 2) grant the Company a variance to allow the effective date of the reduction in the renewable rate to be on the 1st of the month following the Commission's Order in this matter.

The motion passed 5-0.

E-002/M-05-1850

In the Matter of Northern States Power company d/b/a Xcel Energy Request for Approval of Power Purchase Agreement with Fenton Power Partners I, LLC

Commissioner Nickolai moved that the Commission:

- 1) approve the PPA;
- 2) Allow Xcel full recovery of the cost via its automatic fuel adjustment;
- 3) For any future projects selected in a competitive bidding process, a PPA between Xcel and the selected project must be signed within one year after the selection has been approved by the Commission;
- 4) Require Xcel to credit to the fuel clause any compensation it receives from the relevant transmission authority for calling an interruption of the energy generated from the Fenton project during the period that Xcel is recovering curtailment provision costs from ratepayers; and
- 5) Require Xcel to identify in its monthly fuel adjustment report the date, length, cost to ratepayers and reason for each Voluntary Curtailment associated with the Fenton project. All such event should be summarized in Xcel's annual automatic Adjustment (AAA) report.

The motion passed 5-0.

E-002/M-05-1934

In the Matter of Northern States Power Company d/b/a Xcel Energy Request for Approval of Power Purchase Agreement with FPL Energy Mower County LLC (FPL)

Commissioner Nickolai moved to approve the PPA and require further information to justify full cost recovery.

The motion passed 5-0.

E-111/M-05-1945

In the Matter of Dakota Electric Association's 2006 Annual Conservation Improvement Program Report

Commissioner Reha moved that the Commission approve the proposed CIP with the Department's modifications.

The motion passed 5-0.

ET2/CN-06-367

In the Matter of the Application of Great River Energy for a Certificate of Need for a High Voltage Transmission Line

Commissioner Nickolai moved that the Commission vary Minnesota Rules, part 7849.0200, subp. 6, to extend the period for Commission action on the exemption request to an unspecified but reasonable period of time, with the understanding that the meeting to review the request would be held as soon as practicable following receipt of the written comments.

The motion passed 5-0.

G-252/M-06-220

In the Matter of the City of Hutchinson (Hutchinson Utilities Commission) Request to Extend the Time-Line of the Stipulation Agreement and an Escrow Agreement Concerning a Decomaction Fund for Agricultural Impact Mitigation

Commissioner Johnson moved that the Commission approve the Hutchinson Utilities Commission's request to extend the Stipulation Agreement and Escrow Agreement until the December 31, 2008.

The motion passed 5-0.

ET-3/RP-05-184

In the Matter of the Dairyland Power Cooperative Integrated Resource Plan for 2004-2019

Commissioner Nickolai moved that the Commission take the actions set forth below:

- A. Accept the 2004-2019 resource plan filed by Dairyland Power Cooperative.
- B. Require Dairyland to include in its next resource plan filing the information set forth below:
 - (1) A discussion of Dairyland's forecasting process, including how it incorporates demand-side management impacts in its energy and peak demand forecasts.
 - (2) A discussion of the potential for capacity degradation and unit decommissioning during the resource plan time frame.
 - (3) A discussion of the planning process used to integrate Dairyland's transmission plan with all existing regional and state planning platforms established by industry practice or Minnesota law, including those of the Mid-Continent Area Power Pool, the Midwest Independent System Operator, the state transmission plan established at Minn. Stat. § 216B.2425, and any other initiative undertaken by Minnesota transmission owners that address aggregated transmission system needs.
- C. Require Dairyland, as part of its next resource planning process, to provide to Department and Commission staff upon request all information, data, and explanation required to replicate Dairyland's energy and peak demand forecasts.
- D. Require Dairyland to make a compliance filing with information regarding its contracts for additional supply, which were disclosed orally to the Department and on which Dairyland relies for purposes of reliability.

The motion passed 5-0.

Commissioner Nickolai moved that the Commission take the actions set forth below:

- A. Require Dairyland to apply a fixed allocation factor to determine its total Minnesota energy sales relative to total system sales in meeting its renewable energy objectives under Minn. Stat. § 216B.1691.

- B. Find that Dairyland's resource plan filing demonstrates a good-faith effort to meet its renewable energy objectives under Minn. Stat. § 216B.1691, based on the Department's preferred methodology, the Vintage-based method, without adopting that method on a going-forward basis. Require Dairyland to continue working with the Department to evaluate alternative methods for allocating renewable resources between operating jurisdictions and to report on these discussions in future filings.

The motion passed 5-0.

Commissioner Nickolai moved to find that Dairyland's resource plan filing demonstrates a good-faith effort to meet its renewable energy objectives as to biomass, based on the Vintage-based method as the Department's preferred methodology, without adopting that method on a going-forward basis. Require Dairyland to continue working with the Department to evaluate alternative methods for allocating renewable resources between operating jurisdictions and to report on these discussions in future filings.

The motion passed 5-0.

Chair Koppendraye moved to require Dairyland to file an update on its renewable energy objectives efforts by October 1, 2006 and to file its next resource plan by June 1, 2008.

The motion passed 5-0.

APPROVED BY THE COMMISSION: APRIL 19, 2006

Burl W. Haar, Executive Secretary