

The Commission met on **Thursday, June 8, 2006**, with Chair Koppendrayer, and Commissioners Johnson, Nickolai, Pugh and Reha present.

**Comment [COMMENT1]:** Minutes by Marcia Johnson. 10 motions were made.

The following matters were taken up by the Commission:

## TELECOMMUNICATIONS

### **P-421/C-06-691**

#### **In the Matter of the Complaint of McLeodUSA Telecommunications Services, Inc. Against Qwest Corporation for Collocation Charges.**

Commissioner Pugh moved that the Commission find:

- 1) The Commission has jurisdiction over this matter and there is a reasonable basis for investigation; and
- 2) The Commission will refer the matter to the Office of Administrative Hearings for development of the record by an Administrative Law Judge. The Commission requests that the ALJ complete his or her report and that the matter be returned to the Commission by September 30, 2006.

The motion passed, 5-0.

### **P-421/C-06-413**

#### **In the Matter of the Complaint by the Minnesota Independent Equal Access Corporation, Inc. (MEAC) Against Qwest Communications (Qwest) Regarding Centralized Equal Access Charges.**

Commissioner Pugh moved that the Commission grant the parties' request for additional time for negotiations. The Commission will also delegate to the Executive Secretary the authority to modify future time lines in this matter and to set dates.

The motion passed, 5-0.

### **E-002/CN-06-154**

#### **In the Matter of the Application for Certificates of Need for Three 115 kV Transmission Lines in Southwestern Minnesota.**

Commissioner Johnson 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.

The motion passed, 5-0.

**ET2/MC-06-695**

**In the Matter of the Request by Great River Energy for a minor Alteration to the Air Lake-Empire 115kV Transmission Line Route Permit.**

Commissioner Johnson moved that the Commission authorize Great River Energy to realign approximately 1000 feet of the Air Lake-Empire Project transmission line along a new extension of 210<sup>th</sup> Street east of Highway 3 in Farmington, Minnesota under the Minor Alteration provisions of Minnesota Rule 4400.3820.

The motion passed, 5-0.

**E-002/M-05-1471**

**In the Matter of Northern States Power Company d/b/a/ Xcel Energy's Petition for Approval of Deferred Accounting Treatment for Various Tax Matters.**

The Commission took no action on this matter, allowing the request to be denied by Minn. Stat. 216B.27, subd. 4.

The motion passed, 5-0.

**E-111/M-04-2049**

**In the Matter of the Petition of Dakota Electric for Approval of Riders for Standby and Supplementary Power and Distributed Generation Rider.**

Commissioner Pugh moved that the Commission approve the April 20, 2006 revised distributed generation and standby tariff riders as filed.

The motion passed, 5-0.

**E-015/M-04-2030**

**In the Matter of the Petition of Minnesota Power for Approval of Rider for Distributed Generation Service and Rider for Standby Service.**

Commissioner Pugh moved that the Commission approve the April 31, 2006 riders for distributed generation and standby tariff as filed.

The motion passed, 5-0.

**E-002/M-04-2055**

**In the Matter of the Petition of Xcel for Approval of a Distributed Generation Tariff.**

Commissioner Nickolai moved that the Commission:

- 1) Approve Xcel's February 21, 2006 revised distributed generation tariff and related Standby Service Rider with modifications set forth in Staff briefing paper tables with the exception of:

- a) Modify item 20 to reflect the language used by other utilities to pay actual costs, and not to specifically reference taxes;
  - b) Modify item 30 to include information on renewable credits schedule and information other utilities required to file in January 31<sup>st</sup> filing, *e.g.* annual rate compliance filings for energy and capacity payments that would apply for the following year; and renewable resource credits and average emission credits for the previous year;
  - c) The company should address distributed generation metering, customer charge and standby issues in its distributed generation interconnection annual report.
- 2) Require Xcel to file a revised DG Tariff and Standby Service Rider complying with the Commission's modifications within 30 days of the date of the Commission's order (including a "red lined" version showing changes and also a "clean" revision).

The motion passed, 5-0.

**E-002/M-05-2028**

**In the Matter of a Petition for Approval of Recovery of Property taxes Paid by Lake Benton Power Partners.**

Commissioner Nickolai moved to reject the petition.

The motion passed, 5-0.

**G-002/C-06-155**

**In the Matter of a Formal Complaint Against Xcel Energy and Request for investigation by Linwood Township.**

Commissioner Reha moved that the Commission:

1. Allow Xcel to use its modified NAS analysis for extending service to the Boettcher Farms development, as provided in the Company's response to the Department Verbal Request Nos. 12 and 13 with the corrections identified by Staff with the contribution being non-refundable;
2. Allow Xcel to use the modified NAS as used for Boettcher Farms for other denied projects until revised or new tariffs are filed;
3. Direct Xcel to develop a tariff (as part of its extension tariff based on the NAS that would be used for non-justified projects. This tariff would modify the NAS to allow single upfront payment of the contribution, a capital contingency, and O&M escalator, provision that the contribution is non-refundable, the conditions under which the tariff applies and the information to be communicated to the customer (the number of customers, the forecasted gas usage and the feet of main used in the calculation). This tariff is to be filed within 90 days of the Order in this docket;

4. Require Xcel to submit, within 90 days of the Order in this docket, revised and/or new tariff language that will incorporate, on a going forward basis, the specific criteria Xcel proposes to use to determine the conditions under which the Company would extend service to a non-cost justified project. Xcel should also provide an explanation and justification for including city sewer and water service as a criterion;
5. Require Xcel to submit, within 30 days of the Order in this docket, a comprehensive plan that details how criteria for accepting or rejecting non-cost justified extension projects, as provided in the approved tariff, will be communicated to interested parties;
6. Require Xcel to show, in the Company's next natural gas general rate case, that:
  - a) the criteria in the approved tariff used by Xcel to deny non-cost justified main extension projects are reasonably communicated in writing by Xcel to interested parties;
  - b) Xcel consistently and correctly applies its approved extension tariff and any criteria therein for any main extension project that was submitted to Xcel;
  - c) Xcel consistently and correctly applies its criteria relating to the evaluation of denied main extension projects should additional funding become available to any denied main project which was subsequently approved by the Company; and
  - d) Xcel consistently and correctly applies the revised approved NAS tariff.
7. Require Xcel to present, in the Company's next natural gas general rate case, the possibilities of constructing a separate rate class for customers who do not use natural gas service for space and/or water heating.

The motion passed, 5-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: JUNE 21, 2006**

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**Burl W. Haar, Executive Secretary**