

The Commission met on **Thursday, June 30, 2005**, with Chair Koppendrayer and Commissioners Johnson, Nickolai, Pugh and Reha present.

Comment [COMMENT1]: Minutes by Peter Brown. 10 motions were made.

JOINT TELECOMMUNICATIONS AND ENERGY AGENDA

P-5849/RV-05-625

In the Matter of the Revocation of PromiseVision Technology, Inc.'s Certificate of Authority

Commissioner Pugh moved that the Commission revoke the Company's authority.

The motion passed 5-0.

P-6328/RV-05-714

In the Matter of the Revocation of Mercury Long Distance, Inc.'s Certificate of Authority

Commissioner Pugh moved that the Commission revoke the Company's authority.

The motion passed 5-0.

P-999/CI-05-886

In the Matter of Minnesota Department of Employment and Economic Development's FY 2006 Budget Proposal to Implement Accessible Electronic Information Service for Blind and Disabled Persons

Commissioner Reha moved that the Commission approve the Minnesota Department of Employment and Economic Development's FY 2006 budget as proposed.

The motion passed 5-0.

E-002/M-05-550

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of an Electric CIP adjustment

Commissioner Johnson moved that the Commission approve Xcel's petition as revised in Attachment 1 of the Department's Comments filed May 27, 2005, with specific approval of the following:

1. a 1.49 percent CIP Adjustment Rate as documented in Attachment 1 of the Department's May 27, 2005 comments;
2. a CIP financial incentive of \$8,080,121 for 2004;

3. a carrying charge of \$930,890 for 2004;
4. DSM expenditures \$40,344,761 for 2004; and
5. a 2004 CIP tracker account beginning balance of \$15,828,117.

The motion passed 5-0.

G-002/M-05-549

In the Matter of a Petition Submitted by Northern States Power Company d/b/a Xcel Energy Requesting Approval of Conservation Cost Recovery and Revised CIP Adjustment Factors for Each Customer Class

Commissioner Johnson moved that the Commission

1. adopt the Department recommendations 1-3:
 - approve recovery of the Department's recommended 2004 DSM financial incentive of \$1,105,715 that reflects the following Department recommended adjustments —
 - a) the exclusion of mandated payments of \$138,160 from Xcel's gas CIP to the Initiative in 2004 in the calculation of net benefits achieved for Xcel's overall CIP in 2004 (which does not set a precedent for future treatment of Initiative payments in the calculation of net benefits);
 - b) the exclusion of the Initiative payment of \$138,160 in 2004 in the calculation of the Company's DSM financial incentive cap; and
 - c) the exclusion of \$33,402 in unapproved funds related to NEC's Insulation Incentive project in the calculation of the Company's DSM financial incentive cap;
 - allow Xcel to record the Department's recommended DSM financial incentive of \$1,105,715 in the Company's gas CIP Tracker Account as of the date of the Commission Order in the present docket;
 - approve Xcel's 2004 CIP Tracker Account, including recovery of \$4,005,024 in CIP expenditures and \$50,747 in carrying charges; and
2. require Xcel to file, concurrently with the overall compliance filing in the gas rate case, an updated CIP adjustment factor for Commission approval; the filing should be made

under the current CIP adjustment factor docket, Docket No. G-002/M-05-549.

The motion passed 5-0.

G-022/GR-04-667

In the Matter of a Petition by Greater Minnesota Gas, Inc. for Authority to Establish Natural Gas Rates in Minnesota

Commissioner Nickolai moved that the Commission

1. approve the Company's May 16, 2005 compliance filing effective July 1, 2005, with the following Department recommendations:

- require GMG to provide the website address of the Minnesota Legislature at Section 111, Sheet No.1, Contact List, of the Company's tariff as follows:

All statutory and rule cites contained in this tariff can be accessed at the website of the Minnesota Legislature (www.leg.state.mn.us).
- approve GAG's proposed customer notice, as filed;
- approve GAG's proposed revised customer bill format, as filed;
- approve GAG's proposed revised tariff sheets, with the modification (identified above in the first bullet --- Department's Recommendation No.1 --- that GAG provide the website address of the Minnesota Legislature at Section 111, Sheet No.1, Contact List, of the Company's tariff;
- defer any decision regarding GAG's proposed base cost of gas to Docket No. G-022/MR-05-889; and
- approve GAG's proposed Standard Customer Activation Form, as filed;

2. require GAG to submit the tariff revision recommended by the Department, and the typographical corrections recommended by Commission staff, in a compliance filing, within 15 days; and

3. require GAG to propose tariff language for the terms and conditions of service related to the installation and maintenance of excess flow valves in a separate miscellaneous tariff filing within 60 days

The motion passed 5-0.

G-022/MR-05-889

In the Matter of a Petition by Greater Minnesota Gas, Inc. to Establish a New Base Cost of Gas to Coincide with the Implementation of Final Rates

Commissioner Reha moved that the Commission a

1. approve the new base cost of gas effective with the implementation of final rates;
2. grant a variance to Minn. Rule 7825.2400, Subp. 12 effective until the Company files its next general rate case; and
3. cap the Portfolio Management Fee allowed under the variance at the current level of \$10,800 per year.

The motion passed 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 Nickolai moved that the Commission take the following action in this docket:

1. regarding acceptance of the May 16, 2005 rate case filing: find the Company's May 16, 2005 rate case petition to be in proper form and substantially complete and accept the same;
2. regarding suspension of the proposed rates: suspend the proposed rates and proceed with a review of interim rates in the companion agenda item;
3. regarding referral of the case to the Office of Administrative Hearings (OAH) for a contested case proceeding: refer the case to the OAH and request the ALJ's report within eight months of the date of the Commission's acceptance of this filing;
4. in the Notice and Order for Hearing, require the following:
 - this Order will be served on the Company, which shall mail copies of the Order to all municipalities and counties in its Minnesota service area
 - Public Hearings shall be held in this matter at locations within the service area of the Company;
 - the Company shall give the following notices of the evidentiary and public hearings:
 - a. individual written notice to each customer, which may be in the form of a bill insert, and shall be served at least ten days before the first day of hearings;
 - b. written notice to the governing bodies of all municipalities and counties in the

area affected and to all parties in the Company's last two rate cases; these notices shall be mailed at least ten days before the first day of hearings;

c. display advertisements in legal newspapers of affected counties and other newspapers of general circulation within the Company's Minnesota service area; these advertisements shall appear at least ten days before the first day of hearings. They shall include the heading **RATE INCREASE NOTICE**, which heading shall appear in bold face type no smaller than 30 points;

d. the Company shall submit proposed notices for Commission approval prior to publication or service; and

5. delegate authority to approve notices and customer bill inserts to the Commission's Executive Secretary for the duration of this proceeding.

The motion passed 5-0.

E-001/MR-05-749

In the Matter of a Petition by Interstate Power and Light Company for a Change in Base Energy Adjustment Charge

Commissioner Johnson moved that the Commission approve the Company's proposed base cost of energy.

The motion passed 5-0.

E-015/PA-05-653

In the Matter of a Petition by Minnesota Power for Approval of a Used Aircraft Purchase Agreement

Commissioner Reha moved that the Commission

1. approve the sale;
2. require the Company to record the gain or loss in Account 108 using the \$278,000 as purchase price for purpose of determining the gain;
3. require the Company to provide the final journal entries for this transaction with 45 days of the order; and
4. grant a variance to Minn. Rules 7825.1400 and 7825.1800 to the extent that they require information pertaining to capital structure and the issuance of securities.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: JULY 13, 2005

Burl W. Haar, Executive Secretary