

The Commission met on **Thursday, August 4, 2005**, with Chair Koppendrayer and Commissioners Johnson, Nickolai, and Reha present.

Comment [COMMENT1]: Minutes by Carol Casebolt. 11 motions were made.

The following matters were taken up by the Commission.

Commissioner Johnson moved that the Commission take the following actions in the dockets set forth below:

E-015/M-05-491

In the Matter of Minnesota Power's 2004 Conservation Improvement Program Consolidated Filing

- approve the filing with the modifications recommended by the Department in its June 29, 2005 comments

E-001/M-05-546

In the Matter of Interstate Power and Light Company's Request for a Financial Incentive Based on Performance of its 2004 Electric Conservation Improvement Program

- approve the filing

G-001/M-05-552

In the Matter of Interstate Power and Light Company's Request for a Shared Savings Demand Side Management Financial Incentive Based on the Performance of the Company's Gas Conservation Program in 2004

- approve the filing with the modifications recommended by the Department in its June 30 comments.

The motion passed 4-0.

E-002/GR-92-1185 and G-002/GR-92-1186

In the Matter of Northern States Power Company d/b/a Xcel Energy's Annual Report on the Operation and Performance of its 2004 Incentive Compensation Plan Pursuant to MPUC Orders After Reconsideration

Commissioner Nickolai moved to approve the Company's calculations, defer the electric refund until the Company's next rate case, defer the gas refund until the refund of interim rates in docket G-002/GR-04-1511, require the payment of interest compounded monthly and calculated at the Company's weighted cost of capital approved in each utility's most recent general rate case.

The motion passed 4-0.

E-002/C-05-274

In the Matter of a Formal Complaint and Petition for Variance of Minnesota Rules, Part 7820.2800, Billing Errors

Commissioner Nickolai moved to grant the requested variance to allow the Company to provide an additional refund of \$16,986 to Shapco Printing, Inc. and to clarify that this amount is not recoverable from ratepayers.

The motion passed 4-0.

G-008/GR-4-901

In the Matter of an Application by CenterPoint Energy Minnegasco, a Division of CenterPoint Energy Resources Corp., for Authority to Increase Natural Gas Rates in Minnesota

Commissioner Johnson moved to deny CenterPoint's petition for amendment and clarification.

The motion passed 3-1. Chair Koppendraye voted no.

Commissioner Nickolai moved that the Commission, on its own motion, reconsider the issue of the residential service reconnection charge.

The motion passed 4-0.

Commissioner Nickolai moved to set the residential service reconnection fee at \$22.50.

The motion passed 3-1. Chair Koppendraye voted no.

Commissioner Reha moved to accept the Company's compliance filing with the corrections and filing requirements set forth in the Department's June 27, 2005 comments and to set August 12, 2005 as the effective date for implementing final rates and starting the interim rate refund.

The motion passed 4-0.

G-008/MR-05-900

In the Matter of a Petition by CenterPoint Energy to Establish a New Base Cost of Gas

Commissioner Nickolai moved to approve a total test year cost of gas of \$960,185,530 and the underlying base per unit commodity and per unit demand costs to coincide with the implementation of final rates in Docket No. G-008/GR-04-901 and to require the Company to file corrected schedules and tariff pages that reflect this change within ten days of the Commission's Order in this docket.

The motion passed 4-0.

G-008/CI-04-2001

In the Matter of CenterPoint Energy's Implementation of the Cold Weather Rule and Reconnection Policies

Chair Koppendrayer moved that, as a supplement to CenterPoint Energy's continuing obligation pursuant to the Commission's January 14, 2005 Order to use the script set forth in that Order, the Company shall put in writing certain reporting measures that it has agreed to implement, file them with the Commission, and circulate them to the parties in advance of this matter coming back before the Commission at its next regularly scheduled meeting (Thursday August 11, 2005), at which point the Commission will adopt them as additional interim measures.

The motion passed 4-0.

E-243, 106/SA-03-896

In the Matter of the Application of the Grand Rapids Public Utilities Commission to Extend its Assigned Service Area into the Area Presently Served by Lake Country Power

Chair Koppendrayer moved to adopt a mill rate of 35.4 mills/kWh for existing customers, as proposed by Lake Country, and 32.4 mills/kWh for future customers, as proposed by Lake Country.

The motion failed 2-2. Commissioners Nickolai and Reha voted no.

Commissioner Reha moved to set compensation for lost revenues from present and future customers at 30 mills/kWh, to reflect the load factor characteristics of the annexed areas.

The motion passed 3-1. Chair Koppendrayer voted no.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: AUGUST 17, 2005

Burl W. Haar, Executive Secretary