

The Commission met on **Thursday, September 29, 2005**, with Chair Koppendraye and Commissioners Johnson, Nickolai, Pugh and Reha present.

**Comment [COMMENT1]:** Minutes by Carol Casebolt and Eric Witte. 6 motions were made.

The following matters were taken up by the Commission:

### **TELECOMMUNICATIONS AGENDA**

#### **P-442, et al./C-04-235**

#### **In the Matter of the Complaint of the Minnesota Department of Commerce for Commission Action Against AT&T Regarding Negotiated Contracts for Switched Access Services**

Commissioner Reha moved to –

1. Deny the motion to dismiss filed by AT&T Communications of the Midwest (AT&T), and
2. Grant AT&T's motion for a more definite statement, directing the Minnesota Department of Commerce (the Department) to provide a revised statement within 20 days of the Order and requiring AT&T to provide an answer within 20 days of receiving the Department's revised statement.

The motion passed 5-0.

### **ENERGY AGENDA**

#### **E-002/MC-05-1273**

#### **In the Matter of a Request for Determination of a Minor Alteration for the Proposed Project Involving 1.2 Miles of New Monticello to St. Cloud Double-Circuit 115/115 kV Transmission Line and Expansion of the Sherburne County Substation to Sherburne County, Minnesota**

Commissioner Johnson moved to adopt the Department's recommendation to authorize the Minor Alteration for the proposed Monticello to Saint Cloud 115 kV transmission line and Sherburne County substation project to be located near Becker, Minnesota, as requested by Northern States Power Company d/b/a Xcel Energy.

The motion passed 5-0.

**G-007,011/M-05-1229**

**In the Matter of Aquila, Inc. and its Divisions Aquila Networks - PNG and Aquila Networks - NMU Miscellaneous Tariff Filing**

Commissioner Pugh moved to adopt the Department's recommendation to approve the miscellaneous tariff changes.

The motion passed 5-0.

**E-017/M-03-30**

**In the Matter of Otter Tail Power Company's First Annual FCA True-up**

Commissioner Pugh moved to approve the Department's recommendation to –

3. approve a delay in implementation of its 2005 true-up of its fuel clause adjustment as proposed by Otter Tail Power Company (Otter Tail), and
4. direct Otter Tail to file its 2005 true-up by December 31, 2005.

The motion passed 5-0.

**E-015/AI-01-1648**

**In the Matter of Minnesota Power's Petition for Approval of Affiliated Interest Agreements and Purchase of Transmission Facilities from Rainy River - Taconite Harbor**

**E-015/AI-01-1988**

**In the Matter of Minnesota Power's Petition for Approval of Intra-Company Transfer of Taconite Harbor Electric Generation Station and Associated Assets from Rainy River Energy Corporation - Taconite Harbor to Minnesota Power**

Commissioner Nickolai moved to –

1. Accept the Report of Appraisal and approve the proposed adjustments to the recorded values of generation plant and transmission, including the corrected schedules submitted on September 8, 2005, and
2. Recognize that the process began with a list of seven appraisers instead of the ten originally anticipated, and find that the process was acceptable under the circumstances.

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**

The Commission heard oral arguments on this matter.

**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 Services**

Commissioner Nickolai moved to accept Minnesota Power's revised proposal as agreed upon by the parties and represented to the Commission by the Department, with the following clarifications:

- Issue 2. Minnesota Power shall make an annual rate compliance filing in which it shall –
  - review and modify as appropriate the Distributed Generation (DG) Rider Rate's delivery charge,
  - identify the charge's application and the characteristics that result in the customer incurring the charge, and
  - show that the costs recovered by the charge are not being recovered elsewhere.
- Issue 3. Concurrent with the Commission's re-evaluation of its policy exempting generators of 60 kilowatts (kW) or less from paying standby charges,<sup>1</sup> Minnesota Power shall file a report re-evaluating its service charges. This report shall include Minnesota Power's explanation and itemization of costs for DG customers and non-DG customers to document that the service charge recovers only incremental customer costs for DG-related services.
- Issue 4.B. As part of its annual rate compliance filing, Minnesota Power shall re-calculate the energy and capacity credits it awards to DG owners based on the energy and capacity costs that the DG facility enables Minnesota Power to avoid. Minnesota Power shall disclose those credits upon written request, with the understanding that the capacity credit figure merely reflects Minnesota Power's overall capacity costs and that MP must calculate each DG project's capacity credits individually.
- Issue 7.B. In its annual rate compliance filing, Minnesota Power shall list the credits it grants to DG owners for using renewable resources, along with the guidelines it used to develop the credits.
- Issue 14. Minnesota Power shall make its annual rate compliance filing by January 31 of each year, and shall include –
  - a new energy payment schedule if different from the previous year's,

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<sup>1</sup> See *In the Matter of Establishing Generic Standards for Utility Tariffs for Interconnection and Operation of Distributed Generation Facilities under Minnesota Laws 2001, Chapter 212*, Docket No. E-999/CI-01-1023 ORDER ESTABLISHING STANDARDS (September 28, 2004) at 20-22.

- a new capacity payment schedule if different from the previous year's,
  - a new renewable resource credit schedule if different from the previous year's,
  - the average tradable emissions credit for the previous year, and
  - a discussion and support of any and all changes in the schedules.
- Issue 17. Minnesota Power's confidentiality and non-disclosure agreement shall provide for disclosure of confidential information to parties other than the DG customer (such as the customer's financier), similar to Minnesota Power's model power purchase agreement.
- Issue 18. The Commission will initiate a separate docket to address the effect of the Federal Energy Regulatory Commission's Order No. 2006<sup>2</sup> on the Minnesota Commission's current proceedings.
- Issue 19. The Department is in the process of making the annual DG interconnection reports available via the Internet.
- Issue 21.B. Minnesota Power shall substitute "Minnesota Power" for the words "Area EPS" throughout the process and technical documents identified in the ORDER ESTABLISHING STANDARDS.
- Issue 21.C. Minnesota Power shall include in the DG Rider a reference to the location of the process and technical documents on its World Wide Web site, and also provide contact information for potential customers that do not have access to the World Wide Web.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: OCTOBER 26, 2005**

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**Burl W. Haar, Executive Secretary**

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<sup>2</sup> *In re Standardization of Small Generator Interconnection Agreements and Procedures*, Docket No. RM02-12-000 Final Rule (May 12, 2005).