

The Commission met on **Thursday, November 10, 2005**, Chaired by Commissioner Reha with Commissioners Johnson, Nickolai, and Pugh present.

Comment [COMMENT1]: Minutes by Peter Brown. 8 motions were made.

ENERGY AGENDA

G-008/M-05-1196

In the Matter of a Request by CenterPoint Energy for approval for a variance to the Commission's Automatic Adjustment Rules related to the recovery of Demand Costs

Commissioner Johnson moved that the Commission

1. grant CenterPoint's requests
 - to continue calculating a monthly Demand Adjustment to the Company's Demand Cost Recovery Rate; and
 - for a variance to Minn. Rules, Part 7825.2700, subp. 5, but limit the period to two years;
2. accept CenterPoint's proposed
 - continuation of the reporting requirements along with the Department's modification; and
 - maximum monthly allowed Demand Adjustment.

The motion passed, 4-0.

G-004/D-05-866

In the Matter of a Request by Great Plains Natural Gas Company, a Division of MDU Resources Group, Inc. for Approval of Depreciation Rates for 2005 Resulting From its Annual Depreciation Study

Commissioner Johnson moved that the Commission

1. certify Great Plains' proposed remaining lives, salvages and resulting depreciation rates found on PUC Attachment 1, effective as of November 1, 2005;
2. require Great Plains to file its 2006 remaining life depreciation study by June 1, 2006 with the rates being effective upon the date of the Order in that docket or a comparable date of the Commission's choosing based on Great Plains' commitment to upgrade its existing system so that is capable of retroactive implementation with only limited programming modifications if any or if necessary, purchase a new asset accounting system with the capability of retroactive implementation;
3. find that Great Plains has adjusted 2004 depreciation expense and reserves to reflect the 2002 and 2003 depreciation accruals at the depreciation rates certified by the Commission in Docket No. G-004/D-02-1438 and used in the G-004/GR-04-1487 general rate case; and

4. find that Great Plains has adjusted its plant and reserve accounts in 2004 to reflect the approved vintage year method of accounting for accounts 391 through 398 during 2002 and 2003.

The motion passed, 4-0.

E-015/M-05-1465

In the Matter of the Third restated Electric Service Agreement Between Minnesota Power and ME Global, Inc.

Commissioner Nickolai moved that the Commission

1. approve the Third restated Electric Service Agreement between Minnesota Power and ME Global, Inc.; and
2. grant Minnesota Power a variance to the requirement in Minn. Rules, Part 7825.3200 that the Commission receive 90 day notice of a rate change and allow the Third Restatement to take effect on November 8, 2005.

The motion passed, 4-0.

E-015/M-05-1496

In the Matter of a Petition by Minnesota Power for approval of an amended and restated electric service agreement between Ispat Inland Mining Company and Minnesota Power

Commissioner Nickolai moved that the Commission

1. approve the petition by Minnesota Power for approval of an amended and restated electric service agreement between Ispat Inland Mining Company and Minnesota Power; and
2. grant Minnesota Power a variance to the requirement in Minn. Rules, Part 7825.3200 that the Commission receive 90 day notice of a rate change and allow the Third Restatement to take effect on September 1, 2005.

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

The Commission received an update from the Attorney General's Office and CenterPoint Energy and heard comment from the Energy CENTS Coalition and the Commission's Consumer Affairs Office re: status of disconnections, reconnections, and related matters.

ET-6131,ET-2,ET-6130, ET-10,ET-6444,E-017, ET-9/CN-05-619

In the Matter of the Application of Otter Tail Power Company and Others for Certification of Transmission Facilities in Western Minnesota

Commissioner Reha moved that the Commission

1. agree to combining the environmental report and environmental impact statement processes, as allowed by Minn. Rules, part 4410.7060, subp. 2;
2. support holding combined need and routing hearings for the purpose of receiving public comments, but
3. indicate that the issues of whether and how to conduct joint evidentiary hearings should be discussed at a prehearing conference after the routing application is submitted.

The motion passed, 4-0.

E,PT-6479/MC-05-1328

(EQB 03-64-TR-XCEL)

In the Matter of the Request of Mark Zehms for a Route Permit Amendment to the Xcel Energy 161 kV High Voltage Transmission Line in Jay Township in Martin County, Minnesota

Commissioner Pugh moved that the Commission

1. find that the proposed route change is a request for a minor alteration rather than a request for the change of a permit condition and that only a permittee can request a minor alteration under Minn. Rules, Part 4400.3820; and
2. deny the Zehms' request.

The motion passed 4-0.

ET-2/CN-05-347

In the Matter of the Application of Great River Energy for a Certificate of Need for the Cambridge Peaking Plant

Commissioner Nickolai moved that the Commission

1. accept the Environmental Assessment prepared in this proceeding and the record as a whole as adequately addressing the certificate of need issues identified in the EQB chair's scoping decision;
2. not adopt Paragraphs 83 to 87 and the first sentence of Paragraph 88 of the ALJ's Report; indicate that the Commission is making no definitive conclusion on the credit worthiness or financial reliability of either MEC or Calpine;

3. accept the Cooperative's technical corrections to the ALJ's Report;
4. find that the proposed gas-fired peaking facility to be completed by the summer season of 2007 would be an appropriate type of facility to meet the need identified by the Cooperative;
5. affirm Conclusions 1-15 and the Recommendations of the ALJ as they apply to the certificate of need process; and
6. issue a certificate of need for the construction of the large electric generating facility proposed by the Cooperative.

The motion passed, 4-0.

ET-2/TR-05-1315

(EQB 05-92-PPS-GRE Cambridge Station)

In the Matter of a Site Permit to Construct a 170 MW, Natural Gas-Fired, Simple Cycle Combustion Turbine Generator at GRE's Existing Peaking Plant Site Near Cambridge in Isanti County, Minnesota

Commissioner Reha moved that the Commission

1. accept the following technical corrections in the ALJ report identified by GRE in its October 18, 2005 filing in Docket No. ET-2/CN-05-347:
 - Finding 2 should include the word "capacity" before the word "factor" in the last sentence;
 - Notice was provided both to affected landowners and governmental units, contrary to the impression that may be created by Finding 8;
 - Findings 39 and 40 should refer to a 2003 IRP update, not a 2004 IRP update;
 - Finding 98 should be corrected to indicate that there would be "less than 1,000 feet of transmission line from the transformers to the existing Cambridge Substation;"
 - Findings 98, 105, and 125 should be corrected to indicate that the storm retention pond would be located at the northeast end of the site; and
2. approve and adopt the Department's proposed Findings of Fact, Conclusions and Order which (1) determines that the Environmental Assessment and the record created at the public hearing addresses the issues identified in the scoping decision, (2) designates a site at the current GRE Cambridge Station (Section 21, T36N, R23W and Section 16, T36N, R23W Isanti County, Minnesota) for a 170 megawatt large electric power generating plant and (3) issues the Site Permit to Great River Energy proposed by the Department, amended as follows:
 - add the following sentence at the end of Section IV. Permit Conditions, Subsection

D. Other Requirements —

The permittee shall comply with the recommendations contained in the January 5, 2005 letter from the Minnesota Department of Natural Resources, Natural Heritage and Nongame Research Program.

- add the following underlined language so that Section V reads as follows —

V. PERMIT CONDITIONS AMENDMENT

The ~~is~~ conditions listed in Section IV of this permit may be amended at any time by the MPUC. Any person may request an amendment of ~~the~~ conditions ~~permit~~ pursuant to Minn. Rules, Part 4400.3840, by submitting a request to the Commission in writing describing the amendment sought and the reasons for the amendment. The Commission will mail notice of receipt of the request to the Permittee. The MPUC may amend the conditions ~~permit~~ after affording the Permittee and interested persons such process as required.

The motion passed, 4-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: NOVEMBER 23, 2005

Burl W. Haar, Executive Secretary