

The Commission met on **Thursday, December 1, 2005**, Chaired by Commissioner Reha with Commissioners Nickolai and Pugh present.

Comment [COMMENT1]: Minutes by Peter Brown. 12 motions were made.

ENERGY AND TELECOMMUNICATIONS AGENDA

E-017AI-05-1394

In the Matter of a Petition by Otter Tail Corporation for Approval of a Tax Sharing Agreement with its Subsidiary Shoreline Industries, Inc.

Commissioner Pugh moved that the Commission

1. find that Otter Tail has satisfied its burden of proof that the Agreement is consistent with the public interest; and
2. defer to Otter Tails' next rate case the issue of whether the tax amounts assigned to the utility are reasonable.

The motion passed, 3-0.

G-008/M-05-603

In the Matter of a Petition of CenterPoint Energy Minnesota Gas for Approval of Tariff Changes and a Variance from Minnesota Rules Related to the Implementation of a New Customer Billing and Information System

Commissioner Nickolai moved that the Commission

1. approve the tariff changes concerning bill format, budget billing and the due date (as modified by the Department);
2. grant a four-year variance from Minn. Rule 7820.5300, subp 2 regarding the due date printed on the bill;
3. require CenterPoint Energy to submit an annual compliance filing showing:
 - a. the total number of customers participating in the Automatic Bank Draft program;
 - b. the number of customers who choose a due date greater than five days from their billing date;
 - c. how many customers drop off the Automatic Bank Draft program annually and the reasons for their departure;
 - d. the number and nature of complaints received each year regarding the Automatic Bank Draft program; and
4. clarify that the disconnection notice must be separate from the customer bill;
5. delegated to the Executive Secretary the approval of language to be used in disconnect notice.

The motion passed, 3-0.

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

Commissioner Reha moved that the Commission not reconsider its ORDER DETERMINING COMPENSATION issued September 29, 2005.

The motion passed, 3-0.

E-015/M-05-975

In the Matter of a Petition by Minnesota Power for Approval of a Wind Purchase Power Agreement, Revised Rider for Fuel Adjustment, and Approval to Count the Wind Energy Towards Minnesota Power's Renewable Energy Objective

Commissioner Reha moved that the Commission approve MP's request, including the request for variances, with the Department's conditions and reporting requirements as described below:

- a. the determination of Minnesota renewable energy objective (REO) eligibility for wind energy generated by the FPLE Project is contingent upon successful completion of the MISO approval process for delivery of the generation to Minnesota; the determination regarding the proper assignment of the eligible renewable energy from the facility towards the Company's REO will be made in a separate proceeding, such as MP's pending (or future) resource plan;
- b. add the following language to MP's FCA rider instead of the language initially proposed by MP:

...expenses incurred by the Company over the duration of any Commission approved contract, as provided for by section 216B.1645, to satisfy the renewable energy objectives set forth in section 216B.1691...
- c. require that MP's cost recovery of the FPLE power purchase agreement (PPA) through the FCA be limited to the amount of renewable generation that is used to serve MP's retail customers;
- d. require MP to credit to ratepayers, through the FCA, for any compensation it receives from MISO, or any other transmission authority, for calling an interruption of the energy generated by the FPLE Project during the period that MP is recovering curtailment provision costs from ratepayers;
- e. require MP to explicitly show in each FCA filing:
 - the amount of any curtailment payments made under the three curtailment categories of this PPA, and
 - why MP believes it is prudent for ratepayers to pay for curtailment costs under any category, including the provision of an updated cost-benefit analysis when applicable;
- f. require MP to provide in a compliance filing a cost/benefit analysis prior to exercising the buy-out provision (Section 1.2 of the PPA).

The motion passed, 3-0.

**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 Nickolai moved that the Commission

1. vary Minn. Rules, Part 7849.0230 using the three-part test in Minn. Rules, part 7829.3200, indicating that the rule has been effectively superseded and rendered redundant by the environmental report rules adopted by the Environmental Quality Board; and vary Minn. Rules, part 7849.0270, subp. 2 using the three-part test in Minn. Rules, part 7829.3200, as requested by the Applicants, insofar as that rule calls for customer class information for Heartland, SMMPA, and MRES that is not available;
2. require the Applicants to provide a copy of the Big Stone Unit II siting application as a hearing exhibit and provide a copy of the siting application to potential parties which request one; accept the Application as substantially complete as of November 4, 2005 (i.e., the date the Supplement was submitted); refer the docket to the Office of Administrative Hearings to hold a contested case proceeding; and direct the Applicants to file the supplementary information in Attachment A, as follows:
 - A. For each participating utility, construct the generation and demand-side management alternative considered most viable to match approximately the megawatt share that utility would receive from the Big Stone II plant in 2011.
 - B. Including the environmental cost values adopted by the Commission, compare and contrast the costs of the resulting overall generation and demand-side management alternative (i.e., the combination of all seven sub-alternatives and associated transmission improvements) with the Big Stone projects (i.e., Big Stone Unit II plus the preferred transmission alternative provided in the application).
 - C. To the extent possible, discuss the comparative reliability of the resulting overall generation and demand-side alternative with that of the Big Stone projects.
 - D. To the extent possible, further compare the resulting overall generation and demand-side alternative with the Big Stone projects, considering the data elements listed in Minn. Rules, part 7849.0340, item B.
 - E. To the extent possible, discuss how changes in demand or changes in the in-service dates of the indicated resources would affect the above comparisons.
 - F. Provide any other information deemed relevant to comparing the Applicants' proposal and the alternative described above.
3. include in the Order (or one the Orders) coming out of this meeting:
 - notice of a prehearing conference (with a specified date, time, and location to be determined by the Administrative Law Judge and Commission staff);
 - the name(s) and telephone number(s) of the Commission employee or employees designated to facilitate citizen participation in the process;

- a request that the Department of Commerce continue to study the issues and indicate during the hearing process its position on the reasonableness of granting a certificate of need to the Company;
- a requirement that the Applicant facilitate in every reasonable way the continued examination of the issues by the Department of Commerce;
- a request that the Applicant place the November 4 Supplement (as well as any additional supplementary material that the Commission may require to be part of the Application) on a website at the same location as the original Application;
- a directive that Commission staff work with the Administrative Law Judge and staff of the Department of Commerce in selecting suitable locations for the public and evidentiary hearings on the Application; and
- a directive that the Applicants work with staff of the Commission and the Department to arrange for publication of notice of the public and evidentiary hearings in newspapers of general circulation at least ten days prior to the start of the hearings, that such notice be in the form of visible display ads, and that proofs of publication of such ads be obtained from the newspapers selected.

The motion passed, 3-0.

G-008/M-05-1831

In the Matter of the Request by CenterPoint Energy to Temporarily Waive Tariff Provisions Relating to Reconnection Fees and Deposit Requirements for Certain Low Income Customers During the 2005-2006 Cold Weather Rule Period

Commissioner Reha moved that the Commission approve the CenterPoint Energy proposal to waive the provisions of its tariffs contained in Section VI, Part 11.01, Paragraph 7 (Reconnection Fees) and Section VI, part 7.00 (Customer Deposits) for the remaining portion of the 2005-2006 Cold Weather Rule period for customers receiving federal Low-Income Home Energy Assistance Program (LIHEAP) benefits. Require a compliance filing within 10 days of the order which contains language to be included in CenterPoint's tariff book to implement the approved waivers.

The motion passed, 3-0.

G-999/CI-05-1832

In the Matter of a Commission Inquiry Into Natural Gas Distribution Company Policies Relating to Reconnection Fees, Deposit Requirements, and Related Issues for Low Income Customers During the 2005-2006 Cold Weather Rule Period

Commissioner Reha moved that the Commission

1. approve the Great Plains and Aquila proposals to waive the provisions of its tariffs relating to reconnection fees and deposits requirements for the remaining portion of the 2005-2006 Cold Weather Rule period for customers receiving LIHEAP benefits; require a compliance filing within 10 days of the order which contains language to be included in their tariff books to implement the approved waivers;
2. require all natural gas utilities to meet with interested stakeholders as convened by the Department of Commerce to develop other appropriate actions to help moderate the impact of high gas costs on its low income customers.

The motion passed, 3-0.

P-5323/PA-05-1705

In the Matter of the Petition of McLeodUSA Telecommunications Services, Inc. for Authority to Complete a Proposed Restructuring

Commissioner Pugh moved that the Commission

1. approve the transfer of control of McLeodUSA Telecommunications, Inc. (McLeod or the Company) ;
2. direct McLeod to file a notice of consummation within 20 days of the closing of the transaction; and
3. clarify that the Company will continue to operate under its current authority.

The motion passed, 3-0.

P-5733,5708,5885/PA-05-1766

In the Matter of the Joint Application of Level 3 Communications, LLC and WilTel Communications Group, LLC for Approval of an Indirect Transfer of Control of WilTel Communications, LLC and WilTel Local Network, LLC

Commissioner Nickolai moved that the Commission

1. approve the indirect transfer of control of WilTel Communications, LLC and WilTel Local Network, LLC;
2. require that WilTel Communications, LLC and WilTel Local Network, LLC file a notice of consummation within 20 days of the closing of the transaction; and
3. clarify that WilTel Communications, LLC and WilTel Local Network, LLC will continue to operate under their current authority.

The motion passed, 3-0.

P-3054/RV-05-1591

In the Matter of the Revocation of the Certificate of Authority Held by Alternate Communications Technology, Inc.

Commissioner Reha moved that the Commission

1. revoke the Certificate of Authority held by Alternate Communications Technology, Inc.; and
2. clarify that the Company remains responsible for any unpaid regulatory assessments or fees.

The motion passed, 3-0.

P-421/AR-05-1081

In the Matter of a Petition by Qwest Corporation for Approval of its Alternative Form of Regulation Plan

Commissioner Nickolai moved to grant the late-filed petition for intervention filed by AT&T Communications of the Midwest, In. And TCG Minnesota, Inc.

The motion passed 3-0.

Commissioner Pugh moved to determine that Qwest's June 30, 2005 filing commenced the Commission review process under Minn. Stat. § 237.764, subd. 1 (e).

The motion passed 3-0.

ORAL ARGUMENT ITEM

P-421/AR-05-1081

In the Matter of the Petition of Qwest Corporation for Approval of its Revised Alternative Form of Regulation Plan

The Commission hear oral argument regarding the merits of Qwest's October 21, 2005 ne Revised AFOR Plan, as scheduled. Consideration of the merits is scheduled for the Commission's Agenda Meeting of December 8, 2005.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: DECEMBER 14, 2005

Burl W. Haar, Executive Secretary