

The Commission met on **Thursday, February 1, 2007**, with Chair Koppendray and Commissioners Johnson, Nickolai, Pugh, and Reha present.

Comment [COMMENT1]: Minutes by Peter Brown. 5 motions were made.

TELECOMMUNICATIONS AGENDA

P-5733/PA-06-1310

In the Matter of the Petition of Level 3 Communications, LLC's Request for a Streamlined Process for Acquisitions or Transfers of Control

Commissioner Pugh moved that the Commission close the current case and open a generic proceeding and solicit comments from all parties to consider the merits of Level 3's proposal and the Department's modifications.

The motion was adopted, 5-0.

P-430,6198/M-06-1636

In the Matter of Embarq's Petition to Discontinue Service to The Minnesota Phone Company

Commissioner moved that the Commission

1. approve Embarq's petition to discontinue service to MPC on or after February 13, 2007; and
2. due to the unusual circumstances in this docket, grant the Company a variance to Minn. Rules part 7812.0600, subp. 6 thereby allowing it to give its customer 30 days advance notice of the discontinuance.

The motion was adopted, 5-0.

ENERGY AGENDA

G-002/M-05-1813

In the Matter of a Request by Northern States Power Company d/b/a Xcel Energy for Approval of a Change in Contract Demand Entitlements and Associated Costs Effective November 1, 2005

Commissioner moved that the Commission

1. regarding the Design Day, Entitlements and Allocation Factors:
 - a. approve the Department revised Minnesota design day (670,964 Dk) and the level of demand entitlement shown in Revised DOC Attachment 1, page 2, Column 2, including the Minnesota design-day capacity of 689,578 Dth, effective November 2005;

- b. approve a Minnesota-jurisdictional allocation factor of 0.1310 for allocating the costs of entitlements on Viking for the Minnesota portion of the Grand Forks lateral;
 - c. approve the Department revised Moorhead, Minnesota area jurisdictional allocation factor of 0.2089 used to allocate the costs of the pipeline loop installed by Viking to service the incremental needs for the Moorhead, Minnesota/Fargo, North Dakota area;
 - d. approve the Department revised Minnesota-jurisdictional allocation factor of 0.8931 used to allocate the rest of the costs associated with the requested firm demand entitlements;
 - e. approve recovery of the associated demand costs effective with the dates each cost is actually incurred and consistent with Xcel Energy's seasonal rate design; and
 - f. require the Company to use the above-mentioned Department revised jurisdictional allocation factors in correcting the jurisdictional allocation in the true-up filed recently on September 1, 2006 and implement the revised true-up adjustment in the March 1, 2007 PGA; and
2. regarding the proposal to assign demand costs to interruptible customers, require the Company to include, in the November 2006 demand-entitlement filing, a separate proposal to assign demand costs (including for example, but not limited to, storage costs and/or third-party reservation fees) to interruptible customers.

The motion was adopted, 5-0.

E-002/GR-05-1428

In the Matter of a Northern States Power Company d/b/a Xcel Energy to Increase Rates for Electric Service in the State of Minnesota

Commissioner Nickolai moved that the Commission grant Mr. Shark's application to proceed *in forma pauperis* on appeal.

The motion was adopted, 5-0.

E-002/CN-06-1518

In the Matter of the Petition by Northern States Power d/b/a Xcel Energy to Initiate a Competitive Resource Acquisition Process for 375 MW of Base Load Capacity

Commissioner Reha moved that the Commission

1. find that Xcel's baseload acquisition proposal complies with the spirit and intent of the Commission's orders on the resource plan;
2. find Xcel's baseload acquisition proposal complete as of November 1, 2006;

3. find Westmoreland's baseload acquisition proposal complete as of December 14, 2006;
4. refer the case to the Office of Administrative Hearings for contested case proceedings;
5. designate a Commission employee to facilitate public participation in the hearing process;
6. ask the Department of Commerce to continue to study the issues in this case and to present its position on the proposals at the hearing;
7. require Xcel and Westmoreland to facilitate in every reasonable way the continued examination of their proposals by the Department of Commerce;
8. require Xcel to place on its website all public materials it has submitted or will submit in this case;
9. ask Commission staff to work with the Administrative Law Judge and the staff of the Department of Commerce in selecting suitable locations for public hearings; and
10. require Xcel to work with the staff of the Commission and the staff of the Department to arrange for publication of the notice of the hearings in newspapers of general circulation at least ten (10) days prior to the hearings, that such notice be in the form of visible display ads, and proofs of publication of such ads be obtained from the newspapers selected.

The motion passed 5-0.

There being no further business before the Commission, the meeting was adjourned.

APPROVED BY THE COMMISSION: MARCH 14, 2007

Burl W. Haar, Executive Secretary