

The Commission met on **Thursday, May 24, 2007**, with Chair Koppendrayer and Commissioners Johnson, Pugh, and Reha present.

Comment [COMMENT1]: Minutes by Peter Brown. 9 motions were made.

TELECOMMUNICATIONS AGENDA

P-6807/RV-05-1602

In the Matter of the Revocation of the Certificate of Authority of ECI Communications, Inc. d/b/a ITS Network Services

Commissioner Pugh moved that the Commission revoke the certificate of authority of ECI Communications, Inc. d/b/a ITS Network Services with the clarification that the carrier remains responsible for any unpaid regulatory assessments or fees.

The motion was adopted, 4-0.

P-405/AR-07-516

In the Matter of the of the Petition Frontier Communications of Minnesota, Inc. for Renewal and Revision of Revised Alternative Regulation Plan

Commissioner Koppendrayer moved that the Commission adopt the following Procedures for Review of Frontier's Third Revised AFOR Plan:

A. Initial Notice and Service List

Within 10 days following the issuance of this Order, the Company shall (1) send a notice to all telecommunications carriers in Minnesota with which it has an interconnection agreement, informing them where they can find the Company's AFOR petition and this Order on the internet, either on the Commission's website or on one of the Company's websites or both; (2) file a list of all persons served with that Notice; and (3) post its petition, any public meetings determined by the Commission, and the case timetable and any other pertinent information on one of its websites.

B. Petition for Intervention

Any person who wishes to intervene shall file a petition under Minn. Rules, part 7829.0800 within 20 days of this Order, or by June 20, 2007, whichever comes later.

C. Declaration of Interest Form

Any person who wishes to be placed on the service list to so indicate on the Declaration of Interest Form and return it to the Commission within 20 days of this Order, or by June 20, 2007, whichever comes later.

D. Service of Documents

After the official service list is established and distributed, all parties submitting documents to the Commission must submit proof that the document has been served on all other parties on the service list.

E. Comments on the Adequacy of Frontier's Filing as to Form

Deadlines for Comments and Reply Comments on whether Frontier's filing meets the requirements of Minn. Stat. §§237.76-237.769 and 237.61, and the renewal provisions of the Current Plan shall be June 22, 2007 and June 29, 2007, respectively.

F. Comments on the Merits of Frontier's Proposed Third Revised AFOR Plan

Deadlines for filing comments on the merits of the Plan shall be as follows:

Initial Comments - July 17, 2007

Reply Comments - July 31, 2007.

G. Protective Order

A lead commissioner will deal with any protective order that may be filed by the parties.

H. Public Meetings

Additional public meetings will be scheduled as determined to be needed by the parties, including the Department and the OAG.

I. Customer Notice

The Company shall provide notice of the proposed Second Revised AFOR Plan to all its individual customers. Among other things, the notice will inform customers how they can e-mail or mail to the Company questions and concerns about the Company's proposal, including any request for a public meeting to address the Company's proposal. The Company shall work with the Department of Commerce, the RUD-OAG, and Commission staff to finalize the proposed notice and to determine the timing of the notice.

J. Information Requests

Frontier and all parties shall answer any information requests issued by the Commission staff, the Department, OAG-RUD, or any party within 10 days of receipt. A copy of each information request must be served on the Commission and on the service list developed for this proceeding. Subject to the protective order described above, answers to the information requests shall be

served on all parties, and on non-party participants upon request.

K. Expedited Proceeding Under Minn. Stat. §237.61

No Commission action is required on this subject at this time.

L. Delegated Authority to the Executive Secretary

Delegate to the Executive Secretary the authority to act on subsequent procedural and notice filings and to vary the time periods established on his own motion or at the request of a party for good cause shown.

M. Settlement Conference and Reports

The parties shall convene a settlement conference as soon as practicable, and to submit either a settlement report or a recommended time extension by July 31, 2007. The Company shall submit a written progress report on the settlement negotiations on June 20, 2007 and every 30 days thereafter.

The motion was adopted, 4-0.

P-5025, 437/C-06-1395

In the Matter of Verified Complaint, Request for Permission to Discontinue Service, and for an Order Enforcing Tariff and Requiring Payment from Global Crossing Limited

Commissioner Pugh moved that the Commission approve the Stipulation for Dismissal with prejudice as filed by the parties and include language in the Commission's Order reflecting the clarifications requested by the Department and agreed to by DTI.

The motion was adopted, 4-0.

ENERGY AGENDA

E-015/M-05-1678

In the Matter of Minnesota Power's Petition to Implement its Arrowhead Regional Emission Abatement (AREA) Rider for Taconite Harbor Unit 2

Commissioner Johnson moved that the Commission

1. approve Minnesota Power's request to implement its AREA Rider to recover costs associated with installing emissions control equipment at Laskin Unit 1, Laskin Unit 2, and Taconite Harbor Unit 2; and

2. direct Minnesota Power to continue to provide, in future filings, updates on the project status and report the reductions in emissions that are achieved as a result of implementing control technologies at Laskin Unit 1, Laskin Unit 2, and Taconite Harbor Unit 2.

The motion was adopted, 4-0.

E-106, 280/SA-07-351

In the Matter of an Application by the City of Nashwauk to Extend its Assigned Service Area Into the Area Presently Assigned to Lake Country Power

Commissioner Johnson moved that the Commission approve the City's application.

The motion was adopted, 4-0.

E,G-002/S-06-1474

In the Matter of a Petition by Northern States Power Company d/b/a Xcel Energy for Approval of Capital Structure for Issuance of Long-Term and Short Term Securities for 2007

Commissioner Pugh moved that the Commission deny reconsideration.

The motion was adopted, 4-0.

G-008/GR-05-1380

In the Matter of the Application of CenterPoint Energy for Authority to Increase Natural Gas Rates in Minnesota

Commissioner Reha moved that the Commission

1. find that ECC has materially assisted the Commission on one or more of the following issues:
 - a. Affordability Program
 - b. Proposal to allocate income tax expense in the CCOSS on the basis of rate base
 - c. Cost of fuel for CPE's fleet of vehicle.
 - d. Commodity price of natural gas
 - e. Proposal to recover bad debt expense through the PGA
 - f. Bad debt factor
 - g. Residential customer charge
 - h. Cost of capital/return on equity
2. find the FCC had insufficient financial resources to participate effectively in this case but for an award of compensation;
3. Total amount of the award for intervenor compensation:

a. Grant FCC's claim for \$20,000 in intervenor compensation;

4. indicate how the award was allocated — prorated to all of ECC's issues as follows:

Affordability Program	\$	18,000	90.00%
Proposal to allocate income tax expense in the CCOSS on the basis of rate base	\$	500	2.50%
Cost of fuel for CPE's fleet of vehicle	\$	250	1.25%
Commodity price of natural gas	\$	250	1.25%
Proposal to recover bad debt expense through the PGA	\$	250	1.25%
Bad debt factor	\$	250	1.25%
Residential customer charge	\$	250	1.25%
Cost of capital/return on equity	\$	250	1.25%
		<u>\$ 20,000</u>	<u>100.00%</u>

5. require CenterPoint Energy to pay the award of compensation to ECC within 30 days of the Commissions Order in this matter, and to file with the Commission proof that it paid ECC the amount awarded, pursuant to Minn. Rules, Part 783 1.0800, subp. 6.

The motion was adopted, 4-0.

G-002/CI-07-541

In the Matter of a Commission Investigation into Xcel Energy's Fixed Monthly Payment Pilot Program G-002/M-05-393

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of a Fixed Bill Option Tariff and Rule Variance

G-008/M-07-542

In the Matter of a Commission Investigation into CenterPoint Energy's No Surprise Bill Program

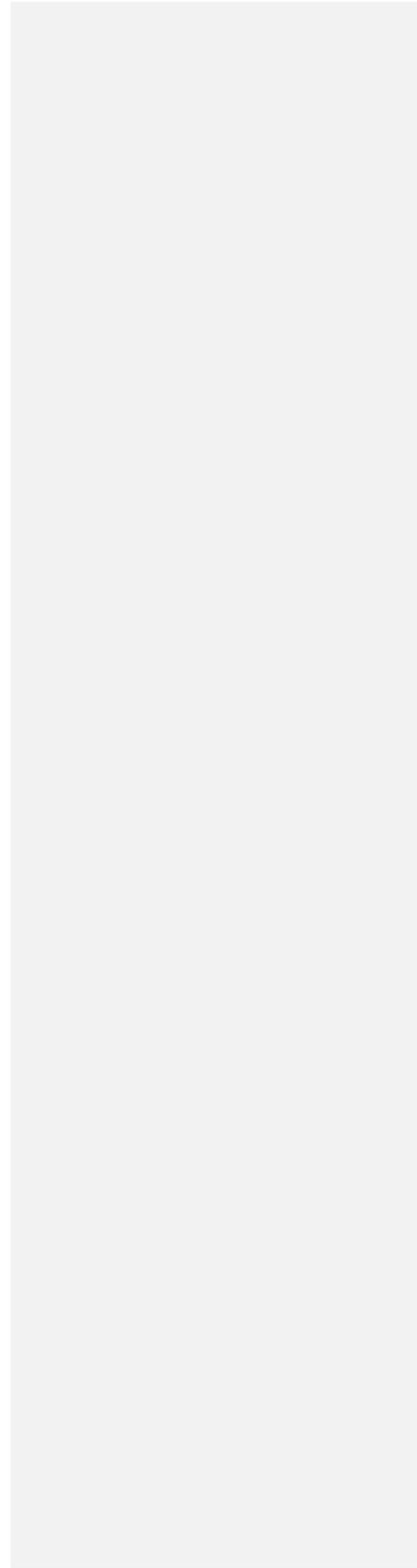
G-008/M-05-602

In the Matter of the Petition of CenterPoint Energy for Approval to Continue the No Surprise Bill and Revise the No Surprise Bill Tariff to Allow for the Inclusion of Planned Rate Increases in the Bill

Commissioner Koppendraye moved that the Commission

1. require the parties to file proposed submissions with the Commission within two weeks;
2. set the pre-hearing with Commissioner Pugh on June 7, 2007; and
3. continue the hearing until July 3, 2007.

The motion was adopted, 4-0.



E-135, 298/SA-05-1274

In the Matter of the Application of the City of Redwood Falls to Extend its Assigned Service Area Into the Area Presently Served by Redwood Electric Cooperative

Chair Koppendrayer moved that the Commission take the actions set forth below:

- Find that appropriate compensation for original cost less depreciation for facilities used to serve the 19 existing customers exclusive of the Lagoons is \$34,662, which may need to be adjusted for the passage of time.
- Determine appropriate compensation for original cost less depreciation for facilities used to serve the Lagoons is \$8,841, which may need to be adjusted for the passage of time.
- Determine appropriate compensation for lost revenues for the Lagoons is 32.9 mills/kWh for a five-year compensation period.
- Determine appropriate compensation for lost revenues for existing and future customers, exclusive of the Lagoons and the Prairie Knoll Addition, is some 27.81 mills/kWh, based on annual gross revenues of \$34,001, with staff performing the calculations required to determine precise mill rate, consulting the parties as necessary.

The motion carried 3-1. Commissioner Reha voted no.

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

APPROVED BY THE COMMISSION: JUNE 6, 2007

Burl W. Haar, Executive Secretary