

The Commission met on **Thursday, June 14, 2007**, with Chair Koppendrayer and Commissioners Johnson and Reha present.

Comment [COMMENT1]: Minutes by Peter Brown. 11 motions were made.

TELECOMMUNICATIONS AGENDA

P-5323,421/M-07-609

In the Matter of the Petition of McLeodUSA for Commission Mediation Pursuant to 47 U.S.C. § 252(a)(2) of a Dispute with Qwest

Commissioner Johnson moved that the Commission refer the matter to the Office of Administrative Hearings for mediation.

The motion was adopted, 3-0.

P-421/C-07-370

In the Matter of Qwest Corporation's Arrangements for Commingled Elements

P-421/C-07-371

In the Matter of Qwest Corporation's Conversion of UNEs to Non-UNEs

Commissioner Reha moved that the Commission defer scheduling the substantive issue for now but refer issues relating to the Com's authority and jurisdiction to the Office of Administrative Hearings (OAH).

The motion was adopted, 3-0.

P-999/CI-07-24

In the Matter of the Commission's Investigation of UMCC Holdings Provision of Telephone Service in Minnesota

Commissioner Reha moved that the Commission

1. find that UMCC is in violation of Minn. Stat. §§ 237.74, subd. 1, 237.74, subd. 12, 237.662, subd. 1 and 2, and 237.661, sub. 2 and refer these violations to the Office of the Attorney General (OAG) to pursue civil penalties pursuant to Minn. Stat. § 237.461;
2. require that UMCC cease providing and billing for telecommunications service in Minnesota;
3. require that UMCC issue refunds within 30 days of the Commission's Order, for all amounts collected from Minnesota customers for unauthorized intrastate telecommunications service and billings;
4. require UMCC to file a report and records demonstrating that it has complied with this requirement within 10 days of completion of the refund;

5. require UMCC to notify affected customers that their service with UMCC will be disconnected and that the customers can choose another long distance carrier; UMCC should submit its proposed notice to customers to the Commission, OAG and DOC within five days of the Commission's Order for review and approval;
6. require, after UMCC has notified all affected customers that UMCC will not be providing service in Minnesota, that all Minnesota telecommunications providers discontinue providing service (including billing detail that would allow UMCC to bill Minnesota customers) to UMCC;
7. authorize the Executive Secretary to issue a press release or other communication to inform Minnesota customers that Buzz, BOI, and UMCC are not authorized to provide telecommunications service in Minnesota, and that customers who have received bills from these companies are not obligated to pay them;
8. require Qwest, in the event of a customer complaint regarding lack of notice given by UMCC, to provide information as to the names and addresses of UMCC customers.

The motion was adopted, 3-0.

ENERGY AGENDA

IP 6605/WS-06-1445

In the Matter of the Application of Kenyon Wind, LLC for a Large Wind Energy Conversion System Site Permit for a 18.9 Megawatt Wind Farm in Goodhue County

Commissioner Johnson moved that the Commission

1. adopt the Department's proposed Findings of Fact, Conclusions and Order; and
2. issue the Department's proposed site permit to Kenyon Wind, LLC, for an 18.9 MW Large Wind Energy Conversion System in Goodhue County, Minnesota, authorizing Kenyon Wind, LLC, to construct and operate the proposed large wind energy conversion system and associated facilities in accordance with the conditions contained in the site permit, in compliance with Minn. Stat. § 216F.04 and with Minn. Rules, Chapter 4401.

The motion was adopted, 3-0.

ET2/CN-07-678 ,Great River Energy

In the Matter of the Application of Great River Energy for a Certificate of Need for the Elk River Peaking Station

Commissioner Johnson moved that the Commission vary Minn. Rules, part 7849.0200, subp. 5 to extend the period for Commission action on the completeness of the Great River Energy application for an unspecified but reasonable period of time, with the understanding that the meeting to review application completeness will be held as soon as practicable following receipt of the written comments.

The motion was adopted, 3-0.

E-015/WS-07-676

In the Matter of the Application of Minnesota Power, for a Large Wind Energy Conversion System Site Permit for the 25 Megawatt Taconite Ridge I Wind Energy Center in St. Louis County

Commissioner Reha moved that the Commission

1. accept the Minnesota Power Site Permit Application for the Taconite Ridge I Wind Energy Center 25 MW Large Wind Energy Conversion System (LWECS);
2. authorize the Minnesota Department of Commerce Energy Facilities Permitting staff to name a public advisor for this project; and
3. make a preliminary determination that a draft site permit may be issued, and approve the attached proposed draft site permit for the Minnesota Power Taconite Ridge I Wind Energy Center for distribution and public comment. Authorize EFP staff to initiate the public participation process found in Minn. Rules, Part 4401.0550.

The motion was adopted, 3-0.

IP-6629/WS-07-297

In the Matter of the Application of Bear Creek Wind Partners, LLC, for a Large Wind Energy Conversion System Site Permit for the 55 Megawatt Bear Creek Wind Project in Otter Tail and Todd Counties

Commissioner Johnson moved that the Commission

1. accept the Bear Creek Wind Partners, LLC, site permit application for a 55 MW Large Wind Energy Conversion System (LWECS);
2. authorize the Minnesota Department of Commerce Energy Facilities Permitting staff to name a public advisor for this project; and

3. make a preliminary determination that a draft site permit may be issued, and approve the attached proposed draft site permit for the Bear Creek Wind Partners, LLC, project for distribution and public comment. Authorize EFP staff to initiate the public participation process found in Minnesota Rules 4401.0550.

The motion was adopted, 3-0.

PL-66376/M-07-472

In the Matter of the Filing of an Information Book Required by Minn. Stat. 216G.03 for the Buffalo Lake Energy Natural Gas Pipeline

Commissioner Johnson moved that the Commission approve the Bear Cub Energy, LLC prepared "Information Book for Owners and Tenants of Property along the Buffalo Lake Natural Gas Pipeline Route in Martin County, Minnesota" as prepared in compliance with the information book requirements of Minn. Stat. § 216GF.04

The motion was adopted, 3-0.

G-007,011/D-06-826

In the Matter of the 2006 Depreciation Technical Update

Commissioner Koppendrayer moved that the Commission:

1. approve the Companies' proposed remaining lives, existing salvage rates and resulting depreciation rates retroactive to January 1, 2006;
2. order comment period on accounting for gain on peaking plant property;
3. delegate to the Executive Secretary the authority to set time lines for comments.

The motion was adopted, 3-0.

E-001/S-01-869

In the Matter of Interstate Power and Light Company's Petition for an Order Suspending the Annual Filing Requirements

Commissioner Koppendrayer moved that the Commission

1. deny Interstate Power and Light's motion to terminate the annual filing requirements and close the docket;
2. require the Company to file the reports due in 2006 and 2007 by August 1, 2007 and future reports by May 1, of each year;

3. the annual reports on all foreign and EWG investments by Alliant and its subsidiaries must contain the following information:
 - a. Alliant's total dollar amount of foreign and E.G. investments to date by subsidiary and country;
 - b. the total dollar amount of debt instruments used for foreign and E.G. investments acquired by Alliant or its subsidiaries;
 - c. Alliant's consolidated capital structure, including short-term debt;
 - d. the ratio of Alliant's total foreign utility company and E.G. investments relative to Alliant's total assets and capitalization; and
 - e. Alliant's current long-term debt rating by Standard and Poors.

The motion passed, 3-0.

E-001/PA-07-540

In the Matter of the Joint Petition for Approval of Transfer of Transmission Assets of Interstate Power and Light Company and ITC Midwest LLC

Commissioner Reha moved that the Commission refer the matter to the Office of Administrative Hearings for the purpose of conducting an expedited contested case proceeding. The proceeding should address the requirements for review identified in Minn. Stats. 216B.50 and 216B.16, Subd. 7c and any other issues deemed relevant by the ALJ and parties. As part of this referral the Commission should

- (1) Request the receipt of the ALJ's recommendation by November 1, 2007, if possible.
- (2) Direct IPL to assign witnesses responsible for various sections of its April 27 filing, as well as testimony in question and answer format, and file that information on all parties within 20 days.
- (3) Direct IPL to provide notice to customers alerting them to the proceeding, potential impacts, and location where written comments may be filed.
- (4) Rescind the May 7 Notice of Comment Period.
- (5) Impress upon IPL/ITC Midwest that full cooperation is required in providing full and complete information to the parties on a timely basis.

The motion passed 3-0.

ET-9/RP-06-605

In the Matter of Southern Minnesota Municipal Power Agency's 2006-2021 Resource Plan

Commissioner Johnson moved that the Commission adopt the Department's recommendations as amended and agreed to by the parties to this matter and take action as follows:

I. Action on Resource Plan

Defer acceptance or rejection of Southern Minnesota Municipal Power Agency's (SMMPA's) overall Resource Plan until the Commission decides the issues in the Big Stone II proceeding (Docket No, E017, et. al./CN-05-619).

II. Renewable Energy Objectives (REO) and Environmental Options

A. Decisions on REO

1. Find that SMMPA has made a good faith effort to meet its REQ over the planning period.
2. Indicate that the Commission will continue to monitor future compliance with the new renewable energy standard (RES) through compliance filings, updates and future resource plan filings.
3. Since all of SMMPA's load is in Minnesota, the allocation method is not an issue for SMMPA. However, for consistency with other Commission decisions, the Commission notes that the preferred method is the vintage-based allocation approach with a fixed allocation factor, in case the facts surrounding SMMPA's load changes in the future.
4. Find that SMMPA has made a good faith effort to meet the biomass objective, and is in compliance with the biomass REQ over the planning period.
5. Indicate that the findings in the preceding paragraphs do not imply any finding that particular generation projects are countable under the renewable energy objectives statute; they are general findings that the plan filed by SMMPA demonstrates compliance, subject to confirmation of individual project eligibility through normal regulatory processes.

B. Decisions on Environmental Issues

1. Encourage SMMPA to cooperate with other utilities, including Xcel Energy, to develop information and be prepared to participate in any Commission sponsored technical issues workshops on the following subjects:

- a. Wind energy Storage research and development.
- b. The cost of implementing various mitigation strategies and control technologies for the costs of SO₂, NO_x, and CO₂, including cost estimates, the technology needed to capture and ship CO₂ from an integrated gasification combined cycle plant to another appropriate location, and the cost of the various regulatory strategies under consideration for reduction of those emissions.
- c. With respect to the distributed generation of heat and power, what the components of a more comprehensive distributed generation strategy might entail: a technical evaluation of opportunities, technical potential and economics of distributed generation within SMMPA's system, including:
 - 1. Evaluation of large customer sites to determine appropriateness and willingness to consider distributed generation, including possible combined heat and power initiatives with the ethanol industry and other industries.
 - 2. Determination of total technical distributed generation potential.
 - 3. Calculation of grid benefits of distributed generation.
 - 4. Economic screening to determine the total economic impact of distributed generation, under either utility ownership or customer ownership of distributed generation.

III. Filings for the Next Resource Plan or Other Time Periods

- A. Accept the agreement of SMMPA and the Department to discuss the data collection time lag in a timely manner prior to SMMPA's next IRP.
- B. SMMPA should inform the Commission by July 1, 2007 how it intends to comply with the new ERO reliability standards, including Standard MOD-017-0.
- C. Encourage SMMPA to work with the Department and any other interested parties to discuss how SMMPA will meet the RES prior to SMMPA's next IRP.
- D. Advise SMMPA to include an update in its next resource plan on progress toward developing a unit retirement strategy.
- E. Accept SMMPA's commitment to include any Commission-approved update to CO₂ costs in its future evaluations of CO₂-emitting resources;

- F. Accept SMMPA's agreement to provide the following in its next resource plan:
1. SMMPA's compliance strategy for the Austin Northeast unit to comply with SO₂ emission reductions from the Clean Air Interstate Rule (CAIR);
 2. SMMPA's compliance strategy for the Sherco 3 and Austin Northeast units to comply with NO_x emission reductions from CAIR;
 3. SMMPA's Clean Air Mercury Rule (CAMR) compliance reduction strategy for Sherco 3 and Austin Northeast;
 4. SMMPA's and Xcel's compliance plan for Sherco 3 for the Minnesota Mercury Reduction Act of 2005; and
 5. SMMPA's strategies to reduce carbon dioxide emissions.

IV. Due Date for the Next Resource Plan

The due date for SMMPA's next resource plan is on or before July 1, 2009.

The motion was adopted, 3-0.

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

APPROVED BY THE COMMISSION: JUNE 27, 2007

Burl W. Haar, Executive Secretary