

The Commission met on **Thursday, October 4, 2007**, with Chair Koppendrayer and Commissioners Boyd, Johnson, Pugh, and Reha present.

Comment [COMMENT1]: Minutes by Peter Brown. 4 motions were made.

ENERGY AGENDA

Commissioner Johnson moved that the Commission take action regarding three dockets as follows:

G-004/M-07-574

In the Matter of a Request by Great Plains Natural Gas Co., a Division of MDU Resources Group, Inc. for Approval of the Company's 2006 Conservation Improvement Program Tracker Account, Including a Proposed Conservation Cost Recovery Adjustment and Demand Side Management Financial Incentive

1. approve Great Plains' Petition with the following modifications;
2. approve the Department's recommended 2006 DSM financial incentive for Great Plains of \$29,916;
3. allow Great Plains to record the Department's recommended 2006 DSM financial incentive of \$29,916 in the Company's CIP tracker account as of the issue date of the Order in the present docket;
4. approve Great Plains' 2006 CIP tracker account, including expenses of \$310,139, recoveries of \$128,696, and carrying charges of \$15,260;
5. approve Great Plains' proposed revised CCRA of \$0.0340 per dk for all customer classes, as shown in Table 3 above; and
6. require Great Plains to submit, as a compliance filing within 10 days of the issue date of the Order in the present docket, the relevant tariff sheets reflecting the Commission's determinations in the present docket.

G-008/M-07-568

In the Matter of the 2006 Demand-Side Management Financial Incentive and Conservation Improvement Program Tracker Report Compliance Filing by CenterPoint Energy, A Division of CenterPoint Resources Corp.

1. approve Center Point Energy's Petition with the following modifications;
2. approve recovery of the Department's recommended 2006 DSM financial incentive for CenterPoint Energy of \$1,883,605;

3. allow CenterPoint Energy to record the Department's recommended 2006 DSM financial incentive of \$1,883,605 in the Company's CIP Tracker Account as of the date of the Commission's Order in the present docket; and
4. modify CenterPoint Energy's 2006 CIP Tracker Account by disallowing \$27,164 of CIP expenses in 2006, which results in allowing CenterPoint Energy to recover \$7,347,245 of CIP expenses for 2006.

G-002/M-07-425

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of a DSM Incentive and a Gas CIP Adjustment Factor

1. approve a Conservation Cost Recovery Charge (CCRA) rate of \$0.01073 per them to be effective November 1, 2007;
2. make the following determinations:
 - approve a 2006 gas DSM financial incentive of \$1,458,218 and allow Xcel to record that amount in the gas CIP Tracker Account as of the date of the Order in this docket;
 - approve Xcel's 2006 gas CIP Tracker Account, including recovery of \$5,357,131 in CIP expenditures and \$205,563 in carrying charges;
 - clarify that the Commission is not adopting Xcel's sales forecasting methodology in approving the CIP Adjustment Factor in the present docket;
 - require Xcel to account for, on a monthly basis, any CIP costs that are not recovered from flexible rate customers due to rate discounting, and to provide this information in the Company's annual CIP tracker account and DSM financial incentive filings; and
 - require Xcel to file the relevant tariff sheets that comply with the Commission's determination on this matter within 10 days of the Order issue date in this docket.

The motion was adopted, 5-0.

E-111/M-07-765

ION the Matter of a Request by Dakota Electric Association to Modify Power Cost Adjustment Mechanism for Schedules 51 and 52

Commissioner Reha moved that the Commission approve DEA's proposal to modify the Power Cost Adjustment Mechanism for Schedules 51 and 52 with the following modifications:

1. revise the proposed tariffs for Schedule 51 and 52 to read as follows:

Monthly Rate

A credit will be applied to a customer's monthly bill for all energy (expressed in kilowatt-hours or kWh) consumed under this Schedule. The credit amount will be calculated as the difference between the customer's approved net effective firm service energy rate and the net effective energy charge. The net effective energy charge and credit amount will be updated annually in the Resource and Tax Adjustment filing submitted to the Public Utilities Commission in January of each year.

2. require DEA to report, in its 2008 RTA filing, on the numbers of customers taking service under these rates in 2003 through 2008;
3. require the Cooperative to submit information in its next rate case to evaluate the impact of the change on the credit received by customers, and any impact on program participation.

The motion was adopted, 5-0.

E-015/M-06-1501

In the Matter of Minnesota Power's Petition for Approval of its Boswell 3 Environmental Improvement Plan and Boswell 3 Environmental Improvement Rider

Commissioner Boyd moved that the Commission approve MP's Boswell 3 Plan and Rider with the following modifications:

1. regarding the allocation of the cost of the new fabric filter for the purpose of (a) determining the cost of the most effective mercury reduction alternative, and (b) MP's biannual report to customers on the amount of the customer's total bill that represents the utility's capital and operating costs to control mercury emissions, pursuant to Minn. Stat. § 216B.105 —

direct MP to give the Department and the MPCA a reasonable range of costs of the \$37.5 million fabric filter that can be applied to the different attributes of the new installation, not just to the reduction of mercury;
2. require MP, in its next rate case, to file supporting documentation that demonstrates that no double recovery of the capacity upgrade costs has occurred, as recommended by the Department;

3. regarding recovery of the cost of the new fabric filter in the Boswell 3 Rider, defer making this decision at this time and direct MP to work with the Department to look at all plant costs pre- and post-implementation of the environmental plan for Boswell 3 to develop a formula for base-rate and emissions reduction rider that will allow appropriate recovery but prevent double recovery and develop a reasonable range of costs attributable to the new installation and to mercury abatement in particular, to be filed as part of the Company's first rate adjustment under the Boswell 3 Rider for calendar year 2008;
4. beginning after MP files the four rate adjustment compliance filings proposed by MP in its petition and continuing until MP files its next rate case, require MP to make Boswell 3 rate balancing adjustments in its annual Boswell 3 Report every year that MP gains a new large power customer adding 10MW or more to MP's load requirements;
5. require MP to make annual reports to the Commission on the achievement of its mercury reduction progress, as recommended by ILWA;
6. require MP to make annual reports to the Commission on its NO_x, SO₂, and mercury emission allowances at the same time it files its annual report on its progress reducing mercury emissions;
7. regarding the biannual customer reporting/bill insert requirement pursuant to Minn. Stat. § 216B.105,
 - (a) authorize MP to use articles in its Energizer customer newsletter and
 - (b) authorize MP to combine the biannual customer reporting requirement with the environmental disclosure brochure that all MP retail customers receive as a bill insert each Spring and Fall.

The motion was adopted, 5-0.

E-001/PA-05-1272

In the Matter of the Joint Application for Approval and Consent of Interstate Power and Light Company and FPL Energy Duane Arnold, LLC

Commissioner Pugh moved that the Commission

1. take no action in this docket;
2. direct Interstate Power and Light Company to make a supplementary filing in the automatic adjustment docket, Docket No. G.E-999/AA-07-1130, answering the concerns raised by the Department and the Commission regarding the prudence of the February 2007 Duane Arnold Energy Center outage and the Company's plans to conduct another shutdown of this facility in February 2008, clarifying that the Company bears the burden of

proof regarding the prudence of these actions; and

3. transfer all the information from the current docket to the automatic adjustment docket, Docket No. G.E-999/AA-07-1130.

The motion was adopted, 5-0.

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

APPROVED BY THE COMMISSION: OCTOBER 17, 2007

Burl W. Haar, Executive Secretary