

The Commission met on **Thursday, November 1, 2007**, with Chair Koppendrayer and Commissioners Boyd, Johnson, Pugh, and Reha present.

Comment [COMMENT1]: Minutes by Carol Casebolt. 17 motions were made.

The following matters were taken up by the Commission.

TELECOMMUNICATIONS AGENDA

P-421/AR-97-1544

In the Matter of Qwest Corporation's Alternative Form of Regulation (AFOR) Service Quality Plan

Commissioner Pugh moved that the Commission accept the Department's report to spend the remaining balance of the Telecommunications Fund on grants.

The motion passed, 5-0.

P-421/CI-07-661

In the Matter of the Minnesota Public Utilities Commission's Inquiry Regarding the Petition of Qwest Corporation, Filed with the Federal Communications Commission, for Forbearance Pursuant to 47 U.S.C. Section 160c in the Minneapolis-St. Paul Metropolitan Statistical Area

Commissioner Reha moved that the Commission reconsider its September 27, 2007 decision.

The motion passed, 4-1. Chair Koppendrayer voted no.

Commissioner Reha moved that the Commission direct Commission Staff to prepare comments to be filed *ex parte* with the Federal Communications Commission, prefaced by stating that the Commission has not conducted a contested case proceedings regarding Qwest's petition, but based on the paper record to date supports the status quo, noting the Commission's long history of supporting and its statutory responsibility to support competition in the telecommunications industry in Minnesota and expressing concern that granting Qwest's petition for forbearance may negatively impact telecommunications competition in Minnesota.

The motion passed, 4-1. Chair Koppendrayer voted no.

ENERGY AGENDA

E-015/M-07-1064

In the Matter of the Request for Approval of Recovery of Investments and Expenditures in Taconite Ridge I Wind Farm Center Under its Renewable Resources Rider

Commissioner Boyd moved that the Commission:

- 1) Table the matter to allow additional briefing; and
- 2) Delegate to the Executive Secretary the scheduling for additional briefing and return of the matter to the Commission

The motion passed, 5-0.

G-008/M-07-686

In the Matter of the Petition of CenterPoint Energy, a Division of CenterPoint Energy Resources Corp., for Approval of a Tariff Revision to its Gas Affordability Service Program

Chair Koppendrayer moved that the Commission approve CPE's proposed tariff revisions as written.

The motion passed, 5-0.

G-008/M-07-1202

In the Matter of CenterPoint Energy Minnegasco Gas Affordability Service Program

Commissioner Boyd moved that the Commission accept CenterPoint's Petition.

The motion passed, 5-0.

E-111/M-07-419

In the Matter of Dakota Electric Association's Voluntary Annual Filings Concerning Safety, Reliability, Service Quality, and Proposed Annual Reliability Standards

E-016/M-07-436

E-017/M-07-415

In the Matter of Interstate Power and Light Company's Annual Filings Concerning Safety, Reliability, Service Quality, and Proposed Annual Reliability Standards

E-015/M-07-372

In the Matter of Otter Tail Power Company's Annual Filings Concerning Safety, Reliability, Service Quality, and Proposed Annual Reliability Standards

E-002/M-07-422

In the Matter of Minnesota Power Company's Annual Filings Concerning Safety, Reliability, Service Quality, and Proposed Annual Reliability Standards

E-002/M-07-422

In the Matter of Northern States Power d/b/a Xcel Energy (Xcel) Annual Filings Concerning Safety, Reliability, Service Quality, and Proposed Annual Reliability Standards

Commissioner Boyd moved that the Commission take action regarding several dockets as follows:

E16/M-07-436 (Northwestern Wisconsin Electric Company)

1. regarding Reports on 2006 Results and Standards for 2007:
 - a. accept NWECC's April 2, 2007 safety, reliability and service quality reports and related information, as complying with Minn. Rules, Chapter 7826 and relevant Commission Orders; and
 - b. set the reliability standards for 2007 at the level proposed by NWECC and the Department;
2. regarding additional issues for reports due April 1, 2008:
 - a. require NWECC to incorporate into its annual reporting requirements a narrative description of the policies, procedures and actions that NWECC has taken, and plans to take, to assure adequate and increased system reliability, pro-actively manage its system, and plan for contingencies; and
 - b. require NWECC to continue to work with staff to develop more meaningful reliability reporting on a continuous on going basis.

E-001/M-07-368 (Interstate Power and Light Company)

3. regarding reports on 2006 Results and Standards for 2007:
 - a. accept IPL's March 27 2007 safety, reliability and service quality reports and related information, as complying with Minn. Rules, Chapter 7826 and relevant Commission orders; and
 - b. set the reliability standards for 2007 at the level proposed by IPL and

recommended by the DOC on May 29, 2007 comments.

4. regarding additional issues for reports due April 1, 2008:
 - a. require IPL to augment their next filing to include a description of the policies, procedures and actions that it has implemented, and plans to implement, to assure reliability. IPL should include information on how it is demonstrating pro-active management of the system as a whole, increased reliability and active contingency planning;
 - b. require IPL to incorporate into its next filing a summary table (or summary information in some other format) that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability;
 - c. require IPL to submit additional information as a follow up to the Commission Orders of April 7, 2006 and October 12, 2006:
 1. a progress report on the outage management system (Centricity), including a description of any changes that could affect the consistency of the reliability data reported;
 2. the information on its tree trimming practices and policies required in the April 7, 2006 order, updated for 2007; and
 3. staffing levels and related budgets for 2006 and 2007 for its service quality and reliability functions, with an explanation of any significant changes;
 - d. encourage IPL to consider a higher level of reliability performance indices for 2008 and provide an explanation of the methodology used in setting those indices;
 - e. require IPL to work with staff to develop more meaningful reliability reporting on an on-going basis;
 - f. if the IPL and ITC Joint Petition for the Approval and Sale of Transmission Assets is approved by this Commission and the sale closes, require IPL to develop and file a transition plan describing how the transmission asset transfer affects its reliability and service quality reporting, how IPL will provide service quality and reliability data that is comparable over time;

E-017/M-07-415 (Otter Tail Power Company)

5. regarding Reports on 2006 Results and Standards for 2007:

- a. accept OTP's April 2, 2007 safety, reliability and service quality reports and related information, as supplemented on May 22, 2007, as complying with Minn. Rules, Chapter 7826 and relevant Commission orders; and
 - b. set the reliability standards for 2007 at the level proposed on page 16 of the Department's June 1, 2007 comments as revised by OTP with their reply comments of June 22, 2007, for Milbank and Wahpeton Work Centers; and
6. regarding additional issues for Reports due April 1, 2008:
- a. require OTP to augment their next filing to include a description of the policies, procedures and actions that it has implemented, and plans to implement, to assure reliability; OTP should include information on how it is demonstrating pro-active management of the system as a whole, increased reliability and active contingency planning;
 - b. require OTP to incorporate into its next filing a summary table (or summary information in some other format) that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability;
 - c. require OTP to submit additional information as a follow up to the Commission Orders of April 7, 2006 and October 12, 2006:
 - 1. a progress report on the new IMS system, including a description of any changes that could affect the consistency of the reliability data reported;
 - 2. the information on its tree trimming practices and policies required in the April 7, 2006 order, updated for 2007; and
 - 3. staffing levels and related budgets for 2006 and 2007 for its service quality and reliability functions, with an explanation of any significant changes;
 - d. encourage OTP to consider a higher level of reliability performance indices for 2008 and provide an explanation of the methodology used in setting those indices;
 - e. require OTP to work with staff to develop more meaningful reliability reporting on an on-going basis;

E-015/M-07-372 (Minnesota Power Company's Annual Filings)

7. regarding Reports on 2006 Results and Standards for 2007:
- a. accept MP's April 2, 2007 safety, reliability and service quality reports and related information, as complying with Minn. Rules, Chapter 7826 and relevant Commission orders; and
 - b. set the reliability standards for 2007 at the levels proposed by MP noted on page

12 of the Department's May 29, 2007 comments; and

8. regarding additional issues for Reports due April 1, 2008:
 - a. require MP to augment their next filing to include a description of the policies, procedures and actions that it has implemented, and plans to implement, to assure reliability; MP should include information on how it is demonstrating pro-active management of the system as a whole, increased reliability and active contingency planning;
 - b. require MP to incorporate into its next filing a summary table (or summary information in some other format) that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability;
 - c. require MP to submit additional information as a follow up to the Commission Orders of April 7, 2006 and October 12, 2006:
 1. the information on its tree trimming practices and policies required in the April 7, 2006 order, updated for 2007; and
 2. staffing levels and related budgets for 2006 and 2007 for its service quality and reliability functions, with an explanation of any significant changes;
 - d. encourage MP to encourage a higher level of reliability performance indices for 2008 and provide an explanation of the methodology used in setting those indices;
 - e. require MP to work with staff to develop more meaningful reliability reporting on an on-going basis;

E-002/M-07-422 (Northern States Power d/b/a Xcel Energy)

9. regarding Reports on 2006 Results and Standards for 2007:
 - a. accept Xcel's April 2, 2007 safety, reliability and service quality reports and related information, as supplemented on June 11, 2007, as complying with Minn. Rules, Chapter 7826 and relevant Commission Orders; and
 - b. set the reliability standards for 2007 at the level proposed by Xcel and Department's June 1, 2007 comments; and
10. regarding additional issues for Reports due April 1, 2008:
 - a. require Xcel to augment their next filing to include a description of the policies,

procedures and actions that it has implemented, and plans to implement, to assure reliability; Xcel should include information on how it is demonstrating pro-active management of the system as a whole, increased reliability and active contingency planning;

- b. require Xcel to incorporate into its next filing a summary table (or summary information in some other format) that allows the reader to more easily assess the overall reliability of the system and identify the main factors that affect reliability
- c. require Xcel to submit additional information as a follow up to the Commission Orders of April 7, 2006 and October 12, 2006:
 - 1. a progress report on the OMS system, including a description of any changes that could affect the consistency of the reliability data reported;
 - 2. the information on its tree trimming practices and policies required in the April 7, 2006 order, updated for 2007; and
 - 3. staffing levels and related budgets for 2006 and 2007 for its service quality and reliability functions, with an explanation of any significant changes
- d. encourage Xcel to consider a higher level of reliability performance indices for 2008 and provide an explanation of the methodology used in setting those indices;
- e. require Xcel to work with Staff to develop more meaningful reliability reporting on an on-going basis.

The motion passed, 5-0.

E-6472/M-05-1993

In the Matter of a Petition by Excelsior Energy Inc. for Approval of a Power Purchase Agreement Under Minn. Stat. § 216B.1694, Determination of Least Cost Technology, and Establishment of a Clean Energy Technology Minimum Under Minn. Stat. § 216B.1693

Commissioner Pugh moved to direct the staff to issue an erratum notice to correct the citation errors identified in the August 30 Order by Excelsior.

The motion passed, 5-0.

Commissioner Pugh moved to deny Minnesota Power's request for rehearing and reconsideration.

The motion passed, 5-0.

Commissioner Johnson moved to deny Excelsior's request for clarification of the August 30 Order.

The motion passed, 5-0.

Chair Koppendraye moved to deny Xcel's request for clarification or modification of the August 30 Order.

The motion passed, 5-0.

Commissioner Reha moved to deny, at this time, Excelsior's request for the Commission to appoint an independent expert evaluation firm.

The motion passed, 5-0.

Chair Koppendraye moved to deny Excelsior's request for deferral of a decision on the merits of reconsideration of the August 30 Order.

The motion passed, 5-0.

Chair Koppendraye moved to deny Excelsior's request for reconsideration and rehearing.

The motion passed, 5-0.

Chair Koppendraye moved that the Commission reconsider the August 30 Order on its own motion and order discontinuance of the negotiations process.

The motion failed 2-2. Commissioners Pugh and Reha voted no; Commissioner Boyd did not vote.

Commissioner Pugh moved to reconsider the previous vote.

The motion passed, 5-0.

Commissioner Pugh moved that the Commission reconsider the August 30 Order on its own

motion and (1) require progress reports on negotiations at 60-day intervals; and (2) indicate that the Commission will consider imposing a deadline for the conclusion of negotiations as part of its deliberations in Phase II of the case.

The motion passed, 4-1. Chair Koppendraye voted no.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: NOVEMBER 14, 2007

Burl W. Haar, Executive Secretary