

The Commission met on **Thursday, November 29, 2007**, with Chair Koppendraye and Commissioners Boyd, Johnson, Pugh, and Reha present.

Comment [COMMENT1]: Minutes by Carol Casebolt. 7 motions were made.

The following matters were taken up by the Commission.

TELECOMMUNICATIONS AGENDA

P-6514/C-07-1248

In the Matter of OneNet USA, Inc. Providing Telecommunications Services in Minnesota Without Operational Authority

Commissioner Johnson moved to issue a show cause Order directing OneNet to provide a written response to the Department's questions within ten days.

The motion passed 5-0.

IP-6530/WS-06-157

In the Matter of the Application of MinnDakota Wind, LLC for a Large Wind Energy Conversion System Site Permit

Commissioner Reha moved to modify the site permit to permit turbine C-6 to remain in its current location, 11 feet closer to the edge of the public road right-of-way than the permit requires.

The motion passed 5-0.

PT-6528/WS-06-91

In the Matter of a Site Permit for the High Prairie Wind Farm I, LLC 98.9 Megawatt Large Wind Energy Conversion System and Associated Facilities in Mower County, Minnesota

Commissioner Pugh moved to approve the transfer of the High Prairie Wind Farm Permit from High Prairie Wind I, LLC to FPL Energy Mower County, LLC, and to Rename the Project the Mower County Wind Energy Center.

The motion passed 5-0.

ENERGY AGENDA

G-008/M-07-1218

In the Matter of the Petition of CenterPoint Energy for Approval of a Large Energy Facility Exemption Rider Tariff

Commissioner Boyd moved to grant the petition, modifying the tariff to include the language set forth below:

Large Energy Facility customers shall receive a monthly exemption from conservation program charges pursuant to Minn. Stat. 216B.16, sub. 6b Energy Conservation Improvement. Upon exemption from conservation program charges, the Large Energy Facility customers can no longer participate in any utility's energy Conservation Improvement Program.

The motion passed 5-0.

G-008/M-07-1315

In the Matter of the Petition of CenterPoint Energy for Approval of a Miscellaneous Rate Change Related to Transportation Service Daily Balancing Charges

Commissioner Boyd moved to

- 1) approve CenterPoint Energy's Petition, with an effective date for the proposed daily balancing charges being the date of the Commission's Order in the present docket; and
- 2) require CenterPoint Energy to submit, as a compliance filing within 10 days of the date of the Order in the present docket, the relevant tariff sheets that comply with the Commission's determination in this matter.

The motion passed 5-0.

BLOCK MOTION

Commissioner Johnson moved that the Commission take the actions set forth below in the following dockets:

E,G-999/AA-06-1208

In the Matter of the Review of the 2006 Annual Automatic Adjustment of Charges for All Electric and Gas Utilities

G-008/M-07-561

In the Matter of the Request of CenterPoint Energy Resources, Inc. d/b/a CenterPoint Energy Minnesota Gas, for a Change in Demand Units

G-002/M-07-1395

In the Matter of the Petition of Northern States Power Company, a Minnesota Corporation and Wholly Owned Subsidiary of Xcel Energy Inc., for Approval of Changes in Contract Demand Entitlements

G-001/M-07-1397

In the Matter of the Request of Interstate Power and Light Company, an Alliant Energy Company, to Change Its Demand Entitlements

G-022/M-07-1398

In the Matter of the Petition of Greater Minnesota Gas, Inc., a Wholly-Owned Subsidiary of Greater Minnesota Synergy, Inc., for Approval of Changes in Contract Demand Entitlements

G-004/M-07-1401

In the Matter of the Request of Great Plains Natural Gas Co., a Division of MDU Resources Group, Inc., to Change Its Demand Entitlements

G-007/M-07-1402

In the Matter of the Petition of Minnesota Energy Resources Corporation-NMU for Approval of a Change in Demand Entitlements

G-011/M-07-1403

In the Matter of the Petition of Minnesota Energy Resources Corporation-PNG for Approval of a Change in Demand Entitlements for its Viking Gas Transmission System

G-011/M-07-1404

In the Matter of the Petition of Minnesota Energy Resources Corporation-PNG for Approval of a Change in Demand Entitlements for its Great Lakes Gas Transmission System

G-011/M-07-1405

In the Matter of the Petition of Minnesota Energy Resources Corporation-PNG for Approval of a Change in Demand Entitlements for its Northern Natural Gas Transmission System

1. Accept all of the gas utilities' except CenterPoint Energy's 2005-2006 annual reports as filed, and subsequently amended by the gas utilities, as being complete as to Minnesota Rules 7825.2390 through 7825.2920.

2. Greater Minnesota Gas, Inc.
 - a. accept Greater Minnesota Gas' true-up, in Docket No. G-022/AA-06-1224; and
 - b. allow Greater Minnesota Gas to implement its true-up, as shown in Attachment G5 of the Department's April 16, 2007 Review.
3. Great Plains Natural Gas Company
 - a. accept Great Plains' true-ups for its North District and its South District, in Docket No. G-004/AA-06-1314; and
 - b. allow Great Plains to implement its North District true-up and its South District trueup, as shown in Attachment G6 of the Department's April 16, 2007 Review.
4. Interstate Power & Light-Gas
 - a. accept Interstate Gas' true-up, Docket No. G-001/AA-06-1270; and
 - b. allow Interstate Gas to implement its true-up, as shown in Attachment G7 of the Department's April 16, 2007 Review.
5. Aquila Networks-NMU
 - a. accept NMU's true-up in Docket No. G-007/AA-06-1267; and
 - b. allow NMU to implement its true-up, as shown in Attachment G9 of the Department's April 16, 2007 Review.
6. Aquila Networks-PNG
 - a. accept Peoples' true-ups for the Northern, Great Lakes, and Viking parts of its system, in Docket No. G-011/AA-06-1266; and
 - b. allow Peoples to implement its true-ups, as shown in Attachment G8 of the Department's April 16, 2007 Review.
7. CenterPoint Energy – Take no action on CenterPoint Energy's 2005-2006 true-up until all of the issues involving CenterPoint Energy's 2004-2005 annual report and true-up have been resolved.

8. Xcel Gas
 - a. accept Xcel Gas' true-up, in Docket No. G-002/AA-06-1268;
 - b. allow Xcel Gas to implement its true-up as shown in Attachment G11(A) of the Department's April 16, 2007 Review;
 - c. require Xcel Gas to report its hedging detail (fees, gains or loss on commodity and net gain or loss on hedging) in its future true-up reports; and
 - d. Authorize the termination of compliance reporting concerning the allocation pricing methodology used for Xcel Gas' Agency Services program, which was initially required in Docket Nos. E,G-999/AA-01-838, and G-002/AA-01-1360.
9. Find that all of the gas utilities have satisfied the Commission's directive in Docket No. E, G-999/AA-05-1403 relating to NYMEX futures and options transactions.
10. Require each natural gas utility to provide, within 30 days, (if it has not already done so), in a supplement to its 2007-2008 demand entitlement filing,³¹ its unique set of facts in determining whether (and why) it is reasonable to classify Producer Demand and Storage costs as commodity costs or demand costs, together with a detailed explanation of the utility's rationale.
11. Require each natural gas utility to provide, within 30 days, (if it has not already done so), in a supplement to its 2007-2008 demand entitlement filing,³² a rate impact analysis for all affected customer classes based on the utility's currently approved method of classifying and billing Producer Demand and Storage costs, together with a similar comparison classifying and billing Producer Demand and Storage costs as commodity costs.
12. Authorize each natural gas utility to provide an alternative proposal, within 30 days, (if it has not already done so), in a supplement to its 2007-2008 demand entitlement filing, for consideration without prejudice, for allocating a portion of their demand costs to interruptible customers that includes the same information required in alternatives 17 and 18 for the classification and allocation of Producer Demand and Storage costs, and a bill impact analysis.
13. Require all gas utilities to provide a specific justification for each piece of information for which the designation of trade secret is claimed in their annual reports and true-up filings. All companies shall limit the designation of trade secret to words, numbers, or phrases that are actually trade secret and not designate entire paragraphs or pages which contain the trade secret words, numbers, or phrases.
14. Request the Department to include the same Commission-requested information in its

fiscal year 2006-2007 Review as was included in its 2005-2006 Review.

15. Request the Department to continue its investigation of the amount of pipeline capacity release revenue the gas utilities receive from the pipelines and the amount of revenue the gas utilities refund to their customers.
16. Request the Department to continue providing a comparative evaluation and report on the natural gas utilities' financial and physical hedging activities in its 2006-2007 Review.

The motion passed 5-0.

E-999/CI-04-1616

E-999/CI-03-869

In the Matter of a Commission Investigation into a Multi-State Tracking and Trading System for Renewable Energy Credits;

In the Matter of Detailing Criteria and Standards for Measuring an Electric Utility's Good Faith Efforts in Meeting the Renewable Energy Objectives Under Minn. Stat. § 216B.1691.

Commissioner Rhea moved that the Commission:

1. Adopt a 4-year shelf life for all RECs that are to be used for compliance with the Minnesota REO/RES. A four year shelf life means the REC will be eligible for use in the year of generation and for four years following the year of generation.
2. Find that the Commission will not require a demonstration of deliverability for RECs created by M-RETS that are to be used for compliance with the Minnesota REO/RES. At such time that M-RETS establishes protocols for the import/export of RECs from outside the M-RETS system, the Commission will take up the issue of deliverability for RECs that originate outside M-RETS, and whether non-M-RETS RECs can be used to meet the Minnesota REO/RES.
3. Take no action at this time to override the M-RETS policy on the "whole certificate," leaving the door open to reconsider this issue, especially if future state, regional and/or national policies provide direction.
4. Clarify that all generating units to be used to meet the REO/RES, starting with the 2009 compliance year, must be registered in the M-RETS.
5. Require utilities with power purchase agreements that are silent or ambiguous on the ownership of green tags, including renewable attributes, to actively pursue negotiations and settlements to clarify this issue, if they expect to use these facilities to meet the REO/RES.

6. Find that purchases of RECs through M-RETS can be used to meet customer demand for utility green pricing rate offerings as specified in Minn. Stat. 216B.169, if the power supply is certified as eligible by the Department under Minn. Stat. 216B.169, subd. 3. RECs used for green pricing programs will have the same 4-year shelf life as RECs used for compliance with the REO/RES. As requested by the Department, utilities should clearly identify how the cost of RECs associated with green pricing programs are to be recovered.
7. Ask those parties who believe additional reporting (in addition to that already provided by M-RETS) is necessary, to file a compliance plan outlining what type of additional reporting might be useful and under what timeframe.
8. Encourage M-RETS to work with NAAIB, as well as with other tracking systems, to develop acceptable protocols for the import/export of RECs.
9. Request that APX work with utilities and respond to questions regarding M-RETS functionality issues as raised by utilities in this docket. If the utilities who have raised these issues are not satisfied with the explanations provided by APX, they should make a compliance filing with the Commission within 15 days of the date of the Order in this matter indicating outstanding concerns.
10. Clarify that prudent costs related to registration, annual fees and transaction costs related to REC purchases will be recoverable but that utilities will need to file specific proposals for cost recovery, to be reviewed by the Department and other parties.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: DECEMBER 13, 2007

Burl W. Haar, Executive Secretary