

The Commission met on **Tuesday, December 18, 2007**, with Chair Koppendraye and Commissioners Boyd, Johnson, Pugh and Reha present.

Comment [COMMENT1]: Minutes by Carol Casebolt, Marcia Johnson, Peter Brown and Eric Witte. 5 motions were made.

The following matters were taken up by the Commission:

TELECOMMUNICATIONS AGENDA

P-5340, 421/IC-06-768

In the Matter of the Petition of Eschelon Telecom, Inc. for Arbitration of an Interconnection Agreement with Qwest Corporation Pursuant to 47 U.S.C. § 252(b)

Commissioner Pugh moved to do the following:

1. Adopt the position of Eschelon Telecom, Inc. (Eschelon) and Qwest Corporation (Qwest) regarding Qwest's obligation to provide cross-connect service related to subloops and approve the following language:

9.3.3.8.3. If CLEC [competitive local exchange carrier Eschelon] elects to move its service to the new minimum point of entry, CLEC may either perform its own cross-connect or request that Qwest perform the cross-connect. If Qwest performs the cross-connect, appropriate time and material charges are applicable.

2. Adopt Qwest's position regarding the extent of its obligation to provide records regarding transmissions that Qwest neither originates nor terminates, and reject proposed paragraph 7.6.4.

3. Adopt Eschelon's position regarding Qwest's duty to provide UNEs on an expedited basis and approve the following language:

12.2.1.2 Expedites. CLEC may request a Due Date earlier than the applicable Due Date interval for that product or service. Requests for expedites can be made either prior to, or after, submitting CLEC's service request.

12.2.1.2.1 Intentionally Left Blank.

12.2.1.2.2 Qwest will grant and process CLEC's expedite request, but the expedite charges in Exhibit A will apply, unless the need for the expedite is caused by Qwest.

12.2.1.2.3 Nothing in this Section 12.2.1.2 alters whether a non-recurring installation charge in Exhibit A applies to the CLEC order pursuant to the terms of the applicable section of this Agreement. The expedite charge, if applicable, is separate from the installation charge.

4. Require the parties to file contract language reflecting the Commission's resolution of the

three issues within 15 days of the date of the Order memorializing this decision.

The motion passed 5 - 0.

ENERGY AGENDA

E-015/SA-07-1079

In the Matter of the Joint Application of Minnesota Power and Mesabi Nugget Delaware, LLC for Approval of a Service Extension Pursuant to Minn. Stat. § 216B.42

Chair Koppendrayer moved to adopt the Administrative Law Judge's recommendations:

1. Accept the Notice of Withdrawal of Mesabi Nugget, LLC, and Minnesota Power of their joint petition for approval of a service extension pursuant to Minnesota Statutes § 216B.42.
2. Terminate the docket and dismiss this contested case proceeding, subject to a reservation of the Commission's jurisdiction to enforce the Protective Order issued in this proceeding on October 3, 2007.

The motion passed 5 - 0.

Commissioner Johnson left the meeting.

G-007,011/D-06-826

In the Matter of the 2006 Depreciation Technical Update

The Commission heard oral argument and tabled deliberations.

E-001/PA-07-540

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

Chair Koppendrayer moved to do the following:

1. Approve the sale of transmission assets of Interstate Power and Light Company (IPL) to ITC Midwest LLC (ITC), subject to the following conditions:

- A. IPL and ITC shall abide by all the commitments and other terms and conditions set out in the Offer of Settlement filed on December 12, 2007.
- B. In addition, IPL and ITC shall abide by all commitments made during the proceedings before the Commission on December 11, 13, and 18, 2007.
- C. If IPL does not take advantage of the tax credit related to the American Jobs Creation Act of 2004 because it does not make sufficient qualified investments or for any other reason, IPL shall notify the Commission within 30 days of any determination by IPL that it will not be able to fully use the tax credits. The filing must include a plan detailing the actions it proposes to assure that IPL Minnesota ratepayers will not be directly or indirectly responsible for any additional IPL income tax liability or any other rate impacts from the loss of these tax credits.
- D. ITC shall participate in Docket No. E-999/M-07-1028 *In the Matter of the 2007 Minnesota Biennial Transmission Projects Report and the Renewable Energy Standards Report* and in any related future studies, plans, and processes. IPL shall also continue to participate in those proceedings unless and until ITC-Midwest is able to fully supply all needed information and analysis in those proceedings, and IPL shall provide ITC, the parties, and the Commission with information requested in those proceedings. IPL and ITC may be subject to further and more specific requirements to be determined in Docket No. E-999/M-07-1028.

- 2. The Minnesota Department of Commerce (the Department) is encouraged to investigate the degree to which Minnesota ratepayers in general, and IPL Minnesota retail ratepayers in particular, have paid for congestion charges and any other charges related to constraints caused by IPL's transmission facilities. The Commission requests that the Department file a report with the Commission detailing its findings, and recommending any rate adjustments, refunds, or other remedies the Department determines are appropriate.
- 3. Grant the variance to Minnesota Rules, part 7825.1400, subparts A through J, requested by the Joint Petitioners.

Commissioner Pugh moved to amend the motion to add the following requirement:

- 4. IPL shall treat the Minnesota jurisdictional portion of the gain on sale of its transmission assets as a source of zero-cost capital in all future IPL rate cases and any other type of future rate proceeding. Within 30 days of the date of this Order, IPL shall make a filing showing its calculation of the Minnesota jurisdictional portion of the gain, including an explanation of the assumptions used in the calculation.

The amendment was defeated 2 - 2. Chair Koppendraye and Commissioner Boyd voted no.

The motion as originally proposed by Chair Koppendraye passed 3 - 1. Commissioner Pugh voted no.

Commissioner Reha moved that the Commission make the Order implementing the foregoing motion effective as of December 18, 2007.

The motion passed 4 - 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: DECEMBER 27, 2007

Burl W. Haar, Executive Secretary