

The Commission met on **Thursday, December 20, 2007**, with Chair Koppendrayer and Commissioners Boyd, Johnson and Reha present.

Comment [COMMENT1]: Minutes by Eric Witte and Marcia Johnson. 13 motions were made.

The following matters were taken up by the Commission:

TELECOMMUNICATIONS AGENDA

P-999/M-07-1356

In the Matter of a Petition to Order Discontinuance of Service to Revoked Carriers and Carriers That Have Relinquished Their Authority

Commissioner Johnson moved to do the following:

1. Order all local exchange and interexchange carriers to discontinue service arrangements enabling the carriers identified in the comments of the Minnesota Department of Commerce (the Department) to provide Minnesota intrastate telecommunications service to end-use and wholesale customers.
2. Order the relevant local exchange or interexchange carrier to contact the Department within seven days of the date of the Commission Order in this matter if it is determined that end-use or wholesale customers would be affected by the discontinuance. Accept the Department's pledge to notify the carrier within three business days if the discontinuance may proceed, if there must first be a transition plan approved by the Department, or if the matter must be further addressed by the Commission prior to the discontinuance.
3. Order all local exchange and interexchange carriers to not engage in any new service arrangements for the provision of services that enable the identified carriers to provide intrastate telecommunications service to end use or wholesale customers effective immediately, unless the Order resulting from this decision is superseded by another Commission Order.

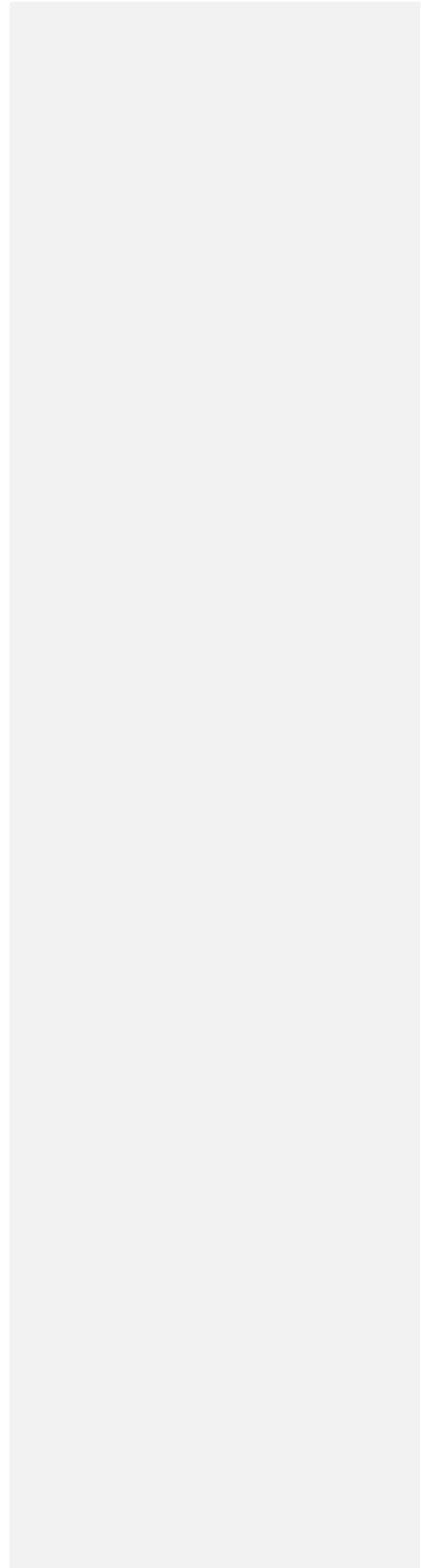
The motion passed 4 - 0.

P-5383,522/PA-07-1371

In the Matter of the Petition of Farmers Mutual Telephone Company for Approval of Acquisition of Assets and Customers from Farmers Mutual Technologies, Inc.

Commissioner Johnson moved to adopt the Department's recommendation to approve, with conditions, the dissolution of Farmer Mutual Technologies, Inc., and the transfer of its remaining assets to Farmer Mutual Telephone Company if the Commission approves Farmer Mutual Telephone Company's request for authority to provide facilities-based service in the Madison exchange in Docket No. P-522/AM-07-1372, *In the Matter of a*

Request to Amend the Certificate



of Authority of Farmers Mutual Telephone Company to Expand its Service Area to Enable the Company to Provide Facilities - Based Local Service in the Madison Exchange.

The motion passed 4 - 0.

P,E-100,523,5750/PA-07-1411

In the Matter of the Joint Petition of Federated Telephone Cooperative, Agralite Electric Cooperative and HomeTown Solutions, LLC for Approval of Transfer of Membership Interest

Commissioner Reha moved to adopt the Department's recommendation to approve, with conditions, Federated Telephone Cooperative's acquisition of Agralite Electric Cooperative's interest in HomeTown Solutions, LLC.

The motion passed 4 - 0.

P-421/AM-07-865

In the Matter of Qwest's Petition for Approval of 2007 Additions to Non-Impaired Wire Center List

Commissioner Boyd moved to do the following:

1. Refer all disputed issues regarding data for line counts and collocations for six designated wire centers operated by Qwest Corporation to the Office of Administrative Hearings for informal and, if necessary, formal proceedings.
2. Ask the administrative law judge to convene a prehearing conference to encourage early resolution of as many issues as possible, and to report the resolution of any issue promptly for the Commission's consideration.

The motion passed 4 - 0.

E-002/CN-07-873

In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for a Certificate of Need for the 100.5 MW Grand Meadow Wind Farm

Commissioner Reha moved to do the following:

1. Find that the Environmental Report and the record created in this matter adequately addresses the issues identified by the Environmental Assessment Scoping Decision.

2. Find that the Applicant has met the statutory and rule criteria for a Certificate of Need, and grant a Certificate of Need to Northern States Power Company d/b/a Xcel Energy (Xcel) for the 100.5 megawatt (MW) Grand Meadow Wind Farm.

The motion passed 4 - 0.

E-015,ET6,E017/CN-07-1222

In the Matter of the Application of Otter Tail Power Company, Minnesota Power and Minnkota Power Cooperative, Inc. for a 230 kV Transmission Line from Bemidji to Grand Rapids Minnesota

Commission Pugh moved to do the following

1. Designate Otter Tail Power Company, Minnesota Power and Minnkota Power Cooperative, Inc. to serve as “applicants” for this project on behalf of themselves as well as Great River Energy and Xcel.
2. Approve the requested exemptions to the filing requirements for a Certificate of Need petition as set forth at Minnesota Rules chapter 7849 and direct the utilities to file their proposed substitute data with the following additions:
 - A. An estimate of the anticipated owners of the Bemidji-Grand Rapids Line and a non-binding estimate of each owner’s minimum and maximum interest.
 - B. Data on the existing supply of units that qualify under the Renewable Energy Standard (RES), the capacity and energy requirements the utilities’ estimate through 2020 to meet the RES based on capacity factors of 30, 35, and 40 percent, and the utilities’ forecasted demand through 2020 assuming 1 and 1.5 percent conservation of gross annual retail energy sales.
 - C. Existing and planned generation in the affected areas in and around Bemidji and the northern Red River Valley.
 - D. Data on existing and anticipated conservation programs in the affected areas in and around Bemidji and the northern Red River Valley, including any system-wide conservation programs that could reduce energy use in the affected areas.

The motion passed 4 - 0.

ENERGY AGENDA

E,G-999/M-07-1102

In the Matter of Establishment of General Permit Standards for the Siting of Wind Generation Projects Less than 25 Megawatts

Commissioner Boyd moved to do the following:

1. Adopt adopts the Large Wind Energy Conversion System (LWECS) General Wind Turbine Permit Setbacks and Standards proposed by the Department's Energy Facility Permitting staff.
2. Apply the general permit standards to large wind energy conversion system site permits issued by counties pursuant to Minnesota Statutes § 216F.08 and to permits issued by the Commission for LWECS with a combined nameplate capacity of less than 25,000 watts.
3. Ask the Department's Energy Facility Permitting staff to investigate further wetland setback issues with stakeholders and to develop recommendations for Commission consideration.

The motion passed 4 - 0.

BLOCK MOTION

Commissioner Reha moved to take the following actions on the following dockets:

- **E-241,120/SA-07-1304**
In the Matter of the Electric Service Territory Memorandum of Understanding Between Glencoe Light and Power and McLeod Cooperative Power

Find that the parties had given appropriate notice.

Accept the legal description of the Annexed Area and the number of customers that are currently located in the Annexed Area accepted.

Approve the parties' petition.

- **E-015/M-07-1430**
In the Matter of a Petition for Approval to Implement Cost Recovery under its Boswell 3 Environmental Improvement Plan

Grant Minnesota Power's request to implement its Boswell 3 Rider in 2008.

The motion passed 4 - 0.

E,G-002/M-07-283

In the Matter of Northern States Power Company d/b/a Energy's Petition for Approval of State Energy Policy Rate Rider and Compliance Filing

Commissioner Reha moved to do the following:

1. Approve Xcel's proposed State Energy Policy rate rider for electricity of \$0.000086 per kilowatt-hour, and for gas of \$0.00027 per therm.
2. Authorize Xcel to implement its revised rates and customer notice at the earliest possible date following the issuance of the Order memorializing this decision.
3. Direct Xcel to file revised tariff sheets within 10 days of the Order.

The motion passed 4 - 0.

E,G-002/S-07-1323

In the Matter of the Petition of Northern States Power Company for Approval of Capital Structure for Issuance of Long-Term and Short-Term Securities for 2008

Commissioner Johnson moved to do the following:

1. Approve the 2008 capital structure requested by Northern States Power Company (NSP) to be effective until the 2009 Capital Structure Order is issued.
2. Authorize NSP's Minnesota operating utility and related subsidiaries (NSP-MN) to acquire between 45.99% and 56.21% of its capital by selling common equity.
3. Authorize NSP-MN to acquire no more than 15% of its capital by issuing short-term debt.
4. Authorize NSP-MN to have a total capitalization contingency of \$431 million on a total capitalization of \$6,700 million.
5. Continue the variance authorizing NSP-MN to enter into multi-year credit agreements and issue associated notes thereunder, but require NSP-MN to also continue reporting on its use of such facilities, including –
 - A. How often they are used,
 - B. The amount involved,
 - C. Rates and financing costs, and
 - D. the intended uses of the financing.
6. Authorize NSP-MN to issue securities provided that NSP-MN remains within the contingency ranges or does not exceed them for more than 60 days.

7. Authorize NSP-MN to use risk-management instruments that qualify for hedge accounting treatment pursuant to Statement of Financial Accounting Standards No. 133.
8. Continue to approve the classification of borrowing under multi-year credit agreements as short-term debt, and grant NSP-MN a variance from Minnesota Rules part 7825.100, subpart 6, pursuant to the provisions of Minnesota Rules, part 7829.3200.

The motion passed 4 - 0.

E-111/M-07-1283

In the Matter of Dakota Electric Association's Annual Conservation Tracker Account Report

Chair Koppendrayer moved to approve Dakota Electric Association's petition to set its Conservation Cost Recovery Adjustment for 2008, as amended by its December 6, 2007 supplemental filing, at (\$0.0005) per kilowatt-hour.

The motion passed 4 - 0.

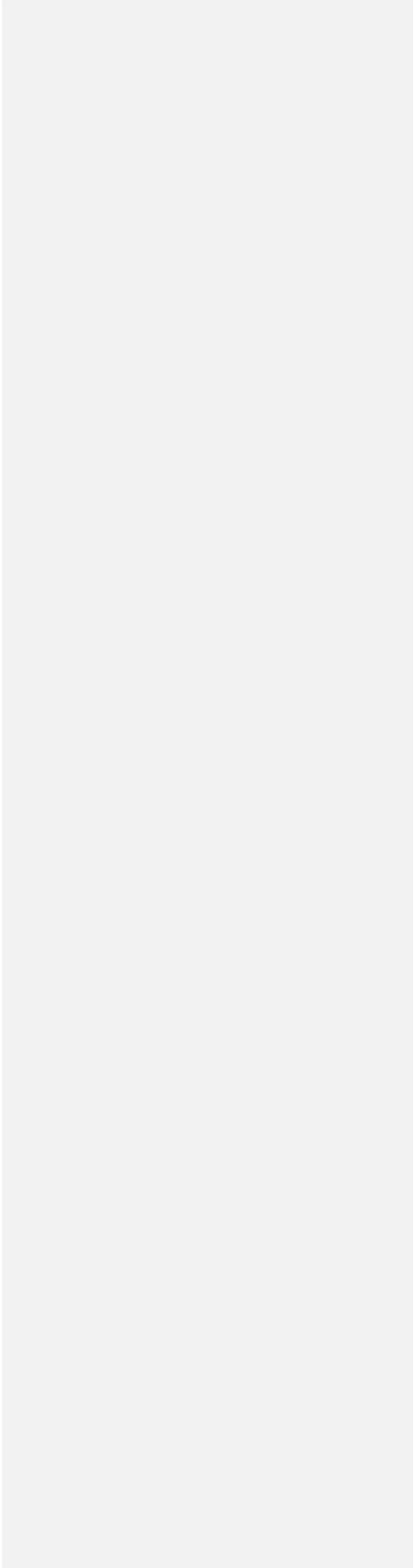
G-008/M-07-1063

In the Matter of CenterPoint Energy's Petition for Approval of a Continued Variance from Minn. Rule 7825.2700, subp. 5

Commissioner Boyd moved to approve the variance request of CenterPoint Energy (the Company) as modified, including the following:

1. A variance to Minnesota Rules, part 7825.2700, subpart 5, for three years conditioned upon the Company modifying the demand adjustment to reflect capacity release credits.
2. Calculation of a monthly demand adjustment to the Company's demand cost recovery rate.
3. A maximum monthly allowed demand adjustment of 25 percent.
4. Continuation of the existing reporting requirements.
5. The addition of a requirement to calculate a hypothetical monthly demand adjustment to the Company's demand cost recovery rate that eliminates the one-month lag from the calculations and to report the results to the Department.

The motion passed 4 - 0.



ET-9/RP-06-605

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

Commissioner Reha moved to do the following:

1. Neither accept nor reject the 2006-2021 resource plan of Southern Minnesota Municipal Power Agency (SMMPA), filed pursuant to Minnesota Statutes § 216B.2422 and Minnesota Rules, part 7843.0400, subparts 1 - 4.
2. Direct SMMPA to provide comments on SMMPA's then-current resource plans by June 1, 2008.
3. Direct SMMPA to make its next Renewable Energy Objectives/Renewable Energy Standards compliance filing pursuant to Minnesota Statutes § 216B.1691, subdivision 3, by October 1, 2008.
4. Reaffirm that SMMPA shall file its next resource plan to July 1, 2009, as established in the Commission's ORDER APPROVING AGREEMENT REGARDING RESOURCE PLAN AND RENEWABLE ENERGY OPTIONS (July 11, 2007).

The motion passed 4 - 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: JANUARY 30, 2008

Burl W. Haar, Executive Secretary