

The Commission met on **Thursday, September 8, 2005**, with Chair Koppendraye and Commissioners Johnson, Nickolai, Pugh and Reha present.

JOINT TELECOMMUNICATIONS AND ENERGY AGENDA

P-404,407,430,520,405,413, 421, 426,427,573/CP-05-902

In the Matter of a Petition for Extended Area Service From the Cokato Exchange to the Minneapolis/St. Paul Metropolitan Calling Area

Commissioner Pugh moved that the Commission

1. find that the Cokato exchange is adjacent to the MCA;
2. find that the Commission's traffic requirements are met for EAS from the Cokato exchange to the MCA;
3. Order the affected telephone companies to file cost studies and proposed rates within 90 days of the service date of the Order, with each company proposing rates recovering its own costs of providing EAS; also order the affected companies to provide supporting information as requested by the Commission staff and the Department of Commerce;
4. require the Department to file a report and recommendation regarding proposed rates within 60 days following the filing of cost studies and proposed rates by the companies;
5. allow the parties 20 days to respond to the Department's report; and
6. grant the Executive Secretary the authority to vary the above deadlines if the Executive Secretary deems necessary.

The motion passed, 5 0.

E-319,108/SA-04-2019

In the Matter of the Application of the City of Two Harbors to Extend its Assigned Service Area into the Area Presently Served by Cooperative Light & Power

Commissioner Reha moved that the Commission dismiss this case without prejudice and close the docket.

The motion passed, 5 0.

E-015/M-051175

In the Matter of a Petition by Minnesota Power for Approval of an Amended and Restated Electric Service Agreement Between United States Steel Corporation and Minnesota Power

Commissioner Johnson moved that the Commission approve the petition for an amended and restated electric service agreement (ESA) between United States Steel Corporation and Minnesota Power.

The motion passed, 5 0.

E-001/M-05-542

In the Matter of Interstate Power and Light's Request for Approval of a Variance to the Fuel Clause Adjustment Rules for Financial Hedging

Commissioner Reha moved that the Commission

1. approve a two year variance of the fuel clause adjustment rules (FCA) allowing Interstate Power and Light (IPL) to recover the costs of financial hedging, with a provision that the variance be renewable for an additional two years after review of the impacts of the financial instruments on the FCA and Minnesota retail customers;
2. approve a cap on financial hedging under the variance as provided for on pages 8 and 10 of 41 in Exhibit A, Alliant Energy Corporate Services, Inc. Energy Trading, Business Unit Risk Management Plan;
3. require IPL to provide a list of financial instruments entered into, relevant terms of the financial instruments (like number of mega Watt hours contracted), net gain or loss on transactions including all transaction costs, ratepayer benefits (ex ante) and fuel clause impact (ex post), and an explanation of benefits to Minnesota ratepayers;
4. bar speculative financial hedging for purposes of providing service to native load customers;
5. require IPL to follow the cost accounting rules set forth in Exhibit A page 12 of 41, Alliant Energy Corporate Services, Inc. Energy Trading, Business Unit Risk Management Plan;
6. direct IPL to file its hedging activity report quarterly;
7. direct IPL to file its request for renewal of the variance within 18 months of the date of this Order to allow Commission review of the impacts.

The motion passed, 4-1. Commissioner Nickolai voted no.

E-002/M -3-1883

In the Matter of the Request of Northern States Power Company d/b/a Xcel Energy for

Approval of Selected Projects for the Second Funding Cycle of the Renewable Development Fund

Commissioner Reha moved that the Commission grant the petition of Northern States Power Company d/b/a Xcel Energy (Xcel) to reconsider the Commission's ORDER MODIFYING AND APPROVING GRANT CONTRACT, REQUIRING FUTURE FILINGS, AND DENYING REQUEST TO DEPART FROM INTER JURISDICTIONAL ALLOCATION PROCEDURES (June 24, 2005).

The motion passed 3-2. Commissioners Johnson and Pugh voted no.

Commissioner Reha moved that the Commission toll the 60 day period for ruling on petitions for rehearing (Minnesota Statutes § 216B.27, subdivision 4) to allow sufficient time for the Order after reconsideration to be written.

The motion passed, 5-0.

Commissioner Nickolai moved that the Commission reconsider and clarify or change the Commission's June 24, 2005 Order to grant Xcel's request to recover all of the costs of the Renewable Development Fund grant to Excelsior Energy Inc. from Minnesota retail ratepayers, with no allocation of these costs to other jurisdictions.

The motion passed, 4-1. Commissioner Pugh voted no.

E-017/AI- 05-652

In the Matter of a Request by Otter Tail Power Company for Approval of an Affiliated Wind Power Purchase Agreement, Wind Acceleration Tariff, and Related Matters

Commissioner Reha moved that the Commission

1. find that the purpose of the wind energy will count towards the Company's Renewable Energy Objective (REO) under Minn. Stat. § 216B.1691;
2. held in abeyance Commission approval of the petition until additional information is received;
3. direct Otter Tail Power Company to respond to questions identified by Commission Staff, the Department, and Commissioners and conveyed to the Company by the Commission's Executive Secretary.

The motion passed, 5 0.

G-008/CI- 04 2001

In the Matter of CenterPoint Energy's Implementation of the Cold Weather Rule and Reconnection Policies

Commissioner Nickolai moved that the Commission refer the following three issues regarding CenterPoint Energy's (CenterPoint's) past conduct to the Office of Administrative Hearings for a contested case proceeding, with the expectation that the Administrative Law Judge assigned to the case will permit full discovery:

1. Did Center Point violate the Cold Weather Rule (CWR)?
2. If CenterPoint violated the CWR, did it do so knowingly and intentionally?
3. If CenterPoint violated the CWR knowingly and intentionally, what penalties/remedies are warranted?

The motion passed, 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: SEPTEMBER 21, 2005

Burl W. Haar, Executive Secretary