

The Commission met on **Tuesday, January 6, 2004**, with Acting Chairperson Reha and Commissioners Johnson, Nickolai, and Scott present.

Comment [COMMENT1]: Minutes by Peter Brown. 5 motions were made.

ENERGY AGENDA

Commissioner Reha moved that the Commission take the following actions:

E-001,PT-6205/PA-02-2219

In the Matter of the Petition of Interstate Power and Light Company for Approval of the Transfer of Functional Control of Transmission Facilities to TRANSLink Transmission Company LLC and for Related Relief

- Approve withdrawal of petition.

E-002,PT-6205/PA-02-2152

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy to Transfer Functional Control of Transmission Facilities to TRANSLink Transmission Company LLC and for Related Relief

- Approve withdrawal of petition.

The motion passed 4-0.

G-002/M-03-1627

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of an Extension of Rule Variances to Recover the Costs of Financial Instruments Through the Purchased Gas Adjustment Clause

Commissioner Nickolai moved that the Commission approve the petition as recommended by the Minnesota Department of Commerce.

The motion passed 4-0.

G-004/MR-03-1799

In the Matter of a Petition by Great Plains Natural Gas Co. to Establish a New Base Cost of Gas to Coincide with the Implementation of Final Rates

G-004/M-03-1009

In the Matter of a Request by Great Plains Natural Gas Company for Approval of its Proposed Conservation Cost Recovery Adjustment

G-004/M-03-1023

In the Matter of a Request by Great Plains Natural Gas Company for Approval of its Proposed 2002 Demand Side Management (DSM) Financial Incentive

Commissioner Reha moved that the Commission take action on these dockets as follows:

3. with respect to Docket No. **G-004/MR-03-1799**, approve Great Plains' new total base cost of gas of \$17,260,252 and the underlying per dk demand and commodity components effective with the implementation of final rates in Docket No. G-004/GR-02-1682; and
4. with respect to Docket Nos. **G-004/M-03-1009** and **G-004/M-03-1023**,
 - e. approve a CCRA factor for all customer classes of (\$0.0042) per dk; approve recovery of the 2002 DSM financial incentive of \$1,043, and allow Great Plains to record that amount in the Company's CIP Tracker Account as of the date of the Commission's Order in the present docket;
 - b. allow the Company to include previously omitted expenses in 2000 and 2001 of \$28,344 into the CIP Tracker Account and approve Great Plains' 2002 CIP Tracker Account, including recovery of \$149,764.36 in CIP expenditures and \$15,557.07 in carrying charges;
 - c. grant a variance to Minn. Rules 7820.3500 (K) and 7825.2700, subpart 1 that is effective starting with the date of the Order in this docket and terminates with the joint implementation of the new bill format and final rates in Docket No G-004/GR-02-1682;
 - d. require Great Plains to file a compliance filing, within 10 days of the Order's service date in both of the present dockets, containing the relevant tariff sheets that comply with the Commission's Order; and
 - e. require Great Plains to report the change in its CIP Tracker account showing changes by month as described in the Staff Analysis, Reporting Requirement section of the briefing papers.

The motion in the above dockets carried 4 - 0.

G-004/GR-02-1682

In the Matter of a Petition by Great Plains Natural Gas Company, a Division of MDU Resources Group, Inc., for Authority to Increase Natural Gas Rates in Minnesota

Commissioner Scott moved that the Commission take the following action on the Company's compliance filing:

6. approve Great Plains' three-year phase-in plan for consolidating the rate structures of the Crookston and North-4 service areas;
7. require Great Plains to notify the Commission in writing, 30 days in advance of implementing the second and third steps of its Crookston and

North-4 rate consolidation phase-in plan;

8. approve the revised income statement as shown on p. 5 of the staff briefing papers and direct the Company to adjust the cost of gas related to any changes from the initial proposed sales forecast to properly account for the per unit change in demand cost in any future rate cases;
9. accept Great Plains' proposed customer charges and non-gas margins rates as revised in Great Plains' and the Department's December 19, 2003 joint supplemental filing;
10. accept Great Plains' proposed revised tariff sheets, except for Original Sheet Nos. 6-19, 6-29, 5-110, 7-2, and 7-3, together with correcting the page numbering of the skipped tariff sheets, as discussed in Section II.A.vi of the Department's December 1, 2003 comments (Department recommendation #6);
11. require Great Plains to file revised tariff sheets consistent with the final Order in Docket No. G-004/MR-03-1799 if later found by the Commission to be inconsistent with the Commission's determination of the base cost of gas;
12. defer any decision regarding Great Plains' proposed base cost of gas to Docket No. G-004/MR-03-1799;
13. approve Great Plains' proposed conservation cost recovery charge ("CCRC") of \$0.0270 per dk for all customer classes;
14. accept Great Plains' proposed agreements and contracts that are included in its proposed tariff;
15. require Great Plains to submit, within 10 days of the refunds, a refund report detailing (i.e. including the calculations) the amounts refunded in total and by customer class and service area, interest paid in total and by customer class and service area, and the total amount of the refund it was unable to distribute;
16. authorize Great Plains to implement final rates for services rendered on and after the effective date of the Order resulting from this meeting;

17. require Great Plains to make a filing within ten days of the date of the Order resulting from this meeting containing its final rate schedules and tariffs as modified by the decision from this meeting;
18. require Great Plains to file revised customer notices consistent with the Commission's decision regarding the disposition of unrefunded monies and correcting the customer bill impact estimates and maintain delegation of authority to the Commission's Executive Secretary to approve the final version of these proposed notices after they are submitted;
19. do not require the Company to publish newspaper display ads giving notice of final rates;
20. encourage Great Plains to work with the Department to increase the effectiveness and usefulness of its website as a source of information for customers;
21. require Great Plains to maintain separate Gas Cost Reconciliation factors for Crookston and the North-4 through August 31, 2004 to properly refund the over-collection to Crookston and collect the under-collection from the North-4 related to its demand entitlements from Docket No. G-004/MR-03-303;
22. deny the Company's proposal to implement new CCRA factors as part of the compliance filing, deferring the decision to Docket No. G-004/M-03-1009, and require Great Plains to resubmit the CIP tracker account for the entire period that interim rates were in effect within 10 days after final rates become effective;
23. require Great Plains to make interim rate refunds to inactive customers for amounts of \$2.00 or greater;
24. require Great Plains to credit to its CIP tracker account interim rates refund amounts below \$2.00 attributable to inactive customer accounts;
25. require Great Plains to handle uncashed interim rates refund checks in the same way it handles unclaimed customer deposits, pursuant to Minn. Stat. §§ 345.34 and 345.41 through 345.48; and
26. approve the proposed customer bill format included in staff briefing papers as Attachment B and submitted informally by the Company on November 25, 2003.

The motion passed 4-0.

G-007,011/S-03-681

In the Matter of Aquila, Inc.'s Request to Use Aquila Networks-PNG and Aquila Networks-NMU Utility Property to Secure Indebtedness

Commissioner Scott moved that the Commission deny reconsideration but clarify the October 22, 2003 Order consistent with the information in Aquila's November 6, 2003 10-Q filing with the SEC and by correcting any reference in the Order indicating that Aquila has already received the lower 8.00% interest rate and has not had the interest rate reduced to 8.00%..

The motion passed 4-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: APRIL 7, 2004

Burl W. Haar, Executive Secretary