

The Commission met on **Tuesday, March 23, 2004**, with Chair Koppendrayer and Commissioners Johnson, Nickolai, Reha and Scott present.

Comment [COMMENT1]: Minutes by Eric Witte, Ann Pollack, and Peter Brown. 8 motions were made.

ENERGY AGENDA

Commissioner Nickolai moved to take the actions below:

E-101,002/SA-04-130

In the Matter of the Petition of Xcel Energy and Connexus Energy for Modification of Assigned Service Areas

- approve the petition

E-002,145/SA-04-131

In the Matter of the Petition of Xcel Energy and Tri-County Electric Cooperative for Modification of Assigned Service Areas

- approve the petition

E-111/M-04-101

In the Matter of Dakota Electric Association's 2004 Annual Resource and Tax Adjustment

- approve the petition

The motion passed 5-0.

E,G-001/PA-03-1999

In the Matter of Wisconsin Power and Light Company's Application for Issuance of Determination under Section 32(c) of the Public Utilities Holding Company Act

Commissioner Koppendrayer moved that the Commission take the following action:

- approve the petition for the sole and limited purpose of facilitating Dominion Energy's Kewaunee's application to FERC for determination under section 32(c) of the Public Utilities Holding Company Act, and based on certain limitations and conditions using the proposed draft order language;

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

E-002/M-03-520

In the Matter of Northern States Power Company d/b/a Xcel Energy's Reliability Standards Report and Proposed Annual Standards for 2003 Pursuant to Minnesota Rules, Chapter 7826

Commissioner Nickolai moved that the Commission accept Xcel's annual Service Quality and Reliability Report and approve the service quality goals as recalculated by the Company,

Work Center	SAIFI	CAIDI	SAIDI
Metro East	1.31	152.44	200.20
Metro West	1.26	138.67	173.02
Northwest	1.16	125.59	144.68
Southeast	0.96	135.98	135.85

incorporating the following modifications proposed by the Department:

1. that the Company use its internal method of storm-normalization for its annual reports under the rules and proposed standards under Chapter 7826, while continuing to use the merger-ordered method for its quarterly service quality compliance reports.
2. that the Company establish new and different reliability goals in this proceeding instead of using the same goals established in the merger proceeding would be appropriate given the different purposes for which the reliability goals were established.

The motion passed 5-0.

IP-6345/CN-03-1884

In the Matter of the Application of Calpine Corporation for a Certificate of Need for a Large Electric Generating Facility

Commissioner Scott moved that the Commission take the following action:

- A. Substantial Completeness of Application
 - require that the applicant submit a supplement containing the information identified as missing by the Department and ME3 in its March 12, 2004, filing, and accept the application as substantially complete contingent upon submission of that filing, but with the understanding that additional information may have to be provided by Calpine to the Environmental Quality Board and the Department of Commerce to facilitate preparation of an environmental review document and thorough review of the proposed project;

- the supplement should contain a status report on the PPA;
 - the six month review period will begin with the submission of the supplement;
- B. Referral to the Office of Administrative Hearings
- refer the case to the Office of Administrative Hearings for a contested case proceeding;
- C. Joint Need and Siting Hearings
- determine that a joint hearing on need and siting under Minn. Stat. § 216B.243, subd. 4 and Minn. Stat. § 116C.57, subd. 2d is feasible, more efficient than separate hearings, and may further the public interest; and
 - if a joint hearing is acceptable to the Environmental Quality Board, authorize staff to request at the prehearing conference that the assigned administrative law judge set up a hearing schedule allowing consideration of both need and siting issues in at least some of the sessions;
- D. Other Information, Requests and Directives
- include in the Order(s) coming out of this meeting:
 - notice of a prehearing conference (with a specified date, time and location to be determined by the Administrative Law Judge and Commission staff);
 - the name and telephone number of the Commission employee designated to facilitate citizen participation in the process;
 - a request that the Department of Commerce continue to study the issues and indicate during the hearing process its position on the reasonableness of granting a certificate of need to the Company;
 - a requirement that the Applicant facilitate in every reasonable way the continued examination of the issues by the Department of Commerce and the Environmental Quality Board;
 - a directive that Commission staff work with the Administrative Law Judge in selecting suitable locations for the public and evidentiary hearings on the application;
 - a directive that the Applicant provide notice of the public and evidentiary hearing in newspapers of general circulation at least ten days prior to the start of the hearings, that such notice be in the form of visible display ads, that the applicant obtain proofs of publication of such ads from the newspapers selected, and that the Applicant consult with Commission staff on the timing, text, and distribution of such ads prior to publication;

The motion passed 5-0.

ET-3/RP-04-113

In the Matter of Dairyland Power Cooperative's 2003 Integrated Resource Plan

Commissioner Reha moved to defer action on this matter pending further action by the parties, and to authorize the Executive Secretary to reschedule this matter for a future Commission meeting at his discretion.

The motion passed 5-0.

ET-2/RP-03-974

In the Matter of Great River Energy's 2003 Integrated Resource Plan

Commissioner Reha moved to –

- A1. Accept the proposed resource plan of Great River Energy (GRE) as recommended by the Minnesota Department of Commerce (the Department),
- B1. Advise the Cooperative to adopt the following actions recommended by the Department and/or the Izaak Walton League of America (IWLA):
 - a. allow the staff of the Department to observe the development of a member system energy forecast prepared by GRE and the member cooperative;
 - c. evaluate the impact of various natural gas price forecasts on its resource choices;
 - d. model the addition of the 100 megawatt Trimont wind resource as part of its base plan;
 - e. incorporate promptly the modeling of wind into its resource planning with various timing assumptions, so that the tool can be used in its next certificate of need filing or resource plan filings, whichever comes first;
 - f. consider modeling the addition of smaller conventional resource units;
 - g. discuss with the Department the value of using a production cost model that includes optimization capabilities;
 - h. discuss with the Department the criteria it will use to evaluate potential resources;
 - i. model the addition of various amounts of demand-side management (DSM) in its 50 percent and 75 percent DSM and renewables

scenarios;

- m. use environmental cost data in analyzing all resource options, including contracts to purchase power; and
- n. encourage GRE to adopt the high-scenario goals for DSM and energy savings given that more time has been made available by new resource commitments for implementation of additional DSM.

C1. Require that the Cooperative include any or all of the following information items recommended by the Department and/or the IWLA:

- a. a plan to show its good faith effort toward meeting its renewable energy objective;
- b. an update and summary of current environmental issues, its methods of compliance with existing regulation, and contingency plans for compliance with expected future regulations.

D1. Stay with the two-year time increment between filings, with the next filing due by July 1, 2005.

The motion passed 5-0.

Not Yet Assigned

In the Matter of an Investigation into Whether the Commission Should Assert Jurisdiction over the City of Hutchinson's Intrastate Natural Gas Pipeline, Pursuant to Minn. Stat. § 216B.045

Commissioner Nickolai moved that the Commission take the following action:

- do not open an investigation

The motion failed 2-2. Commissioners Johnson and Scott voted no. Commissioner Reha left the meeting prior to this matter.

Commissioner Scott moved that the Commission take the following action:

- request comments on Commission jurisdiction (and whether FERC would have jurisdiction if the Commission does not);

The motion carried 4-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: APRIL 7, 2004

Burl W. Haar, Executive Secretary

