

The Commission met on **Tuesday, September 28, 2004**, with Chair Koppendrayer and Commissioners Johnson, Nickolai, and Pugh present.

Comment [COMMENT1]: Minutes by Ann Pollack. 3 motions were made.

ENERGY AGENDA

G-008/M-04-368

In the Matter of a Petition by CenterPoint Energy Minnegasco to Allow the Use of Forward Futures Contracts and Put Options in Combination with Call Options to form a Collar and for a Variance to Minnesota Rules 7825.2400, 7825.2500 and 7825.2700 to Allow Recovery of the Costs of Those Instruments in the Purchased Gas Adjustment

Commissioner Johnson moved that the Commission take the following action:

- Accept the supplemental comments of the Minnesota Department of Commerce.
- Approve the use of forward futures contracts and put options in combination with call options to form a collar.
- Grant the request of CenterPoint Energy Minnegasco (Minnegasco) to vary Minnesota Rules parts 7825.2400, 7825.2500 and 2825.2700 until June 30, 2008.
- Determine that the variance applies to all financial positions that Minnegasco enters into during the period of the initial variance.
- Require the proposed regulatory reporting.
- Not allow Minnegasco to recover the interest costs related to margin calls through the purchased gas adjustment mechanism.
- Allow Minnegasco to use collars solely to hedge daily-priced swing contracts with no cap.
- Set the cap for forward future contracts at 26 billion cubic feet based on the amount of futures outstanding at any given time.
- Allow Minnegasco to enter into multi-year financial hedging arrangements but limit the net cost of these multi-year contracts to a maximum of 10 percent of the overall level of financial hedging performed by Minnegasco.

The motion passed 4-0.

E-002/SA-04-1485

In the Matter of the Joint Petition of Bushmills Ethanol, Inc. and Northern States Power Company d/b/a Xcel Energy for Service Extension Under Minnesota Statute § 216B.42.

Commissioner Nickolai moved that the Commission take the following action:

- approve the joint petition;

The motion passed 4-0.

E-002,ET-3/CN-04-1176

In the Matter of the Notice Plan of Northern States Power Company d/b/a Xcel Energy and Dairyland Power Cooperative for the Chisago County Transmission Line Certificate of Need Process.

Commissioner Nickolai moved that the Commission take the following action:

11. clarify that the current Order clarifies, adds to, and, if there is any conflict between the two Orders, supersedes the notice requirements included in the April 8, 2003 ORDER GRANTING EXEMPTION IN PART AND REQUIRING SUPPLEMENTARY FILING AND NOTICE;
12. accept the proposed notice plan modified by Xcel's reply comments and requiring Xcel and Dairyland to do the following:
 - a. add Polk County, Wisconsin and the St. Croix Tribal Council to the list of local governments to receive direct mail notice;
 - b. add the Minneapolis Star Tribune to the list of newspapers for the notice of the public hearings and specifically list the local newspapers to be used;
 - c. amend the text of the direct mail notice to:
 - i. include the anticipated date for the certificate of need filing (or the actual date, if known);
 - ii. include information on how notice recipients can obtain access to the application;
 - iii. include a statement that notice recipients will have an opportunity to participate in the public hearing which will be part of the regulatory process;

- iv. clarify the specific transmission work planned, including an indication whether new or additional rights-of-way would be required, to comply with the requirements of Minn. Rule, part 7829.2550, subp. 4, item B; and
- v. include a map with the direct mail notices and ensure that the map includes the proposed end points for the proposed project, as well as the existing transmission facilities in the area.

The motion passed 4-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: OCTOBER 6, 2004

Burl W. Haar, Executive Secretary