

The Commission met on **Thursday, October 21, 2004**, at 9:30 a.m., with Chair Koppendrayner and Commissioners Johnson, Nickolai, and Pugh present.

Comment [COMMENT1]: Minutes by Carol Casebolt. 5 motions were made.

The following matters were taken up by the Commission.

ENERGY AGENDA

UNCONTESTED MATTERS

Commissioner Pugh moved that the Commission take the actions listed below:

E-002, 132/SA-04-1407

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for an Exception to an Assigned Service Area Agreement Between Xcel and People's Cooperative Services

- grant the petition;

E-275, 134/SA-04-855

In the Matter of the Petition of the City of Moorhead to Extend Its Service Area into the Area Presently Served by Red River Valley Cooperative Power Association Under the Terms and Conditions of the Settlement Agreement in Docket No. E-274, 1334/SA-02-1207

- grant the petition;

E-275, 134/SA-04-1386

In the Matter of the Petition of the City of Moorhead to Extend Its Service Area into the Area Presently Served by Red River Valley Cooperative Power Association Under the Terms and Conditions of the Settlement Agreement in Docket No. E-274, 1334/SA-02-1207

- grant the petition.

The motion passed 4-0.

E.G./002/AI-04-666

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of an Updated Service Agreement with Xcel Energy Services Inc. Related to Allocations for Information Technology Costs

Commissioner Nickolai moved to approve the affiliated interest agreement.

The motion passed 4-0.

OTHER COMMISSION ACTION

G-004/GR-04-1487

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

Commissioner Johnson moved that the Commission take the following actions on this rate case.

1. Accept this case as complete as of the later of November 2, 2004 or the date on which all the information set forth below has been filed. Delegate to the Executive Secretary the authority to determine the date on which all information has been filed.
 - (a) A discussion of the advantages and disadvantages of two alternative methods of recovering Conservation Improvement Program costs as required by the Commission's October 9, 2003 ORDER ACCEPTING AND ADOPTING SETTLEMENT in Docket No. G004/GR-02-1682.
 - (b) The full population of main and service additions starting October 9, 2003, and ending October 1, 2004, with an accompanying narrative on compliance with Commission policies in regard to main and service additions.
 - (c) Calculations of the necessary depreciation adjustment, using a spreadsheet, and revised schedules as necessary.
 - (d) A schedule of assumptions.
2. Suspend the proposed rates.
3. Refer the case to the Office of Administrative Hearings for contested case proceedings and request that the Administrative Law Judge file his or her report no later than eight months from the date the case was accepted as complete.
4. Identify the issues set forth below as requiring through evidentiary development:
 - (a) Service extensions and service extension policy.
 - (b) Cost allocations.
 - (c) The proposed customer charge.
5. Delegate to the Executive Secretary the authority to approve notices required in the case.
6. Approve an interim rate increase of \$1,431,132 to reflect \$4,823 of additional CIP revenue and require the Company to, within 10 days of the order, refile interim rate schedules reflecting the rate impact.

7. Allow Great Plains' interim rate to go into effect as of January 1, 2005 or a later date corresponding to the filing of the additional information required by the Commission.

The motion passed 4-0.

G-004/MR-04-1486

In the Matter of a Petition by Great Plains Natural Gas Company to Establish a New Base Cost of Gas to Coincide with the Implementation of Interim Rates in Docket G-004/GR-04-1487

Commissioner Nickolai moved that the Commission take the following actions:

1. Accept the base cost of gas as filed to be effective at the time of implementation of interim rates in Docket No. G-004/GR-04-1487.
2. Require that the Company make a compliance filing setting forth the information set forth below and require that the Company include that information in future petitions for a new base cost of gas filed concurrent with a rate case.
 - (a) A reconciliation of the volumes used in the base cost of gas filing with the volumes used in the rate case.
 - (b) A minimum of a narrative explanation of the commodity cost calculations.
 - (c) The rationale for using the WACOG used and how that WACOG relates to forecasted gas costs during the test year.

The motion passed 4-0.

CLOSED MEETING ON TELECOMMUNICATIONS LITIGATION

Commissioner Pugh moved that the Commission meet in closed session at 11:00 to discuss telecommunication litigation.

The motion passed 4-0.

There being no further energy business, the energy agenda was adjourned and was followed by the Telecommunications agenda at 1:00 p.m.

APPROVED BY THE COMMISSION: NOVEMBER 3, 2004

Burl W. Haar, Executive Secretary