

The Commission met on **Thursday, May 1, 2003**, with Chair Koppendrayer and Commissioners Gavin, Johnson, Reha, and Scott present.

**Comment [COMMENT1]:** Minutes by Carol Casebolt. 4 motions were made.

The following matters were taken up by the Commission.

## CONSENT CALENDAR

Commissioner Gavin moved the action set forth below on the following dockets:

### **E-111/M-03-324**

In the Matter of a Petition by Dakota Electric Association to Modify the Monthly Rate for the Optional Renewable Energy Rider

- approve the petition;

### **E-017/M-03-163**

In the Matter of Otter Tail Power Company's Petition for Approval of an Electric Service Agreement Between Otter Tail and the City of Perham

- approve the petition;

### **E-015/M-03-304**

In the Matter of a Petition for Approval of an Amendment to the Restated Electric Service Agreement Between Stora Enso and Minnesota Power

- approve the petition;

### **E-015/M-02-1718**

In the Matter of a Petition by Minnesota Power for Approval of its Area Development Rate Riders

- approve the petition with the modifications and reporting requirements recommended by the Department of Commerce and concurred in by the Company.

The motion passed 5-0.

## OTHER ACTION

### **E-015/M-03-307**

In the Matter of a Petition by Minnesota Power for Approval of a Franchise Fee Rider for Retail Electric Customers in the City of Long Prairie, Minnesota

Commissioner Johnson moved that the Commission

- approve the *Rider for City of Long Prairie Franchise Fee* as modified by Commission staff (deleting fourth sentence in customer notice with respect to

Commission approval of the franchise fee);

- require Minnesota Power to obtain Commission review and approval prior to amending the franchise fee.

The motion passed 5-0.

**E-015/RP-01-1626**

In the Matter of Minnesota Power's Application for Approval of its 2002-2016 Resource Plan

Commissioner Scott moved that the Commission take the following action:

1. Approve MP's 2001 resource plan (including the May 31, 2002 supplement) as amended by the Company's December 9, 2002 reply comments.
2. Require MP to do and/or include, in preparing its next resource plan filing, the following items:
  - a. determine its available resources based on the Company's retail committed resources, and then develop a reasonable plan to meet any remaining needs of retail customers
  - b. develop a competitive bidding process that would address future capacity deficits based on discussions with the Department and tailored for MP's circumstances
  - c. work with the Department and other interested parties to develop a mutually acceptable method of modeling its supply-side resources
  - d. work with the Department and other interested parties to develop a mutually acceptable method of integrating its supply-side and demand-side resources
  - e. provide a contingency plan addressing how the Company will meet its future capacity needs if Minnkota exercises its options on the Young 2 capacity at Square Butte
  - f. develop econometric methods wherever possible to forecast energy requirements
  - g. discuss in detail the reasons why the Company chose judgement over an analytical statistical method in its forecasts, and provide documentation of any judgements used
  - h. for each forecasting method chosen, explain the rationale for doing so
  - i. update its analysis relative to the availability of its coal-fired units during the planning period
  - j. provide an update on the status of the re-licensing proceedings for its hydro stations

- k. report on its progress towards meeting the renewable energy goals of Minnesota Statutes 216B.1691, including: (1) the amount and percent of electric energy generated by an eligible energy technology the Company plans to provide its retail customers from 2005 to the end of the IRP planning period, and (2) the amount and percent of electric energy generated by biomass energy technologies the Company plans to provide its retail customers from 2010 to the end of the IRP period; (the information to be provided should use the format of tables 6 and 7, page 18 of the Department's March 8, 2001 comments in Docket No. E-001/RP-01-1628)
  - l. provide a discussion of its planned and potential transmission/subtransmission projects resulting from future load growth, generation resource decisions, and anticipated transmission constraints
  - m. provide an update on its role in MISO planning functions and its role in preparing the biennial Minnesota Transmission Projects Report
  - n. include a description of existing and planned DSM projects
  - o. include a description of MP's most current DSM evaluation for technical, economical, and achievable potential
  - p. include an analysis to determine whether and how its NOx and SO2 strategies are reasonable methods of compliance
  - q. continue to monitor the implementation of control strategy plans by Minnesota and North Dakota, and if applicable include contingency plans for complying with them
  - r. include an update on mercury regulations, the Company's mercury-reduction goals, strategies and achievements to date
  - s. monitor and report on industry-based initiatives for cutting greenhouse gas emissions
  - t. develop a CO2 contingency plan to see how resource mix changes can lower the cost of meeting customer demand under different forms of regulation
  - u. develop a multi-emissions strategy that will assess the current status of its plants, evaluate technical and economical feasibility of control options, and propose a plan prioritizing options
3. Approve MP's request to extend the filing date for its next resource plan from November 1, 2003 to August 1, 2004.

The motion carried 5-0.

**E-002/CN-01-1958**

In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Certificates of Need for Four Large High Voltage Transmission Line Projects in Southwestern Minnesota

Commissioner Gavin moved to clarify the Commission's March 11, 2003 Order by adding an additional ordering paragraph that reads as follows: "Nothing in this Order is intended to influence the criteria for selecting vendors in the 2001 Xcel Energy All-Source Request for Proposals, Docket No. E-002/M-01-1618."

The motion carried 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION

Approval Date:

May 7, 2003

Burl W. Haar  
Executive Secretary