

The Commission met on **Wednesday, August 13, 2003**, with Chairperson Koppendrayer and Commissioners Johnson and Reha present.

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

## ENERGY AGENDA

Commissioner Johnson moved that the Commission take action on several dockets as follows:

### **E-209,107/SA-03-902**

In the Matter of a Joint Petition by the City of Bagley and the Clearwater-Polk Electric Cooperative for Approval of a Settlement Agreement and a Change in Service Area

- approve the Agreement and allow the electric service area maps to be changed to reflect the Agreement;

### **E-015/M-03-571**

In the Matter Minnesota Power's Petition for Approval of an Amendment to the Restated Electric Service Agreement Between Blandin Paper Company and Minnesota Power

- approve MP's Petition and Grant MP a variance to Minnesota Rule 7825.3200;

### **E-015/M-03-877**

In the Matter of Minnesota Power's Petition for Approval of an Amended and Restated Electric Service Agreement Between Potlatch Corporation and Minnesota Power

- approve MP's petition to revise its ESA with Potlatch to reflect the effect of its sale of its Brainard facility to Missota Paper;

### **E-015/M-03-717**

In the Matter of Minnesota Power's Petition for approval of Erie Mine Site Service Schedule

- approve MP's petition with the following reporting requirement: include in its next rate case filing a discussion of how the rates under this Schedule would enable the recovery of costs imposed on the system in a manner that would not have any negative impacts on or be unreasonably discriminatory to MP's other ratepayers; and

### **G-001/M-03-746**

In the Matter of Interstate Power and Light Company's Request for Inclusion into the Demand Side Management Shared Savings Incentive Program

1. approve Interstate's request to be included in the DSM Incentive Plan, which will allow Interstate to begin participating, on a going-forward basis, beginning with the May 1, 2004 DSM financial incentive filing for activities occurring in the Company's CEP during 2003;
2. approve Interstate's supporting net benefits spreadsheet, as modified by the Department;

3. require Interstate to file, as a compliance filing, its net benefits spreadsheets by February 1, 2004 showing how the DSM Incentive Plan will work for the Company based on the goals and budgets approved by the Commissioner of the Department in Docket No. E,G001/CIP-03-860 for natural gas customers in 2004 and 2005; and
4. require Interstate to file its gas DSM financial incentive filing by May 1st each year.

The motion passed 3-0.

**G-022/M-03-117**

In the Matter of Greater Minnesota Gas, Inc. Extending Service to More Than 2,000 Customers and Becoming Subject to Minn. Laws Chapter 216B

Commissioner Reha moved that the Commission

1. authorize GMG to continue applying its current rate schedule, as previously approved by local governing authorities, pursuant to Minn. Stat. § 216B.16, subd. 12, and require the Company to file a general rate case no later than February 2004; and
2. require GMG to
  - file a depreciation study before or at the time of its first general rate case;
  - begin filing monthly PGA report by June 1, 2003;
  - file monthly PGA reports for July 1, 2002 through May 1, 2003 (i.e. the 2002-2003 gas year);
  - request a variance to Minn. Rule, part 7825.2700, subpart 7, if it wishes to continue trueing-up its PGA on a monthly rather than an annual basis;
  - update its cold weather rule information for 2003-2004; and
  - provide certain information to its customers as required by Minn. Rule, part 7820.

The motion passed 3-0.

**G-004/M-03-303**

In the Matter of a Request by Great Plains Natural Gas Company for Approval of its 2002-2003 Demand Entitlements Level and Their Allocation Between the Southern and Northern Districts

**PULLED**

**E-243,108/SA-03-896**

In the Matter of the Application of the Grand Rapids Public Utilities Commission to Extend its Assigned Service Area into the Area Presently Served by Lake Country Power

Commissioner Johnson moved that the Commission

1. find that the public interest does not require the involuntary transfer of the Mary Ann Drive area, and dismiss that portion of the petition; and
2. send the remainder of the petition to the Office of Administrative Hearings for a contested case proceedings to determine appropriate compensation due to Lake Country.

The motion passed 3-0.

**E-002/PA-03-523**

In the Matter Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Sale of Distribution Assets to Gopher Resource Corporation

Commissioner Johnson moved that the Commission approve the petition as recommended by the Department.

The motion passed 3-0.

**E,G-002/M-02-2188**

In the Matter of Xcel's Petition for Approval to Discontinue Funding of Tax Advantaged External Fund (VEBA Fund) for Retiree Medical Costs and the Withdrawal of the Accumulated VEBA Fund Balance Over a Five-Year Period

**PULLED**

**E-002/M-01-1479**

In the Matter of Xcel Energy's Petition for Approval of a Renewable Energy Rider

Commissioner Reha moved that the Commission

1. accept Xcel Energy's agreement with the Department of Commerce to provide an appropriate credit to customers who have been charged a premium for renewable energy during the period that the Company's Department-certified green-pricing project was not operational (which is up to August 9, 2003); under the agreement, Xcel Energy shall provide the credit calculation to the Department of Commerce for review and upon the Department's review, implement the refund in the next available opening in the billing system for providing credits;
2. require Xcel to discuss with parties how independent verification of the Windsorce

Program will be developed and require Xcel to report back to the Commission in 45 days on this process;

3. regarding a true-up process for matching customer purchases of supply with renewable energy once certified projects are operational, require Xcel Energy to
  - a) discuss with the Department of Commerce and Commission Staff the tracker/true-up issue (true-up process for matching customer purchases of supply with renewable energy once certified projects are operational) and provide a compliance filing describing a tracker/true-up mechanism that Xcel Energy, the Department and Commission Staff believe is consistent with previous Commission Orders or file for approval of a mechanism in the event agreement regarding previous Orders is not reached; and
  - b) discuss with the Department of Commerce and Commission Staff the provision of a credit on the customer's next monthly statement whenever there is no renewable energy available to Xcel from certified green pricing sources for more than 30 consecutive days and provide a compliance filing describing an appropriate response to such a situation that Xcel Energy, the Department and Commission Staff believe is consistent with previous Commission Orders or file for approval of a mechanism in the event agreement regarding previous Orders is not reached;
4. require Xcel to
  - specifically address how to shorten the lead time required to add small renewable energy projects to its system;
  - at a minimum, propose ways to overcome the barriers of complexity, time delay, and cost of interconnection studies for small wind developers; and
  - report back to the Commission on ways to address these problems within 45 days of the issue date of this Order;
5. require Xcel to serve all filings made with the Department related to requests for certification of sources for its green pricing program, under Minn. Stat. § 216B.169, with the Commission as part of Docket No. E-002/M-01-1479.

The motion passed 3-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION

Approval Date:

August 26, 2003

---

Burl W. Haar  
Executive Secretary

---