

The Commission met on **Thursday, September 4, 2003**, with Chair Koppendraye and Commissioners Johnson, Reha and Scott present.

**Comment [COMMENT1]:** Minutes by Ann Pollack. 6 motions were made.

The following items were taken up by the Commission.

## **ENERGY AGENDA**

### **Uncontested Items**

Commissioner Johnson moved that the Commission take the following action:

#### **E-001/M-03-1134**

In the Matter of a Request by Interstate Power and Light Company for a Financial Incentive Based on Performance Based on 2002 Electric Conservation Improvement Program

- allow IPL to book a 2002 DSM financial incentive of \$685,800 to its electric CIP tracker account;

#### **G-007/M-03-852**

In the Matter of a Request by Aquila Networks-NMU for Approval of 2002 Demand-Side Management (DSM) Financial Incentives

- approve NMU's petition including:
  - approve recovery of a 2002 DSM financial incentive of \$95,641.72, and allow NMU to record that amount in the Company's CIP Tracker Account as of the date of the Commission's Order in the present docket;
  - approve NMU's 2002 CIP Tracker Account, including recovery of \$363,307.65 in CIP expenditures and \$54,390.65 in carrying charges;
  - require NMU to file a compliance filing, within 60 days of a Commission Order in Docket No. G007,011/GR-00-951, addressing any changes to the CIP Tracker Account resulting from that Order;

#### **G-011/M-03-853**

In the Matter of a Request by Aquila Networks-PNG for Approval of 2002 Demand-Side Management (DSM) Financial Incentives

- approve Peoples' petition including:
  - approve recovery of a 2002 DSM financial incentive of \$345,268.33, and allow Peoples to record that amount in the Company's CIP Tracker Account as of the date of the Commission's Order in the present docket;
  - approve Peoples' 2002 CIP Tracker Account, including recovery of

\$1,212,778.90 in CIP expenditures and \$54,351.68 in carrying charges;

- require Peoples to file a compliance filing, within 60 days of a Commission Order in Docket No. G007,011/GR-00-951, addressing any changes to the CIP Tracker Account resulting from that Order;

**G-008/M-03-704**

In the Matter of CenterPoint Energy Minnegasco's 2002 Demand-Side Management Financial Incentive and Conservation Improvement Program Tracker Report Compliance Filing

- approve CenterPoint Energy's filing with modifications including:
  - approve CenterPoint Energy's 2002 CIP Tracker Account including recovery of \$5,291,149 in CIP expenditures;
  - approve recovery of a 2002 DSM financial incentive of \$1,587,345, and allow CenterPoint Energy to record that amount in the Company's CIP Tracker Account as of the date of the Commission's Order in the present docket;
  - approve the Department's calculation of the Company's proposed DSM financial incentive, which is based on the Commission's approved method as described above and in DOC attachment 1;
  - require CenterPoint Energy to use, on a going forward basis, the Commission's approved method of calculating the proposed DSM financial incentive in future DSM filings;

**E-002/M-03-868**

In the Matter of a Request by Northern States Power Company d/b/a Xcel Energy for Commission Approval of a Substation, Feeder Cable & Ductline Operations and Maintenance Lease Agreement with the University of Minnesota

- approve the proposal and requested variances;
- require Xcel Energy to provide, in its next general rate case, the original cost and depreciation of the leased facilities;

The motion carried 4-0

**OTHER ITEMS**

**E-103/C-02-105**

In the Matter of an Objection by Beltrami Electric Cooperative to an Assessment for Regulatory Costs of the Public Utilities Commission and Department of Commerce

Commissioner Johnson moved that the Commission take the following action:

- uphold the decision of the Assessment Appeal Subcommittee;

The motion carried 4-0.

**E-221,148/SA-03-989**

In the Matter of the Application of the City of Buffalo to Extend its Assigned Service Area into the Area Presently Assigned to Wright-Hennepin Cooperative Electric Association

Commissioner Scott moved that the Commission take the following action:

- send the issues of appropriate compensation for the Chatham Area and Grandview and payment under the 1995 Settlement Agreement to the Office of Administrative Hearings for a contested case hearing;
- leave interim service with Wright-Hennepin;

The motion carried 4-0.

**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

Commissioner Scott moved that the Commission take the following a action:

- discontinue funding of VEBA;
- direct the Company to make a compliance filing within 45 days detailing the amounts collected in rates for future shared medical benefits related to employees actively working and having benefits switched from medical to pension, and for the retired employees. Once the amount is established the Commission may direct a proceeding to address the portion to deposit to the pension fund, and the portion related to the ongoing shared medical benefits of the retirees;
- request the parties to brief the issue of whether any action of the Commission resulting from such proceeding would be single issue ratemaking;

The motion carried 4-0.

Commissioner Koppendraye moved that the Commission reconsider the previous decision. The

motion carried 4-0.

Commissioner Scott moved that the Commission take the following action:

- discontinue funding of VEBA;
- direct the Company to make a compliance filing within 45 days detailing the amounts collected in rates for future shared medical benefits related to employees actively working and having benefits switched from medical to pension, and for the retired employees. Once the amount is established the Commission may direct a proceeding to address the portion to deposit to the pension fund, and the portion related to the ongoing shared medical benefits of the retirees;
- direct that withdrawal from the VEBA be conducted over the 13 year period agreed to by the Department and the Company;
- request the parties to brief the issue of single issue ratemaking as it relates to these proceedings;

The motion carried 4-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION

Approval Date:

September 10, 2003

Burl W. Haar  
Executive Secretary