

The Commission met on **Thursday, December 11, 2003**, with Commissioners Johnson, Nickolai, Reha, and Scott present. Commissioner Reha presided as chair.

Comment [COMMENT1]: Minutes by Carol Casebolt. 3 motions were made.

The following matters were taken up by the Commission.

UNCONTESTED MATTERS

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

E-1-1,002/SA-03-1502

In the Matter of the Joint Petition of Connexus Energy and Xcel Energy for Approval of a Settlement Agreement and a Change in Service Area

- approve the settlement;

G-008/AI-03-1468

In the Matter of the Petition of CenterPoint Energy Minnegasco, a Division of CenterPoint Energy Resources Corporation, for Approval of an Affiliated Interest Agreement Between Minnegasco and CenterPoint Energy Gas Resources Corporation

- approve the agreement;

G-008/AI-03-1503

In the Matter of the Petition of CenterPoint Energy Minnegasco, a Division of CenterPoint Energy Resources Corporation, for Approval of an Affiliated Interest Agreement Between Minnegasco and CenterPoint Energy Gas Resources Corporation

- approve the agreement;

G-008/AI-03-1543

In the Matter of the Petition of CenterPoint Energy Minnegasco, a Division of CenterPoint Energy Resources Corporation, for Approval of an Affiliated Interest Agreement Between Minnegasco and CenterPoint Energy Gas Resources Corporation

- approve the agreement;

E-002/M-03-1569

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy to Extend its Existing Real Time Pricing Tariff

- approve the tariff;

G-002/M-03-1701

In the Matter of a Request by Northern States Power Company d/b/a Xcel Energy for Approval of a Change to its Limited Firm Service Agreement

- grant the petition;

E-015/M-03-1669

In the Matter of the Petition of Minnesota Power for Approval of a Franchise Fee Rider for Retail Electric Customers in the City of Little Falls

- grant the petition;

E-015/M-03-1691

In the Matter of the Petition of Minnesota Power for Approval of a Franchise Fee Rider for Retail Electric Customers in the City of Hermantown

- grant the petition;

G-004/M-03-1533

In the Matter of a Request by Great Plains Natural Gas company, a Division of MDU Resources Group, Inc., for Approval of a Miscellaneous Rate Change to Implement a Franchise Fee rider for the City of Granite Falls

- grant the petition;

E-017/M-03-1570

In the Matter of the Petition of Otter Tail Power for Approval of an Electric Service Agreement with Enbridge Energy, Limited Partnership

- approve the agreement.

The motion passed 4-0.

The Commissioners agreed to hold over docket E-001/AI-03-1630 to permit the Company and the Department of Commerce to conduct further discussions on cost issues before the matter returns to the Commission.

OTHER COMMISSION ACTION

IP-6339/CN-03-1841

In the Matter of the Application for a Certificate of Need for the Trimont Area Wind Farm

Commissioner Reha moved that the Commission take the following actions:

- approve the Company's variance request with the modifications recommended by the Department of Commerce;
- vary the 45-day requirement of Minn. Rules 7849.0200, subp. 6;
- accept the application conditionally (with the understanding that additional information have to be provided to the Environmental Quality Board for the environmental report) and require that the applicant submit an application supplement as soon as practicable containing the following items:
 - those specifically recommended by the Department of Commerce in its comments;
 - more information on the alternative of no facility in response to Minn. Rules 7849.0340, discussing the cost, reliability, and environmental ramifications for Great River Energy and for the state as a whole of a decision not to build the facility;
- refer the case to the Office of Administrative Hearings for contested case proceedings;
- request that the EQB Staff prepare an environmental report consistent with its recently adopted but not yet effective rules;
- include in the Order the following items:
 - notice of a prehearing conference;
 - name and telephone number of the Commission employee designated to facilitate citizen participation;
 - a request that the Department continue to study the issues and provide a recommendation on the reasonableness of granting the requested certificate of need;
 - a request that the applicant produce one or more witnesses from Great River Energy to address issues specific to that cooperative;
 - a requirement that the applicant facilitate in every reasonable way the continued examination of the issues by the Department and the EQB;
 - a directive that Commission staff work with the Administrative Law Judge in selecting suitable locations for public and evidentiary hearings;
 - a directive that the applicant provide notice of the public and evidentiary hearings in newspapers of general circulation at least ten days prior to the start of the hearings, that such notice be in the form of visible display ads, that the applicant obtain proof of publication of such ads from the newspapers selected, and that the applicant consult with staff on the timing, text, and distribution of the ads prior to publication.

The motion passed 4-0.

E,G-002/D-03-230

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of an Amendment to its Annual Review of Remaining Lives for 2003

E-002/M-02-1766

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of the 2002 Review of Nuclear Plant Decommissioning

Commissioner Nickolai moved that the Commission take the actions set forth below in these dockets:

- set the remaining life of the Prairie Island nuclear plant at 11.3 years;
- exclude the replacement steam generators from the depreciation calculation for 2003;
- accept the reporting requirements recommended by the Department;
- set the end-of-life date for the Monticello plant at 2010, for Prairie Island 1 at 2013, and for Prairie Island 2 at 2014;
- adopt escalation rates of 6% for low-level burial and 4.19% overall;
- adopt the DECON decommissioning method;
- calculate the end-of-life for the nuclear fuel consistent with the remaining lives chosen for the plants;
- accelerate the transfer of internal funds to external funds over the period July 1, 2003 through December 31, 2005;
- require the next triennial filing on or before October 11, 2005;
- require a compliance filing reflecting nuclear decommissioning accrual resulting from the above decisions;
- make a clear statement that the Commission is approving a decommissioning accrual but is not addressing the granting of regulatory assurance supporting the recording of differences, as regulatory assets or liabilities, between the amounts recorded under the certified decommissioning rates and those recorded according to SFAS 143. (In other words, the accounting for SFAS 143 should not dictate the recovery for future decommissioning filings.)
- require Xcel to update SFAS 143 accounting in its next decommissioning filing.

The motion passed 4-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: DECEMBER 17, 2003

Burl W. Haar, Executive Secretary