

The Commission met on **Thursday, May 23, 2002**, with Chair Scott and Commissioners Johnson and Reha present.

Comment [COMMENT1]: Minutes by Eric Witte. 4 motions were made.

ENERGY AGENDA

The following items were taken up by the Commission:

ET-2/CN-02-536

In the Matter of the Application of Great River Energy for a Certificate of Need for a High Voltage Transmission Line

Commissioner Johnson moved to accept the recommendation of the Minnesota Department of Commerce (the Department) with minor changes and clarifications, with specific provisions as follows:

- Provide clarification that Great River Energy (GRE) should provide detailed historical and forecast information for a specific load center and agree that the information submitted in response to other parts should be consistent with that approach.
- Indicate that the specific responses to the items in part 7849.0270 need be provided only for the Wright-Hennepin Cooperative Electric Association (WHCEA) distribution cooperative, and only to the extent that such information is available, but add that WHCEA should address how the customers of Northern States Power Company d/b/a Xcel Energy (Xcel) and Connexus in close proximity to the proposed line currently are served and how that situation would change with the construction of the proposed line.
- Deny GRE's request for exemption from item A of part 7849.0280, grant GRE's request for exemption from item B through G and I of part 7849.0280, and clarify that the Cooperative should provide a comparison of current demand and capability, as well as a discussion of how that comparison would change if the proposed line were constructed.
- Indicate that GRE's response to part 7849.0290 should emphasize the relevant conservation data for the WHCEA load center but add that its response to item C should provide information on the conservation and efficiency projects the Cooperative has considered and/or implemented in its role as supplier to its distribution cooperative members.
- Deny the requested exemption from part 7849.0320 for the reasons given by the Department and Commission staff, and clarify that WHCEA should expect to discuss in detail at least one distributed generation option that could possibly affect the need for the proposed line.

- Deny the requested exemption for part 7849.0330, item G, for the reasons given by the Department and the staff of the Minnesota Environmental Quality Board.
- Indicate that, while the Commission's ruling on the current petition will have a significant bearing on the completeness review for the certificate of need application, the Commission's Order is not intended to affect any of the normal actions and procedures available to the Department and other interested parties after the application is submitted.

The motion passed 3-0.

E-002/M-01-1480

In the Matter of the Petition of Xcel Energy for Review of its Prairie Island Contingent Request for Proposals

Commissioner Reha moved to find Xcel's March 29, 2002 response to the Request for Intervention untimely, and to take no further action.

The motion passed 3-0.

E-002/M-01-1618

In the Matter of Northern States Power Company d/b/a Xcel Energy 2001 All Source Request for Proposals

Commissioner Reha move to find Xcel's March 29, 2002 response to the Request for Intervention untimely, and to take no further action.

The motion passed 3-0.

E-002/M-99-888

In the Matter of a Petition by Northern States Power Company d/b/a Xcel Energy for Changes to the Terms of the Order Approving the Final Selection Report in the 1999 All Source Bid

No action taken.

E-002/M-02-51

In the Matter of a Request by Northern States Power Company d/b/a Xcel Energy for Approval of a Power Purchase Agreement with Navitas Energy, LLC

Commissioner Reha moved to approve Xcel's power purchase agreement (PPA) with Navitas Energy L.L.C. (Navitas) with the following modifications:

- Xcel must seek Commission approval prior to exercising the expansion option in the PPA, and must exercise the expansion option subject to Commission approval. Xcel must demonstrate that the expansion option is reasonable at the time it seeks approval.
- During the period Xcel is recovering curtailment provision costs from ratepayers, to the extent that Xcel receives any compensation from the relevant transmission authority for calling an interruption of the energy generated from the Navitas project, Xcel must adjust the recovery level to reflect the compensation.
- Xcel shall identify in its monthly fuel adjustment report the date, length, cost to ratepayers, and reason for each Qualifying Production Loss Event associated with the Navitas project and shall summarize all such events in its annual automatic adjustment report.
- No variance is required to permit Xcel to recover curtailment expenses through the fuel clause.
- The reasonableness and recovery of transmission upgrade costs associate with the Navitas project are not under consideration in the docket, and approval of the Navitas PPA does not entitle Xcel to recover transmission upgrade costs through an automatic adjustment provision.

The motion passed 3-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION

Approval Date:

October 17, 2002

Burl W. Haar
Executive Secretary