

The Commission met on **Thursday, October 24, 2002**, with Chair Scott, and Commissioners Koppendrayer and Reha present.

Comment [COMMENT1]: Minutes by Ann Pollack. 2 motions were made.

The following items were taken up by the Commission:

ENERGY AGENDA

CONSENT CALENDAR

Commissioner Scott moved that the Commission take the following actions:

E-002/M-00-1583

In the Matter of the Request of Northern States Power Company d/b/a Xcel Energy for Approval of a Renewable Development Fund Oversight Process

- Approve the request for variance as presented and recommended by the Minnesota Department of Commerce (the Department) with the following staff clarifications:
 - A. Clarify that the variance is granted for a time period of open-ended duration, to continue as long as fuel clause eligible renewable development projects exist, or until the Commission may revoke the variance for other reasons.
 - B. Require the inclusion, in the September 1 Annual Report of Automatic Adjustment of Charges, of a report of the status of the overall obligation under the statute of Northern States Power Company d/b/a Xcel Energy (Xcel), and a detailed report of the individual projects, as discussed above.
 - C. Allow the recovery of the \$114,650 of administrative costs through August of 2002 through the fuel clause. Allow, for future administrative costs, the inclusion in the monthly fuel adjustment, subject to Department review of the monthly fuel adjustment filings, and subject to review for reasonableness of the overall amounts as detailed in the September 1 Annual Report of Automatic Adjustment of Charges.
 - D. Give guidance to the parties and Xcel to include sufficient detail and review when filing project contracts for approval to permit a granting of approval for expenditures and recovery. Also, include sufficient information to determine whether the type of project is appropriate for recovery under the variance to the fuel clause rules, or whether additional consideration is necessary. Xcel and parties should also expect to analyze the project contract to determine whether revenues have been appropriately considered.
 - E. Require Xcel to file the properly updated (and consistent with Department language suggestions) Fuel Clause Rider to Xcel's tariff book within 30 days of the date of the Order in this

proceeding.

E-015/AI-02-923

In the Matter of Minnesota Power's Petition for Approval of an Affiliated Interest Agreement Between Rainy River Energy Corporation and Split Rock Energy, LLC

- accept the Department's recommendation, as agreed to by MP in its reply, to change descriptive language and costing language, but to not address the issue of transferring the power purchase agreement from RREC to MP in this proceeding other than to express concerns that such future request must address and satisfy the many concerns raised by the Department in this proceeding;

The motion carried 3-0.

OTHER MATTERS

E-999/R-02-327

In the Matter of Possible Rules to Govern Transmission Filings Required under Minn. Stat. § 216B.2425

Commissioner Koppendrayer moved that the Commission take the following action:

- Approve the draft rules as amended and authorize the staff to take steps to continue the current rulemaking process.
- Authorize the staff to begin the process of amending the rules of practice and procedure to coincide with the notice requirements that will appear in the biennial transmission projects report rules.

The motion carried 3-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION

Approval Date:

November 4, 2002

Burl W. Haar

Executive Secretary