

The Commission met on **Tuesday, November 26, 2002**, with Chairperson Greg Scott and Commissioners Gavin, Johnson, Koppendraye, and Reha present.

ENERGY AGENDA

Commissioner Scott moved that the Commission take action on the following two dockets as follows:

E-001,290/SA-02-1678

In the Matter of a Joint Petition by the City of Owatonna and Interstate Power Company for Approval of a Settlement Agreement and Change in Service Area

1. approve the settlement agreement and
2. allow the electric service area maps to be changed to comply with the agreement; and

E-132,299/SA-02-1662

In the Matter of a Joint Petition by the City of Rochester and Peoples Cooperative Services
For Approval of a Settlement Agreement and Change in Service Area

1. approve the settlement agreement and
2. allow the electric service area maps to be changed to comply with the agreement.

The motion passed 5-0.

E-999/R-01-1671

In the Matter of a Rulemaking to Implement Minn. Stat. § 216B.81, subd. 1

Commissioner Reha moved that the Commission revise the rules draft to require notice when announced service interruptions are cancelled and authorize staff to submit the revised draft to the Revisor, the Office of the Governor, the Office of Administrative Hearings, and the state Register.

The motion passed 5-0.

E,G-002/CI-02-1346

In the Matter of an Inquiry into Possible Effects of the Financial Difficulties at NRG and Xcel Energy, Inc. on NSP and its Customers and Potential Mitigation Measures

Commissioner Koppendraye moved that the Commission

1. determine that bifurcation of the docket is appropriate;
2. grant the Department's request to create a separate docket for the investigation and audit into Xcel's service quality reporting;
3. determine that, consistent with the language in the October 22, 2002 Order finding "that an outside auditing entity, selected, directed, and working in cooperation with the two public agencies is the best approach," the Department of Commerce and the RUD-OAG are the only entities currently granted party status in the investigation and auditing docket;
4. grant Energy Cents Coalition's request to intervene in this docket;
5. determine that it is not necessary to specifically include the meter reading issues from Docket E,G002/CI-97-863 in this proceeding but clarify that to the extent any meter reading issues are relevant or related to the financial difficulties being reviewed in this docket, parties should address those issues in their comments.

The motion passed 5-0.

E-002/M-01-1479

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

Commissioner Koppendrayer moved that the Commission

1. regarding capacity cost, find that long-term avoided generation capacity costs are a better proxy for a wind capacity credit in this case than the spot market capacity prices initially proposed by the Company;
2. regarding marketing costs, approve the level of marketing expenses for the calculation of the premium as requested by Xcel in its compliance filing (\$0.51 per 100 kWh);
3. regarding rounding up or down, adopt Xcel's proposed rounding of the premium, \$2.25 per 100 kWh if the lower level of marketing expenses is adopted;
4. Regarding fuel clause clarification, adopt Xcel's clarification to interpret the Commission's May 7 Order in this docket to provide an exemption from the entire fuel clause rider for that portion of a customer's load purchased under the voluntary renewable energy rider; and
5. regarding further compliance filings, require Xcel to file a revised tariff reflecting the Commission's decisions within 15 days of the issue date of the Order in this matter.

The motion failed, 1-4. Commissioners Scott, Gavin, Johnson, and Reha.

Commissioner Reha moved that the Commission

1. regarding capacity cost, find that long-term avoided generation capacity costs are a better proxy for a wind capacity credit in this case than the spot market capacity prices initially proposed by the Company;
2. regarding marketing costs, approve the level of marketing expenses for the calculation of the premium as requested by Xcel in its original filing (\$0.32 per 100 kWh);
3. regarding rounding up or down, adopt the Department's proposed rounding of the premium, either \$2.00 per 100 kWh (since the lower level of marketing expenses was adopted);
4. regarding fuel clause clarification, adopt Xcel's clarification to interpret the Commission's May 7 Order in this docket to provide an exemption from the entire fuel clause rider for that portion of a customer's load purchased under the voluntary renewable energy rider;
5. regarding further compliance filings, require Xcel to file a revised tariff reflecting the Commission's decisions within 15 days of the issue date of the Order in this matter.

The motion passed 4-1. Commissioner Koppendraye voted no.

G-252/CN-01-1826

In the Matter of the Application of City of Hutchinson (Hutchinson Utilities Commission) for a Certificate of Need to Construct a Large Natural Gas Pipeline

Commissioner Johnson moved that the Commission take the following action:

1. grant the Certificate of Need, subject to the following conditions:
 - a. require construction to commence within six years; and
 - b. require Hutchinson to notify the Commission of any significant change in plans regarding the route, construction timetables, and in-service date;
2. vary Minn. Rules, part 7851.0210, subp. 3 to permit the Commission to bill for, and the applicant to pay, any additional fees after the certificate of need decision is made and when the additional costs are known; and
3. require Hutchinson to submit a written commitment to pay additional statutory fee assessments, up to the statutory maximum.

The motion carried 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION

Approval Date:

December 12, 2002

Burl W. Haar
Executive Secretary