

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer	Chair
Ellen Gavin	Commissioner
Marshall Johnson	Commissioner
Phyllis A. Reha	Commissioner
Gregory Scott	Commissioner

In the Matter of the Complaint of
Pro-Corn, LLC Against Aquila, Inc. (formerly
UtiliCorp United Inc.)

ISSUE DATE: May 30, 2003

DOCKET NO. G-007,011/C-02-1602

ORDER DENYING RECONSIDERATION

PROCEDURAL HISTORY

On March 21, 2003, the Commission issued its ORDER APPROVING WITHDRAWAL OF COMPLAINT AND OPENING TWO NEW DOCKETS, which allowed Pro-Corn LLC (ProCorn) to withdraw its complaint against Aquila Inc. (Aquila) and required Aquila to:

- treat all future requests for end user allocation agreements on a nondiscriminatory basis;
- offer a regulated Large Volume Daily Balancing Service;
- participate (with the Department of Commerce (DOC), Pro-Corn, and OTESCO¹) in jointly developing and submitting a regulated Large Volume Daily Balancing Service for Commission review within 60 days from the date of the Order;
- show cause within 30 days of the Order why the sale of its gas merchant business to Cornerstone Energy is not subject to regulatory review.

A Request for Reconsideration was submitted jointly by Eveleth Mines, LLC, Hibbing Taconite Joint Venture, Ispat Inland Mining Company, National Steel Pellet Company and United States Steel Corporation (collectively, the Taconites) on April 1, 2003. On April 8, 2003 and April 11 2003 Minnesota Malting Company and Virginia Power Energy Marketing, Inc. (VP EM), respectively, submitted Requests for Reconsideration. The requests seek reconsideration of the requirement that Aquila offer a regulated Large Volume Daily Balancing Service.

On April 11, 2003, Aquila submitted its reply which supported the requests for reconsideration.

¹ Otter Tail Energy Services Company.

Aquila stated that it did not seek reconsideration because the risks to the Company that would result from providing regulated Large Volume Daily Balancing Service had been fairly identified previously to the Commission and rejected by the Commission.

On April 21, 2003, OTESCO and U.S. Energy Services each filed an answer to the requests for reconsideration. Each supported the Commission's March 21, 2003 Order requiring Aquila to provide a regulated Large Daily Balancing Service.

On April 30, 2003, Aquila submitted a request for a change in filing requirements in Docket No. G-007,011/M-03-276.² Aquila requested that it not be required to file a proposal for a Large Volume Daily Balancing Service, unless required to do so after the Commission reconsiders its March 21, 2003 Order in the current docket. If the filing is required, Aquila asked that it be allowed to make its filing thirty days after the Commission issues its order on reconsideration.

On May 2, 2003, the Commission issued a notice which suspended, until further notice, the 60 day filing requirement for Aquila to submit a proposal for a regulated Large Volume Daily Balancing Service in Docket No. G-007,011/M-03-276.

On May 20, 2003, VPEM filed a letter clarifying its reasons for supporting reconsideration and reiterating its request that the Commission reconsider and eliminate the requirement that Aquila be required to offer a Large Volume Daily Balancing Service. Further, VPEM requested that if Aquila was required to offer this service, the Commission ensure that the costs of this service are borne solely by the parties using the service and that Aquila's other customers provide no subsidization of this service.

On May 22, 2003, this matter came before the Commission.

FINDINGS AND CONCLUSIONS

The Commission has reviewed the record and the arguments of all parties. The Commission finds that the petitions for reconsideration do not raise new issues, do not point to new and relevant evidence, do not expose errors or ambiguities in the original Order, and do not otherwise persuade the Commission that it should rethink its original decision. The Commission concludes that the original decision is the one most consistent with the facts, the law, and the public interest, and will therefore deny the petition for reconsideration.

The Commission will so order.

² *In the Matter of a Filing by Aquila, Inc. to Establish a Large Volume Daily Balancing Service* was opened pursuant to the Commission's March 21, 2003 ORDER APPROVING WITHDRAWAL OF COMPLAINT AND OPENING TWO NEW DOCKETS in Docket G-007,011/C-02-1602. The new docket was opened to consider the regulated large Volume Daily Balancing Service Aquila was required to submit to the Commission within 60 days of the cited Order (of March 21, 2003).

ORDER

1. The petitions for reconsideration by the Taconites, Minnesota Malting Company, and VPEM are hereby denied.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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