

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer	Chair
Marshall Johnson	Commissioner
Ken Nickolai	Commissioner
Thomas Pugh	Commissioner
Phyllis A. Reha	Commissioner

In the Matter of a Petition from Greater Minnesota Transmission, LLC, a Wholly Owned Subsidiary of Greater Minnesota Synergy, Inc., for Approval of a Firm Gas Transportation Agreement with Northern States Power Company d/b/a Xcel Energy

ISSUE DATE: December 26, 2006

DOCKET NO. PL-6580/M-06-1063

ORDER APPROVING AGREEMENT

**PROCEDURAL HISTORY**

On July 26, 2006, Greater Minnesota Transmission, LLC, (Greater Minnesota) a company created to provide wholesale natural gas transportation service, filed a petition under Minn. Stat. § 216B.045, for approval of a firm transportation service agreement with Northern States Power Company d/b/a Xcel Energy. The filing stated that the agreement would become effective on May 1, 2008.

Under the terms of the agreement, Greater Minnesota would build and operate a 13.1-mile, 16-inch-diameter, high-pressure pipeline to carry natural gas from Northern Natural Gas Company's East Farmington town border station to new generating facilities to be constructed in Cannon Falls by a third party, Invenergy Cannon Falls, LLC.

The only party to comment on the agreement was the Minnesota Department of Commerce, which filed comments on August 24, 2006 and recommended approval.

On December 7, 2006, the matter came before the Commission.

**FINDINGS AND CONCLUSIONS**

Greater Minnesota has submitted this agreement for Commission approval under Minn. Stat. § 216B.045, subd. 4, which provides that no agreement establishing rates, terms, and conditions of service and facilities to be provided by intrastate pipelines is effective until the agreement has been filed with and approved by the Commission.

Where, as here, the agreement is with a public utility, the statute narrowly limits the scope and effect of Commission approval:

The approval of a contract for an intrastate pipeline to provide service to a public utility does not constitute a determination by the commission that the prices actually paid by the public utility under that contract are reasonable or prudent nor does approval constitute a determination that purchases of gas made or deliveries of gas taken by the public utility under that contract are reasonable or prudent.

Minn. Stat. § 216B.045, subd. 4.

The Commission has examined the filed agreement under the statutory parameters and concludes that it should be approved. The Commission will so order.

**ORDER**

1. The Commission hereby approves the firm gas transportation agreement filed by Greater Minnesota Transmission, LLC, with an effective date of May 1, 2008.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

(S E A L)

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