

August 10, 2005

The Public Service Commission convened in the Commission Hearing Room, State Capitol, Bismarck, North Dakota, on August 10, 2005, 10:00 a.m. Present were Commissioners Clark, Wefald, and Cramer.

Minutes

Mr. Cramer: I move the minutes of July 28, 2005, be approved.

Mr. Clark: I second the motion.

Roll Call: All voting "Aye."

Bills

Mr. Cramer: I move the following bills, as reviewed by the Commission, be approved and paid:

Anthony T. Clark	668.53
KXMB	50.00
David Bickel	12.00
Pierce County Tribune	60.00
Devils Lake Journal	230.76
Stephan A. Schroeder	93.50
William E. Dodd	84.00
Larry Reisenauer	514.59
Bruce Beechie	18.00
Mark Knell	69.58
Thiem Drilling, Inc.	7,064.00
ND Newspaper Association	2,322.02
Advanced Office Solutions	33.28
ASAP Software	6,372.91
UniqueScreen Media	2,690.50
Lou Ogaard	6.00
Bill Eide 8/05 Advance	544.00
Alan Moch	460.45
Dean K. Moos	18.00
North Central Grain Cooperative	300.00
Montana Specialty Mills, LLC	95.76
Guy Welch	104.44
Phyllis G. Richter	622.05
JP Robbins	395.00
Wayne Grangaard	658.42
Bill Eide	571.50
Leo Praus	181.33
Patrick Fahn	26.00
Timothy Erdmann	259.17
Susan Wefald	18.00
Kevin Cramer	110.00
Anthony T. Clark	110.24
Bruce Johnson	6.00
Regional Oversight Committee	650.00
Quality Construction, Inc.	22,700.00
Facility Management	26,763.75
OMB-7/05 postage	701.59

Bills Continued

ITD-7/05 rate chgs

1,358.60

Mr. Clark: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-05-372
Otter Tail Corporation
Stanley J. Klein, Martin, ND
Public Convenience & Necessity

Mr. Cramer: I move the Commission adopt the Order issuing a Certificate of Public Convenience and Necessity authorizing Otter Tail Corporation to extend electric service to Stanley J. Klein for a new farm site near Martin, North Dakota, Case No. PU-05-372

Mr. Clark: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-05-448
Otter Tail Corporation
Harley Anderson, Wahpeton, ND
Public Convenience & Necessity

Mr. Cramer: I move the Commission adopt the Order issuing a Certificate of Public Convenience and Necessity authorizing Otter Tail Corporation to extend electric service to Harley Anderson for a residential site near Wahpeton, North Dakota, Case No. PU-05-448.

Mr. Clark: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-2937-03-666
BEK Communications Cooperative, et al.
vs SmartNET, Inc.
Complaint

Mr. Clark: I move the Commission adopt the Order on Reconsideration in this proceeding.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. GE-05-290
vs. Hatton Processing & Exporting
Company
Complaint
Fine

Mr. Clark: I move the Commission assess a two thousand five hundred dollar fine against Hatton Processing & Exporting Company in Case No. GE-05-290, for operating as a public warehouse and purchasing grain without a license and bond. All but five hundred dollars of this fine is to be suspended pending the warehouseman's compliance with all state grain warehousing laws for the next two years.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. GE-05-465
Engstrom Bean and Seed, Inc.
Grain Warehouse - Petersburg, ND
License Application

Mr. Clark: I move the Commission issue an order in Case No. GE-05-465 granting the request of Engstrom Bean and Seed, Inc., Leeds, North Dakota, to operate a 319,000-bushel grain warehouse at Petersburg, North Dakota, effective August 2, 2005.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. GE-05-480
Osendorf Livestock, Inc.
Roving Grain Buyer - Rhame, ND
Discontinue Business

Mr. Clark: I move the Commission issue an order in Case No. GE-05-480 acknowledging the automatic discontinuance of business effective August 1, 2005, of Osendorf Livestock, Inc., Rhame, North Dakota, for failing to file the required roving grain buyer license renewal in a timely manner.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. GE-05-481
Knight Seed Company, Inc.
Roving Grain Buyer - Burnsville, MN
Discontinue Business

Mr. Clark: I move the Commission issue an order in Case No. GE-05-481 acknowledging the automatic discontinuance of business effective August 1, 2005, of Knight Seed Company, Inc., Burnsville, Minnesota, for failing to file the required roving grain buyer license renewal in a timely manner.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. GE-05-482
Quality Bean, LLC
License No. 1118 - Minot, ND
Discontinue Business

Mr. Clark: I move the Commission issue an order in Case No. GE-05-482 granting the request of Quality Bean, LLC to discontinue business as a licensed public grain warehouse at Minto, North Dakota, effective August 1, 2005.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-400-00-195
Northern States Power Company
Performance Based Regulation
Application

Mrs. Wefald: I move the Commission adopt the Order Denying Northern States Power Company's request for an extension of its Performance Based Regulation plan in Case No. PU-400-00-195.

Mr. Clark: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-04-216
Northern States Power Company
2003 Electric Operations
Annual Report

Mrs. Wefald: I move the Commission require Northern States Power Company to collect its share of 2003 earnings deficiencies through a one-time charge to customers for bills rendered during the month of October, 2005, Case No. PU-04-216.

Mr. Clark: I second the motion.

Motion to accept substitute motion:

Roll Call: Mr. Cramer: "Aye."

Mrs. Wefald: "Nay."

Mr. Clark: "Aye."

Substitute Motion:

Mr. Cramer: I move the Commission require Northern States Power Company dba Xcel Energy to collect its share of 2003 earnings deficiencies through its monthly fuel clause adjustment during the months of

Case No. PU-04-216 Continued

September through December, 2005, Case No. PU-04-216.

Mr. Clark: I second the motion.

Roll Call: Mr. Clark: "Aye."

Mrs. Wefald: "Nay."

Mr. Cramer: "Aye."

Commissioner Wefald's
Dissenting Opinion

Mrs. Wefald: I am voting no on this order because the Commission should not be putting this Performance Based Ratemaking (PBR) related surcharge for Xcel under-earnings in 2003 into the company's Fuel Clause Adjustment (FCA) calculation. The \$954,000 surcharge, which amounts to approximately \$5.00 for the average residential Xcel electricity customer (750 kwh a month), should be collected through a one-time electric rate surcharge, using a separate line on the bill to collect the amount needed.

Commissioners should not try to "hide" charges that result from PBR, and putting this charge into the FCA is a way of "hiding" this charge. This is not fair to rate-payers who deserve to see the true results of this PBR plan. Extra charges, as well as refunds, need to be made in full view of the ratepayers. This builds confidence in the Commission. I would rather have a few angry calls from ratepayers over an obvious surcharge than have ratepayers lose confidence in the Commission because the Commission has hidden this surcharge.

A separate one-time line item charge on the electric bill is the best method for collection for several reasons: A separate one-time line item charge is called for in the PBR plan. It provides customers with a clear understanding of how PBR has impacted them. A one-time charge allows customers to calculate whether the assessed charge is correct, based on the number of kilowatt hours of electricity they have used during the prior 12 months. This is not a large charge, and customers can handle this surcharge as part of their October bill.

In addition, the FCA method requires a deviation from our normal fuel clause calculation. The Commission has rules and a tariff which specify which costs can be included in the FCA. At the present time our FCA is "clean," meaning that only costs allowed in the rules or tariff are passed through this calculation. It is important to keep it clean because otherwise it has no meaning. Distribution costs belong on the regular distribution portion of the bill, and should not be mixed into the FCA.

Commissioner Wefald's
Dissenting Opinion Continued

Xcel has stated that it would be costly for them to implement a one-time charge because they have not yet done programming that allows a one-time charge in their new billing system. One-time charges are needed occasionally on bills, and any costs for this adjustment would be useful for years to come.

I want what is clear, best, and fair for the electric customers of Xcel. Implementing a one-time electric surcharge would carry out that responsibility and also be fair to Xcel.

Susan Wefald, Commissioner

Case No. PU-05-205
FPL Energy Burleigh County Wind,
LLC
230kV Transmission Line - Burleigh
County
Siting Application

Mrs. Wefald: I move the Commission adopt the Order in Case No. PU-05-205, FPL Energy Burleigh County Wind, LLC's 230 kV Transmission Line in Burleigh County, North Dakota.

Mr. Cramer: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-05-477
Northern States Power Company
August 2005
Cost of Gas Adjustment

Mr. Cramer: I move the Commission approve Northern States Power Company's cost of gas adjustment for August 2005, Case No. PU-05-477.

Mr. Clark: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-05-483
Great Plains Natural Gas Co.
August 2005
Cost of Gas Adjustment

Mr. Cramer: I move the Commission approve Great Plains Natural Gas Co.'s Cost of Gas adjustment for August 2005, Case No. PU-05-483.

Mr. Clark: I second the motion.

Roll Call: All voting "Aye."

Case No. RC-05-232
BNI Coal, Ltd
Revision No. 5, Permit No. BNCR-9401
Approval

Mr. Cramer: I move the Commission approve Revision No. 5 to Surface Coal Mining Permit No. BNCR-9401, held by BNI Coal, Ltd. for the Center Mine, to update mining and reclamation plans and other information in the permit for the next five-year permit term.

Mr. Clark: I second the motion.

Roll Call: All voting "Aye."

Case No. RC-05-233
BNI Coal, Ltd
Renewal No. 2, Permit No. BNCR-9401
Approval

Mr. Cramer: I move the Commission approve Renewal No. 2 for Surface Coal Mining Permit No. BNCR-9401, held by BNI Coal, Ltd. for the Center Mine, to extend the permit term for another five years, until August 16, 2010.

Mrs. Wefald: I second the motion.

Roll Call: All voting "Aye."

Case No. RC-05-234
BNI Coal, Ltd
Bond Release No. 2, Permit BNCR-9401
Approval

Mr. Cramer: I move the Commission approve Bond Release No. 2 for Surface Coal Mining Permit No. BNCR-9401, held by BNI Coal, Ltd., to release all reclamation liabilities on 30.61 acres of land located in a portion of Section 5, T141N, R83W, all in Oliver County. The amount of the bond release is \$93,437, and it will become effective September 12, 2005, unless a formal hearing is requested.

Mr. Clark: I second the motion.

Roll Call: All voting "Aye."

Case No. RC-05-332
American Colloid Co.
Notice of Violation 0501
Violation
Assess Penalty

Mr. Cramer: I move the Commission adopt the Order in Case No. RC-05-332, Notice of Violation No. 0501 issued to the American Colloid Company, which assesses a \$100 civil penalty for negligence and closes the case.

Mr. Clark: I second the motion.

Roll Call: All voting "Aye."

ATTEST

THE COMMISSION ADJOURNED AT 11:40 A.M.

Executive Secretary

TONY T. CLARK, PRESIDENT