



Diane J. Peterson papers

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Betsy

Engleking

Susan McKenzie 296-8994

296-1337

JANET GONZALES 296-

Eric Swanson 1336

297-4609

Jim Peppe 296-2059

P.U.C. 296-7124

Burl Haar 296-7526

Brett Eckness 296-8667

4-24-98
NO MORE
~~Jim Peppe~~
~~296-2059~~

jim@pucgate.puc.
state.mn.us

Scott Brockett DPS

296-7531

DPS 296-5120

Minnesota Public Utilities Commission
651-296-7124

121 Seventh Place East, Suite 350
Saint Paul, Mn. 55101-2147

COMMISSIONERS

Edward A. Garvey, CHAIR (R)
651-296-0621

LeRoy Koppendrayer (R)
651-296-0621

Ronnie Slager 651-297-4993
Administrative Assistant

Joel Jacobs (D)

R. Marshall Johnson (R)

Gregory Scott (Independent)

Mani Hue 651-296-6902
("MONNY HU")
Administrative Assistant

11-2-99

Janet Gonzales 296-1336

PUC energy supervisor, supervises professional staff

Left msg. asking for Nov. 18 scheduled presentation.

11-3-99

- 1 Petition for rule-making
- 2 Complaint
- 3 Raising an issue

File for new bidding [NSP] sometime in November 1999.

Citizens aren't a party to the case [~~document~~ ^{docket}]

9-30-99

Mark Oberlander, PUC

Ref to
DPS info center

651-296-6913

County maps of
telephone exchange boundaries

Jim Peppe

1-29-97

Msg. re merger & commissioners

1-31-97

5 members on PUC as of today.

2 of those members have voluntarily
recused themselves.

Knaak's term expired
6-year term

Storm's expires Jan. '97

Time line? Mid to late March to hear
the oral ~~case~~ proceedings on
merger case.

The ALG certified Environmentalists petition for
reconsideration

Storm says date stamp is irrelevant & precedent
of overruling

Commission can move up merger case.

Marty sent a letter to P.U.C. about public interest.

J. Drake Hamilton

Nov. 21

The ad in the paper (similar to utility bill stuffer) misled public

Public feels duped.

False pretenses charge leveled by ME₃ against PUC

Judge Klein letter saying write to P.U.C.

NSP made a motion to strike public testimony in environmental externalities case. Will they make a motion to have public comment stricken from merger case?

Metro Strib today

Enviro & low income concerns have been stricken from the record!
Yet Peppe tells me to trust them.

Dep. of Public Service never heard
public hearings as consumer advocates

They should've been held.

P.U.C. will recommend to Legislature whether
the industry

About 80 people & no one addressed narrow
questions = there's much public interest but
not

Business or Metro section front-page
last para
quotes by NSP employee
that "there's no pollution
from coal plants."

J. Drake Hamilton

1-29-96

Fri., Jan. 17

PUC Ed Garvey on Feb. 1, '97
formerly head of Environmental
Assistance
Office of

PUC Commission met last week

Mac McCuller yelled @ staff
& threatened to close meeting to public in
violation of Mn. law

ALJ also ordered
reconsideration

& called for reconsideration of
reversal vote on ~~ex~~ ex parte

Find a technicality to allow 5 people to
vote on merger.

Wisc. PUC commissioner personally profit
Dane Co. Judge investigating criminal
charges against him
\$50,000 fine for violation
→ 3 hour brkfst w. WEC

Dairyland Cooperative has been bought
off by NSP.

Madison Gas & Electric's TV ads
show CEOs dancing in dollars "Of course
they're dancing: it's your money."

I had to speak to PUC operator for someone
to answer my question which Mr. Haar told me
Janet Gonzales would be delegated. Operator
Energy Dep. put me through to,

4:05 PM Nov. 27, 1996

She said internal discussions
had occurred @ PUC & it is very
clear to her that another
public hearing is not feasible.
Mr. Haar hasn't declared his decision
on it yet. I asked for her to tell him
I called today & await his reply on
Monday.

Gonzales remarked this is first
time PUC's ever had ^{public} input on a
merger.

Burl Haar PUC

9:13

Nov. 22, 1996

The Comm. is willing ~~to do~~

Intend to talk w. staff for other avenues the public has for input on their concerns. He'll be back in contact (took my #) by end of next week to tell me about those choices for input.

If people have concerns they feel aren't being addressed, they can send them to me.

But, I countered, it's discriminatory for people who can't write, who communicate orally at a public hearing.

Paper hidden away in a file IS NOT THE SAME as a public gathering.

Nov. 21, 1996

Curtis
Mr. Nelson @ AG

↓
Works in utility reg. division & referred
me to

→ 296-7575 Consumer Services Div.
w. my Q on false advertising

direct# → 296-3353 Citizen Assistance Center

↓
On Nov. 22, recpt. said
AG's client is the state,
so I ~~to~~ can't ~~to~~ use AG's
office for help in suing their client.

Jim Peppe

Nov. 20, 1996

Last evidentiary hearing on Dec. 6
ALJ portion is

A.L.J. establishes the parameters of ^{contested} issues

PUC is not bound by ALJ recommendations
when they get the judges' report.

The public comment file will ~~be sent~~ be sent
to the A.L.J.

Today, I, Diane, heard from PUC Consumer Affairs
Dept. that Dec. 10 is deadline for public
comment & the file

Derek Iverson

21 Broadview Drive

2100 Brookview Drive

Brooklyn Center 55 430

561-5435 Mc Cracken

1,100 shares of NSP

→ employed by Minnesota
Project

Nov. 15, 1996

P.U.C. hearing @ Hennepin County

Gov. Center

NOV. 21, 1996 Minn. Project 645-6159
Ask NSP union workers for lists
of shareholders

Mr. Kahler is union rep. who spoke @ Nov. 15
meeting. Derek will speak w. him.

Nov. 14, 1996

Called Deb Motz 296-7124
Consumer Affairs Dept. Director
P.U.C.

Left msg. w/secretary that I want to
know if ~~The Public~~

FILE "The Public Comments on NSP Merger
Case"
Deb Motz 296-7124
Consumer Affairs Dept. Director

has been copied yet + sent to
Judge Klein.

Nov. 14, 1996

Jim Peppe PUC

J. Peppe - Q file location?

Q time? rental fee by P.U.C.

Q Judge's phone 341-7609

Q Commissioners ^{will} vote? ~~by~~

Jim Peppe says:

The public record is closed on Dec. 6.

— Last merger hearing on Dec. 6;
PUC hearings are 8-5 PM ^{between} Nov 20 - Dec. 6.

We try to give priority to the cases of the most major scope.

— Jacobs & Johnson have not yet said if they'll vote on merger

PUC pays rental fee for hearings, such as for the one Nov. 15 @ Gov. Center

— NSP has pressured us to vote on merger ~~before~~ soon, by Jan. 1.

Personally, Peppe does not see that it can bureaucratically happen that fast. ... not til Feb or March, since PUC has other deadlines imposed by statute to meet.

Nov. 14, '96
approx 10:30 AM

Judge Allan Klein 341-7609

Q: Set another time? Klein says he's not anticipating it.

We don't have enough input, said the P.U.C., on consumer affairs issues, so we need hearings to gather this from the public. That's how the 3 input hearings were ordered. He can't remember who @ PUC called around looking for meeting places, but Klein did make the approval on what was presented to him.

2 other judges are working w. him on this merger case. Klein is going to write a report based on all the input, the other 2 judges write separate reports. He was assigned 2 out of the 5 consumer affairs issues designated by the PUC. He doesn't think the flyer in our utility bills communicated that very well; he's disappointed with the wording.

We'll go on w. testimony til we get kicked out, probably 7:00 PM.

DPS

Jan. 23, 1996

Jan. 12 Petition to Intervene of Energy Cents Coalition

Pam Marshall asks for a broad redefinition of "public" in the term "public interest."

Refers to Minn. Stat 216B.50 has the standard of public interest.

Unlike a rate case, "public" in a merger case should be more broad. In Conn., all the state's ratepayers were included, not just the one utility's ratepayers.

Recommends that competing interest be defined as between ~~the~~ NSP and its customers rather than between the shareholders & customers. Shareholder interest should be ① factor in public interest but not the only factor.

DATE	DESCRIPTION	RECEIVED
Jan 1996	77 petition signatures (DP)	Jan. 16
Jan. 15	Gerry Berquist	Jan. 16
Jan. 12	Postcard mailed in envelope by Zeise Wild Wolf Knapp St., St. Paul	Jan. 16

DATE	DESCRIPTION	RECEIVED
Jan. 17	Robert K. Johnson Harmony, Mn. 1-page letter	Jan. 18
Jan. 12	Eleanor Strait ^{St. Paul} 1-page letter	Jan. 16
Jan. 10	Tom Marks Wheeler N. Mankato 1 paragraph: if merger doesn't result in expanded P.I. storage need, OK. If it does, not OK.	Jan. 12
Jan. 10	Bonnie J. Rae ^{Shoreview} 2-page letter	Jan. 11
Jan. 9	Joyce Meints St. Louis Park 1 paragraph letter.	Jan. 11
Jan. 8	Helen Proechel St. Paul 1 page letter: "Mn. government unable to regulate because of conflicts between Mn. & Wisc. 2) Taxpayers robbed of full enforce- ment (such as collecting business revenues). 3) 1,000-1,200 jobs loss a drain on state unemployment benefits 4. Replace rules	Jan. 10

Dec. 22, 95	Robert K. Johnson Harmony, Mn. Postcard	Dec. 26, 95
Nov. 12	Pat Dahlman WBL 1-pg letter	Nov. 15
Nov. 12	Melissa Severance Stillwater 1-pg letter	Nov. 15
Sep. 1	Jane Burnett 10th Ave. S. Mpls.	Sep. 5
	March 21, '96 observation 8 postcards from Sierra Clubbers	1-29-96
Feb. 1996	Sen. Steve Morise signature sent under Feb. 15, 1996 cover letter to Haar	

Deb Smith
Consumer Affairs
PUC, Suite 350

Resend missed comments to the
attention of the above.

Non-proprietary edition of DPS's Comments
Before the PUC on Merger JAN 16, 1996

p. 21 has several deleted lines of proprietary
info on the 4 changes to gas supply arrange-
ments, which apply only to NSP & WEC.

p. 19, 20, 61, 62

Before the MPUC: NSP Petition for Approval
w. WEC, DOCKET # August 1995

p. 50, 51, 56

January 1996

Mr. Burl Haar
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, Minnesota 55101-2147

78
signatures

Dear Mr. Haar:

We submit this letter to you to declare why the Minnesota Public Utilities Commission would best serve the public interest by denying the merger application of Northern States Power Company (NSP) and Wisconsin Energy Corporation (WEC). This letter pertains to that application, Docket Number E,G-002/PA-95-500, and we ask you to place it in that application file to be available to all interested parties.

Reasons to Deny the NSP/WEC Merger to Establish Primergy

- I. We desire a wise Energy Policy/Energy Future for Minnesota. Is the NSP merger a move forward? Will it get us closer to our desired outcome? If we don't know for sure, should we allow the merger even though we will not be able to undo the merger later when we find that it is not in the best interest of Minnesota?
 - A. NSP committed itself to its present level of wind and biomass energy production only when the Minnesota legislature compelled it to do so. However, NSP now proudly announces this commitment as if NSP thought of it and wanted it, when in reality NSP fought it in the legislature. Progressive Minnesotans believe these renewable energy sources must be aggressively developed for the sake of our energy future. NSP has not been truly aggressive in converting to this kind of energy production.
 - B. Both wind and biomass energy show promise of boosting Minnesota's rural economy. A competitive environment would speed this development. The NSP/WEC merger would create the opposite--a monopolistic corporation stifling creative initiative and broad-based economic growth. Long-term improvements to renewable energy production in Minnesota will suffer as a result of the merger.
 - C. NSP is on record as being firmly committed to continuing nuclear energy production. Thoughtful Minnesotans recognize that the hazardous waste constantly produced by nuclear energy is too expensive to continue. Handling nuclear waste is costly in present and future rate payer dollars (and, very likely, in general taxpayer dollars). Although nuclear technology was seen as beneficial 25 years ago, we

now clearly see it as too costly. Nuclear waste is an environmental threat. Now, and after the merger, NSP forces us to spend exorbitantly to contain this deadly byproduct so it will not poison us. We face a long-term economic burden when nuclear plants are shut down at the end of their license period. If NSP is prevented from merging, Minnesotans will not have to shoulder the cost of shutting down the Wisconsin nuclear plant in addition to the two NSP operates in Minnesota.

- D. NSP has shown it is disdainful of the needs of rural residents and of people who live outside its service area but who are affected by its policies nonetheless. As evidence, we cite the record of the Minnesota Senate Special Committee on Ethical Conduct, Report on Investigation by Peter S. Wattson, Senate Counsel, dated June 17, 1994. In Exhibit 9 of that document, Senator Dennis R. Frederickson told Mr. Wattson the following: "Someone asked why NSP could not store the casks at Monticello. Mr. Howard [CEO of NSP] replied that Monticello was upstream from the Twin Cities and that the Mississippi River was a source of drinking water for Minneapolis. This made storage at Monticello politically unfeasible." Senator Ellen R. Anderson made a similar statement, found in Exhibit 6: "...NSP had rejected Monticello as a site for storage because the Twin Cities were downstream and that would create too much of a political problem for NSP." NSP apparently can handle the objections to its waste storage operations posed by smaller population centers such as Winona, for example, which are downstream of the waste, but not of Minnesota's main population center. NSP favors placating the public will of an urban majority to the detriment of rural minorities whose desires pose no threat to NSP plans. After the merger, we fear the political control of Minnesotans will be severely weakened, to the point it can no longer stand in the way of what Primergy wishes to do. The will of the Twin Cities may become as insignificant to Primergy as was the will of those communities adjacent to and downriver from the Prairie Island casks.

- II. We desire strict Regulatory Oversight to guard public safety, to prevent economic injustice, to prevent political abuses, and to protect our environment. NSP plainly used extensive company funds and personnel to campaign for government approval of an unpopular company policy in the 1994 Minnesota legislative session. Much was spent on media saturation to influence public opinion in favor of perpetuating nuclear power. NSP employed many lobbyists to persuade our legislators to vote in favor of NSP's nuclear waste policy; this was to counteract the unusually numerous and unpaid efforts of citizens writing letters and calling legislators to vote against NSP's plan. NSP stands out as the most exceptionally influential of corporate lobbyists, having spent vastly more on lobbying in fiscal years 1992-1994 than any other Minnesota company. NSP exerted itself to make the legislature do

what it wished, but when the government wanted NSP to do what was commanded in the 1994 Prairie Island law, NSP did not exert itself to quickly comply (detailed in C-1 below). NSP also used secretive and coercive measures (detailed in C-2, -3, and -4 below).

- A. The NSP/WEC merger would result in a more powerful corporation with an increased ability to manipulate government regulation not just in Minnesota, but in several midwestern states simultaneously. NSP is already very politically powerful--why yield any more power to it? It is in our best interests to keep the company firmly subject to Minnesota's regulatory oversight. We should not sacrifice the power of our regulators in order to help a company expand outside our jurisdiction and make more profits for its stockholders.
- B. Primergy would be a new, trans-state company, which, despite any assurances to the contrary, could mount an influential legal campaign to deny that it had to comply with legislative and regulatory agreements that presently bind NSP. This could be used by Primergy to force re-opening of legislation and weaken any restrictions which force responsible behavior at the expense of corporate profit. The result would be further waste of taxpayer dollars to rein in the utility giant, and further concessions of human health, environmental security, and small-business economic security in Minnesota.
- C. NSP displays merely a grudging willingness to act in good faith within the regulations it is charged to obey. Consider the following four deeds:
 1. NSP did not produce reports to the legislature's Electric Energy Task Force within the timeline NSP promised the Task Force. As evidence, we cite the April 13, 1995, letter by Representative Willard Munger to a St. Paul resident. The letter responds to an inquiry about the deadline for the NSP report to phase out nuclear power generation. Mr. Munger stated in that letter, "I have spoken with Bill Haney from NSP about the schedule and he assured me that the final report would be ready for submission to the task force in June, 1995, as NSP had proposed." None of the four reports which were legally mandated by the 1994 Prairie Island law were submitted in June 1995. They were only submitted in November and December 1995 after citizen pressure was exerted to force NSP to comply with the law. Moreover, NSP did not submit them by the November and December dates set by the Task Force. All four reports came in late.
 2. Minnesota Department of Public Service Commissioner Kris Sanda publicly denounced NSP in December 1994 for threatening the St. Paul Neighborhood Energy Consortium.

NSP refused to admit any guilt for coercing support of its Prairie Island cask storage plan. Ms. Sanda implied she regretted her lack of power to impose heavy penalties on NSP for this abuse.

3. NSP was taken to task by the Minnesota Office of the Attorney General for waiting until the Prairie Island plant was 20 years old before beginning work on a contingency plan for generating capacity replacement if Prairie Island had to shut down due to spent fuel accumulation or steam generator replacement.
4. NSP secretly negotiated a stand-still agreement with Westinghouse to extend the time limit for filing a suit against Westinghouse for supplying defective steam generators to the Prairie Island plant. This let NSP avoid suspicion about defects at the Prairie Island plant while NSP applied for approval of dry cask storage units in the certificate of need process. The stand-still agreement allowed NSP to claim that the Prairie Island plant would continue to be a reliable energy producer. Subsequent examination of the lawsuit documents by citizen volunteers reveal that there are serious cracks in the generators which might impair reliable functioning.

D. NSP denied the validity of Indian tribal sovereignty in Minnesota by placing its nuclear waste directly next to the Prairie Island Dakota Nation reservation. NSP dismissed the objections of the tribe. But NSP used tribal sovereignty to their advantage in New Mexico. When the government of New Mexico objected to an NSP-led consortium locating a high-level waste storage facility on Mescalero Apache land, NSP endorsed the Apaches' tribal sovereignty as a means to overrule the opposition by the state of New Mexico. This use of a double standard about tribal sovereignty indicates that NSP sets good faith behavior aside when the company's profits are concerned. Can NSP be trusted after it grows into an even more powerful company if it has already abused the minority status of American Indian people for its own advantage? We think not.

Considering these complaints against NSP, we advise the Minnesota Public Utilities Commission of our firm desire to deny NSP's plan to expand into Primergy. We prefer to curtail NSP's unethical behavior rather than providing a means to perpetuate and possibly increase it. We want to avoid compounding the problems we have already experienced with NSP. Permitting NSP to grow away from Minnesota control is definitely not in our best interest.

We respectfully ask you to heed our request as we sign our names and addresses to endorse this letter.

With sincere resolve,

Letter to Mr. Burl Haar
Minnesota Public Utilities Commission

With sincere resolve [continued],

Please note that page 5-L has been
signed by legislative office holders
of the state of Minnesota.

Letter to Mr. Burl Haar
Minnesota Public Utilities Commission

With sincere resolve [continued],

DIANE J. PETERSON
4051 GISELLA BLVD.
WHITE BEAR LAKE, MN. 55110
JAN. 7, 1996

Rhoda R. Gilman
518 Michigan St.
St. Paul, MN 55102
Jan. 7, 1996

RAQUEL K. WOOD
141 BEDFORD ST. SE.
Mpls, MN 55414
3 JAN 7, 1996

James Deming
1562 Goodrich Ave
St Paul MN 55105
Jan 7, 1996

KATHLEEN FLUEGER
2736 HENNEPIN, #4
MINNEAPOLIS, MN 55408
7 JANUARY 1996

PETER RODE
882 19TH AVE SE
MINNEAPOLIS, MN 55414
Jan 7, 1996

Eleanor Strait
1198 St. Clair Ave.
St. Paul, MN 55105
Jan. 7, 1996

Thomas A. Bolstad
3301 16th Ave. South
Minneapolis MN 55407
January 7, 1996

Letter to Mr. Burl Haar
Minnesota Public Utilities Commission

With sincere resolve [continued],

Joseph Landsberger
1169 Goodrich Ave
St. Paul, 55102
(612) 297-9000
1-7-96

Glen Bartoo
1725 Lincoln Ave
St. Paul, MN 55105
7 January 1996

Janet Wight
1471 Simpson St
St Paul, MN 55108
1/9/96

Linda Curtis
4810-39th Ave S
Mpls MN 55417
1/9/96

CECILIA A. WIRTH
Cecilia A Wirth
3152 40th Ave S
Mpls 55406-2225
1-7-96

Dave Crawford
4051 Gisella Blvd.
White Bear Lake, MN 55110
1/8/96

JEAN DIEKMANN
Jean Diekmann
908 GRAND AVE.
ST. PAUL, MN 55105
Jan. 9, 1996

LESLIE TROXEL
Leslie Troxel
600 Cleveland Ave SW
New Brighton mn 55112
1/9/96

Letter to Mr. Burl Haar
Minnesota Public Utilities Commission

With sincere resolve [continued],

ELEANORE J TROXEL
Eleanore J Troxel
4137 Skislee Ln So
Shoreview Mn 55126
Jan 9, 1996

Darcy Tatham
923 Dodd Rd.
West St. Paul, MN 55118
Jan. 9, 1996

Helen Elizabeth Proechel
Helen Elizabeth Proechel
224 N. Fairview Ave.
St. Paul, MN 55104
Jan 9, 1996

Jan Quirk Janet Quirk
7121 Logan Ave So
Richfield MN 55423
1-11-96

Mark Ford
701 19th ave. S.
Mpls. Mn. 55454
1-11-96

Patricia A. Dahlman (Patricia A. Dahlman)
2590 Cedar Avenue
White Bear Lake, MN 55110
January 11, 1996

~~Andrea Specht~~ 1-11-96
Andrea Specht
622 Grand Ave. #303
St. Paul, MN 55105

kristin Eggenling kristin J Eggenling
5205 4th St
Hallack MN 56728
1-12-96

Letter to Mr. Burl Haar
Minnesota Public Utilities Commission

With sincere resolve [continued],

Antonia Berman Tucker
1725 Grand Ave
St. Paul, MN
55105
1-8-96

John H. Phillips
1425 W. 28th St.
Minneapolis, MN 55408
1-8-96

Richard O. Fuller
Richard O. Fuller
1081 Laurel Ave
St. Paul MN 55104
1-8-96

WILLIAM F. MORRIS
PO BOX 14730
MPLS, MN 55411
William F. Morris
1-14-96

John E. Martinson
270 - Cottage Place 1/3/96
Shoreview Mn 55126
(JOHN E. MARTINSON)

Maris Strautmanis ~~from~~
2425 Harriet Av.
Minneapolis, MN 55405
1-12-96

Katherine M. Ross 1-13-96
4301 43rd Ave. S.
Mpls, Mn. 55406
Katherine M. Ross

PAMELA M. HEGGIE
1761 JEFFERSON AVE
ST. PAUL MN 55105
1/14/96

Letter to Mr. Burl Haar
Minnesota Public Utilities Commission

With sincere resolve [continued],

BONNIE J. RAE

1621 HILLVIEW RD

SHOREVIEW MN 55126

1/10/96 Bonnie J. Rae

Brent Woodward

1150 Cushing Circle, #233

St. Paul, MN 55108

1/10/96 Brent Woodward

Patrick J. Fischer

912 E. 17th. St.

Minneapolis, MN 55404

1/10/96 Patrick Fischer

KAREN M. KOTVAL

130 Haacker Hall

1364. Eckles, St Paul 55108

Karen M. Kotval

Chris A. Buzzetta

P.O. Box 8257, 3301 1st Ave S.

Minneapolis, MN 55408-0257

Chris A. Buzzetta 1/10/96

Jo Anne Wetherell-Moriarty

3241 Victoria St. N.

~~Min~~ Shoreview, MN 55126

Joanne Wetherell-Moriarty 1/10/96

Alfredo DiCostanzo

470 Victoria St N

Shoreview MN 55126

Alfredi Noddy 1/10/96

Rayone H. Schlegel 1/15/9

241 S. Fairmount
St Paul, MN 55105

Letter to Mr. Burl Haar
Minnesota Public Utilities Commission

With sincere resolve [continued],

George Berguis
4032 44th Ave S.W.
Minneapolis, Mn 55406
14 January 1996

Bonnie Dreggs
1678 Lincoln Ave
St Paul, Mn 55105
1/14/96

Mary Sue Kistingbury
P.O. Box 4596
St. Paul, MN. 55104-0596
1/14/96

Donald P. Irish
2018 Fairmount Avenue
St Paul, Minnesota 55105
1/14/96

Dorothy Ockerman
11301 Park Ridge Dr W
Minnetonka MN 55305
14 Jan. 1996

Linda Koehler
1916 Dayton Ave
St Paul MN 55104
1/14/96

Lorin^{*} Velikonja (LORIN VELIKONJA)
1366 Palace Avenue
St. Paul, MN 55105-2554
14 January 1996

Karen W. Medewier
2800 37th Av. S.
Minneapolis MN 55406
1-14-96

Letter to Mr. Burl Haar
Minnesota Public Utilities Commission

With sincere resolve [continued],

Nancy Newman
1761 Jefferson Ave
St Paul, MN 55105
1/14/96

Elizabeth Fowler
384 Laurel Ave
St Paul MN 55102
1/14/96

Julie Borgarding-July
7954 Isleton Av. S.
Cottage Grove, MN 55016
1/14/96

Elaine Martin
3216 E. 24th St.
Mpls. MN 55406
1/14/96

Renda L. McCaughan
10410 WHITE TAIL XING
EDEN PRAIRIE MN 55347
1/14/96

Christine June
2108 Milwaukee Ave
Mpls. MN 55404
1-14-96

ELISABETH J. SEIFERT
271 W. KING ST.
ST. PAUL, MN 55107
1/14/96

Joan Ogden
2136 1/2 MINNESOTA AVE
DULUTH, MN 55802
1/14/1996

Letter to Mr. Burl Haar
Minnesota Public Utilities Commission

With sincere resolve [continued],

Becky Flory
1653 Selby
St. Paul, Minn
55104
1-14-96

Jeffrey Flory
1653 Selby Ave
St. Paul, MN
55104
1-14-96

Jonathan Sellman
60 So. MILTON #2
ST. PAUL, MN
55105
1-14-96

Eliza Tocher
2101 Garfield Av S #203
Mpls MN 55405
1-14-96

Holly Enny
3945 45th Ave S. St
Minneapolis, MN 55406
1-14-96

Anne Holzinger
3425 22nd Avenue
Mpls MN 55407
January 14, 1996

Sandy Cameron
PO Box 518
Deer River mn
56636
1-14-96

Ava-Dale Johnson
1788 Sargent Av.
ST. Paul, MN 55105
1-15-96

Letter to Mr. Burl Haar
Minnesota Public Utilities Commission

With sincere resolve [continued],

JANET CEDAR SPRING
2136 1/2 MINNESOTA AV.
DULUTH, MN 55802
1-14-96

PHIL GROVE
3712 37TH AVE SO
MINNEAPOLIS, MN 55406
1/14/96

JENNY HOOGENAKKER
3900 GRAND AV. SO.
MINNEAPOLIS, MN 55409
1-14-96

Janet Burl
711 Washington St. N.E
APD15, Minn. 55413
1-14-96

Tim Lorenz
2990 E. 85th St
Inver Grove Hgts, MN. 55076
1-14-96

MARGARET PATSCHKE
2219 COMO
SAINT PAUL, MN 55108
1-14-96 M Patschke

Victoria E. Patschke
2219 Como Ave.
Saint Paul, MN 55108
1-14-96 V. Patschke

Letter to Mr. Burl Haar
Minnesota Public Utilities Commission

With sincere resolve [continued],

Carla Greene
17933 255th St
Shafer MN 55074
1/11/96

Sharon Perkins
25288 Wisconsin St NE
Stacy MN 555879
1/14/96

Letter to Mr. Burl Haar
Minnesota Public Utilities Commission

With sincere resolve [continued],

David Stanberry
695 Dayton
St. Paul, MN 55104
1-14-1996

David Stanberry
→ 695 Dayton
St. Paul, MN 55104
1-14-1996

Judith Wein

832 Osceola Ave.

St. Paul, MN 55105

1-15-1996

Letter to Mr. Burl Haar
Minnesota Public Utilities Commission

With sincere resolve [continued],

Rep. Allen Hausman
District 66B
State Office Building
St. Paul, MN 55155
1-9-96

Sen. Ellen Anderson
District 66
120 State Capitol
St. Paul MN 55155
1/11/96

Diane J. Peterson
4051 Gisella Boulevard
White Bear Lake, MN 55110
February 15, 1996

Mr. Burl Haar
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

Dear Mr. Haar:

Please add the enclosed signature page 5-M to the letter dated "January 1996" in the public comment file of Docket Number E,G-002/PA-95-500. This signature was submitted to me by mail on February 2, 1996, by Minnesota State Senator Steven Morse. Senator Morse was not able to provide me with this endorsement to my letter of petition against the NSP merger before I hand delivered it to you on January 16, 1996.

I am now proud to submit to you Senator Morse's signature to follow page 5-L which bears the endorsement of Representative Alice Hausman and Senator Ellen Anderson.

Sincerely,

Diane J. Peterson

Letter to Mr. Burl Haar
Minnesota Public Utilities Commission

With sincere resolve [continued],

John J. Moore
MN State Senator #32
24 State Capitol
St. Paul, MN 55155

Received
Feb. 3, 1996

10-14-96

Jim Peppe (PUC) PR officer

Jacobs & Johnson ~~will~~ said they'll let Peppe know when they've decided if they'll ~~be~~ vote on the merger; they haven't said yet.

~~Mon. Oct. 21 @ PUC~~

Intervenor direct testimony will be taped (so far just written ~~I~~ comments have been given); those are in Nisswa, 'kato, & Mpls. ← Commissioners usually don't attend those.

Evidentiary hearings begin Nov. 18 @ PUC
til Dec. 6

He clipped my Oct. 11, '96 editorial & circulated it to all PUC staff.

Eric Swanson

9-13-96

1st week of Dec. is end of market power

- cost savings
- rates

apprx. Nov. 18 → Dec. 6 hearing dates set on issues of

2 lawyers from Att. Gen's Office will present the case

No precedent. Similar mergers in U. S. all happening this past year.

Merger decision probably won't happen til March.

MN. DEPT. OF PUBLIC SAFETY April 29, 1996.

Veronica, secretary

Ms. Chris Eide

Radiological Preparedness Administrator
On-site @ PI & "Monty"

She is Segregated from

Midwest High Level Radioactive Waste
Transportation Committee (meet w. DOE & look
at transport corridors) Minn. rep is

John Kerr ← 296-0481
Assistant Director of Planning at Dep. of
Public Safety

Recommended the money appropriated by

Section 180 C for training response on
transport routes of nuke waste
[Designated by D.O.E.'s law]

go thru ↓

Fed. Emergency Mgmt. Agency (FEMA)
not the DOE

↓
They have a memorandum
of understanding with the
NRC

Stricter than EPA standards
Different computer modeling than NSP
Plume modeling
& dose

After TMI, FEMA got more strict, & after Chernobyl

Transportation program from Monticello to
Illinois in 1980's of spent fuel
Caused \$1.7 ^{million} ~~every~~ 2 yrs. from NSP assessed
for cost of training emerg. response workers.

Health Dep. rode the trains

Assess ~~\$~~ ^{NSP} for transport if 5.1271 passes.

Her enabling legislation is Ch. 12
Any planning or exercise costs for
alternate siting must be paid by NSP

April 29, '96

296-~~550~~⁶⁰²⁵ DPS Commissioner

Mike McCarthy, Communications Dept.
296-1883

~~Nuclear Waste~~

ref me to:

1. Dep. of Public Safety

Jim Franklin 296-0450

Div. of Emergency Mgmt.

2. '89 Congressional Study

Energy + Environmental Research

Arjun Makhijani says transport is risk-free.
Works for Public Citizen

book High Level Dollars, Low Level Sense

June 5, '96

Engleking

Steve Coroneli COR-NAY-LEE of State Attorney General

6-5-96

Tomorrow Commission meeting
@ 1:00, 3rd floor, Procedural decisions
1. Rate case: large enough decrease offered by NSP?
2. Market power issue affecting the midwest?

~~Kris Sanda's staff~~

PUC Commissioners

Joel Jackson

Marshall Johnson

Dee Knaak (NOK)

Don Storm

Tom Burton

6-5-96

Recommend that there

Should be a hearing about market power as it affects retail customers.

We want a guarantee that service quality won't deteriorate, or degradation of environmental quality. We haven't recommended a rate case.

Our position: Allow mergers if they can be properly controlled.
~~our position~~

March 21, '96

Betsy Engleking

Procedural comments are now
~~needed~~ & must be submitted by both (all?)
parties & received ~~by~~ April 2 at PUC

Requests for hearings have been
made. PUC will meet to decide
if hearings are to be scheduled.

NSP filed ~~as~~ ^{for merger} as an uncontested case April 23, '96

2 merger staffers on Minnegasco case
must finish first before the merger stack
on her desk is made sense of for a report to
Commissioners

May 30 is her probable date of meeting w.
Commissioners.

Hold a hearing? Maybe lasting
6-10 months.
Kisc. may decide in Oct. 1996

Her Staff recommends a hearing on
the market power issue; but
merger could still be approved while
hearing goes on.

Kisc. interveners approved.
DPS strongly favors no hearing.

FERC, on ²⁻²⁻⁹⁶~~1-31-96~~, ruled that it won't investigate the loss of state regulatory control
FERC, on 1-31-96, won't have hearings on projected effects of operating costs & rate levels because Primergy agreed to a 4-yr. rate freeze.

FROM → 2-15-96 letter by Wi. Intervenors
WEPCO's 1993 projected revitalization savings were not realized

Attorney General, 3-1-96, Reply Comments
Asks for more time for more comments.

Contends the merger challenges the public interest standard required for approval under Mn. law.

March 14, 96 PUC Meeting
Decided on allowing Wi. Intervenors

DPS, March 1, 96

Reply Comments by DPS on merger application
From Scott Brockett, Mgr, Energy Planning & Advocacy

Recommends that PUC "conditionally approve the merger." NSP should satisfy DPS & other parties regarding effective regulation." DPS doesn't recommend a contested-case hearing or an EIS.

3-1-96 NSP's Answer of Applicants

p. 23 OAG's proposal for semi-annual reporting on NSP service is an "unnecessary burden" & can't give "clear indication of trends". Excessive reporting requirements.

On legal list of addresses re. merger

John Wilson

NSP

Box 8

Eau Claire, Wi 54702-0008

Feb. 20, 96

Environmental Law & Policy Center*

Response to NSP's Objection to Intervention by
Wisc. Intervenor

namely, 1. Wisc. Public Service Corp.

2. Madison Gas & Electric Co.

3. Wi. Electric Cooperative Assoc.

4. Citizens' Utilities Board

Letter by the Environmental Coalition

namely, 1. Izaak Walton League

2. ME3

* 3. EL & PC of the Midwest

Letter says NSP failed to serve its objection to
all petitioners for intervention.

Feb. 21, 96

Letter from Wisc. Intervenor's lawyer to deny
objection or ~~if~~ NSP's desire for oral argument, which
also didn't notify entire service list & give more
than 24 hrs. notice.

Eric Swanson 297-4609

Q: Dismissal of NSP objection to Wi. Intervenor's
March 14 decision?

Q: Did Attorney General see the public file?

~~Advocates~~ Advocates that it should go

Contested case

Hearing on % of cost savings
w/o merger
→ just have a rate reduction

Market power advantage
of NSP's transmission

10-24-95

Jan Hoffman, ^{the Docket Coordinator in Energy} a docket clerk, I got transferred to when I called Brett Eckness.

10-24-95

Betsy Engleking

296-1337

Docket EG-002/PA-95-500

Left msg. re. Nov. 15 date.

Any letters come in yet?

DPS asked for pushback from Nov. 15

Jan. 16, 1996 for written comment

March 1, 1996 ends period for
response-to-comments

NSP asked for a quick response for a
request for hearing, if it should be requested

Probably about 45-60 days, the first of May,
before PUC rules on merger.

1 letter has come in (document #4 Ronald Staff)

Claudette Pratt @ DPS will mail it to me.

296-6913

Jan. 10, 1996

Betsy Engleking 296-1337

FERC

Unique case for this merger in that:

1. Rare for merger to create a registered holding company,
(most companies hate the paperwork/~~rules~~)
2. First to make a strategic combination to position themselves to be competitive in a new electric market
FERC is re-evaluating the policies of looking @ the savings claimed to result from strategic combinations
Market power & Transmission being studied issues

Karen, Santori Supervisor in DPS records

Will send ^{me} the index of official documents in file. It includes the Active record of formal participants

The initial petition is being made free to all requesters by NSP.

Asking to be a party in the case; notify the PUC of application

NSP doesn't have to reply to the unofficial comments.

Reply March 1

P.U.C. Consumer Affairs Office 296-0406
Julie

Aug. 17, 1995

Betsy Engleking PUC

→ Nov. 15, 95 for written comment

Jan. 2, 96 ends the response-to-
the-comments time period

5 states & 2 federal agencies must
approve merger.

DPS is leader on public hearings.

ref to

Clark Kamel 297-4563

Rates Analyst on the NSP merger team

8-17

Clark Kamel

ref. me to send comment letters

to Burl Harr

Exec. Secretary

PUC

Sep. 29, 1995

Jim Peppe 296-2059

NSP MERGER.

No public hearings until after
written rebuttal period in Dec. 95.

Q on joint hearing w. Wisc. PUC: 10-23-95

Is it legal - would a joint hearing have
any power?

Logistics - money

The idea was canned because it would
cost too much to conduct PUC & Wisc.
hearings together.

Mr. Burl Haar
PUC.

1-10-96
Wed.

P.U.C. 296-7124

Ms. Jesse Schmoker

2:00 meeting
time

Won't be out at 2:30

She'll date stamp
it & process it.

Office closes @ 4:30

1-12-96

FAX

612-215-1299

1-25-96

FAX 612-297-7073
for Consumer Affairs

Janet Gonzales is the
Director of Energy

Deb Smith of PUC Consumer Affairs, Suite 350
says public comment period not closed
yet. Has heard close date from

→ Rates Analyst of gas & electric
in Minn. of regulated, investor owned
(NSP, Minn. Power, Interstate (Dubuque), O.T.P.)
Not a contested case yet ^{Iowa} Illinois
+ S. Minn.

If a contested case, then it'll be
turned over to an Administrative Law
Judge.

Wisc. is doing 2 rate cases: NSP & WEC.

Clark Kamel

Feb. 2, 1996 /

NSP refused to admit any guilt for coercing support of its Prairie Island cask storage plan. Ms. Sanda implied she regretted her lack of power to impose heavy penalties on NSP for this abuse.

3. NSP was taken to task by the Minnesota Office of the Attorney General for waiting until the Prairie Island plant was 20 years old before beginning work on a contingency plan for generating capacity replacement if Prairie Island had to shut down due to spent fuel accumulation or steam generator replacement.
4. NSP secretly negotiated a stand-still agreement with Westinghouse to extend the time limit for filing a suit against Westinghouse for supplying defective steam generators to the Prairie Island plant. This let NSP avoid suspicion about defects at the Prairie Island plant while NSP applied for approval of dry cask storage units in the certificate of need process. The stand-still agreement allowed NSP to claim that the Prairie Island plant would continue to be a reliable energy producer. Subsequent examination of the lawsuit documents by citizen volunteers reveal that there are serious cracks in the generators which might impair reliable functioning.

- D. NSP denied the validity of Indian tribal sovereignty in Minnesota by placing its nuclear waste directly next to the Prairie Island Dakota Nation reservation. NSP dismissed the objections of the tribe. But NSP used tribal sovereignty to their advantage in New Mexico. When the government of New Mexico objected to an NSP-led consortium locating a high-level waste storage facility on Mescalero Apache land, NSP endorsed the Apaches' tribal sovereignty as a means to overrule the opposition by the state of New Mexico. This use of a double standard about tribal sovereignty indicates that NSP sets good faith behavior aside when the company's profits are concerned. Can NSP be trusted after it grows into an even more powerful company if it has already abused the minority status of American Indian people for its own advantage? We think not.

Considering these complaints against NSP, we advise the Minnesota Public Utilities Commission of our firm desire to deny NSP's plan to expand into Primergy. We prefer to curtail NSP's unethical behavior rather than providing a means to perpetuate and possibly increase it. We want to avoid compounding the problems we have already experienced with NSP. Permitting NSP to grow away from Minnesota control is definitely not in our best interest.

We respectfully ask you to heed our request as we sign our names and addresses to endorse this letter.

With sincere resolve,

MPUC with normalized historical and forecast operating results on an annual basis. NSP proposes to continue this reporting and to identify separately the deferred merger costs either in the same report or a separate filing. This would allow the MPUC to be informed as to the estimated and actual costs during the rate plan period. NSP would provide the report to the MPUC to cover the rate plan period from the closing date of the merger through the end of the year 2000.

Certain unanticipated cost increase categories should be excepted.

NSP recognizes that during the four-year rate freeze period, it may experience certain significant but uncontrollable events which necessitate rate changes. Accordingly, as part of the rate plan proposal, NSP has identified these events which it believes should be excepted from the rate freeze. The following exceptions are proposed as part of the company's electric rate freeze proposal:

1. An increase in local, state or federal tax expenses greater than 10 percent or \$15 million dollars over the previous year;
2. Costs ordered or made effective by state or federal agencies (10 percent or \$15 million dollar increase or more from the previous year); and,
3. Extraordinary events including, but not limited to, major changes in facility ownership, major loss of load, externally required change of

accounting or a dramatic increase in cost of money (an increase in the expense or decrease in the revenue of 10 percent or more or \$15 million dollars).

The exceptions are necessary in order to protect NSP from major costs or events which are beyond its control. It is important to note that although there are many costs which, to some degree, are beyond NSP's control, the focus here is on uncontrollable events which could potentially have a significant impact on NSP.

NSP proposes that for these uncontrollable events it be allowed to file with the Commission during the rate freeze period for recovery of the costs related to these events. NSP would bear the burden of proof to demonstrate recovery of the costs is warranted.

IV. APPROVAL OF DEFERRED ACCOUNTING

A. Introduction

Pursuant to Minnesota State Statutes 216B.10 and 216B.11 and Minnesota Rules Part 7825.0300, Subpart 4, NSP requests the Commission to grant approval of deferred accounting procedures for the merger-related transaction costs and certain costs to achieve savings associated with the proposed merger of NSP and WEC.

Table 5

**Estimated Costs To Achieve \$1.9 Billion Savings Over 10 year Period
January 1, 1997 - December 31, 2006**

Basis for Calculation:	(\$Millions)
Separation - 4% of average base salary plus 4% per year of employee service plus extended medical benefits. Estimated 14 average years of service. Executive severance estimated at three years of average salary plus extended medical benefits	\$61.4
Systems - Integration of systems, services and linking data bases	25.0
Relocation - 250 personnel relocations at \$40,000 per employee.	10.0
Nuclear Operations - Consolidation of nuclear operating areas.	8.9
Telecommunications - Integration of phone, data, facsimile communication.	5.0
Facilities - To integrate corporate headquarters.	3.0
Retraining - To retrain employees in new positions.	3.0
Internal/External Communication - To educate shareholders and employees regarding combination.	2.0
Transition - For external assistance to facilitate integration of individual entities.	2.0
Directors and Officers Insurance - Liability coverage	<u>1.4</u>
TOTAL	<u>\$121.70</u>

Although some savings are probable, the Department believes the Company's projections are uncertain. The Department agrees with NSP that non-fuel procurement costs may be reduced. But we believe a more realistic and conservative estimate of savings is 1 percent, not 3 percent. NSP's estimates of inventory-reduction and contract-services savings are dubious. Therefore, the Department imputes no savings from inventory reduction or contract services. Based on these conclusions, the Department estimates savings from purchasing economies of \$65,065,000.

d. Non-Labor Nuclear

NSP attributes 5.2 percent, or \$112.5 million, of the estimated savings of the merger over ten years to combining the nuclear operations of WEC and NSP. These savings would result from standardization, shift-schedule coordination and economies of scale. NSP identifies seven categories where savings would occur: licensing, maintenance, fuels, health physics, purchasing, planning and engineering.

In response to DPS Information Request No. 52, NSP breaks down its annual projected nuclear savings in 1995 dollars. This information is summarized in Table 7.

Table 7: NSP's Estimated Non-Labor Nuclear Savings in 1995

<i>(Thousands of Dollars)</i>	
<u>Category</u>	<u>Savings</u>
Licensing	\$1,240
Health Physics	\$710
Maintenance	\$940
Fuels	\$160
Purchasing and Warehousing	\$2,790
Integrated Planning	\$1,800
Engineering	\$2,020
TOTAL	\$9,660

Of these savings, the Department concludes that only the savings related to reduced membership fees (which are a portion of NSP's estimated "licensing" savings) can be categorized as expected savings. These savings are for the Westinghouse Owners Group (WOG), 10 CFR 170 licensing fees and Checkworks¹ membership fees.

¹ The Checkworks program assists in diagnosing erosion and corrosion in power-plant piping.

NON-PROPRIETARY

The Department categorizes savings from procurement leverage (included in both "Purchasing and Warehousing" and "Engineering" savings), savings from Joint In Service Inspection (ISI) Contracting (included in "Engineering" savings), and savings from shared equipment (also included in "Engineering" savings) as uncertain. Thus, we reduce these estimated savings by 50 percent.

The Department concludes that savings derived from procurement leverage are uncertain because such savings could be achieved only through the actions of other parties--NSP/WEC vendors. The ability of Primergy's nuclear operations to receive goods and services from vendors at better rates than NSP and WEC currently do is speculative.

NSP claims joint ISI contracting savings could be achieved by eliminating contracted inspection and design modification engineering services through the use of the combined engineering force of both companies. The combined companies could also leverage lower costs in remaining contracts, standardize inspection and design modification procedures, and implement the best practices in the combined inspection and design modification programs. However, NSP has not adequately demonstrated that the proposed merger would result in all of these ISI contracting savings.

The Department believes that some savings are possible through shared equipment. Nevertheless, NSP has not provided sufficient support to justify all of the related savings.

The Department classifies the remaining non-labor nuclear savings that NSP estimates as dubious. NSP has failed to describe how such savings would result from the merger. Additionally, the Department believes that if these gains could be achieved by combining three nuclear units into one holding company, the same efficiencies could be achieved by combining the operations of NSP's two nuclear units. In response to DPS Information Request No. 144, NSP indicates that the Prairie Island and Monticello plants operate "somewhat independently with certain dedicated support functions for each facility." Thus, the Department excludes the remaining non-labor nuclear savings from our estimated savings. Table 8 summarizes the Department's estimated savings.

NON-PROPRIETARY

assigned to Minnesota would be allocated to both Minnesota and Wisconsin.) Consequently, the Department recommends that NSP maintain separate detailed property and cost records for its Hudson and La Crosse operations, as well as detailed sub-records for the La Crosse LNG and LPG peak-shaving plants. The Department also recommends that Minnesota ratepayers not be responsible for any clean-up costs associated with MGP in Wisconsin.

The Department concludes that NSP's proposal to defer its merger-related costs and amortize them over four years is reasonable for the costs allocated to the Minnesota electric operations. NSP's proposed electric rate reduction and subsequent freeze ensure that the deferral meets the GAAP and Commission criteria for deferring costs. But without similar rate benefits for gas customers, the Department cannot support the deferral and amortization of the merger-related costs allocated to the Minnesota gas operations.

Based on our analysis to date, the Department concludes that the Commission should approve the merger with the conditions explained above. This conclusion assumes that NSP can adequately address our concerns regarding the Interchange Agreement and the loss of state regulatory authority. The Department will also review the comments of other parties in this proceeding, particularly their comments on regional competition. We reserve the right to alter our recommendations based on these comments.

X. RECOMMENDATIONS

Based on our analysis, the Department recommends that the Commission approve the merger and related requests with the following conditions and clarifications:

1. Condition any approval on the merger's qualifying as a "pooling of interests."
2. Require NSP to modify its Interchange Agreement to ensure effective state review of the costs allocated to the various state jurisdictions.
3. Pursue joint resource planning with the states in which Primergy's operating companies would provide retail electric service.
4. Require NSP to maintain separate property and cost records for its Hudson and La Crosse operations, as well as sub-records for the LNG and LPG peak-shaving plants.
5. Clarify that Minnesota ratepayers would not be responsible for any clean-up costs associated with MGP plant in Wisconsin.

NON-PROPRIETARY

6. Deny NSP's request for deferred accounting for the merger-related costs allocated to the Minnesota gas operations.
7. Impose the following conditions and clarifications on NSP's ability to adjust electric rates during the four years in which rates would be frozen:
 - Clarify that the tax exemption does not apply to sales taxes or franchise fees.
 - Clarify that the exemption for federal and state income taxes applies only to increases in tax rates, not tax burdens.
 - Allow no exceptions for increases in property taxes.
 - Consider all requests for increases due to tax rates on a combined state and federal basis.
 - Do not allow automatic exceptions for federal and state agency mandates. Instead, consider such requests under the category of "extraordinary events."
 - Clarify the category of extraordinary events to exclude those events that are due to the risks normally borne by shareholders.
 - Require that proposed exceptions due to extraordinary events be accompanied by sufficient evidence.
 - Require that filings for exceptions due to extraordinary events include events that would lower rates, as well as those that would raise rates.
 - Limit requests for exceptions for any reason(s) to one filing per year.

At this point the Department is not recommending a contested case or any other additional procedure. However, the Department reserves the right to alter its recommendations in reply comments, after reading the comments of other parties.

VOTE AGAINST NUCLEAR POWER

The power to stop NSP from acquiring more nuclear waste generating capacity is in the hands of Minnesota residents.

Will you allow NSP to merge with Wisconsin Energy Corporation? Wisconsin Energy Corporation already operates one nuclear power plant, Point Beach, which is approved for 12 dry cask storage units. It is located on the shore of Lake Michigan. NSP would be called "Primergy" after it merges with Wisconsin Energy Corporation. Primergy is predicted to acquire another nuclear power plant, Keewaunee, located north of the Point Beach plant. Opponents of nuclear power will want to vote against this merger.

NSP plans to officially merge on December 31, 1996.

But enough people writing against the merger can stop this.

====Do what is environmentally safe: WRITE "NO MERGER!"=====

Write as individuals or groups to the Public Utilities Commission (PUC) to voice your opposition to the NSP/Wisconsin merger. The PUC has the authority to allow or deny the merger. We have until

January 16, 1996

to vote, through letter writing, against the merger. Your vote (and additional comments) must be written and directed to:

Mr. Burl Haar
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

Please refer to Docket No. E,G-002/PA-95-500 in your letter. This is the PUC name for the merger decision.

PUC's FAX : 612-215-1299

=====

An ounce of prevention . . . may stop a nuclear giant from growing out of Minnesota control.

For more information, call Diane J. Peterson, (612) 653-4385.

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Feb. 22, 96

Environmental consequences

What signed agreement exists to prevent transport of PI casks to Pt. Beach?

Diane Braun 608/267-1200

Not in ; doing field work this week.

Left msg. for Ann Pfeifer of the Examining Division to call me

July 1996 is earliest possible date, but it seems very optimistic, & thus, unlikely.

Diane — this is the
best the 34 copy machine
would do, even on
"Darkest".

I will give ^(send) the
original printed copy
to Andrea.

But
P.S. Don't hesitate to let me
know if you'd like changes
made! P.

11-9-95

Diane Brown (accountant)
Electric Division, WISC. ~~Dep~~ Public Service Comm.
608-266-2001

3 ft. high stack already of documents
applying to federal level & other states have
been filed.

Wisc. rate case needs to be filed first before
public commentary input. I'm put on list for notification.

$\frac{1}{2}$ year behind Mn.'s DPS process

To find out proper price for rate
classes, to prove there is real
savings. So everyone gets a fair
savings - or increase.

NSP must declare why this merger
is "in the public interest." ← KEY PHRASE

2 public meetings, probably in
Eau Claire, probably in January, w.
utilities answering questions

Hearings possibly in July '96, decision probably Oct.

DPS's job is protecting public & rate payers, an
^{advocate}
PUC is neutral, just take in data

1-1-97 is target date for merger

2 people probably to be assigned to the case
who are nuclear specialists

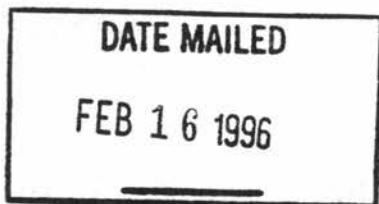
1. Mr. Chris Hagman

2. Sally Jenkins (608) 266-3900
Electric Division

Planning duties
environmental advocate
Hard-mosed

Keewaunee in Brawn's opinion, is not
as bad as some nuke plants.

The owner will not sell it.



BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Wisconsin Energy Corporation, Wisconsin Electric Power Company, Northern States Power Company, and Northern States Power Company-Wisconsin for Approval of a Series of Transactions by Which Northern States Power Company-Wisconsin is Merged Into Wisconsin Electric Power Company, Northern States Power Company Becomes a Subsidiary of Wisconsin Energy Corporation, and Wisconsin Energy Corporation is Renamed Primergy Corporation

6630-UM-100
4220-UM-101

**NOTICE OF INVESTIGATION, ASSESSMENT OF COSTS,
AND PREHEARING CONFERENCE**

On August 4, 1995, Wisconsin Energy Corporation (WEC), its affiliate Wisconsin Electric Power Company (WEPCO), Northern States Power Company-Minnesota (NSPM) and its affiliate Northern States Power Company-Wisconsin (NSPW), filed a joint application with the Public Service Commission of Wisconsin under ss. 196.06, 196.09, 196.19, 196.20, 196.21, 196.49, 196.52, 196.795, 196.80, and 196.81, Wis. Stats., for approval of a series of related transactions which constitute a merger.

The application states that the resulting holding company will be known as Primergy Corporation (Primergy). Primergy will be a registered public utility holding company under the Public Utility Holding Company Act of 1935 (PUHCA). Primergy will be incorporated in Wisconsin, but the principal executive offices will be located in Minnesota. The principal utility subsidiaries of Primergy will be Wisconsin Energy Company and Northern States Power Company. The new Wisconsin Energy Company will consist of the prior WEPCO gas and electric service operations plus the electric operations of NSPW and most of NSPW's gas operations. NSPW's Hudson and LaCrosse gas service operations will be transferred to the surviving Northern States Power Company.

WEC is a holding company as defined in s. 196.795, Wis. Stats. whose principal subsidiary is Wisconsin Electric Power Company. WEPCO is a Wisconsin corporation primarily engaged in rendering electric service in sections of southeast, east central, and northern Wisconsin as well as a portion of the Upper Peninsula of Michigan and natural gas service in sections of southeast, east central, and southwest Wisconsin.

WEC's principal non-utility subsidiaries are WISPARK Corporation, WITECH Corporation, Wisconsin Michigan Investment Corporation (WMIC), Badger Service Company (Badger), WISVEST, and Custometrics, L.L.C. WISPARK develops industrial parks within WEPCO's service territory. WITECH provides investment capital to companies in Wisconsin and Upper Michigan. WMIC engages in investing and financing activities, such as advances to affiliates and investments in partnerships developing low and moderate income housing projects. Badger holds coal rights in Indiana. WISVEST was formed to provide capital to help businesses expand in Wisconsin and to help avoid takeover bids by out-of-state companies. Custometrics is a limited liability joint venture between WEC and Marshall and Ilsley Corporation which plans to develop and market customer information systems.

Northern States Power Company (NSPM), a Minnesota Corporation, is engaged in the generation, transmission, and distribution of electricity and natural gas in Minnesota, North Dakota, and South Dakota. Northern States Power-Wisconsin (NSPW), a wholly owned subsidiary of NSPM, provides natural gas service in 11 counties in Wisconsin and electric service in 28 counties in Wisconsin and in the Upper Peninsula of Michigan.

NSPM's principal non-utility subsidiaries are Viking Gas Transmission Company (Viking), NRG Energy, Inc. (NRG), and Cenergy, Inc. (Cenergy). Viking owns and operates 500 miles of interstate natural gas pipeline. NRG builds, acquires, owns, and operates several non-regulated energy related businesses in the U.S. and international markets. Cenergy is an energy marketing and services company.

The application states, in part, that the merger will "allow integration of corporate and administrative functions, integration of nuclear operations, purchasing economies and streamlining of inventory, and provide expanded management resources, more diversified service territories, lower gas supply costs and expanded transmission opportunities."

The application further states that "the parties are proposing...a four-year plan by which Wisconsin Electric (and NSP) would freeze retail electric rates at levels which are reduced by about 1.5 percent, premised upon amortization of the transaction costs over the period of the rate freeze. Similar proposals have been developed for reducing and freezing gas rates for Wisconsin retail customers."

Copies of the merger application can be obtained by calling Mr. Les Durski, Wisconsin Energy Corporation at (414) 221-3202.

NOTICE IS HEREBY GIVEN that the Commission deems it necessary in order to carry out its duties herein to investigate the books, accounts, practices, and activities of WEC, WEPCO, NSPM, and NSPW and that the expenses incurred or to be incurred by the Commission which are reasonably attributable to such investigation will be assessed against and collected from applicants in accordance with the provisions of ss. 196.84 and 196.85, Wis. Stats., and ch. PSC 5, Wis. Adm. Code.

Dockets 6630-UM-100
4220-UM-101

NOTICE IS FURTHER GIVEN that a prehearing conference to discuss issues raised by the proposed merger, will be held on February 29, 1996, at 10:00 am., in the Amnicon Falls Hearing Room, at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin. This building is accessible to people in wheelchairs through the Whitney Way first floor lobby entrance. Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs additional accommodations should contact Richard Teslaw at (608) 267-9766 or Ann Pfeifer at (608) 266-5473.

The purpose of the prehearing conference will be to provide a preliminary clarification of the issues that will be the subject of the hearing and provide for the submission of data requests. The pre-filing schedule and hearing dates will be established at a later date.

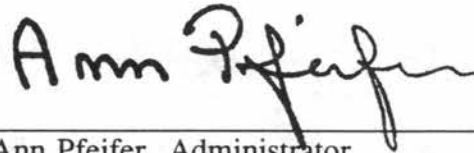
NOTICE IS GIVEN that this matter is deemed to be a Class 1 proceeding as defined in s. 227.01(3), Wis. Stats.

This action is classified as a Type 3 action according to s. PSC 4.10(3), Wis. Adm. Code. Furthermore, since no circumstances have come to the attention of the Commission which indicate that significant environmental consequences are likely, the Commission does not intend to prepare an environmental impact statement under s. 1.11, Wis. Stats., nor an environmental assessment.

If there are any questions regarding the hearing scheduled in this notice, please call Ann Pfeifer, Administrator, Examining Division at (608) 266-5473. Other questions regarding this matter may be directed to Diane Braun at (608) 267-1200.

Dated at Madison, Wisconsin, February 16, 1996

For the Commission.



Ann Pfeifer, Administrator
Examining Division

AP:DCB:gmh:h:\notice\Merger.not



State of Wisconsin
Public Service Commission
610 N. Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

ATTEMPTED-UNKNOWN
INSUFF. ADDRESS
ORDER EXPIRED
NO SUCH NUMBER ☒
VACANT
RTE. CAR. INITIAL

DIANE PETERSON
457 GISELLA BLVD
WHITE BEAR LAKE MN 55110

PRESORTED
FIRST CLASS



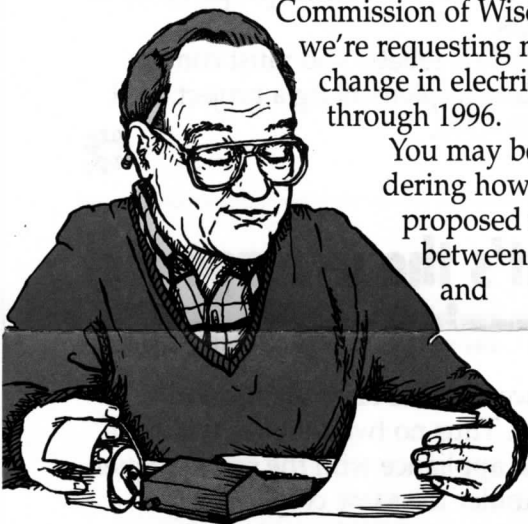
News briefs for customers of Northern States Power Company.

A budget helper— No changes in electric rates for 1996

Years ago our company advertised its “penny cheap” electricity. Now it’s pennies cheap, but NSP is still working hard to bring electricity to your home in the least expensive way possible.

You may be aware that NSP-Wisconsin hasn’t increased electric rates since January 1993. Our commitment to low rates is continuing through 1996 as well. In our latest filing with the Public Service Commission of Wisconsin, we’re requesting no change in electric rates through 1996.

You may be wondering how the proposed merger between NSP and



Wisconsin Energy will affect your electric bill. According to the merger plan, electric rates will remain unchanged until the merger is completed, an estimated 12 to 18 months from now. At that time, the companies will implement a small rate decrease, followed by a rate freeze through the year 2000.

Why the emphasis on freezing or lowering rates? NSP is interested in keeping rates to area businesses and industries low so they can be competitive. In that way, our area economy will remain healthy.

Today there are many competitive pressures in the electric utility industry that did not exist five or 10 years ago. Across the country, bulk power providers are courting wholesale and large industrial customers for their business. Independent power producers are making energy deals with large industrial customers. To keep its customers, NSP’s rates, reliability and customer service must be competitive with today’s market.

How the NSP, Wisconsin Energy merger affects you

As a customer of NSP-Wisconsin, you may be wondering how the proposed merger between NSP and Wisconsin Energy Corp. will affect you or your business.

We hope to trim more costs from the production and delivery of energy services to continue providing you with low rates and reliable service. The savings are expected to come from work force consolidations, joint purchasing, including fuel and natural gas, and streamlining operations.

When the merger is complete, an estimated 12 to 18 months from now, the name of your energy provider will change from NSP-Wisconsin to Wisconsin Energy.

However, we still plan to staff various communities in the region with employees who can serve your energy needs quickly and reliably.

The merger is the best and most financially conservative way to ensure contin-

ued competitive rates over the long term for the customers of both companies. The merger will help our communities attract new business, add jobs and strengthen the area economy.

The proposed merger, which was announced May 1, is subject to approval by the shareholders of both companies, and various regulatory agencies.

NEW WEC SERVICE TERRITORY





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**Northern States Power Company-Wisconsin
Notice of Request
for Natural Gas Rate Increase**

NSP-Wisconsin Natural Gas Rates

Northern States Power Company-Wisconsin has filed an application with the Public Service Commission of Wisconsin (PSC) requesting an overall increase in natural gas rates of \$2.66 million, or 3.6 percent, to become effective Jan. 1, 1996. NSP received its last natural gas rate increase of about 2 percent on Jan. 1, 1994.

The requested change in natural gas rates is necessary to cover increasing investments in natural gas facilities due to customer growth in our service territory. While this growth will help to stabilize rates for all customers over the long term, the initial investment creates upward pressure on rates in the short term.

If the requested increase is approved by the PSC, an average residential gas space heating customer using 900 therms per year would see an *annual* increase of \$20.80, or 3.5 percent as compared to current rates. Under the proposed rate, the cost of gas would vary by season. Consequently, a customer's monthly bill could increase by more than 5 percent in winter months and could decrease by more than 10 percent in summer months. NSP currently offers a budget billing plan that is an ideal way to even out monthly payments. Commercial and industrial firm rate

(Over)

customers would see an average annual increase of 5.2 percent, and interruptible rate customers may see a small increase or decreases in bills if the PSC approves NSP's application. As always, the effect of the increase on individual customers may vary from the average, depending on the customer's usage pattern.

Hearings on the request for the natural gas rate increase will be held by the PSC. Hearing dates will be announced by area news media. The PSC has the authority to grant or deny any part of the application. Rates ultimately ordered by the PSC may differ substantially from those requested by NSP.

NSP-Wisconsin Electric Rates Unchanged

The company will not request a change in electric rates. NSP-Wisconsin's last increase in retail electric rates was effective Jan. 16, 1993.

NSP merger w. Wisc. Energy Corp.

Phoned 1-800-895-4999

Customer Information Center
for NSP in Wisc & northern Mich.

Public Service Commission of Wisc.

610 North Whitney Way

Box 7854

Madison, Wisc 53707-7854

1-800-225-7729

Spoke w. ^{Culbert} Mr. Pat ~~Heath~~ 715-839-2601
Eau Claire office
He thought Fed lead wasn't necessarily
de-regulation, but re-regulation. I objected
to loss of local control if trans-state
merger happens & it gets kicked up to Fed
level. I remarked that NSP wouldn't court my
business since I pay only about \$10/month for
electric water heater. He agreed \$10/month was quite small.

Public Service Commission
of Wisc.

4802 Sheboygan Ave.

P.O. BOX 7854

Madison 53707-7854

608-267-9491

confirm?

Nov. 2

Dec. 2 or 4 phase-out?

Sep. 27, '96

Ms. Dee Knaak, Chair of Meeting
Chairman Joel Jacobs, Marshall Johnson
Merle Anderson - Legislative Affairs (State & Metro)
Comm. Marshall Johnson not present
Rhoda Ailts

Sam Hanson, NSP

5" to speak; may request rebuttal time
EX PARTE COMMUNICATION

Gary Johnson did an internal company investigation
NSP: Not a prohibited (by statute) communication
by Anderson to Jacobs

Comm. Don Storm surprised that contract
NSP employees not made to sign a
code of conduct & instructed about
even casual conversation

[Johnson put on the spot]

Mr. Jerrick knew the Comm. was coming
to the lunch

The fact that the report was even
mentioned is material to the case.
The subject matter is market power ... shouldn't
Anderson have said "I really can't discuss
this."?

Comm. McMiller registered

I'm a lobbyist tho' I don't lobby @ Leg.
NSP hired Jerrick, beginning 1994, as lobbyist

McAller asks ~~Houston~~ Hanson & Johnson if they casually discussed the matter - & if they'd read the newspaper article.

Susan Headman Coalition rep of Mn.* Wis enviro & consumer groups

Jerrick didn't tell ^{Jacobs} 12 NSP employees would be @ lunch

~~Jacobs~~ NSP & DPS say they aren't convinced that a violation took place.

Has unnamed NSP employee been interviewed [& is afraid to come forward] NSP suggests s/he is afraid of losing his/her job.

Person's testimony must be taken & made admissable. This person called Comm. Storm.

Ex parte communication did take place

McAller Q

A The call for more info for true determination

Eric Swanson

No, ~~no~~ further investigation needed.

Real Q is whether this was ex parte. AG office believes it certainly was, & is prohibited.

Reasonable resolution is written damages & nothing more.

Brent
Mr. Vander Lynden, DPS

Stick to what's reported in AG's written report of investigation. Anderson's remark was on the order of "wait & see" about FERC internal report. We think Johnson & Jacobs can unrecuse themselves.

& "keep an open mind"

↓ implying
NOT that
"FERC staff is wrong"

Minn. News Network reporter
Tom Meersman
Michael Bull

11:10 Chair ^{Knaack} speaks first during discussion & deliberation.

Mr. Rick Munson thanked for interviewing 20 folks for AG

The "too casual" conversation, so it wasn't ex parte

Orders NSP to put on file the lobbyist code of conduct, & other stuff w. PUC. Further PUC should review & police itself.

Storm: Agrees AG office did a good job.

Disagrees w. Chair about importance of case.

It's ex parte, based on AG report & today's conclusion.

McAller: No further investigation is warranted. Chair's motion to close investigation, passed. Motion to take no action on these allegations. Was it prohibited ex parte

2 to 1
What do we order NSP to do?

All agreed to order NSP to put the stuff on file.

Storm comments after motions:

This isn't easy to do on NSP or my colleagues. A cavalier attitude is displayed - contempt.

No excuses for appearance of impropriety.
Reads PVC rule.

I don't want to be embarrassed again.

Brett Smith, N. Star Chapter, Sierra
Karl Landbom of Shoreview
Mn. Utility Investors

Mr. Valdi Stefenson Exec Dir. of org. advising ^{homeowners} small bus. + gov.
WBL on energy conservation
Rep. today of small businesses
who think rates are now fair

Kathleen Tomlin Catholic Charities
low income consumers

Ed Ramsdale Burnsville

Phylis Wolfe-Payne Dakota Co. utility
Little Canada
Utility shareholder

Kathleen Heaney Co. of Sherburne
County Attorney
(NSP's Sherco, Philips Pipeline,
REA)

\$13 million loss in tax revenue

Loss of tax base

Eldon Johnson Dir. of Dakota Electric Co-op
Diane Jensen Cleanwater Action
live in Lino Lakes
Seed Coalition

Rita Feeny Franciscan Sister
in St. Paul

Sen Ellen Anderson
David Robinson

St. Paul
physicist & writer
consultant to Mn. Dep. of Energy

John Rohlf

2
Golden Valley
Engineer responsible for big corporation
utility

Elmer Scott

Roseville
Chmn of Energy Utilities Commission

Dave Strafaccia

Woodbury
retired from
formerly of Hibbing Public Utilities

SPEECH NOTES

NSP Shareholder

Ratepayer in WBL
+ Osceola

Sierra Club

Citizen for a Better Environment

Nature Conservancy

Prairie Island Coalition

member thru Religious Society of Friends

Relatives live in rural Minn.

~~Misc. DNR calls for a regulation, a
tax on mercury producers~~

- ① Do not ^{want} retail competition
I agree about "alleged" competitive environment
w. Mr. Ramsdale

Mr. Stafaccia
Rate analyst: sneaky

- ② Want strict regulation for public protection
small consumers, health of people, of nature

Want regulation to aggressively promote
② ^{renewable energy} biomass technology and conservation
③ to discourage dirty production of electricity
environmental safety + protection
protect worker safety, safety of all Minn.