

The Commission met on **Friday, July 29, 2016**, with Chair Heydinger, and Commissioners Lange, Lipschultz, Tuma, and Schuerger present.

The following matters were taken up by the Commission:

ENERGY AGENDA

E-017/S-16-367

In the Matter of the Petition of Otter Tail Power Company for Approval of its 2015 Capital Structure and Permission to Issue Securities

Commissioner Lange moved to take the following actions:

1. Approved OTP's requested capital structure; this approval to be in effect until the 2017 capital structure Order is issued;
2. Approved OTP's equity ratio of 52.8 percent and a contingency range of plus/minus 10 percent around the approved equity ratio (47.5% to 58.1%). Equity ratios outside this range may not exceed a period of 60 days without prior Commission approval;
3. Approved OTP's proposed total capitalization of \$1,123,168,000 with a contingency cap of 10 percent (or \$1,021,062,000). The Company may not exceed its total capitalization including the requested contingency amount for a period exceeding 60 days without prior Commission approval;
4. Approved OTP's request to issue short-term debt not to exceed 15 percent of OTP's total capitalization (i.e., \$153,159,300). OTP's short-term debt may not exceed 15 percent of its total capitalization for a period exceeding 60 days without prior Commission approval;
5. Approved any securities issuance during this period in which this Order is in place that would not result in an equity ratio outside the approved range. Securities issuances resulting in an equity ratio outside this range may not exceed a period of 60 days without prior Commission approval;
6. Required OTP to provide, within 20 days after each non-recurring issuance of securities, the following information:
 - A. the specific purposes for individual issuances;
 - B. the type of issuances;
 - C. the timing of issuances;
 - D. the amounts of issuances;
 - E. issuance costs (for common equity issuances, including price per share), and
 - F. interest rates;

7. Required OTP to provide, in its next capital structure filing, an exhibit showing a general projection of capital needs, projected expenditures, anticipated sources, and anticipated timing, with the understanding that such exhibit is not intended to require dollar-for-dollar spending on the uses identified in the exhibit or to limit issuances to project-specific financing. The exhibit need not list short-term, recurring security issuances;
8. Required OTP to provide in its next annual capital structure filing, a schedule comparing its actual capital investments in the past year with the capital investments projected by OTP in its previous capital structure filings
9. Required OTP to provide in its next annual capital structure filing, the Company's investment plan not only for the next year, but for at least the next five years;
10. Approved OTP's request for a variance to allow it to treat any loan under its multiyear credit facility as a short-term debt and require OTP to report on its use of such facilities, including:
 - how often they are used;
 - the amount involved;
 - rates and financing costs; and
 - the intended uses of the financing; and
11. Required OTP to file its 2017 capital structure filing by May 1, 2017.

The motion passed 5-0.

ENERGY FACILITIES PLANNING AGENDA

ET-6/TL-16-327

IN the Matter of the Application of Minnkota Power Cooperative, Inc. for a Route Permit for the MPL-Laporte 115 kV Transmission Line in Clearwater and Hubbard Counties, Minnesota

Commissioner Tuma moved to take the following actions:

1. Accept the route permit application as complete.
2. Direct Commission staff to include a statement in the upcoming Notice of Information and EA Scoping Meeting that describes the July 27, 2016 Revision 1 filing by the Applicant to the Route Permit Application.
3. Defer making a decision on the regulatory process until the Commission reviews the alternative routes to be considered in the environmental assessment.

4. Delegate administrative authority to the Executive Secretary and include the following additional items in the appropriate orders in this matter:
 - a. Provide the name, telephone number, and email address of the staff person designated as Public Advisor (Kevin George) to facilitate citizen participation in the process.
 - b. Request that the Department continue to study issues and indicate during the hearing process its position on the reasonableness of granting a route permit.
 - c. Require the Applicant to facilitate in every reasonable way the continued examination of the issues by the Department and Commission staff.
 - d. Require Minnkota Power to place a copy of the application (printed or compact disc) for review in at least one government center or public library in each county where the proposed transmission line project is located.
 - e. Direct Commission staff to work with the Administrative Law Judge and the staff of the Department in selecting a suitable location for the public hearing on the application.
 - f. Direct Minnkota Power to work with Commission staff to arrange for publication of the notice of hearings in newspapers of general circulation at least ten days prior to the hearing, that such notice be in the form of visible display ads, and that proof of publication be obtained from the newspapers selected.
5. Take no action on an advisory task force at this time.
6. Vary the time period of Minn. R. 7850.3700, subp. 3, for good cause to extend the 10-day time limit for the Department to issues its scoping decision to allow for the seven-day, or longer, Commission review.

The motion passed 5-0.

ET-2/TL-15-628

In the Matter of the Application of Great River Energy for a Route Permit for the Bull Moose 115 kV Transmission Line Project in Cass County

Commissioner Tuma moved to defer decision on this docket and direct staff to schedule the final decision on the Bull Moose Project to be considered as soon as practicable following a final decision of the Line 3 certificate of need and route permit dockets.

The motion passed 5-0.

ET-2/TL-15-423

In the Matter of the Application of Great River Energy for a Route Permit under the Alternative Permitting Process for the Palisade 115 kV Project near the city of Palisade, Minnesota

Commissioner Lipschultz moved to defer decision on this docket and direct staff to schedule the final decision on the Palisade 115 kV Project to be considered as soon as practicable following a final decision of the Line 3 certificate of need and route permit dockets.

The motion passed 5-0.

ET-6657/WS-08-573

In the Matter of the Site Permit Issued to Wisconsin Power and Light Company for the Bent Tree Project in Freeborn County

Chair Heydinger moved to take the following actions:

1. Require additional noise monitoring to be conducted at the Bent Tree Wind Farm;
2. Require the noise study design follow the recommendations made by the EERA staff on May 24, 2016, and as outlined below:
 - A. Based on periods of state noise standard exceedances reported during the June 2011 noise study, WPL/Alliant should collect noise monitoring data at the two properties during the spring or early summer of 2016. Although the 2011 exceedances at nearby residences may have been due to monitor problems or high background noise levels, additional follow up monitoring at the complainant residences should be completed to confirm the project is in compliance with state noise standards at the two sites.
 - B. The noise monitoring should follow the October 2012 “Guidance for Large Wind Energy Conversion System Noise Study Protocol and Report” issued by the Minnesota Department of Commerce. Specifically:
 - Collect unweighted, A-weighted, and C-weighted data on an hourly basis.
 - Collect one-third octave-band analysis.
 - Collect data for a 14-day or more time period.
 - C. WPL, Ms. Regehr, and the Hagens may provide input on selection of a noise consultant to complete this monitoring. Credentials of the consultant should be reviewed and approved by Commission staff and the EERA staff prior to the start of monitoring.
 - D. The specific monitoring locations may be suggested by residents but need to be reviewed by DOC EERA and the selected noise consultant. The monitors cannot be put directly next to buildings due to noise reflections. Monitoring locations should represent areas of frequent outdoor use.

- E. WPL shall meet with Ms. Regehr and Mr. and Mrs. Hagen in the near term with the purpose of finding an amicable resolution to their concerns. At least one meeting shall occur after the noise monitoring study has been completed, and the results of the noise study should be summarized and discussed with complainants. DOC EERA staff is also available to attend these meetings. WPL shall update the Commission on any progress made by the parties in addressing the complaints.
 - F. Minnesota does not have any set standards for low frequency noise levels, and no restrictions on low frequency noise levels are set forth in the project's permit. The MPCA noise standard was not promulgated with low frequency noise or infrasound. Studies are currently underway which may inform future decision-making (such as a study being completed by the University of Minnesota. While research on the health implications of low-frequency sound and infrasound wind turbines in underway, the Commission should follow its current policy on determining set-backs.
3. Require the terms of the noise study to include parameters to further investigate the Langrud complaint(s);
 4. Require WPL to contract for a noise consultant selected by the Commission and the Department of Commerce, Energy Environmental Review and Analysis (EERA) staff. Suggestions on the noise consultant will be permitted by the complainants and WPL. The scope of work will be approved by the Commission staff and EERA staff. The contractor will follow the approved scope of work and the contractor shall file its independent work directly with the Commission through the Commission's e-filing system; and
 5. Request that the Commission staff and EERA staff confer with the University of Minnesota to determine whether concerns raised by the complainants can be incorporated into the University's study of low-frequency sound and infrasound on human health, or, if not, in the alternative to conduct an additional phase of the study addressing this issue.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: August 31, 2016



Daniel P. Wolf, Executive Secretary