

The Commission met on **Thursday, October 21, 2021**, with Acting Chair Tuma and Commissioners Means, Schuerger, and Sieben present.

The following matters were taken up by the Commission:

**G-022/M-21-306**

**In the Matter of the Petition of Greater Minnesota Gas, Inc. for Approval of its 2020 Conservation Improvement Program Tracker Account and Conservation Cost Recovery Adjustment Factor**

Commissioner Sieben moved that the Commission do the following:

1. Approve the 2020 Conservation Improvement Program (CIP) tracker account for Greater Minnesota Gas, Inc. (GMG) resulting in a December 31, 2020 tracker balance of (\$15,200).
2. Approve the implementation of a Conservation Cost Recovery Adjustment Factor (CCRA) of \$0.1965/dekatherm, effective January 1, 2022
3. Approve GMG's proposed bill message.
4. Require GMG to submit a compliance within 10 days of the issue date of the order in the present docket, with revised tariff sheets reflecting the Commission's determination in this matter.

The motion passed 4–0.

**G-011/M-21-307**

**In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of its 2020 Conservation Improvement Program Tracker Account, Demand-Side Management Financial Incentive, and Conservation Cost Recovery Adjustment Factor**

Commissioner Means moved that the Commission do the following:

1. Request that Minnesota Energy Resources Corporation (MERC) address the forecasted December 2022 balance discrepancy.
2. Upon resolution of the discrepancy regarding the forecasted December 2022 balance discussed above, do the following:

- A. Approve MERC's 2020 financial incentive for demand-side management (DSM) of \$1,345,674 to be included in the Company's CIP tracker account no sooner than the issue date of the Commission's order in the instant docket.
- B. Approve MERC's 2020 CIP tracker account activities as summarized in Attachment A, Table 1, of the comments of the Minnesota Department of Commerce (Department).

Attachment A, Table 1. MERC's Historical CIP Achievements, Incentives, and Tracker Balance  
2011-2020

Line No.	1	2	3	4	5	6	7	8	9	10	11	12	13
Year	Achieved Energy Savings (Dth)	CIP Expenditures	DSM Financial Incentive	Incentive + CIP Expenditures	Net Benefits	Carrying Charges	Year-End Tracker Balance	Average Cost per first year Dth Saved[1]	Average cost per Dth Saved (including incentives)	Incentive as a % of CIP Expenditures	Incentive as a % of Net Benefits	Carrying Charges as a % of Expenditures	Year-End Tracker Balance as a % of Expenditures
2011	457,747	\$7,870,823	\$2,587,948	\$10,458,771	\$34,530,422	\$592,929	\$10,086,519	\$17.19	\$22.85	32.88%	7.49%	7.53%	128.15%
2012	534,596	\$9,951,018	\$2,729,531	\$12,680,549	\$34,567,212	\$496,537	\$11,633,350	\$18.61	\$23.72	27.43%	7.90%	4.99%	116.91%
2013	424,827	\$8,630,283	\$2,492,730	\$11,123,013	\$17,668,017	\$424,887	\$14,781,047	\$20.31	\$26.18	28.88%	14.11%	4.92%	171.27%
2014	369,068	\$7,360,832	\$2,093,158	\$9,453,990	\$15,081,932	(\$154,344)	\$115,423	\$19.94	\$25.62	28.44%	13.88%	-2.10%	1.57%
2015	493,382	\$8,870,639	\$3,392,001	\$12,262,640	\$26,416,176	(\$51,228)	\$1,269,151	\$17.98	\$24.85	38.24%	12.84%	-0.58%	14.31%
2016	472,000	\$9,198,728	\$3,245,000	\$12,443,728	\$25,948,259	(\$45,726)	(\$158,238)	\$19.49	\$26.36	35.28%	12.51%	-0.50%	-1.72%
2017	402,989	\$10,666,999	\$1,694,489	\$12,361,488	\$16,561,396	(\$56,497)	(\$601,531)	\$26.47	\$30.67	15.89%	10.23%	-0.53%	-5.64%
2018	509,758	\$11,777,435	\$1,892,566	\$13,670,001	\$18,463,890	(\$221,377)	(\$4,540,350)	\$23.10	\$26.82	16.07%	10.25%	-1.88%	-38.55%
2019	468,544	\$12,115,461	\$1,771,381	\$13,886,842	\$23,113,258	(\$221,699)	(\$4,267,774)	\$25.86	\$29.64	14.62%	7.66%	-1.83%	-35.23%
2020	367,324	\$9,072,339	\$1,345,674	\$10,418,013	\$17,827,298[3]	(\$143,149)	(\$971,704)	\$24.70	\$28.36	14.83%	7.55%	-1.58%	-10.71%

[1] The average cost per Dth Saved equals CIP expenditures (\$) divided by achieved energy savings (Dth).

[2] The 2019 DSM Financial Incentive, Carry Charges, and Tracker Balance are shown as proposed by MERC in their Petition.

[3] Per Minn. Stat. 216B.241, subd. 7(e), Net Benefits in 2019 does not include the cost or benefits of low-income programs.

- C. Approve the revised gas CCRA of \$0.00046 per therm for all of MERC’s Minnesota customer classes, to be effective no sooner than the issue date of the Commission’s order in the instant docket. The approval is conditioned upon the company submitting a compliance filing with the relevant tariff sheets and necessary calculations that comply with the Commission’s determinations within 10 days of the issue date of the order.
3. Require MERC to include the following bill message (with the appropriate date) following the date of the order in the instant docket:

Effective January 1, 2022, the CCRA (conservation cost recovery adjustment) has been revised to \$0.00046 per therm. The CCRA is an annual adjustment to true-up under-recovery or over-recovery of CIP (conservation improvement program) expenses.

Commissioner Schuerger proposed amending the motion to remove references to the (now resolved) forecasted December 2022 balance discrepancy. Commissioner Means accepted the proposal.

The amended motion passed 4–0.

**G-008/M-21-328**

**In the Matter of CenterPoint Energy’s 2020 Conservation Improvement Program Status Report, 2020 Demand Side Management Financial Incentive, Conservation Improvement Program Tracker Report, and 2020 Conservation Cost Recovery Adjustment Aggregated Compliance Filing**

Commissioner Schuerger moved that the Commission do the following:

- 1. Approve a 2020 DSM Financial Incentive of \$9,935,723 for CenterPoint Energy (CenterPoint).
- 2. Approve CenterPoint’s 2020 CIP tracker balance account as summarized below:

Table 1: Summary of CenterPoint’s 2020 CIP Tracker Balance

Beginning Balance (January 2020)	(\$2,715,768)
CIP Expenditures	\$37,109,938
Net Base Rate recovery	(\$35,143,922)
Net CCRA Recovery	(\$5,935,598)
Carrying Charges	(\$120,610)
DSM Financial Incentive	<u>\$8,758,401</u>
Ending Balance (December 2020)	\$1,952,441

3. Approve an increase in the 2021/2022 CCRA to \$0.0791 per dekatherm (Dth), effective December 1.
4. Approve CenterPoint's proposed bill message regarding the CCRA, and its proposed tariff sheet.

The motion passed 4–0.

**G-002/M-21-227**

**In the Matter of the Petition of Northern States Power Company Requesting Approval of its 2020 Natural Gas Conservation Improvement Program (CIP) Tracker Account, Shared Savings DSM Financial Incentive for 2020 Gas Savings Performance, and 2021/2022 Natural Gas CIP Adjustment Factor**

Acting Chair Tuma moved that the Commission do the following:

1. Approve the proposed 2020 gas DSM financial incentive of \$4,268,369 and allow Northern States Power Company d/b/a Xcel Energy (Xcel Energy) to include the incentive in the company's gas CIP tracker account no sooner than the issue date of the Commission's order in the present docket.
2. Approve Xcel Energy's 2020 gas CIP tracker account activity, as provided in the company's petition and summarized in the Department's comments, Attachment A, Table 1, resulting in a December 31, 2020 tracker balance of (\$5,349,608).

**Attachment A, Table 1. Xcel Gas's Historical CIP Achievements, Incentives, and Tracker Balance  
2011-2020**

Line No.	1	2	3	4	5	6	7	8	9	10	11	12	13
Year	Achieved Energy Savings (DTH)	CIP Expenditures	DSM Financial Incentive	Incentive + CIP Expenditures	Net Benefits	Carrying Charges	Year-End Tracker Balance	Average Cost per first year Dth Saved <sup>1</sup>	Average cost per Dth Saved (including incentives)	Incentive as a % of CIP Expenditures	Incentive as a % of Net Benefits	Carrying Charges as a % of Expenditures	Year-End Tracker Balance as a % of Expenditures
2007	888,460	\$5,762,345	\$1,689,752	\$7,452,097	\$84,934,941			\$6.49	\$8.39	29%	2%		
2008	613,134	\$6,423,486	\$1,267,379	\$7,690,865	\$53,103,686			\$10.48	\$12.54	20%	2%		
2009	670,120	\$7,682,999	\$964,758	\$8,647,757	\$54,919,812			\$11.47	\$12.90	13%	2%		
2010	697,322	\$11,374,005	\$2,264,511	\$13,638,516	\$53,710,455			\$16.31	\$19.56	20%	4%		
2011	747,123	\$12,701,823	\$2,833,206	\$15,535,029	\$62,179,293	(\$215,734)	(\$7,631,972)	\$17.00	\$20.79	22.3%	4.56%	-1.70%	-60.1%
2012	767,061	\$13,041,285	\$2,682,879	\$15,724,164	\$69,395,588	(\$411,428)	(\$4,648,913)	\$17.00	\$20.50	20.6%	3.87%	-3.15%	-35.7%
2013	787,918	\$12,780,833	\$5,416,936	\$18,197,769	\$32,085,609	(\$368,277)	(\$4,680,426)	\$16.22	\$23.10	42.4%	16.88%	-2.88%	-36.6%
2014	849,698	\$12,968,939	\$5,781,193	\$18,750,132	\$35,995,257	(\$692,481)	(\$12,398,883) <sup>2</sup>	\$15.26	\$22.07	44.6%	16.06%	-5.34%	-95.6%
2015	838,319	\$13,577,149	\$5,763,443	\$19,340,592	\$37,350,638	(\$34,795)	\$488,314	\$16.20	\$23.07	42.4%	15.43%	-0.26%	3.6%
2016	908,472	\$13,805,805	\$6,245,743	\$19,951,548	\$42,565,945	(\$11,880)	\$1,746,885	\$15.20	\$21.96	45.2%	14.44%	-0.09%	12.7%
2017	799,597	\$14,181,339	\$3,753,592	\$17,934,931	\$29,231,281	(\$21,564)	(\$920,889)	\$17.74	\$22.43	26.5%	12.84%	-6.49%	-6.5%
2018	913,240	\$15,132,566	\$4,391,216	\$19,523,782	\$36,593,467	(\$60,944)	(\$3,660,890)	\$16.57	\$21.38	29.0%	12.00%	-0.40%	-24.2%
2019	584,761	\$13,573,925	\$1,790,002	\$15,363,927	\$25,211,491	(\$48,780)	(\$3,730,035)	\$23.21	\$26.27	13.2%	7.10%	-0.36%	-27.5%
2020 <sup>3</sup>	868,599	\$14,587,983	\$4,268,369	\$18,856,352	\$46,802,220	(\$61,030)	(\$5,349,608)	\$16.79	\$21.71	29.3%	9.12%	-0.42%	-36.7%

<sup>1</sup> The average cost per Dth Saved equals CIP expenditures (\$) divided by achieved energy savings (Dth)

<sup>2</sup> Note that the Company did not include previous financial incentives in the 2014 actuals.

<sup>3</sup> The 2020 DSM Financial Incentive, Carry Charges, and Tracker Balance are shown as proposed by Xcel in its *Petition*.

3. Approve Xcel Energy's proposed bill message language.
4. Allow Xcel Energy to implement its proposed gas CIP Adjustment Factor of \$0.024551 per therm beginning October 1, 2021, or the first billing cycle in the month following the Commission's order in this matter, whichever is later, conditioned on the company submitting, within 10 days of the issue date of the order in the present docket, a compliance filing with tariff sheets and necessary calculations that comply with the Commission's determinations in this matter.

The motion passed 4–0.

**E-002/M-19-721**

**In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2019 and 2020 and Revised Adjustment Factors**

Commissioner Schuerger moved that the Commission do the following:

1. Approve the Huntley-Wilmarth 345 KiloVolt Transmission Line project as eligible for cost recovery under the Transmission Cost Recovery (TCR) rider and recovery of capital costs for the project.
2. Approve recovery of capital costs for the existing TCR eligible transmission projects and require Xcel Energy to roll those projects into base rates at the company's next general rate case.
3. Approve Xcel Energy's treatment of the Accumulated Deferred Income Tax (ADIT) proration as petitioned and as modified in compliance and as referenced in its reply comments eliminating the ADIT proration for February 2020.
4. Approve Xcel Energy's Compliance Filing, True-Up Report, and Tracker Balances in the company's November 15, 2019 Petition including any updates upon final Commission order.
5. Approve Xcel Energy's return on equity of 9.06% in the 2019-2020 TCR Rider.
6. Approve Xcel Energy's revenue requirements as petitioned which does not include internal capitalized labor costs.
7. Approve Xcel Energy's process and calculations for allocation of system costs as petitioned.

8. Fully approve Xcel Energy's adjustment factors, tariff revisions, and customer notice as petitioned.
9. Approve cost recovery for Xcel Energy's Advanced Distribution Management System (ADMS) project as requested, including \$27.2 million in forecasted capital expenses above base rates in 2019 and 2020.
10. Confirm Xcel Energy has met the requirements in In the Matter of the Petition of Northern States Power Company for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2017 and 2018, and Revised Adjustment Factor, Docket No. E-002/M-17-797, Order Authorizing Rider Recovery, Setting Return on Equity, and Setting Filing Requirements (September 27, 2019), ordering paragraph 6.
11. Clarify that ordering paragraph 9 of the Commission's September 27, 2019 order is not applicable to the ADMS project.
12. Approve Xcel Energy's revised depreciation life for ADMS software from 10 to 5 years as noted in its reply comments and require Xcel Energy, within 10 days of the Commission order, to submit a compliance filing incorporating the revised revenue requirements.
13. Regarding charges and credits arising from the tariffs of the Midcontinent Independent System Operator, Inc. (MISO), Schedule 26/26A, 37 and 38, require Xcel Energy to use actual data for October 2019-December 2020 for Multi-Value Projects (MVP) Auction Revenue Rights (ARRs) when setting the final adjustment factors.
14. Require Xcel Energy to specifically identify MVP ARRs in Schedule 26/26A in future TCR rider petitions including forecasted revenue.
15. Require Xcel Energy to include actuals for Schedule 37 and 38 amounts when setting the final adjustment factors.
16. Require Xcel Energy to separately identify both actual and forecasted amounts for Schedule 37 and 38 in future TCR Rider filings.
17. Approve credit amounts as petitioned arising from Xcel Energy's Open-Access Transmission Tariff (OATT) as filed with the Federal Energy Regulatory Commission (FERC).

18. Determine Xcel Energy's treatment of the federally mandated reduction on Return on Equity for MISO transmission owners in this TCR Rider filing is consistent with the Commission's previous TCR rider order.
19. Require Xcel Energy to include in its next Multi-Year Rate Plan how specifically its FERC Transmission Audit refund impacts all components other than Schedule 26/26A.
20. Require Xcel Energy to include in its next TCR Rider filing how specifically its FERC Transmission Audit refund impacts Schedule 26/26A.

Commissioner Schuerger amended the motion to replace paragraph 9 with the following:

Approve cost recovery for Xcel Energy's Advanced Distribution Management System (ADMS) project as requested at \$69.1 million, including \$27.2 million in forecasted capital expenses above base rates in 2019 and 2020 and confirm a soft cost cap of \$69.1 million for TCR Rider recovery on the project.

The amended motion passed 4-0.

#### **E,G-999/CI-20-375**

#### **In the Matter of an Inquiry into Actions by Electric and Natural Gas Utilities in Light of the COVID-19 Pandemic Emergency**

Commission Sieben moved that the Commission approve Minnesota Housing Finance Agency's request to provide disconnection protections for RentHelpMN applicants who have applied for assistance to address utility arrears conditioned upon MHFA being able to do the following:

1. Include contact information for the Commission's Consumer Affairs Office (CAO) for questions about Cold Weather Rule protections, and the Energy Assistance Program (EAP) service providers for information about and applications to EAP.
2. Work with parties to develop the reporting process and format, and identify how that information will be provided to utilities, and to provide progress reports every 30 days, until the process is fully operational.

3. Designate a contact person(s) to respond to utilities, consumer advocates, the Department, and the Commission's CAO.

The motion passed 4–0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: February 2, 2022**

A handwritten signature in black ink, appearing to read "Will Seuffert", with a long horizontal flourish extending to the right.

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**Will Seuffert, Executive Secretary**