

The Commission met on **Thursday, July 9, 2020**, with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

**E-002,148/SA-20-387**

**In the Matter of the Joint Request of Northern States Power Company, d/b/a Xcel Energy, and Wright-Hennepin Cooperative Electric Association for Approval of a Service Area Compensation and Orderly Transfer Agreement Between the Two Parties**

Commissioner Tuma moved that the Commission approve the requested service territory transfer and request that the Minnesota Geospatial Information Office update the Commission's maps to reflect the service area designations as shown on the maps in the Agreement.

The motion passed 5-0.

**P-6312,421/IC-20-522**

**In the Matter of the Application of CenturyLink for Expedited Approval to Discontinue Physical Connection with KTF Telecom Inc.**

Chair Sieben moved that the Commission take the following actions:

- a. Accept CenturyLink's formal complaint and finds that it meets the filing requirements.
- b. Find that the Commission has jurisdiction over this matter under Minnesota Statutes Chapters 216A and 237.
- c. Find that there are reasonable grounds for the Commission to investigate this matter.
- d. Serve CenturyLink's formal complaint on KTF and order KTF to file an answer to the complaint within 20 days of this order under Minn. R. 7829.1800, subps. 2 and 4.
- e. Note that any person wishing to comment on CenturyLink's formal complaint may submit initial comments within 30 days of the Commission's order under Minn. R. 7829.1900, subps. 2, 4, and 5.
- f. Note that any person who submitted initial comments may submit reply comments within 10 days of the expiration of the initial comment period under Minn. R. 7829.1900, subps. 3, 4, and 5.

The motion passed 5-0.

**E-017/M-19-693**

**In the Matter of Otter Tail Power's 2019 Integrated Distribution Plan**

Commissioner Schuerger moved that the Commission take the following actions:

1. Accept Otter Tail Power's 2019 Integrated Distribution Plan. Acceptance is not a prudence determination of any proposed system modifications or investments.
2. Require Otter Tail Power to discuss in future filings how the IDP meets the Commission's Planning Objectives, including:
  - a. An analysis of how the information presented in the IDP relates to each Planning Objective;
  - b. The location in the IDP;
  - c. Analysis of efforts taken by the Company to improve upon the fulfillment of the Planning Objectives; and
  - d. Suggestions as to any refinements to the IDP filing requirements that would enhance Xcel's ability to meet the Planning Objectives.
3. Amend IDP Requirement 3.D.2 (xi) of Otter Tail Power's IDP Requirements to read as follows:

For each grid modernization project in its 5-year Action Plan, require Otter Tail Power to provide a cost-benefit analysis based on the best information it has at the time and include a discussion of non-quantifiable benefits. Otter Tail Power shall provide all information to support its analysis.

4. Merge IDP Requirement 3.D.1 and 3.D.2 of Otter Tail Power's IDP Requirements to read as follows:

Otter Tail Power shall provide a 5-year Action Plan as part of a 10-year long-term plan for distribution system developments and investments in grid modernization based on internal business plans and considering the insights gained from the DER futures analysis, hosting capacity analysis, and non-wire alternatives analysis. The 5-year Action Plan should include a detailed discussion of the underlying assumptions (including load growth assumptions ) and the costs of distribution system investments planned for the next 5-years (expanding on topics and categories listed above). Otter Power should include specifics of the 5-year Action Plan investments. Topics that should be discussed, as appropriate, include at a minimum:

5. Future IDP filings should provide stakeholders and the Commission with more explicit information on cost-benefit conceptualization, methodologies, and/or calculations.

The motion passed 5-0.

**E-017/AA-19-297**

**In the Matter of Otter Tail Power Company's Petition for Approval of the Annual Forecasted Rates for its Energy Adjustment Rider, Rate Schedule 13.01**

Chair Sieben moved that the Commission approve Otter Tail Power Company's proposed July, August and September 2020 fuel cost charges.

The motion passed 5-0.

**E-017/S-20-454**

**In the Matter of the Petition of Otter Tail Power Company for Approval of 2020 Capital Structure and Permission to Issue Securities**

Commissioner Schuerger moved that the Commission take the following actions:

1. Approve Otter Tail Power's 2020 proposed capital structure. This approval will remain effective until the latter of May 1, 2021 or the date at which the Commission issues a new capital structure order.
  - a. Approve Otter Tail Power's equity ratio contingency of plus/minus 10 percent around its 2020 proposed equity ratio. Equity ratios outside this range may not exceed a period of 60 days without Commission approval.
  - b. Approve Otter Tail Power's total maximum capitalization of \$1,704,607,144, or 10 percent above its base capitalization of \$1,549,642,858. Capitalization outside this range may not exceed a period of 60 days without Commission approval.
  - c. Allow Otter Tail Power to issue any securities in 2020 that would not result in an equity ratio outside the proposed range or a total capitalization exceeding its proposed cap for more than 60 days.
  - d. Require Otter Tail Power to obtain prior approval for the issuance of any securities in 2020 that would result in an equity ratio outside the approved range or a total capitalization exceeding its approved cap for more than 60 days.
  - e. Require Otter Tail Power to file its request for approval of its 2021 securities issuances no later than May 1, 2021.

- f. Clarify that approval of securities issuance and the resulting capital structure within this proceeding is not a determination of the appropriate capital structure for ratemaking purposes.

The motion passed 5-0.

**E,G-002/D-19-723**

**In the Matter of Northern States Power Company, d/b/a Xcel Energy's Request for Extension, 2020 Annual Review of Remaining Lives & Five-Year Depreciation and Net Salvage Study for Electric and Gas Production and Gas Storage Facilities**

Commissioner Means moved that the Commission grant an additional three-month extension to Xcel and allowed the Company to file its 2020 Annual Review by August 18, 2020.

The motion passed 5-0.

**G-002/M-20-323**

**In the Matter of the Petition of Northern States Power Company for Approval of a Modification to its Natural Gas State Energy Policy (SEP) Tariff, Updated 2020 SEP Rate Factor, and 2019 SEP Compliance Filing**

Commissioner Tuma moved that the Commission take the following actions:

1. Accept the compliance-related sections of Xcel's petition as being in compliance with the Commission's July 19, 2019 Order accepting the Company's most recent SEP rider petition in Docket Number G-002/M-19-200.
  - a. Authorize Xcel to implement a modified proposal for a 2019-2020 SEP rider adjustment factor of \$0.000714 per therm, based on Xcel's proposed 2019-2020 SEP revenue requirement of \$935,613 and Xcel's 2019 actual retail sales of 1,310,860,707 therms, to be effective as of the first of the month following the issuance of the Commission's order in this docket.
  - b. Require Xcel to make a compliance filing with revised SEP rider tariff language within 10 days of the order in this docket.

The motion passed 5-0.

**E-002/M-20-436**

**In the Matter of the Petition of Northern States Power Company for Approval of Revisions to the Business Incentive and Sustainability (BIS) Rider Tariff**

Commissioner Tuma moved that the Commission take the following actions:

1. Approve the language changes proposed by Northern States Power Company d/b/a Xcel Energy (Xcel) for the following sub-sections of the Business Incentive and Sustainability (BIS) rider tariff:
  - a. Qualified Billing Demand.
  - b. New Customers and Existing Customers.
  - c. Right to Refuse Service.
  - d. Electric Service Agreement.
2. Approve Xcel's COVID-19 credit proposal for commercial and industrial (C&I) customers with the following modifications:
  - a. The temporary program shall remain in effect until March 31, 2021.
  - b. The 25 percent credit shall be applicable to total monthly base rate charges excluding customer charges, after the application of voltage discounts.
  - c. The program shall be available to existing demand-metered C&I customers with pre-pandemic average monthly peak load between 100 kilowatts (kW) and 2,000 kW.
  - d. Xcel shall file a proposal by August 14, 2020, available to C&I customers with pre-pandemic average monthly peak load less than 100 kW.
  - e. The program shall be available to C&I customers with a peak load reduction of at least 25 percent in direct response to government mandated requirements associated with the COVID-19 pandemic.
  - f. The program shall be limited to a pre-pandemic total load level of 200 megawatts.
  - g. In the application for the program, each customer must provide to Xcel demonstration that the COVID-19 pandemic has materially impacted its business and is responsible for a qualifying load reduction.
  - h. Xcel shall take affirmative steps to notify eligible customers.

- i. Participating customers must participate in at least one of Xcel's energy efficiency programs.
- j. Xcel shall file monthly with the Commission a listing of customers deemed eligible and participating in this section of the rider.
- k. In the BIS annual filing, Xcel shall include a report identifying the number of customers receiving service under this section of the rider and the total amount of the discount.
- l. Xcel shall provide a cost-benefit analysis of the program within 90 days of the end of the program.
- m. Xcel may defer to its next rate case and seek recovery of the BIS customer credits provided in this docket. In its next general rate case, Xcel shall detail the full amount of the COVID-19 credits given, the sales revenue stimulated and retained, and a detailed cost-benefit analysis for the parties to assess their reasonableness in any requested recovery.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: December 2, 2020**



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**Will Seuffert, Executive Secretary**