

The Commission met on **Thursday, January 19, 2017**, with Chair Heydinger and Commissioners Lange, Lipschultz, Schuerger, and Tuma present.

The following matters were taken up by the Commission:

ENERGY AGENDA

E-015/M-16-485

In the Matter of the Petition for Approval of Minnesota Power's New SolarSense Customer Solar Program

Commissioner Tuma moved that the Commission:

1. Approve Minnesota Power's petition to revise its SolarSense program rebates.
2. Approve Minnesota Power's petition to relocate SolarSense rebate cost recovery from CIP to the Solar Factor.
3. Direct the company to file an annual report on or before June 1 beginning in 2018 to the Commission containing the following information:
 - a. the number of SolarSense applications, projects selected, and rebate amounts;
 - b. the total capacity and energy production for projects selected;
 - c. the number of low-income projects selected, rebate amounts, and capacity;
 - d. the annual amount of spending on Program Development and delivery;
 - e. contract continuity issues.
4. Deny Minnesota Power's petition to relocate the Made in Minnesota cost recovery from CIP to the Solar Factor.
5. Approve Minnesota Power's cost recovery of low-income pilot program funding as proposed.
6. Take no action on the Low-Income Pilot Program Committee Structure.
7. Take no action on the Low-Income Pilot Program Charter.
8. Direct Minnesota Power to make available weekly funding updates on its MP SolarSense project webpage.
9. Do not require Renewable Energy Credit education as part of the pre-application and application process.

10. Require Minnesota Power to make necessary tariff revisions and compliance filings within 30 days of the date of the Commission's order, and to report in its compliance filing the proposed committee structure of the low-income pilot program committee and the ground rules by which they will be assisting the program.

The motion passed 5-0.

Commissioner Heydinger moved that the Commission:

1. Deny Minnesota Power's cost recovery for solar education and outreach under the SolarSense program.
2. Approve the company's cost recovery of solar research and development as proposed.
3. Approve the company's cost recovery of program development and delivery as proposed.

The motion passed 5-0.

E-002/M-15-1089

In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of a Credit Mechanism to Return to Customers Department of Energy Settlement Payments

Commissioner Lipschultz moved to take the following actions:

1. Approved the one-time bill credit method for refunding the \$13,831,088 to the Minnesota jurisdiction including all interest accumulated net of related bank fees, for the seventh Department of Energy payment;
2. Required the Company to begin to provide refunds within 60 days of the Department's comments;
3. Required the Company to provide a compliance filing within 30 days after completing the bill credits; and
4. Required the Company to continue to file information and documentation consistent with the Commission's Order Point 11 in Docket No. E-002/M-11-807 within 30 days of receiving future Department of Energy payments pursuant to the Extended Settlement Agreement.

The motion passed 5-0.

E-111/M-16-774

In the Matter of a Petition from Dakota Electric Association to Implement a Member Specific Discount Rider

Commissioner Schuerger moved to take the following actions:

1. Required Dakota Electric Association (DEA) to delete the following provision from Section V, Sheet 58.0 or the Member Specific Discount Rider:

The Member Specific Discount will only be offered as a complement to incentives for new load as provided by local and state government; and

2. Modified item 11, Section V, Sheet 58.1 of the Member Specific Discount Rider as follows:

The Association will track the wholesale power cost credits associated with each Member Specific Discount and ~~include the credits in the “Power Cost Correction Recovery Mechanism” as applicable~~ exclude them from both the calculation of the base cost of power in future rate cases and the calculation of the Power Cost Adjustment Charges in the Resource and Tax Adjustment filings to the Minnesota Public Utilities Commission. This will ensure that the credits Dakota Electric receives from its wholesale power supplier are not double-counted.

The motion passed 5-0.

E-111/M-16-923

In the Matter of a Petition of Dakota Electric Association to Implement a Large Load High Load Factor Rider

Commissioner Lange moved to approve the petition as amended.

The motion passed 5-0.

G-011/M-16-654

In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval for Recovery of Natural Gas Extension Project Costs through a Rider and for Approval of a New Area Surcharge for the Balaton Project

G-011/M-16-655

In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval for Recovery of Natural Gas Extension Project Costs through a Rider and for Approval of a New Area Surcharge for the Esko Project

Commissioner Lipschultz moved to take the following actions:

1. Determined that the Balaton and Esko natural gas extension projects will serve an inadequately served or un-served area in Minnesota;
2. Determined that MERC’s Balaton and Esko estimated project costs are reasonable and will be prudently incurred;
3. Approved MERC’s proposed Balaton cost recovery through its 25-year New Area Surcharge (NAS) factors in Table 13, in option 5:

- A. Given the policy nature of the costs, approved a regulatory asset for MERC to allow MERC to recover the remaining costs, \$488, 516, in its base rates in the next rate case;
 - B. Allowed MERC to charge the cost of short-term debt for the regulatory asset;
4. Approved MERC's proposed Esko cost recovery through its 25-year NAS factors in Table 15 in option 8:
 - A. Given the policy nature of the costs, approved a regulatory asset for MERC to allow MERC to recover the remaining costs, \$488, 516, in its base rates in the next rate case;
 - B. Allowed MERC to charge the cost of short-term debt for the regulatory asset;
 5. Required MERC, at a minimum, to disclose to potential customers the following information:
 - The monthly surcharge rate and that the rate is in addition to the regular bill for the gas service. MERC must provide a pro forma gas bill for the month of January based on average customer use for that month in that area of Minnesota and also include the surcharge as a separate line item
 - The annual cost of the surcharge
 - A statement that the surcharge is expected to be charge for the Commission chosen recovery term and what the total cost of the surcharge would be for that time period
 6. Required MERC to file a compliance filing within 30 days of the Commission Order in this docket that revises MERC's NAS tariff sheets for the Balaton and Esko projects and NAS customer notice to correspond to the Commission's chosen NAS recovery term'
 7. Required MERC to file annual NAS compliance reports for the Balaton and Esko projects at the same time and in the same format as MERC files annual reports on its other NAS projects.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: March 22, 2017



Daniel P. Wolf, Executive Secretary