

The Commission met on **Thursday, October 11, 2018**, with Commissioners Lipschultz, Schuerger, Sieben, and Tuma present.

The following matters were taken up by the Commission:

E-002,325/SA-18-492

In the Matter of the Joint Request of Northern States Power Company, d/b/a Xcel Energy, and the City of Kasota Electric Department for Approval of Two Compensations and Orderly Transfer Agreements (Agreements) Between the Two Parties

Commissioner Tuma moved to take the following actions:

1. Approve both the permanent service territory transfer from Xcel Energy to the City of Kasota and the permanent service territory transfer from the City of Kasota to Xcel Energy.
2. 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 petition.

The motion passed 4–0.

E-002/M-17-775

In the Matter of Xcel Energy's Residential Time-of-Use Rate Design Pilot Program

Commissioner Tuma moved to deny reconsideration.

The motion passed 4–0.

E-016/M-18-400

In the Matter of Northwestern Wisconsin Electric Company's (NWEC's) Application for Authority to Refund Tax Savings from the Tax Cuts and Jobs Act of 2017 to Minnesota Customers

Commissioner Tuma moved to take the following actions:

1. Consistent with the Public Service Commission of Wisconsin's (PSCW's) Order, approve refunds of the Current Period Tax Expense.
2. Order a one-time refund of the Current Period Tax Expense for the January 1 through the end of the month prior to implementation of the ongoing volumetric credit.

3. Order that the ongoing volumetric credit be reflected in ratepayers' bills beginning the month after the issuance of the one-time credit.
4. Order NWECC to make a compliance filing by February 1, 2019, showing that both the one-time credits and the ongoing volumetric credit are consistent with NWECC's July 31, 2018 corrected filing, specifically the PSCW Order's Revised Appendix H. The Company may delay this filing up to 60 days to file it jointly with the compliance filing required under part 7 of this motion.
5. Starting February 3, 2020, for the years 2019 and beyond, and until addressed by the PSCW or until NWECC's next rate case, order the Company make annual compliance filings showing that the Current Period Tax Refunds are consistent with NWECC's July 31, 2018 corrected filing, specifically the PSCW Order's Revised Appendix H.
6. Order NWECC to file an update with the Commission once the PSCW determines the ADIT-related refund amounts.
7. If the Commission adopts the decision alternative above, order NWECC to make its compliance filing by April 2, 2019, or within 30 days of the PSCW Order, whichever is later.

The motion passed 4–0.

G-008/GR-17-285

In the Matter of the Application by CenterPoint Energy Minnesota Gas for Authority to Increase Natural Gas Rates in Minnesota

Commissioner Schuerger moved to take the following actions:

1. Approve CenterPoint's proposed CCRC of \$0.2362 per dekatherm to be applied to all customer classes except for approved CIP-exempt facilities;
2. Require CenterPoint to resubmit the CIP tracker account (including rates, revenues, expenses, and ending balance) for the entire period that interim rates were in effect within ten days after the actual date final rates become effective;
3. Approve CenterPoint's proposed tariffs;
4. Approve CenterPoint's proposed customer notices;

5. Approve CenterPoint's refund plan; and
6. Require CenterPoint to submit, within ten days of the completion of the refund for all of its customers, a compliance filing that separately shows the actual refunds and interest paid by rate class including supporting calculations.

The motion passed 4–0.

G-008/MR-18-533

In the Matter of a Petition by CenterPoint Energy Minnesota Gas for Approval to Establish a New Base Cost of Gas in Compliance with the Minnesota Public Utilities Commission's Order on CenterPoint's General Rate Filing in Docket No. G-008/GR-17-285

Commissioner Schuerger moved to approve CenterPoint's new base cost of gas to coincide with the implementation of final rates in Docket No. G-008/GR-17-285.

The motion passed 4–0.

IP-6985/WS-17-700

In the Matter of the Application of Blazing Star Wind Farm 2, LLC for a Site Permit for the 200 MW Blazing Star 2 Wind Project in Lincoln County

Commissioner Tuma moved that the Commission:

1. Adopt the ALJ's Summary of Public Testimony, Findings of Fact, Conclusions of Law, and Recommendation for the up to 200 MW Blazing Star 2 Large Wind Energy Conversion System in Lincoln County, Minnesota as modified:
 - a. Include DOC EERA edits to Findings of Fact Relating to Permit Condition 3.1 by modifying or adding Findings of Fact 6, 7, and New 7B, as outlined by DOC EERA in its August 21, 2018 Exceptions.
 - b. Correct Finding 114 Regarding Geronimo/Blazing Star 2 Related Project ownership by modifying Findings of Fact 114, as outlined by Blazing Star 2 in its August 21, 2018 Exceptions.
2. Modify or add Findings of Fact 107, 212, 213-216 (strike), New 213 as outlined by DOC EERA in its August 21, 2018 Exceptions.

3. Modify Condition 6.1 of the site permit to read as follows:

6.1 Obstruction Marking and Lighting

Lighting installed pursuant to Section 5.2.27 of this permit shall comply with Aircraft Detection Lighting System standards specified in FAA Circular AC 70/7460-IL CHG 1 Chapter 14. Permittee may install an FAA approved lighting system without ADLS if the Permittee demonstrates, in a request for a site permit amendment, that despite its reasonable efforts to secure FAA approval for an ADLS, one of the following conditions exists:

- 1) The FAA denies the Permittee's application for an ADLS system,
- 2) Permittee is unable to secure FAA approval in a timely manner,
- 3) ADLS installation costs exceed \$2 million.

If any of the above three conditions occur, the permittee may request a site permit amendment approval of a non-ADLS based system. The permit amendment request will be processed on an expedited basis following receipt of comments from the Department of Commerce, Energy Environmental Review and Analysis.

4. Issue the site permit in the form authorized by the Commission in its May 11, 2018 order and incorporate the permit amendments recommended by the Administrative Law Judge consistent with the Findings modified by the commission herein for the up to 200 MW Blazing Star 2 Large Wind Energy Conversion System in Lincoln County, Minnesota.
5. Authorize Commission staff to make further refinements to the Findings of Fact and Permit Conditions as necessary to ensure consistency with the record, the language of recently issued permits, and the Commission's decisions in this matter.

The motion passed 4-0.

E-002/M-13-867

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of Its Proposed Community Solar Garden Program

Commissioner Schuerger moved that the Commission:

1. Adopt a residential adder for the VOS bill credit rate for a two-year term.
2. Find that the adder will be available to apply to any project application with a VOS Vintage Year of 2019 or 2020.

3. Adopt a 1.5 cent per kWh adder.
4. Find that the adder will attach to an eligible VOS garden application at the time the application is deemed appropriate.
5. Find that the adder, once attached to a garden application, will apply to all residential subscriptions in that garden over the 25-year life of the garden, commencing at the date of operation.
6. Require Xcel to report separately on VOS garden project subscription metrics, in addition to the program-wide metrics currently reported, as part of its CSG monthly updates and annual reports.
7. Require Xcel to report monthly in its CSG updates on the total number of projects receiving unsubscribed energy payments, the total amount of unsubscribed energy, and the total amount paid for that energy in the reporting month.
8. Require Xcel to report monthly on the total incremental bill credit payments for any residential adder adopted by the Commission.
9. Find that the costs associated with the residential adder will be recovered through the company's Fuel Clause Adjustment consistent with the Commission's findings in its September 17, 2014 Order in the current docket permitting recovery of community solar garden program costs, including customer bill credits, additional REC credits, and unsubscribed energy, through the FCA mechanism.
10. Where not otherwise specifically required, order Xcel to file, within 30 days of the date of the order, compliance filings and updated tariff sheets to reflect the Commission's decisions.
11. Require Xcel to work with stakeholders and report back on performance and forward-looking options for increasing participation, including non-monetary options. The report must be filed at the end of the two-year pilot period.

The motion passed 4–0.

E-129,324/SA-17-141

In the Matter of the Joint Request of North Star Electric Cooperative, Inc. and the City of Warroad to Modify Electric Service Territory Boundaries

Commissioner Lipschultz moved to approve the requested transfer of an electric service territory from North Star Electric Cooperative to the City of Warroad, effective on the date of

the order, subject to the understanding that the City of Warroad has made a public commitment, and will honor the commitment, not to disconnect the Red Lake Band of Chippewa Indians in relationship to the pending dispute regarding the \$600,000 bill.

The motion passed 3–1; Commissioner Sieben voted no.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: January 9, 2019

A handwritten signature in black ink that reads "Daniel P. Wolf". The signature is written in a cursive, flowing style.

Daniel P. Wolf, Executive Secretary