

The Commission met on **Thursday, September 15, 2016**, with Chair Heydinger and Commissioners Lange, Lipschultz, Tuma, and Schuerger present.

The following matters were taken up by the Commission:

## **TELECOMMUNICATIONS AGENDA**

### **P-999/PR-16-8**

#### **In the Matter of Annual Certifications Related to Eligible Telecommunications Carriers' Use of Federal Universal Service Support**

Chair Heydinger moved to take the following actions:

- 1) Certify that all of the petitioning ETCs listed in Attachment 1 have used Federal High Cost Universal Service Support received in 2015 and the first half of 2016, and will use Federal High Cost Universal Service Support received in the coming year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.
- 2) Delegate to the Executive Secretary the authority to modify the filing schedule as necessary, including to accommodate the need for additional information from individual companies.
- 3) Request the Department to gather more detailed information from Dunnell Telephone Company and other companies with per-line costs exceeding \$100 prior to next year's Federal High Cost Universal Service Support Certification to clarify and each one justify the unusually high level of monthly line support.

The motion passed 5-0.

## ENERGY AGENDA

### **E-002/M-16-420**

**In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of a Revised Competitive Response Rider Tariff and a Revised Competitive Response Rider Agreement with Gerdau Ameristeel US Inc.**

### **E-002/GR-15-826**

**In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota**

Commissioner Lipschultz moved that the Commission

- Approve Xcel's petition, and
- Determine that the effective date of the agreement is January 1, 2016.

The motion passed 5–0.

### **E-017/M-16-507**

**In the Matter of the Petition of Otter Tail Power Company for Approval of an Electric Service Agreement with Potlatch Land & Lumber LLC**

Commissioner Schuerger moved to approve the petition and to retroactively approve the Company's "placeholder" Electric Service Agreement.

The motion passed 5–0.

### **E-015/M-16-564**

**In the Matter of a Revised Petition by Minnesota Power for a Competitive Rate for Energy-Intensive Trade-Exposed (EITE) Customers and an EITE Cost Recovery Rider**

Commissioner Schuerger moved that the Commission:

1. Find that MP has the ability to propose for Commission approval various EITE rate options within its service territory under an EITE rate schedule pursuant to Minn. Stat. §216B.1696, subd. 2 (a), because it is an investor-owned electric utility that has at least 50,000 retail electric customers, but no more than 200,000 retail electric customers.
2. Find that the eleven customers to whom MP seeks to offer EITE rate discounts are eligible to receive those discounts, and more specifically that customers need only satisfy one of Minn. Stat. §216B.1696, subs. 1(c)(1) through 1(c)(4) to satisfy the definition of an EITE customer.

3. Find that MP has complied with Minn. Stat. §216B.1696, subd. 3, with its proposal to deposit \$30,000 in programs approved by the Commission under Minn. Stat. §216B.16, subd. 15.
4. Find that MP's Proposed EITE Rate Schedule and EITE Rate, as filed by MP, can be expected to yield a net benefit to the utility. Approve MP's Schedule and its corresponding EITE Rate.

The motion passed 3–2. Chair Heydinger and Commissioner Tuma voted no.

Commissioner Lipschultz moved that the Commission:

1. Require MP to establish a separate account to track the difference in revenue between what would have been collected under the electric utility's applicable standard tariff and the EITE rate schedule, pursuant to Minn. Stat. § 216B.1696, subd. 2(d).
2. Find that where MP's Customer Letter Agreements conflict with Commission-approved tariffs or Electric Service Agreements (ESAs), the tariffs and the ESAs shall prevail.
3. Require MP to file EITE annual reports, with the first report due February 1, 2018, which:
  - a. include a list of all customers on the rate;
  - b. identify which specific provision of the statute qualifies the customer for the EITE rate;
  - c. state the revenue difference between what would have been collected under the electric utility's applicable standard tariff by customer and in total;
  - d. reflect the tracker activity and balance;
  - e. describe usage of the rate;
  - f. describe allocation of cost recovery, by class;
  - g. provide an update on EITE customers' operations, including production levels, employment levels, economic factors and competitive conditions, and taxes paid;
  - h. track over time residential disconnections, arrearages (including average amount in arrears), and LIHEAP participation;
  - i. contain a statement of Minnesota Power's view of regional economic conditions; and
  - j. include state agency or similar economic data on the condition of the regional economy.
4. Require MP to file revised tariff pages for the EITE customer rider consistent with the Commission's findings within 10 days of the Commission order.

5. Delegate authority to the Executive Secretary to approve the revised tariff pages if no objections are received to the filing within 10 days.

The motion passed 5–0.

Commissioner Tuma moved that the Commission require that, thirty days prior to each annual report, Minnesota Power shall meet with representatives of its customer classes to discuss the data to be filed in the annual report, and shall keep the representatives informed of the data until filing.

The motion passed 5–0.

Commissioner Lipschultz moved that the Commission find that the Commission needs more information in order to determine the reasonableness of the EITE Cost Recovery Rider, and to delegate to the Executive Secretary the authority to issue notices, establish procedures, and set timelines for such a proceeding.

The motion passed 5–0.

Chair Heydinger moved that the Commission:

1. Require MP to file a revised communications plan addressing cost recovery within 10 days of the Commission order that shall, at a minimum:
  - a. include with each customer's first bill when rates change, a notice approved by the Commission's Executive Secretary;
  - b. give written notice, as approved by the Commission, of the proposed change in rates to the governing body of each municipality and county in the area affected, pursuant to Minn. Stat. § 216B.16, subd. 1, and Staff Briefing Paper for Docket 16-564 on September 15, 2016 Page 42; and
  - c. mail copies of the Commission's Order to all municipalities, counties, and local governing authorities within its Minnesota service area.
2. Determine that the communications plan may not be revised without approval of the Executive Secretary.

The motion passed 5–0.

**E-017/M-16-533**

**In the Matter of a Petition by Otter Tail Power Company for a Competitive Rate for Energy-Intensive Trade-Exposed (EITE) Customers and an EITE Cost Recovery Rider**

Commissioner Lipschultz moved that the Commission:

1. Deny the petition without prejudice.
2. Require that any revised petition filed by Otter Tail Power under Minn. Stat. § 216B.1696:
  - a. address the deficiencies identified by the Department to the extent practicable;
  - b. provide any additional information and analysis the utility considers relevant to establishing a net benefit to the utility associated with the proposed EITE rate; and
  - c. address the low-income funding requirement in subdivision 3, after consultation with the Department, the OAG, and other ratepayer advocates.

The motion passed 5–0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: January 4, 2017**



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**Daniel P. Wolf, Executive Secretary**