

The Commission met on **Thursday, October 22, 2020**, with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

**E-229/TL-18-755**

**In the Matter of the Application of Detroit Lakes Public Utility for a High-Voltage Transmission Line Route Permit in Becker County**

Commissioner Tuma moved that the Commission do the following:

1. Find that the Environmental Assessment and the record created at the public hearing address the issues identified in the Scoping Decision.
2. Adopt the attached Findings of Fact and Conclusions of Law for the of Detroit Lakes Public Utility (DLPU) 115 kilovolt (kV) Transmission Line Project.
3. Issue a high-voltage transmission line route permit for the DLPU 115 kV Transmission Line Project evaluated in the Environmental Assessment.
4. Authorize Commission staff to make further refinements to the Findings of Fact and permit conditions as necessary to correct typographic and formatting errors, and to improve consistency with the record, the language of recently issued permits and the Commission's decision on this matter.

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**

Commissioner Tuma moved that the Commission do the following:

1. Require Otter Tail Power Company (Otter Tail Power) to refund the \$3,830,110 April-June 2020 fuel clause adjustment (FCA) over-collection during the first two quarters of 2021.
2. Require Otter Tail Power to refund the \$4,553,564 July-September 2020 FCA over-collection during the first two quarters of 2021.

3. Delegate authority to the Commission's Executive Secretary to approve Otter Tail Power's fourth quarter FCA refund using the same methodology, calculation, and timing of the prior refunds, if Otter Tail Power's proposal is contested.

The motion passed 5–0.

**E-017/M-19-530**

**In the Matter of Otter Tail Power Company's Request for a Determination that Transmission Investments are Eligible for Recovery Through the Company's Transmission Cost Recovery Rider**

**E-017/M-18-748**

**In the Matter of the Petition of Otter Tail Power Company for Approval of a Transmission Cost Recovery Rider Annual Adjustment**

**E-017/GR-15-1033**

**In the Matter of the Application of Otter Tail Power Company for Authority to Increase Rates for Electric Service in Minnesota**

Commissioner Schuerger moved that the Commission:

1. Deem the Lake Norden Area Transmission Improvement Project, the 41.6 kV Breaker Station, and the Granville Junction Breaker Station eligible for recovery through the Transmission Cost Recovery Rider, under Minn. Stat. § 216B.16, subd. 7b, effective January 1, 2020.
2. Approve the Transmission Cost Recovery Rider (TCRR) annual rate adjustment mechanism as set forth in Attachments 1-14 of Otter Tail Power's August 24 comments for usage on and after January 1, 2021, with a modification to Otter Tail Power's request to collect carrying charges.
3. Require Otter Tail Power to provide, in its initial filing in its next general rate case, a full and complete justification for excluding any transmission project.
4. Require Otter Tail Power to file a compliance filing within ten days of the date of this order showing the final revenue requirement calculations, rate adjustment factors, and all related tariff changes.
5. Require Otter Tail Power to separately file its proposed customer notice (incorporating the changes suggested by staff and updated rates if necessary) within ten days of the date of this order. Delegate to the Executive Secretary the authority to approve any customer notice related to OTP's TCRR.

6. Allow carrying charges from the date of this order at the authorized rate of Otter Tail Power's short-term debt for only the additional tracking balance directly related to the over-collection from the inclusion of the BSAT projects pursuant to the 2015 rate case order.

The motion passed 5–0.

**E-017/M-18-380**

**In the Matter of Otter Tail Power Company's Petition for Approval of Tariff Changes to Facilitate Implementation of a New Customer Information System**

Commissioner Schuerger moved that the Commission do the following:

1. Modify the reporting requirement established in the September 18, 2019 order, and
2. Cease reports after December 31, 2021 if Otter Tail Power receives fewer than five complaints.

The motion passed 5–0.

**E,G-999/CI-08-133**

**In the Matter of Commission Review of Utility Performance Incentives for Energy Conservation Pursuant to Minn. Stat. § 216B.241, Subd. 2c**

Commissioner Sullivan moved that the Commission do the following:

1. Approve the Department's recommendations for the 2021-2023 triennium as stated on pages 31 and 32 and Attachment A of its proposal filed on March 3, 2020, subject to modifications discussed and approved below.
2. Approve a modification allowing utilities to exceed the 30% Expenditures Cap, up to a maximum of 35 percent, if gas utilities meet or exceed energy savings equaling 1.2 percent of retail sales and if electric utilities meet or exceed energy savings equaling 2 percent of retail sales.
3. Ask the Department to continue a stakeholder process under the current docket to evaluate the development of a low-income shared-savings mechanism (such as proposed by Fresh Energy) to be adopted potentially by the end of 2021 to be used going forward, starting January 1, 2022.

4. Ask the Department to continue a stakeholder process under the current docket to evaluate ways of improving the shared-savings mechanisms for potential adoption in the 2024-2026 triennium including, but not limited to, a discussion of:
- incorporation of lifetime energy savings into the incentive mechanism,
  - incorporation of an incentive for utilities that achieve permanent peak reductions through the shared-savings incentive mechanism, and
  - comparison of alternative mechanisms, along with the approved 2021-2023 CIP financial incentive mechanism, to each other and to how a similar-sized, (in terms of cost) supply-side investment would be rewarded financially through the cost-of-service model.
  - Consider and explore energy efficiency opportunities to explore energy load flexibility (the ability to shape and shift load).

The motion passed 5–0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: December 16, 2020**

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**