

The Commission met on **Thursday, February 6, 2020**, with Chair Sieben and Commissioners Schuerger and Tuma present.

The following matters were taken up by the Commission:

**E-017/M-19-765**

**In the Matter of the Miscellaneous Filing of RECs Rates Annual Update for Cogeneration and Small Power Production Rates for Otter Tail Power Company**

Chair Sieben moved that the Commission do the following:

1. Approve the modifications to Sections 12.01, 12.02, and 12.03 of the Electric Rate Schedules and associated Renewable Energy Credit (REC) rates of Otter Tail Power Company (Otter Tail).
2. Require Otter Tail to file future REC and solar REC rate changes related to Sections 12.01, 12.02, and 12.03 in separate, miscellaneous dockets.

The motion passed 3–0.

**E-002/M-19-268**

**In the Matter of Xcel Energy’s Petition for Approval of a Wind Energy Purchase Agreement with Invenergy Wind Energy Development, LLC**

Commissioner Tuma moved that the Commission do the following:

1. Approve the power purchase agreement for the Deuel Harvest Wind project as an energy source for the expanded Renewable\*Connect Program.
2. Find that Northern States Power Company d/b/a Xcel Energy (Xcel) may recover purchased energy costs from participating customers through Renewable \*Connect tariff.
3. Direct Xcel to file a compliance filing on July 1, 2020, and July 1, 2021, to provide an update on the status of the project.

The motion passed 3–0.

**G-008/M-19-687**

**In the Matter of CenterPoint Energy's Notification of Filing of Internal Revenue Service For 3115, Application for Change in Accounting**

Chair Sieben moved that the Commission accept CenterPoint Energy's informational filing and the commitment of the Minnesota Department of Commerce (Department) to review income tax expense in CenterPoint Energy's pending rate case.

The motion passed 3–0.

**G-008/M-19-278**

**In the Matter of CenterPoint Energy Minnesota Gas' Request for Change in Demand Units**

Commissioner Tuma moved that the Commission do the following:

1. Approve the level of demand entitlement and recovery of associated demand costs proposed by CenterPoint Energy Minnesota Gas (CenterPoint) effective May 1, 2019, and November 1, 2019.
2. Accept the design-day level proposed by CenterPoint.

The motion passed 3–0.

**E-002/GR-12-961**

**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 Schuerger moved that the Commission do the following:

1. Accept Xcel's 2019 Business Incentive and Sustainability (BIS) Rider Annual Report.
2. Direct Xcel to propose language at an appropriate place in the BIS tariff filing to the effect that a demand discount applies at multiple delivery points provided each delivery point independently qualifies, and provided that the delivery point is not already receiving BIS service. Also, direct Xcel to make whatever other clarifications it deems appropriate or relevant. The filing must be made within 60 days of the date of the Commission's order.
3. Direct Xcel to submit each new BIS Rider contract and each new annual BIS Rider compliance report under a new docket number.

4. Require Xcel to include in its annual compliance filing a discussion of potential proposals related to restructuring the BIS rider to minimize the linkage between new load and increased peak demand.

The motion passed 3-0.

**G-002/M-19-703**

**In the Matter of the Petition of Northern States Power Company for Approval of an Extension of Rule Variances to Recover the Costs of Financial Instruments through the Purchased Gas Adjustment Clause**

Commissioner Tuma moved to adopt the Department's recommendations as follows:

1. Extend the variance to Minn. R. 7825.2400, 7825.2500, and 7825.2700, originally granted in Docket No. G-002/M-01-1336, *In the Matter of the Petition by Northern States Power Company d/b/a Xcel Energy for Approval of Variances to Recover the Costs of Financial Instruments Through the Purchased Gas Adjustment*, until June 30, 2024.
2. Allow the variance to apply to the costs and benefits of prudent financial positions entered into by Northern States Power Company d/b/a Xcel Energy (Xcel) through June 30, 2024.
3. Allow Xcel to hedge no more than 50 percent of its annual winter requirements and no more than 25 percent with financial instruments.
4. Limit the prudently incurred cost of financial instruments that Xcel may recover through the Purchased Gas Adjustment (PGA) each fiscal year to the amount recommended by the Department.
5. Require Xcel to provide the actual final (settled) cost of financial instruments in required reports and to use the actual settled cost to determine the gain or loss on financial instruments.
6. Require Xcel to:
  - a. Separately identify, in its monthly PGA filings, the amount of anticipated financial instrument costs and/or benefits included in the calculation of the PGA rate.

- b. Include, in its requests for approval of changes in demand entitlements submitted on approximately August 1 of each year, a list of all financial instrument arrangements entered into for the upcoming heating season, including the cost premium associated with each contract, the size of each contract, contract date, contract price, and an explanation of the anticipated benefits of these contracts to Xcel's ratepayers.
- c. Include data on the relative benefits of price hedging contracts, specifically the average cost per Dth for natural gas purchased under financial instruments compared to the comparable monthly and daily spot index prices, in its Annual Automatic Adjustment (AAA) reports due on September 1 of each year as well as:
  - a list of each hedging instrument entered into, and
  - the total volumes contracted for, for each instrument; and the net gain or loss, including all transaction costs for each instrument in comparison to the appropriate monthly and daily spot prices.

The motion passed 3–0.

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

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

The Commission took no action.

**E-002/WS-17-410**

**In the Matter of the Application of Northern States Power Company for a Site Permit for the 84 MW Freeborn Wind Farm in Freeborn County, Minnesota**

Commissioner Tuma moved that the Commission do the following:

1. Deny the petition of the Association of Freeborn County Landowners for the preparation of an Environmental Assessment Worksheet –
  - A. pursuant to Minn. R. 4410.4300, subd. 3(D), and 7854.0500, subp. 7; and
  - B. on the merits pursuant to Minn. R. 4410.1100, subp. 6, and 4410.1700, subp. 7.

2. Authorize the Executive Secretary to issue a record of decision on the matter based on the draft prepared by Commission staff, incorporating any modifications or technical corrections by staff.

The motion passed 3–0.

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**