

The Commission met on **Thursday, August 3, 2017**, with Chair Lange and Commissioners Lipschultz, Schuerger, Sieben, and Tuma present.

The following matters were taken up by the Commission:

### **ENERGY AGENDA**

#### **E-111/M-17-180**

#### **In the Matter of the Petition by Dakota Electric Association for Approval to Implement a Contract Rate Service**

Commissioner Schuerger moved that the Commission approve the petition and note that when specific rates are reviewed, Dakota Electric must, to comply with the Competitive Rate Statute, file information demonstrating:

- a. That the contract rates are not less than the price of the competitive energy supplies available to the member; and
- b. Dakota Electric's consideration of environmental and socioeconomic impacts.

The motion passed 5-0.

#### **G-011/M-17-210**

#### **In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval to Add Additional Customer Classes to the Detroit Lakes-Long Lake New Area Surcharge Project;**

#### **G-011/M-17-211**

#### **In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval to Add Additional Customer Classes to the Ely Lake Area New Surcharge Project;**

#### **G-011/M-17-212**

#### **In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval to Add Additional Customer Classes to the Fayal Township Long Lake New Area Surcharge Project**

Commissioner Lipschultz moved that the Commission:

1. Do not require MERC to recalculate new area surcharges for the small Commercial and Industrial class in Docket Nos. E-011/M-15-441, E-011/M-15-776, and E-011/M-16-221.
2. Approve MERC's requested Detroit Lakes-Long Lake, Ely Lake, and Fayal Township Long Lakes new area surcharges for all customer classes, including Large Commercial and Industrial, Small Volume Interruptible, and Large Volume Interruptible.

3. Require MERC, within 10 days of the Commission's order, to submit a compliance filing. Allow interested parties to submit comments on MERC's compliance filing within 10 days of MERC submitting its compliance filing.
4. Require MERC to include information in its annual new area surcharge compliance filings about the number and customer class of the anticipated customers that are added each year to the Detroit Lakes-Long Lake, Ely Lake, and Fayal Township Long Lakes new area surcharge projects.

The motion passed 5-0.

**G002/M-17-174**

**In the Matter of the Petition of Northern States Power Company for Approval of a Modification to Its Natural Gas State Energy Policy (SEP) Tariff, 2017 SEP Rate Factor, and 2016 SEP Compliance Filing.**

Commissioner Schuerger moved that the Commission take the following actions:

1. Allow Xcel Gas to continue to recover approximately \$1.83 million of costs through its State Energy Policy (SEP) rider until all costs are recovered or the Company files a general rate case, with the understanding that no new costs will be added or recovered through the SEP Rider.
2. Allow Xcel Gas to include the assessment costs for the proposed Department Regional and National Duties in the SEP rider.
3. Do not allow Xcel Gas to prorate its accumulated deferred income taxes in the SEP rider.
4. The effective date of the SEP rider shall not be before July 1, 2018.
5. The Commission approves the capital structure authorized in Xcel Electric's last (2013) electric rate case for use in this docket along with the 9.04 percent Return on Equity (ROE) the Department recommended in Xcel's Gas Utility Infrastructure Cost (GUIC) in Docket No. G-002/M-16-891. Require Xcel to make a true up to align the ROE to the Commission's final decision in the GUIC at the next SEP filing.
6. Require Xcel Gas to submit an annual compliance filing by each March 1 containing the actual and forecasted information needed to determine any true-up amount to be recovered from or returned to ratepayers as a result of the operation of the SEP rider. Require Xcel to submit a miscellaneous filing to establish new SEP rider rates for the subsequent fiscal year, incorporating amounts anticipated to be incurred and including any true-up amounts for the operation of the SEP rider during the current year.

7. Require Xcel Gas to provide a comparison between actual and budgeted monthly costs in its future SEP rider filings, including a discussion of reasons for deviations from budgeted amounts (both higher and lower).
8. Require Xcel Gas to revise labeling and provide correct descriptions in its SEP rider petition in future years to clarify exactly which costs are included and not included in its proposed SEP rate.
9. Require Xcel Gas to recalculate the 2017 SEP rider revenue requirements and factor, to incorporate all of the Commission's decisions herein and shall submit revised schedules and factors reflecting these modifications, highlighting the values that differ from the initial filings schedules, along with any proposed modifications, in future SEP Rider petitions.
10. Require Xcel Gas to include the most recent billing message language approved by the Commission along with any proposed modifications, in future SEP Rider petitions.

The motion passed 4-1 (with Chair Lange voting no).

## **ENERGY FACILITIES PERMITTING**

### **PL-9/CN-14-916**

**In the Matter of the Application of Enbridge Energy, Limited Partnership for a Certificate of Need for the Line 3 Replacement Project in Minnesota from the North Dakota Border to the Wisconsin Border**

### **PL-9/PPL-15-137**

**In the Matter of the Application of Enbridge Energy, Limited Partnership for a Routing Permit for the Line 3 Replacement Project in Minnesota from the North Dakota Border to the Wisconsin Border**

Commissioner Lipschultz moved to do the following:

1. Direct staff to request the Minnesota Office of Administrative Hearings to assign a second administrative law judge (ALJ) to oversee the development of the record on the adequacy of the final Environmental Impact Statement (EIS) for the Line 3 Project and issue a report and recommendation to the Commission on that issue alone.
2. Extend the 280-day deadline under Minn. Stat. § 116D.04, subd. 2a(h) and establish the following procedural schedule:

August 10, 2017: Final EIS (projected)  
September 25, 2017: Deadline for written comments on adequacy of EIS  
October 25, 2017: ALJ Report on EIS with findings and recommendations  
November 16, 2017: Exceptions due  
November 30-December 11, 2017: Commission meeting/decision on EIS  
February 28, 2018: ALJ Report on Certificate of Need (CON) and Route Permit  
April 30, 2018: Commission decision on CON and Route Permit

The motion passed 5-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: October 11, 2017**



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**Daniel P. Wolf, Executive Secretary**