

The Commission met on **Thursday, October 17, 2019**, with Chair Sieben and Commissioners Lipschultz, Means, Schuerger, and Tuma present.

The following matters were taken up by the Commission:

P-407, 405/CI-18-122

In the Matter of a Commission Inquiry into the Service Quality, Customer Service, and Billing Practices of Frontier Communications

Commissioner Lipschultz moved to do the following:

1. Approve the proposed settlement arising from this investigation into the customer service, service quality, and billing practices of Frontier Communications of Minnesota, Inc., and Citizens Telecommunications of MN, LLC, (collectively, Frontier) with the following clarifications and modifications:
 - A. The settlement shall state that its terms are enforceable under Minn. Stat. § 237.461, which includes but is not limited to enforcement under subdivision 2 through civil penalties for knowing and intentional violations of any of the settlement’s specific service quality standards or metrics.
 - B. Parties to the settlement shall waive objection to the use of an expedited proceeding under Minn. Stat. § 237.61 in lieu of a contested case for Commission resolution of disputes regarding remedy payments to customers.
 - C. Plans and reports arising from the settlement shall be filed in the Commission’s electronic filing system in accordance with Minn. Stat. § 216.17, subd. 3, and Minn. R. Chap. 7829.
 - D. If the Commission raises or receives an objection to any of Frontier’s communications, notices, and training materials under the settlement—including the Maintenance Plan described in Section III—within 30 days of their filing, those materials shall not take effect pending further action.
2. Delegate to its Executive Secretary the authority to –
 - A. review and approve reports and plans filed by Frontier, and
 - B. refer disputes regarding credit payments to customers to the Office of Administrative Hearings for mediation upon request by Frontier, the Minnesota Department of Commerce (Department), or affected customers.

3. Direct Frontier, within 10 business days, to make a compliance filing that includes both a clean and redlined version of the settlement as modified or clarified by the Commission.
4. Direct Frontier to file a report on the status of its commitments to upgrade Digital Subscriber Line Access Multiplexers (DSLAMs), providing internet speeds of up to 40 megabits per second, in the exchanges of Balaton, Belle Plaine, Delano, Ely, Elysian, Henderson, Janesville, Mound, Ranier, and Watertown, and serve a copy of this report on these cities.

The motion passed 5–0.

E-999/CI-03-802

In the Matter of an Investigation into the Appropriateness of Electric Energy Cost Adjustments

Commissioner Schuerger moved to do the following:

1. Approve Minnesota Power’s proposed changes related to base cost of energy.
2. Require Minnesota Power to demonstrate in its upcoming initial rate case filing that its proposed base rates do not include any amount of Fuel Clause Adjustment (FCA) costs.
3. Allow Northern States Power Company d/b/a Xcel Energy (Xcel) to use the forecasted base cost of energy in its annual FCA dockets in its future rate case initial filings.
4. Require Xcel to demonstrate in its upcoming initial rate case filing that its proposed base rates do not include any amount of FCA costs.
5. Allow Otter Tail Power Company (Otter Tail Power) to use the forecasted base cost of energy in its annual FCA dockets in its future rate case initial filings that have a calendar test year.
6. Require Otter Tail Power to demonstrate in its upcoming initial rate case filing that its proposed base rates do not include any amount of FCA costs.

The motion passed 5–0.

E-002/RP-19-368

In the Matter of the 2020-2034 Upper Midwest Integrated Resource Plan of Northern States Power Company's d/b/a Xcel Energy

Commissioner Schuerger moved to do the following:

1. Suspend the comment schedule established in the Commission's Notice of Comment Period (July 3, 2019).
2. Order Xcel to file supplemental information and modeling, including the following:
 - A. a revised Renewable Energy Standard (RES) Rate Impact Report in accordance with Minn. Stat. § 216B.1691, subd. 2, and Commission's order,¹ that –
 - 1) Excludes factors that have no relevance to Xcel's RES costs incurred since the last report,
 - 2) Includes generators powered from renewable sources of energy, even if Xcel did not expressly acquire them for the purpose of complying with the RES,
 - 3) Includes an estimate of avoided emissions costs,
 - 4) Clarifies Xcel's method for calculating rate impacts, and
 - 5) Revises and/or clarifies its levelized cost of RES generation and generation for the Solar Energy Standard under Minn. Stat. § 216B.1691, subd. 2f.
 - B. Further modeling of Xcel's proposed new Sherburne County combined-cycle generator (new Sherco) assuming a range of sizes.
 - C. Consideration of storage technology combined with generators powered renewable sources of energy.
3. Delegate to Executive Secretary to schedule the following:
 - A. The date (before July 1, 2020) for Northern States Power Company d/b/a Xcel Energy (Xcel) to provide supplemental information and modeling, and

¹ *In the Matter of Utility Renewable Energy Cost Impact Reports Required by Minnesota Statutes Section 216B.1691, Subd. 2e*, Docket No. E-999/CI-11-852, Order Establishing Uniform Reporting System for Estimating Rate Impact of Minn. Stat. § 216B.1691 (January 6, 2015).

B. The date for parties to file comments on Xcel’s filing.

The motion passed 5–0.

**E-002/M-13-315 & E-999/CI-15-115
In the Matter of a Commission Inquiry into Standby Service Tariffs**

Commissioner Lipschultz moved to do the following:

1. Modify Xcel’s proposed solar Photovoltaic (PV) Demand Credit rate methodology and the proposed updated credit rate as shown in the table below:

**Embedded Cost Demand Credit
Monthly PV Demand Credit per Kilowatt (KW)**

a	Embedded Generation Costs (per kW)	\$6.40	
b	Embedded Transmission Costs (per kW)	\$3.47	
c	Embedded G and T Costs (per kW)	\$9.87	a+b
d	Solar ELCC	50%	
e	Capacity Contribution Adjusted Total	\$4.94	c*d
f	Reduced Billed Demand Value	\$0.41	
g	Demand Credit per kW	\$4.53	e-f

Peak Period KW-hour (kWh) Credit

a	Demand Credit per kW	\$4.53	
b	Applicable Months per Year	12	
c	Annual PV Credit per kW	\$54.30	a*b
d	Total Annual Hours	8760	
e	Annual Solar PV Capacity Factor	15.90%	
f	Peak Period Solar PV Capacity Factor	7.95%	e*50%
g	Annual Peak Period Solar PV kWh per kW	696.42	d*f
h	Solar PV/ Capacity Credit per kWh	\$0.077970	c/g

2. Encourage Xcel to explore, in consultation with other parties, a Time-of-Use (TOU) pilot project for its commercial demand-metered customers with behind the meter solar installations.
3. Direct Xcel to extend the expiration date of the closed rate (A85) from April 20, 2024, to April 20, 2027.
4. The PV Demand Credit Rider will be updated using embedded generation and transmissions costs determined in the appropriate Xcel rate cases.

5. Direct Xcel to clarify the fulfillment of “enrollment” as being when a complete interconnection application is submitted for a planned project.

Commissioner Schuerger proposed amending the motion to require Xcel to make a filing update the Peak Period Solar PV Capacity Factor from 15.9% to 17.8%, which is currently used in other dockets, which would have the effect of revising the credits. Commissioner Lipschultz accepted the amendment.

The amended motion passed 5–0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: March 4, 2020

A handwritten signature in black ink, appearing to read "Will Seuffert", with a long horizontal flourish extending to the right.

Will Seuffert, Executive Secretary