

The Commission met on **Thursday, August 6, 2015**, with Chair Heydinger, and Commissioners Lange, Lipschultz, Tuma, and Wergin present.

The following matters were taken up by the Commission:

**E-001-M/-15-317**

**In the Matter of Interstate Power and Light Company's 2014 Annual Safety, Reliability, and Service Quality Report and Proposed SAIFI, SAIDI, and CAIDI Indices for 2015**

Commissioner Lipschultz moved to take the following action:

1. Accept IPL's filing in fulfillment of the requirements of Minn. R. 7826; and
2. File an informational report containing its 2015 service quality data as a compliance filing in this docket by the earlier of (i) 90 days after closing the transaction to sell its electric assets to SMEC or (ii) April 1, 2016.

The motion passed 5-0.

**G-004/M-15-390**

**In the Matter of the 2014 Annual Gas Service Quality Report Submitted by Great Plains Natural Gas Company, a Division of MDU Resources Group, Inc.**

Commissioner Tuma moved to accept the Company's Report as recommended by the Department.

The motion passed 5-0.

**G-008/M-15-421**

**In the Matter of CenterPoint Energy's 2014 Demand Side Management Financial Incentive, Conservation Improvement Program Tracker Report, and Conservation Cost Recovery Adjustment Aggregated Compliance Filing**

Commissioner Wergin moved to take the following action:

1. Approve CenterPoint's proposed 2014 DSM financial incentive of \$11,608,486 to be included in the Company's CIP tracker account no sooner than the issue date of the Commission's Order in this docket;
2. Approve CenterPoint's 2014 CIP tracker account, as summarized in Table 1 of the Department's June 25, 2015 comments;
3. Approve the Department's proposed CCRA of \$0.1021/Dth, to be effective on January 1, 2016; and

4. Approve the following bill message:

The MPUC has approved a Conservation Cost Recovery Adjustment (CCRA) factor of \$0.01021 per therm. This charge is used to fund energy conservation activities and has been added to your delivery charge, For more information please call 1-800-245-2377 or visit our website at [www.centerpointenergy.com](http://www.centerpointenergy.com).

The motion passed 5-0.

**G-004/M-15-566**

**In the Matter of the Petition of Great Plains Natural Gas Co. for Approval of a New Consumer Billing Statement Form**

Commissioner Lange moved to approve the petition.

The motion passed 5-0.

**G-004/M-14-563**

**In the Matter of a Petition by Great Plains Natural Gas Company for Approval of Changes in Contract Demand Entitlements for the 2014-2015 Heating Season Supply Plan effective November 1, 2014**

Commissioner Wergin moved to take the following actions:

1. Approve Great Plains' proposed design day method for both the South and North PGA Districts;
2. Approve Great Plains' proposed reserve margins for both the South and North PGA Districts; and
3. Approve Great Plains' proposed PGA recovery of its demand entitlement proposals for both the South and North PGA Districts.

The motion passed 5-0.

**G-007,-11/GR-10-977**

**In the Matter of the Application by Minnesota Energy Resources Corporation for Authority to Increase Rates for Natural Gas Service in Minnesota**

Commissioner Wergin moved to take the following actions:

1. Accept MERC's revenue decoupling evaluation report for 2014;

2. Accept MERC's revenue decoupling adjustment calculations and approve their implementation effective April 1, 2015;
3. Instruct MERC to file its 2015 evaluation report no later than May 1, 2016;
4. Extend MERC's decoupling pilot until such time as the Commission makes a determination as to its permanence;
5. Instruct MERC to include prefiled direct testimony in its next rate case on revenue decoupling that discusses extending revenue decoupling to all of its customer classes that explains why MERC believes including these customers in the RDM is or is not in the public interest.

The motion passed 5.0.

**G-999/AA-14-580, et al**

**In the Matter of the Review of the 2013-2014 Annual Automatic Adjustment Reports and Annual Purchased Gas Adjustment**

Commissioner Wergin moved to take the following actions:

1. Accept FYE 14 annual reports as filed by the gas utilities as being complete as to Minn. R. 7825.2390-7825.2920;
2. Require each utility that hedges (including physical and financial) to continue to provide a post-mortem analysis, in a format similar to what was provided in this docket, in subsequent AAA filings;
3. Accept Greater Minnesota Gas's FYE 14 true up as filed in Docket No. G-022/AA-14-728;
4. Allow Greater Minnesota Gas to implement its true up, as shown in DOC Attachment G5 of the Department's May 5, 2015, Review of the 2013-2014 Annual Automatic Adjustment Report (2013-2014 AAA Report);
5. Grant Great Plains variances, as necessary and justified, to Minn. R. 7820.4000 (for FYE14) and 7825.2700 (for FYE 15);
6. Accept Great Plains' 2014 FYE true-ups as filed in Docket No. G-004/AA-14-749;
7. Allow Great Plains to implement its true ups, as shown in DOC Attachments G6a and G6b of the Department's May 5, 2015, 2013-2014 AAA Report;
8. Require Great Plains to describe and report each of the FYE14 corrections as a separate line item to the beginning balance of the demand cost of gas its September 1, 2015 true-up;

9. Accept Interstate Gas' true-up filing in Docket No. G-001/AA-14-742;
10. Allow Interstate Gas to implement its true up, as shown in DOC Attachment G7 of the Department's May 5, 2015, 2013-2014 AAA Report;
11. Grant MERC variances, as necessary and justified, to Minn. Rules 7825.2920, Subp. 2 and 7820.4000;
12. Accept MERC- NNG's true-up filing in Docket No. G011/AA-14-755;
13. Allow MERC-NNG to implement its true-up as shown in DOC Attachment G8 of the Department's May 5, 2015, 2013-2014 AAA Report;
14. Accept MERC-Consolidated's FYE14 true-up as filed in Docket No. G011/AA-14-754;
15. Allow MERC-Consolidated to implement its true-up as shown in DOC Attachment G9 of the Department's May 5, 2015, 2013-2014 AAA Report;
16. Grant MERC a variance to Minn. Rule 7825.2700, subp. 7 (for the FYE15 true-up);
17. Allow MERC to adjust the September 1, 2015 true-up balance for its MERC-NNG classes that were undercharged due to the system assignment error, and the farm tap customer error in payments to NNG, by MERC;
18. Allow MERC to adjust the September 1, 2015 true-up balance for its MERC-Consolidated classes that were overcharged the system assignment error by MERC;
19. Accept CenterPoint Energy's FYE14 true up in Docket G-008/AA-14-752;
20. Allow CenterPoint Energy to implement its true up, as shown in DOC Attachment G10 of the Department's May 5, 2015, 2013-2014 AAA Report;
21. Accept Xcel Gas' FYE14 true-up in Docket No. G-002/AA-14-736;
22. Allow Xcel Gas to implement its true up, as shown in DOC Attachment G11 of the Department's May 5, 2015, 2013-2014 AAA Report;
23. Defer consideration of Xcel Energy's Capacity Utilization Program as a permanent program to Docket No. E, G-002/M-15-618 and
24. Grant Xcel an extension of time to use the accounting treatment under the Capacity Utilization Program from the date the pilot program ended through the date of the Commission Order in Docket No. E,G-002/M-15-618.

The motion passed 5-0.

Commissioner Lipschultz then moved to take the following actions:

25. Require that, for the next three AAA Reports (2014-2015, 2015-2016, and 2016-2017 reports), all Minnesota regulated natural gas utilities provide the following information on unauthorized gas use for each customer that did not comply with a called interruptions(s) during the heating season;
  - A. The volume of gas consumed by the non-compliant customer during the curtailment period;
  - B. The specific commodity rate charged for the unauthorized gas used and how that rate is determined;
  - C. the financial penalty, if any, assessed by the company on the customer, and include calculations in determining the penalty or penalties; and
  - D. A discussion about utility communication with each customer regarding non-compliance with interruptions (excluding invoices).
26. Require Greater Minnesota Gas to make a miscellaneous compliance filing, in a new docket, to update its tariff to include a \$5.00 per therm curtailment penalty within 30 days of the Commission's order; and
27. Require MERC, in its next general rate case, to update its tariff from a \$20 per dekatherm curtailment penalty to a \$50 per dekatherm penalty; and
28. Require MERC, in its next general rate case, to update its Transportation-for-Resale tariff to clarify that the end-use customers for this service are firm customers and cannot be interrupted.

The motion passed 5-0.

**E-002/M-15-515**

**In the Matter of a Petition for Approval to Share Proceeds from the Sale of Renewable Energy Credits with Customers**

Commissioner Lipschultz moved to take the following actions:

1. Approve Xcel's proposal to share the net proceeds from this sale with the following modifications:
  - A. Require the Company to deduct REC issuance fees from the proceeds before dividing profits;
  - B. Require the Company to deduct a REC acquisition cost of \$0.86/REC from the proceeds before dividing profits; and

- C. Reduce the Company's share of the net proceeds to five percent;
- 2. Direct Xcel to make a compliance filing memorialize the Commission's decisions in this docket within 30 days;
- 3. Until the Commission has approved a program for incentive-based profit sharing, continue the practice—outlined in the May 17, 2013 Order in Docket 12-1132—of determining the appropriate level (if any) of profit sharing on a sale-by-sale basis;

The motion passed 4-1 (with Commissioner Tuma voting no).

- 4. Allow the Company, after consulting with the Department of Commerce and other stakeholders, to submit a performance-based REC sales profit-sharing proposal that details the desired outcomes, necessary benchmarks, and methodology for incentive payments to the Company. This incentive program should:
  - A) Protect ratepayers from increased costs of replacement RECs;
  - B) Lead to increased sales of RECs at or above defined price points;
  - C) Have clear benchmark measurements regarding minimum price and volume of REC sales before the Company may obtain profit-sharing; and
  - D) Clearly develop compliance filing and reporting requirements with both the Department and Commission, if necessary to buy replacement RECs.

Once submitted, the Commission will take comments on the proposal.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: September 9, 2015**



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**Daniel P. Wolf, Executive Secretary**