

The Commission met on **Thursday, March 8, 2018** with Chair Lange and Commissioners Lipschultz, Schuerger, Sieben, and Tuma present.

The following matters were taken up by the Commission:

**E-002,ET-6675/CN-17-184**

**In the Matter of the Application of Xcel Energy and ITC Midwest LLC for a Certificate of Need for the Huntley-Wilmarth 345 kV Transmission Line Project**

Commissioner Tuma moved that the Commission:

1. Accept the application as complete.
2. Refer the matter to the Office of Administrative Hearings for a contested case proceeding. Require a prehearing conference at a date, time, and place to be set by the administrative law judge in consultation with Commission staff.
3. Approve joint hearings and combined environmental review of the certificate of need and route proceedings.
4. Delegate administrative authority to the Executive Secretary and include the following additional items in the appropriate orders issued in this matter:
  - a. provide the name, telephone number, and email address of the staff person designated as public advisor, Charley Bruce, to facilitate citizen participation in the process.
  - b. request that the Department continue to study issues and indicate during the hearing process its position on the reasonableness of granting a certificate of need.
  - c. require the Companies to facilitate in every reasonable way the continued examination of the issues by the Department and Commission staff.
  - d. require the Companies to place a copy of the application (print and/or electronic) for review in at least one government center or public library in each county where the proposed transmission line project is located.
  - e. Direct Commission staff to work with the Administrative Law Judge and the staff of the Department in selecting a suitable location for the public hearings on the application.
5. Vary the time period of Minn. R. 7849.0200, subp. 5, to extend the 30-day time limit for a Commission decision on application completeness.

6. Vary the time period of Minn. R. 7849.1400, subp. 3, to extend the 40-day time limit for the Department to conduct a public meeting.

The motion passed 5-0.

**E-002, ET-6675/TL-17-185**

**In the Matter of the Application of Xcel Energy and ITC Midwest LLC for a Route Permit for the Huntley-Wilmarth 345 kV Transmission Line Project**

Commissioner Lange moved that the Commission:

1. Accept the application as complete.
2. Refer the matter to the Office of Administrative Hearings for contested case proceedings, requesting in the referral order that the following items be incorporated into the existing procedural framework:
  - a. request that the Administrative Law Judge emphasize the statutory timeframe for the Commission to make final decisions on applications and to strongly encourage the parties and participants to adhere to a schedule that conforms to the statutory timeframe.
  - b. Direct Commission staff to formally contact relevant state agencies to request their participation in the development of the record and at public hearings under Minn. Stat. § 216E.10, subd. 3, and request that state agencies submit comments prior to the last day of the public hearing.
  - c. Request that the Administrative Law Judge ask the parties, participants, and the public to address whether the proposed project and any alternatives to the proposed project meet the selection criteria established under Minn. Stat. § 216E.03, subd. 7, and Minn. R. 7850.4100.
  - d. Request that prior to the public hearing, the Department submit to the Administrative Law Judge its comments and analysis on the relative merits of the route alternatives using the selection criteria under Minn. Stat. § 216E.03, subd. 7, and Minn. R. 7850.4100, and based on the record at that point, its environmental impact statement; evidence of compliance with environmental review procedures; and recommended permit language or specific provisions relative to permissible routes.
  - e. Request that the Administrative Law Judge prepare a report setting forth findings, conclusions, and recommendations on the merits of the proposed project, alternatives to the proposed project, and a preferred route alternatives, applying the routing criteria set forth in statute and rule; and provide comments and recommendations, if any, on the conditions and provisions of the proposed permit.

3. Request that the Department present draft route alternatives to facilitate Commission input to the Department on the scope of the environmental impact statement prior to its issuance.
4. Appoint the Commission's public advisor in this matter.
5. Authorize the Department to establish an advisory task force consistent with the Department's proposed structure and charge for the task force.

The motion passed 5–0.

**E-217,109/SA-18-32**

**In the Matter of the Joint Request of the Water and Light Department d/b/a Brainerd Public Utilities and Crow Wing Power for approval to Modify Electric Service Territory Boundaries**

Commissioner Schuerger moved that the Commission:

Approve the permanent service territory transfer from Crow Wing Power Company to Brainerd Public Utilities. MnGEO should update the Commission's maps to reflect the service area designation as shown on the map in the petition.

The motion passed 5-0.

**G-004/M-17-858**

**In the Matter of the Petition of Great Plains Natural Gas Co., a Division of MDU Resource Group Inc., for Approval to Modify the Timing of its Annual Gas Utility Infrastructure Cost Report**

Commissioner Lipschultz moved that the Commission approve Great Plains' proposal to change the timing of its annual GUIC Report as follows:

By April 15 of each year, the true-up calculations must be filed using actual costs and tracker revenue for the twelve-months ending the preceding December 31, with the corresponding GUICCCC rate adjustment to be effective upon Commission approval but not before 150 days after the April filing.

The motion passed 5-0.

**G-008/M-17-533**

**In the Matter of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas' Request for Change in Demand Units**

Commissioner Schuerger moved that the Commission approve CenterPoint's proposed level of demand entitlement and proposed recovery of associated demand costs effective November 1, 2017 and accept the design-day level proposed by CenterPoint.

The motion passed 5-0.

**E-015/D-17-118**

**In the Matter of Minnesota Power's 2017 Remaining Life Depreciation Petition**

Commissioner Lipschultz moved that the Commission:

1. Approve the proposed remaining lives and salvage rates (including the proposed life extension for the Hibbard Renewable Energy Center) for all of Minnesota Power's production plants and general plant accounts, except for the remaining lives proposed for the Boswell Energy Center.
2. Approve remaining lives of six years as of January 1, 2017, for Boswell Units 1 and 2, based on a retirement year of 2022.
3. Approve a remaining life of 34 years for Boswell Units 3 and 4 and the common facilities, based on a depreciation schedule that extends to 2050. Consistent with the Commission's decision in GR-16-664, the extension of the accounting life of Units 3 and 4 does not extend the service or operational life of these facilities.
4. Require Minnesota Power to include in future depreciation filings a comparison of the remaining lives used in its depreciation filing to the operating lives used in the Company's most recent integrated resource plan and explain any differences.
5. Require Minnesota Power to make a compliance filing to report either (a) the journal entries associated with the sale of its aircraft and the Company's proposed treatment of any associated gain or loss, or (b) Minnesota Power's plans if it decides not to sell its aircraft
6. Require Minnesota Power to make its next depreciation filing on or before September 3, 2018 to establish depreciation parameters and rates to be effective January 1, 2018.

The motion passed 5-0.

**G-011/GR-17-563**

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

Commissioner Lipschultz moved to take the following actions:

1. Accept MERC's proposed downward reduction to interim rates based on its 2016 revenue deficiency (Docket No. 15-736) and authorize MERC to implement revised interim rates for service rendered on and after April 1, 2018 (downward adjustment of \$2.476 million);
2. Authorize MERC to issue a combined notice on or after April 1, 2018 for the adjusted interim rates and the public hearings;
3. Require MERC to continue collecting the approved adjusted interim rates as a uniform percent interim-rate adjustment to the base-rate portion of customer bills. MERC shall display the interim rate increase on customer bills using a single, line-item interim-rate adjustment;
4. Require MERC to file with the Commission and the Department of Commerce, Division of Energy Resources adjusted interim rate tariff sheets and supporting documentation reflecting the decisions made herein. This filing shall include the notice to customers, approved by the Executive Secretary, regarding the rate change under the new, revised, and lower interim-rate schedule;
5. Require MERC to keep such records of sales and collections under interim rates as are necessary to compute a potential refund. Any refund shall be made in a manner approved by the Commission within 120 days of the effective date of the Commission's final order;
6. Require MERC to include with each customer's first bill under the adjusted interim-rate schedule a notice of the rate change, approved by the Executive Secretary, and to submit a filing certifying its compliance with this requirement as soon as compliance is complete.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: May 16, 2018**

A handwritten signature in black ink that reads "Daniel P. Wolf". The signature is written in a cursive, flowing style.

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**Daniel P. Wolf, Executive Secretary**