

The Commission met on **Thursday, September 17, 2015**, with Chair Heydinger and Commissioners Lange, and Wergin present.

The following matters were taken up by the Commission:

The Minutes are corrected as shown in red below.

TELECOMMUNICATIONS AGENDA

DOCKET NO. P-999/PR-15-8

In the Matter of Annual Certifications Related to Eligible Telecommunications Carriers' Use of Federal Universal Service Support

Commissioner Wergin moved that the Commission:

Certify that all the petitioning ETCs, except Dunnell, have used high-cost support received in 2014, and will use high-cost support received in the coming calendar year 2016 only for the provision, maintenance, and upgrading of facilities and services for which the support is intended; and

Certify that Dunnell, as indicated by the parent company, KCL Enterprises, in their Commission appearance, and contingent on submission of the CPA letter by September 30, will use high-cost support received in the coming calendar year 2016 only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

The motion passed 3-0.

Chair Heydinger moved that the Commission direct Dunnell, if it is unable to file the CPA letter by September 30, 2015 and subsequently comes to full compliance, follow the following schedule for future filing:

For Commission certification on or before	Dunnell filing date on or before
January 1, 2016	December 1, 2015
April 1, 2016	March 1, 2016
July 1, 2016	May 1, 2016

The motion passed 3-0.

ENERGY AGENDA

ET-2/TL-15-628

In the Matter of the Application of Great River Energy for a Route Permit for the Bull Moose 115 kV Transmission Line in Cass County, Minnesota

Commissioner Lange moved that the Commission:

1. Accept the route permit application as complete.
2. Direct use of the summary report review process to develop the record for the route permit and request that the Office of Administrative Hearings compile a summary report of the comments received regarding the route permit application.
3. 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 the public advisor (Tracy Smetana) 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 route permit.
 - c. require GRE to facilitate in every reasonable way the continued examination of the issues raised by the Department and Commission staff.
 - d. require GRE to place a copy of the application (printed or compact disc) 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 hearing on the application.
 - f. direct GRE to work with Commission staff to arrange for publication of the notice of hearings in newspapers of general circulation at least ten days prior to the hearing, that such notice be in the form of visible display ads, and that proof of publication be obtained from the newspapers selected.
4. Take no action on an advisory task force at this time.
5. Vary the time period of Minn. R. 7850.3700, subp. 3, for good cause, to extend the 10-day time limit for the Department to issue its scoping decision (to allow for the seven-day, or longer, Commission review).

The motion passed 3-0.

IP-6949/GS-15-620

In the Matter of Mankato Energy Center II, LLC's Application for a Site Permit of the 345 MW Expansion of the Mankato Energy Center

Commissioner Wergin moved that the Commission:

1. Accept the application as substantially complete and authorize review under the alternative permitting process detailed in Minn. Stat. § 216E.04 and Minn. R. 7850.2800 to 7850.3900.
2. Designate Tracy Smetana of the Commission staff to serve as the public advisor.
3. Take no action on an advisory task force at this time.
4. Request that an Administrative Law Judge from the Office of Administrative Hearings be appointed to preside over the public hearing.
5. Request preparation of a summary report.
6. Grant a variance to Minn. R. 7850.3700, subp. 3, to vary the 10-day timeline.
7. Request that the EERA present draft site and route alternatives to the Commission for its input prior to the issuance of the final scoping decision by the Commissioner of the Department of Commerce.
8. Find that no additional sites will be added by the Commission for inclusion in the Environmental Assessment scoping decision.
9. Delegate administrative authority to the Executive Secretary, including the authority to establish or vary time periods as provided under Minn. R. 7829.3100.
10. Direct staff to formally contact relevant state agencies to request their participation in the development of the record and in public hearings under Minn. R. stat § 216E.10, subd. 3, and request that state agencies submit comments prior to the last day of the public hearing.
11. Require Mankato Energy Center to place a printed and electronic copy of the application and supplements in at least one government center or public library in each city where the proposed project is located.

The motion passed 3-0.

IP-6687/CN-08-951

In the Matter of the Certificate of Need for the Flat Hill Windpark I Project in Clay County

IP-6687/WS-08-1134

In the Matter of the Large Wind Energy Conversion Site Permit for the Flat Hill Windpark I Project in Clay County

Chair Heydinger moved to take the following actions:

1. Postpone a decision on whether to amend the site permit and within 120 days require Flat Hill Windpark I, LLC to:
 - a. Request a Natural Heritage Inventory System (NHIS) review within 20 days of this order and provide the results to the Commission within 20 days of receipt of the information from the DNR, including a report detailing any changes from the original NHIS review;
 - b. Provide information on any avian and bat studies performed since the last extension;
 - c. Provide information on anticipated turbine design; and
 - d. Provide an updated preliminary turbine layout and associated environmental information based on the most current data available.

The Commission's decision is premised on Flat Hill's representations that it will, if a permit amendment is ultimately granted,

- a. Incorporate EFP staff's recommended permit amendments;
 - b. Incorporate DOC EERA's permit amendments as further modified by staff; and
 - c. Incorporate further permit modifications necessary to ensure consistency with recently issued permits.
2. Vary Minn. R. 7849.0400, subp. 2(H), which requires the Commission consider the request for the change in size, type, and timing within 45 days of the petition.

The motion passed 2–1. Commissioner Wergin voted against the motion.

E-002/M-15-650

In the Matter of the Petition by Xcel Energy for Approval of an Amendment to a Solar*Rewards Customer Contract with Murphy Warehouse

Commissioner Lange moved to take the following actions:

1. Approve the amendment to the Minnesota Solar*Rewards (S*R) customer contract and addendum to the S*R contract with Murphy Warehouse.
2. Permit Xcel to proceed with amended S*R customer contracts 32 days after they are filed with the Commission if all three of the following conditions exist:
 - a. The filing amends a first- or second-generation S*R contract;
 - b. The filing includes a red-lined version showing the changes to the standard contract;
 - c. No objection or intent to object is filed within 30 days of the filing.

The motion passed 3–0.

G-022/M-15-285

In the Matter of a Petition by Greater Minnesota Gas Company for Approval of Changes in Contract Demand Entitlements for the 2015-2016 Heating Season Supply Plan

Commissioner Wergin moved that the Commission take the following actions:

1. Approve GMG’s propose level of demand entitlements, subject to any possible changes in anticipated entitlements between the filing of the Department’s Response Comments and November 1, 2015, as shown in GMG’s petition;
2. Approve GMG’s proposed short-term firm contract with NNG, and associated cost recovery through the monthly Purchased Gas Adjustment, for the month of July 2015, as described in GMG’s June 23, 2015 letter;
3. Allow GMG to recover associated demand entitlement costs through the monthly Purchased Gas Adjustment effective November 1, 2015;
4. In future AAA reports, beginning September 1, 2016, GMG should attempt to match any under-or over-recoveries of storage costs as equitably as possible to the customer classes that use this gas and explain fully how GMG has accomplished this; and
5. Require GMG to file an informational letter (or an amended 2015-2016 demand entitlement petition if it proposes additional changes to its entitlements) on or before November 1, 2015, indicating the total number of actual new customers that started taking service in 2015. GMG’s filing should also include a revised estimate of its reserve margin for the 2015-2016 heating season.

The motion passed 3-0.

G-008/M-15-307

In the Matter of the Application of CenterPoint Energy's Gas Affordability Program 2014 Annual Compliance Report

G-002/M-15-314

In the Matter of the Application of Xcel Energy's Gas Affordability Program 2014 Annual Compliance Report

G-011/M-15-308

In the Matter of Minnesota Energy Resources Corporation's Gas Affordability Program 2014 Annual Compliance Report

G-004/M-15-306

In the Matter of the Application of Great Plains' Natural Gas Company, a Division of MDU Resources Group, Inc.'s Gas Affordability Program 2014 Annual Compliance Report

G-004/M-15-309

In the Matter of the Application of Interstate Power and Light Company's Gas Affordability Program 2014 Annual Compliance Report

G-001/M-15-315

In the Matter of the Application of Greater Minnesota Gas Incorporated's Gas Affordability Program 2014 Annual Compliance Report

Commissioner Heydinger moved that the Commission take the following actions:

1. Accept the calendar-year GAP annual compliance reports for all dockets; and
2. Require each Company to include in its next Annual Compliance Report an explanation of why it does not assess the GAP surcharge against Interruptible Sales and Transportation customers, a proposal evaluating cost allocation methods for its GAP program, and the recalculated surcharge for various alternatives if Interruptible Sales and Transportation customers were included.

The motion passed 3-0.

Commissioner Wergin moved that the Commission take the following actions with respect to Greater Minnesota Gas:

1. Require the Company to extend its pilot GAP Program for a period of one year (until December 31, 2016);
2. Require the Company to file an updated tariff, within 10 days of the Commission's order in this matter, to reflect the revised term of the Program;

3. Require the Company to provide accurate and up-to-date information about its program on its website within 10 days of the Commission's order in this matter, and on an ongoing basis, and to demonstrate in its next annual GAP compliance report how it has complied with the statutory requirement that it coordinate the program with other available low-income bill payment assistance and conservation resources;
4. Require the Company to file its next evaluation report no later than June 1, 2016;
5. Find that the Company failed to comply with the Commission's Order of November 26, 2014, directing the company to file revised tariff sheets within 10 days of the Order to reflect the one-year extension of the Program; and
6. Find that the Company failed to submit its proposed GAP modifications within 90 days, as represented in its May 1, 2015 Reply Comments.

The motion passed 3-0.

G-001/M-15-540

In the Matter of the Petition of Interstate Power and Light Company for Approval of 2015 Evaluation of its Gas Affordability Program

Commissioner Heydinger moved that the Commission accept Interstate Power and Light Company's 2015 gas evaluation report.

The motion passed 3-0.

G-011/M-15-539

In the Matter of Minnesota Energy Resources Corporation's (MERC) 2015 Evaluation of its Gas Affordability Program

Commissioner Wergin moved to take the following actions:

- 1) Accept MERC's evaluation of its pilot Gas Affordability Program;
- 2) Maintain the Company's six percent of income credit component;
- 3) Maintain the Company's arrearage forgiveness component and allow the arrearage to be extinguished over a twenty-four month cycle;
- 4) Allow the Company to continue to require the Customer to pay the entire amount due on the current portion of the monthly gas bill after application of the percentage of income credit and require the Company to modify its tariff to accurately describe the application of the credit;

- 5) Allow MERC to correct the methodology regarding the treatment of the regulatory asset and the effect it has on the GAP tracker balance retroactive to January 1, 2012;
- 6) Allow the Company to reduce the annual Gas Affordability Program budget to \$750,000 annually;
- 7) Authorize the Company to recover the projected tracker balance over four years, plus the \$750,000 proposed annual budget through a revised per therm rate of \$0.00 per therm;
- 8) Set the carrying charge equal to the currently approved cost of MERC's short term debt and require MERC to update the cost of short term debt to reflect any decisions made in a future rate case;
- 9) Authorize MERC to continue its pilot Gas Affordability Program for an additional four years, through December 31, 2019, and require an evaluation of the Program to be submitted by May 31, 2019 and annual reports submitted by March 31 of each year;
- 10) Order the effective date to be set at the first of the month following the issuance of the Commission's order;
- 11) Require MERC to submit revised tariff sheets that reflect the Commission's decision in this docket within ten days of the Commission issuing its order; and
- 12) Require MERC to notify its customers of any authorized changes in the affordability program and the affordability surcharge and require MERC to submit copies to the Commission, in MERC's ten-day compliance filing, of any materials (e.g., bill inserts, customer notices, bill messages, call center phone scripts) explaining the changes in the affordability program and surcharge to customers.

The motion passed 3-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: October 28, 2015



Daniel P. Wolf, Executive Secretary