

The Commission met on **Thursday, June 1, 2017**, with Chair Lange and Commissioners Lipschultz, Schuerger, Sieben, and Tuma present.

The following matters were taken up by the Commission:

### **ENERGY FACILITIES PLANNING AGENDA**

#### **IP-6979/WS-17-265**

#### **In the Matter of the Application of Palmer's Creek Wind Farm, LLC for a Large Wind Energy Conversion System Site Permit for the 44.6 MW Palmer's Creek Wind Project in Chippewa County**

Commissioner Lipschultz moved to take the following actions:

1. Accept the site permit application as substantially complete.
2. Request that an administrative law judge from the Office of Administrative Hearings preside over the hearing and
  - a. conduct the public hearing in accordance with Minn. R. 7850.3800, subp. 2 to 4, and as the administrative judge determines appropriate, Minn. R. 1405.0500; 1405.0600; 1405.0800; 1405.1900; and 1405.2200;
  - b. direct that intervention as a party is not required. Parties to the proceeding are the Department of Commerce and the Applicant. Other persons may participate as public participants or as otherwise prescribed;
  - c. direct that state agencies participate in accordance with Minn. Stat. § 216E.10, subd. 3;
  - d. establish the types of filings necessary to facilitate proper record development (e.g., testimony, briefs, reply briefs, proposed findings and site permit recommendations) and a schedule for submitting those filings through the scheduling of a prehearing conference in accordance with Minn. R. 1405.1100, as determined appropriate;
  - e. emphasize the statutory time frame for the Commission to make final decisions on the application and encourage the applicant and others to adhere to a schedule that conforms to the statutory timeframe;
  - f. ask the applicant and others to address whether the proposed LWECs project meets the criteria established under Minnesota Statutes chapter 216F and Minnesota Rules chapter 7854;

- g. prepare a report setting forth findings of fact, conclusions of law, and recommendations on the merits of the LWECS site permit application, and provide recommendations, if any, on conditions and provisions of the proposed site permit; and
  - h. direct that the hearing record be maintained through the Commission's electronic e-Dockets filing system.
- 3. Delegate administrative authority, including timing issues, to the Executive Secretary.
- 4. Adopt the administrative items necessary to facilitate the review process as included on pages 6–7 of Commission staff's May 24, 2017 briefing paper.
- 5. Provide the name, telephone number, and email address of the Commission's public advisor who will to facilitate citizen participation in the process: Kevin George, (651) 201-2251, publicadvisor.puc@state.mn.us.
- 6. Request that the Department continue to study the issues and indicate during the hearing process through testimony or comment its position on the reasonableness of granting a site permit.
- 7. Require the Applicant to facilitate in every reasonable way the continued examination of the issues requested by the Department and Commission staff.
- 8. Require the Applicant to place a print or electronic copy of the site permit application in the government center or public library located closest to the proposed project site.
- 9. Direct that the Applicant work with Commission staff and the administrative law judge to arrange for publication of the notice of hearing 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.
- 10. Direct that all notice requirements in these matters provided for under Minnesota Statutes chapter 216F and Minnesota Rules chapter 7854 include delivery to all affected landowners. An affected landowner is any landowner or designee that is within or adjacent to the proposed LWECS site boundary.
- 11. Vary Minn. R. 7854.0600, subp. 1, and extend the 30-day time frame for Commission decision on application completeness.
- 12. Vary Minn. R. 7854.0800, subp. 1, and extend the 45-day time frame for Commission decision on the issuance of a draft site permit.

The motion passed 5–0.

**ET-6/TL-16-327**

**In the Matter of the Application of Minnkota Power Cooperative Inc. for a Route Permit for the MPL-Laporte 115 kV Transmission Line Project in Clearwater and Hubbard Counties, Minnesota**

Chair Lange moved to take the following actions:

1. Approve and adopt the ALJ's Findings of Fact and Conclusions for the MPL-Laporte 115 kV transmission Line Project which include the modifications proposed by the EERA;
2. Find that the environmental assessment and the record address the issues identified in the environmental assessment scoping decision;
3. Issue the proposed HVTL route permit with appropriate conditions to Minnkota Power Cooperative, Inc. for the Applicant's proposed route; and
4. Require the site permit to include the mitigation measures and conditions contained in the generic site permit template including the modifications proposed by Minnkota and Commission staff and a special condition to address the MPCA concern regarding the Clean Water Act Section 401 requirement; and Authorize Commission staff to make further findings of fact or permit modifications necessary to ensure consistency with the record and recently issued permits.

The motion passed 5-0.

**ENERGY AGENDA**

**E-015/D-17-114**

**In the Matter of Minnesota Power's Petition for 2017 General Plant Depreciation Rates**

Commissioner Sieben moved to take the following actions:

1. Approve MP's 2017 General Plant depreciation petition; and
2. Require MP to file its next general plant depreciation petition by May 1, 2022.

The motion passed 5-0

**E-015/S-17-142**

**In the Matter of the Petition of Minnesota Power under Minnesota Statutes Section 216B.49 for Approval of its Capital Structure and Authorization to Issue Securities**

Commissioner Schuerger moved to take the following actions:

1. Approved ALLETE's 2017 proposed capital structure. This approval will remain effective until the latter of May 1, 2018 or the date at which the Commission issues a new capital structure Order;
2. Approved ALLETE's equity ratio contingency of plus/minus 10 percent around its 2017 proposed equity ratio. Equity ratios outside this range may not exceed a period of 60 days without Commission approval;
3. Approved ALLETE's total capitalization contingency of \$417 million above its 2017 total capitalization. ALLETE may not exceed its total capitalization including the requested contingency of \$417 million for a period longer than 60 days without prior Commission approval;
4. Allowed MP to issue any securities in 2017 that would not result in an equity ratio outside the proposed range or a total capitalization exceeding its proposed cap for more than 60 days;
5. Required MP to obtain prior approval for the issuance of any securities in 2017 that would result in an equity ratio outside the approved range or a total capitalization exceeding its approved cap for more than 60 days.
6. Required MP to provide, within 20 days after each non-recurring issuance of securities, the following information:
  - a. The specific purposes for the individual issuances;
  - b. The type of issuances;
  - c. The timing of issuances;
  - d. The amounts of issuances;
  - e. Issuance costs (for common equity issuances, include price per share); and
  - f. Interest rates.

7. Required MP to provide, in its next capital structure filing, an exhibit showing a general projection of capital needs, projected expenditures, anticipated sources, and anticipated timing, with the understanding that such exhibit is not intended to require dollar-for-dollar on the uses identified in the exhibit or to limit the issuances to project-specific financing. The exhibit need not list short-term security issuances.
8. Required MP to provide, in its next annual capital structure filing, a report of actual issuances and uses of the funds from the prior year. The report will be for information purposes only and need not cover short-term security issuances.
9. Required MP to provide in its next annual capital structure filing a schedule comparing its actual capital investments in the past year with the capital investments projected by MP in its previous capital structure filing.
10. Required MP to provide in its next annual capital structure filing the Company's investment plan not only for the next year, but for at least the next five years.
11. Approved MP's request for a variance to allow it to treat any loan under its multiyear credit facility as a short-term debt and require MP to report on its use of such facilities including:
  - How often they are used;
  - The amount involved;
  - Rates and financing costs; and
  - The intended uses of the financing.
12. Required MP to file its request for approval for its 2018 securities issuances no later than March 1, 2018.
13. Clarified that approval of securities issuance and the resulting capital structure, within this proceeding, is not a determination of the appropriate capital structure for ratemaking purposes.

REGARDING POTENTIAL CORPORATE RESTRUCTURING EFFECT ON CREDIT RATINGS:

1. Required MP to keep the Commission informed in a timely manner of any corporate restructuring; and
2. Required MP to keep the Commission informed in a timely manner of any rating agency action.

The motion passed 5-0.

**G-004/M-15-645**

**In the Matter of Great Plains' 2015-2016 Demand Entitlement Filing**

**G-004/M-16-557**

**In the Matter of Great Plains' 2016-2017 Winter Heating Demand**

Commissioner Tuma moved to take the following actions:

G-004/M-15-645

1. Approved Great Plains' peak-day analysis; and
2. Approved Great Plains' proposed level of demand entitlements effective November 1, 2015.


G-004/M-16-557

1. Accepted Great Plains' proposed design-day method for the South and North Districts;
2. Required Great Plains, in its future demand entitlement filings, to check the regression models it ultimately uses for autocorrelation, and correct the models if autocorrelation is present; and
3. Approved Great Plains' proposed level of demand entitlement and proposed recovery of associated demand costs effective November 1, 2016.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: June 21, 2017**



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**Daniel P. Wolf, Executive Secretary**