

The Commission met on **Thursday, August 21, 2014**, with Acting Chair Boyd and Commissioners Lipschultz and Wergin present.

The following matters came before the Commission:

ENERGY AGENDA

IP-6629/WS-07-297

In the Matter of the Application of Bear Creek Wind Partners, LLC, for a Large Wind Energy Conversion System Site Permit for the Bear Creek Wind Project in Todd and Otter Tail Counties

Commissioner Lipschultz moved that the Commission revoke the Bear Creek Wind Partners, LLC, site permit issued by the Commission on May 19, 2009, and amended on September 28, 2011, for an up to 47.5 Megawatt Large Wind Energy Conversion System in Otter Tail and Todd Counties.¹

The motion passed 3 – 0.

E-6929/GS-14-515

In the Matter of the Site Permit Application for the 100 MW Aurora Distributed Solar Energy Project at Multiple Facilities in Minnesota

Commissioner Wergin moved to do the following:

1. Find the application complete and accept the application.
2. Appoint a Commission staff person as public advisor.
3. Take no action on an advisory task force at this time.
4. Extend the deadline for a final decision under Minnesota Rules part 7850.3900, subpart 1, by three months as proposed by the Minnesota Department of Commerce, Energy Environmental Review and Analysis division.
5. Refer the matter to the Office of Administrative Hearings (OAH) for a summary proceeding, requesting in the order that the OAH adapt the existing procedural framework set forth in Minnesota Rules part 7850.3800 to incorporate the following:

¹ The original language -- “Otter Tail and Dodge Counties” – corrected to “Otter Tail and Todd Counties.”

- A. Request that the administrative law judge assigned to the matter emphasize the statutory time frame 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 time frame.
 - B. 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 in Minnesota Statutes § 216E.03, subdivision 7, and Minn. R. 7850.4100.
 - C. 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 site alternative, applying the siting criteria set forth in statute and rule; and provide comments and recommendations, if any, on the conditions and provisions of the proposed permit.
6. Direct Commission staff to formally contact relevant state agencies to request their participation in the development of the record and public hearings under Minnesota Statutes § 216E.10, subdivision 3, and request that state agencies submit comments prior to the last day of the public hearing

The motion passed 3 - 0.

E,G-001/AI-14-350

In the Matter of the Petition of Interstate Power and Light Company's (IPL) for Approval of a Modification to Agreements with Affiliates Related to the Sale of Accounts Receivable

This item was removed from the Commission's agenda.

PL-6580/M-14-578

In the Matter of the Petition by Greater Minnesota Transmission, LLC (GMT or the Company) for Approval of a Firm Gas Transportation Agreement (Agreement) with West Central Ag Services (West Central)

Commissioner Wergin moved to approve the firm gas transportation agreement as filed.

The motion passed 3 – 0.

E-111/GR-14-482

In the Matter of the Application by Dakota Electric Association for Authority to Increase Rates for Electric Service in Minnesota

Commissioner Wergin moved to do the following:

1. Accept Dakota Electric Association's filing as being in proper form and substantially complete as of July 2, 2014.
2. Suspend the proposed final rates until the Commission makes its final determination in this matter, and allow this case to proceed on a ten-month timeline.
3. Refer this matter to the Office of Administrative Hearings. Request the Administrative Law Judge's report and recommendation on or before May 1, 2015 or, if the deadline for the Commission's decision is extended beyond ten months plus sixty days at any point during this proceeding for any reason (e.g. settlement discussions, waiver, etc.), at least two months before the extended deadline for the Commission's decision.
4. Find that the following issues require development of a complete record in this case:
 - A. The standard rate case issues:
 - 1) Is the test year revenue increase sought by Dakota Electric Association reasonable or will it result in unreasonable and excessive earnings?
 - 2) Is Dakota Electric Association's proposed rate design reasonable?
 - 3) Are the capital structure, cost of capital and return on equity proposed by Dakota Electric Association reasonable?
 - B. Request parties to address and provide schedules and supporting documentation in the development of this record to show the matching of power cost revenue to power cost expense in the pro forma test year financial schedules.
5. Set interim rates to be effective for service rendered on and after August 31, 2014.
6. Grant Dakota Electric Association's request to waive its right under the statute to put interim rates into effect on August 31, 2014 and authorize the utility to implement interim rates for service rendered on and after September 11, 2014 (on bills rendered starting in October 2014).
7. Find that exigent circumstances exist and do not require Dakota Electric Association to apply the capital structure and cost of capital required by the interim rate statute (Minn. Stat. § 216B.16, subd. 3(b)), when determining the interim rate increase in this rate case. Approve an interim rate increase of \$2,982,432.
8. Approve Dakota Electric Association's proposed method of applying the interim rate increase.
9. In the Notice and Order for Hearing, require the following:

- A. The order will be served on the Company, which shall mail copies of the order to all municipalities, counties, and local governing bodies in its Minnesota service area.
- B. Public hearings shall be held in this matter at locations within the service area of the Company.
- C. Dakota Electric Association shall give the following notices of the evidentiary and public hearings:
 - 1) Individual written notice to each customer, which may be in the form of a bill insert, and shall be served at least ten days before the first day of hearings.
 - 2) Written notice to the governing bodies of all municipalities, counties, and local governing bodies in the area affected and to all parties in Dakota Electric Association's last two rate cases. These notices shall be mailed at least ten days before the first day of hearings.
 - 3) Display advertisements in legal newspapers of affected counties and other newspapers of general circulation within Dakota Electric Association's Minnesota service area. These advertisements shall appear at least ten days before the first day of hearings. They shall include the heading **RATE INCREASE NOTICE**, which shall appear in bold face type no smaller than 30 points.
 - 4) Dakota Electric Association shall submit proposed notices for Commission approval prior to publication or service.

10. In the Order Setting Interim Rates require the following:

- A. Order Dakota Electric Association to file with the Commission and the Department of Commerce-Division of Energy Resources interim rate tariff sheets and supporting documentation reflecting the decisions herein. The utility's filing should also include the notice to customers, approved by the Executive Secretary, regarding the rate change under the interim rate schedule,
- B. Order Dakota Electric Association to keep such records of sales and collections under interim rates as would be necessary to compute a potential refund. Any refund should be made within 120 days of the effective date of the Commission's final order in a manner approved by the Commission.
- C. Order Dakota Electric Association to include with each customer's first bill under the interim rate schedule a notice of the rate change, approved by the Executive Secretary. Upon completion of this task, the utility shall certify this fact to the Commission.

11. Delegate authority to approve notices, bill inserts, and bill format to the Commission's Executive Secretary for the duration of this proceeding.

The motion passed 3 – 0.

E-015/M-14-155

In the Matter of a Petition for Approval of an Electric Service Agreement Between Mesabi Nugget and Minnesota Power

E-015/M-14-166

In the Matter of Minnesota Power's Erie Mine Site Service Schedule

Commissioner Lipschultz moved to do the following:

1. Approve Minnesota Power's Petition for approval of an amended and restated Electric Service Agreement (ESA).
2. Approve Minnesota Power's petition for approval of modifications to its Erie Mine Site Service (EMSS) Schedule.
3. Grant the variance for the EMSS Schedule and the Mesabi Nugget ESA effective dates which will allow Minnesota Power to rebill Mesabi Nugget retroactive to January 1, 2014, under the amended EMSS Schedule.

The motion passed 3 – 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: January 14, 2015



Daniel P. Wolf, Executive Secretary