

The Commission met on **Thursday, April 8, 2021**, with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

**IP-7039/CN-20-646**

**In the Matter of the Applications of Louise Solar Project, LLC for a Certificate of Need for the 50 MW Louise Solar Project in Mower County, Minnesota**

**IP-7039/GS-20-647**

**In the Matter of the Applications of Louise Solar Project, LLC for a Site Permit for the 50 MW Louise Solar Project in Mower County, Minnesota.**

Chair Sieben moved that the Commission take the following actions:

1. Accept the certificate of need application as substantially complete.
2. Direct that the certificate of need application be reviewed using the informal review process under Minn. R. 7829.1200.
3. Accept the site permit application as substantially complete and authorize review under the alternative permitting process defined in Minn. Stat. § 216E.04 and Minn. R. 7850.2800 to 7850.3900.
4. Approve joint public meetings, joint public hearings, and combined environmental review of the certificate of need and site permit applications to the extent practical.
5. Request that the Energy, Environmental, Review and Analysis staff at the Department of Commerce (EERA) prepare an environmental assessment in lieu of an environmental report pursuant to Minn. R. 7849.1900.
6. Take no action on an advisory task force.
7. Appoint an administrative law judge (ALJ) to serve as the hearing examiner and request preparation of a summary report in general adherence to the timelines suggested by the EERA as shown in Table 1 of the EERA's March 8, 2021 comments.
8. Appoint an ALJ to serve as the hearing examiner and request preparation of findings of fact, conclusions of law, and recommendation of a preferred site and permit conditions. Request that the ALJ determine the schedule for any testimony and post-hearing brief in consultation with interested parties, as necessary.
9. Delegate administrative authority, including timing issues, to the Executive Secretary.

10. Identify Michael Kaluzniak as the Commission's public advisor who will facilitate citizen participation in the process.
11. Request the Department of Commerce, Division of Energy Resources (the Department) and the EERA 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.
12. Require the applicant to facilitate in every reasonable way the continued examination of the issues requested by the Department and the EERA and Commission staff.
13. Require the applicant to place a copy of the certificate of need and site permit applications in the government center or public library located closest to the proposed project site.
14. Direct the applicant to work with Commission staff and Department staff to arrange for publication of the notices related to public information meetings and public hearings in newspapers of general circulation under the timelines prescribed in rule and statute, that such notice be in the form of visible display ads, and that proof of publication be obtained and provided to Commission staff.
15. Authorize Commission staff to file a sample site permit to the docket of this case.
16. Grant a variance to Minn. R. 7849.0200, subp. 5, to extend the 30-day timeline.

The motion passed 5—0.

**G-011/M-20-833**

**In the Matter of the Petition of Minnesota Energy Resources Corporation for Extension of Rule Variances to Recover the Costs of Financial Instruments Through the Purchased Gas Adjustment.**

Commissioner Sullivan moved that the Commission take the following actions:

1. Grant the variance to Minnesota Rules 7825.2400, 7825.2500, and 7825.2700, originally granted in Docket No. G-007,011/M-06-1358;
  - A. Direct MERC to continue the accounting practices required by the existing variance;
  - B. Allow MERC to continue using the financial instruments allowed in previous hedging variances;
  - C. Leave the hedging cap unchanged at 30 percent of MERC's total projected heating season sales volumes;

- D. Require MERC to include, in its annual request for approval of changes in demand entitlements, the following:
    - a. a list of all financial-instrument arrangements entered into for the upcoming heating season;
    - b. the cost premium associated with each contract;
    - c. the size (in dekatherms) of each contract;
    - d. the contract date;
    - e. the contract price;
    - f. an attachment that details the projected total system sales estimates for the upcoming heating season, including all supporting data and assumptions used when calculating the sales forecast, and the total number of volumes hedged using financial instruments for the upcoming heating season; and
    - g. a detailed discussion of the anticipated benefits to ratepayers related to MERC's financial-instrument contracts.
  - E. Require MERC to include data on the relative benefits of price-hedging contracts, including the average cost per dekatherm for natural gas purchased under financial instruments compared to the comparable monthly and daily spot index prices, in the Company's yearly Automatic Annual Adjustment (AAA) reports due on September 1 of each year, together with:
    - a. a list of each hedging instrument entered into;
    - b. the total volumes contracted for in each instrument; and
    - c. the net gain or loss, including all transaction costs for each instrument in comparison to the appropriate monthly and daily spot prices.
  - F. Require MERC to provide, in its AAA report, a full post-mortem analysis of its hedged volumes for the preceding heating season compared to other hedging strategies and the prevailing market prices strategy.
  - G. Require MERC, in its next request for a PGA rule variance, to demonstrate that ratepayers benefit from hedging and that there is not an undue price penalty.
2. Approve MERC's request for a four-year extension of the variances until June 30, 2025.

The motion passed 5—0.

**G-002/M-19-664**

**In the Matter of the Petition of Northern States Power Company for Approval of a Gas Utility Infrastructure Cost Rider True-up Report for 2019, Revenue Requirements for 2020, and Revised Adjustment Factors**

Commissioner Tuma moved that the Commission take the following actions:

1. Approve Xcel Energy's proposed 2020 GUIC Rider revenue requirement and adjustment factors as filed except as modified herein.
2. Accept Xcel Energy's GUIC Rider True-up Report.
3. Require Xcel Energy to use the most recent 12 months of actual natural gas sales to calculate the final GUIC rate.
4. Determine that the "return on" the capital costs incurred to remediate the system's MAOP data gaps shall be limited to Xcel Energy's weighted long-term cost of debt over the life of these capital expenditures.
5. Deny the Company's proposed recovery of GUIC internal capital costs for Overheads, Other, and Transportation, to the extent these costs are not removed elsewhere.
6. Require Xcel Energy to submit a compliance filing within ten days of the date of this order showing the final rate adjustment factors, and all related tariff changes.
7. Require Xcel Energy to include electronic files of its revenue requirements schedules, with formulae intact, in its final compliance filing.

The motion passed 5—0.

**P-6652/SA-21-82**

**In the Matter of a Petition of Big River Telephone Company, LLC for an Amended Certificate of Authority to Expand Service Area.**

Commissioner Tuma moved that the Commission:

1. Grant Big River Telephone Company LLC's petition to serve the municipality of Red Lake Falls, conditioned upon Commission approval of any necessary updates to the Company's 911 plan and tariff, which incorporate the affected exchange.
2. Find Big River's March 24, 2021 reply comments outlining possible solutions to resolve connection issues with customers of Garden Valley Telephone Company d/b/a Garden Valley Technologies, as identified in Garden Valley's February 10, 2021 letter, to be appropriately responsive.

3. To ensure a constructive solution to these call connection issues has been resolved, require Big River to make a compliance filing in this docket within 30 days of the order, with an opportunity for Garden Valley to file reply comments within 14 days of Big River's compliance filing identifying any ongoing issues regarding customer connections.

The motion passed 5—0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: April 21, 2021**

A handwritten signature in black ink, appearing to read "Will Seuffert", with a long horizontal flourish extending to the right.

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**Will Seuffert, Executive Secretary**