

The Commission met on **Thursday, July 30, 2020**, with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

G-004/M-20-422

In the Matter of the Petition by Great Plains Natural Gas Co., a Division of Montana-Dakota Utilities Co. (Great Plains), for Approval of a Gas Utility Infrastructure Cost Adjustment (GUIC) True-up Report for 2019 and Adjustment Factors

Chair Sieben moved that the Commission take the following actions:

1. Find that the petition of Great Plains' Petition complies with Minnesota Statutes § 216B.1635.
2. Approve Great Plains' 2019 GUIC true-up and the resulting revenue requirement of \$933,138.
3. Approve Great Plains' proposed GUIC rider adjustment rates (factors), effective October 1, 2020.
4. Require Great Plains to, within 10 days of the issue date of the order, submit a compliance filing that includes (1) the GUIC rider tariff sheet, updated with the newly authorized adjustment rates and their approved effective date and (2) the final version of the GUIC customer notice that Great Plains plans to include as a bill insert following Commission approval of new GUIC adjustment rates.

The motion passed 5–0.

G-002/M-20-282

In the Matter of the Petition of Northern States Power Company, doing business as Xcel Energy (Xcel), for Approval of an Extension of a Rule Variance to Use a Monthly Demand Cost True-up Mechanism

Commissioner Means moved that the Commission approve Xcel's requested three-year extension of the variance through September 30, 2023, retaining the existing reporting requirements, as follows:

1. Show detailed calculation of the adjustment factor on pages 4-5 of Schedule A of the Company's monthly purchased gas adjustment (PGA) filing.

2. Identify the adjustment and resulting total non-demand billed Demand Cost Recovery Rate for the month as separate line items on page 3 of Schedule A in the Company's monthly PGA filing.
3. Identify by customer class the Monthly Demand Cost True-up revenues and summarize for each firm non-demand billed customer class in the Company's annual true-up filing –
 - a. The annual demand cost recovery absent the adjustments;
 - b. The total annual adjustment recovery; and
 - c. The remaining current year demand-cost recovery true-up balance.

The motion passed 5–0.

G-002/M-19-498

In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of Changes in Contract Demand Entitlements

Commissioner Tuma moved that the Commission take the following actions:

1. Approve Xcel's proposed level of demand entitlements as amended by its Supplemental Filing.
2. Allow Xcel to recover associated demand costs through the monthly PGA effective November 1, 2019, and January 1, 2020, respectively.

The motion passed 5–0.

E-015/AA-20-463

In the Matter of Minnesota Power's Petition for Approval of the Annual Forecasted Fuel and Purchased Energy

E-999/CI-03-802

In the Matter of an Investigation into the Appropriateness of Electric Energy Cost Adjustments

E-002/AA-20-417

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of Its Annual Fuel Forecast in Support of Proposed Monthly Fuel Cost Charges for the Months of January-December 2021

E-017/AA-20-462

In the Matter of Otter Tail Power Company's Petition for Approval of the Annual Forecasted Rates for its Energy Adjustment Rider

Commissioner Tuma moved that the Commission take the following actions:

1. Approve Minnesota Power's request for an extension of time to file reply comments.
2. Delegate authority to the Executive Secretary to vary timelines and grant extensions to the filing schedule in the June 12, 2019 Order, for the duration of the FCA reform process for this year's forecasted 2021 fuel cost filings only. This authority applies to Docket Nos. E-015/AA-20-463 (Minnesota Power), E-002/AA-20-417 (Xcel Energy), and E-017/AA-20-462 (Otter Tail Power).

The motion passed 5–0.

E-017/D-19-547

In the Matter of Otter Tail Power Company's Petition for Approval of its 2019 Annual Review of Depreciation Certification.

Commissioner Tuma moved that the Commission take the following actions:

1. Direct Otter Tail to reduce the remaining life values by one year, from 2.49 to 1.49, for all plant accounts relevant to the Hoot Lake Steam Production Plant Units 2 and 3, with the exception of Account 312.1-102 (i.e., the Hoot Lake Units 2 & 3 Landfill).
2. Direct Otter Tail to reduce the remaining life values by one year, from 2.49 to 1.49, for all plant accounts relevant to the Hydraulic Production Plant.
3. Allow Otter Tail to treat any unrecovered depreciation expense balance for the Hoot Lake Plant as a regulatory asset for the purpose of seeking possible recovery in the Company's next general rate case.

4. Approve Otter Tail's proposed remaining-life parameters for the plant not otherwise identified and modified elsewhere by the Commission.
5. Approve all of Otter Tail's proposed salvage rates for its plant.
6. Approve Otter Tail's prospectively requested remaining life and net salvage parameters for the Merricourt Wind Energy Center.
7. Approve Otter Tail's proposed effective date of January 1, 2020.
8. Require Otter Tail to file, by January 31, 2020, in a compliance filing in this docket, the Company's calculated depreciation rates that it will actually apply in 2020.
9. Require Otter Tail to annually file the Company's calculated depreciation rates that it will apply in the subject calendar period, by January 31 of the subject year, or within 30 days after issuance of the Commission order approving depreciation parameters, whichever is later.
10. Require Otter Tail to include in future depreciation filings a table comparing asset lives used for the purpose of the Company's resource planning with the remaining lives proposed in the depreciation filings, explaining any differences.
11. Require Otter Tail to file its next annual depreciation study by September 1, 2020.

The motion passed 5–0.

E-002/M-19-568

In the Matter of Xcel Energy's Petition for Approval of a Solar Energy Purchase with Elk Creek Solar, LLC for 80 MW of Solar Generation

Commissioner Tuma moved to do the following:

1. Approve the Elk Creek Solar PPA, with the First, Second, Third, and Fourth Amendments, as an energy source for the Renewable*Connect Program.
2. Find that Xcel may recover purchased energy costs from participating customers through Renewable*Connect tariffs.
 - a. Xcel cannot recover the costs of unsubscribed portions of the Renewable*Connect resources through the FCA without Commission approval in the FCA proceeding.

- b. No party may transfer the proposed PPA without the consent of the Commission if that transfer would cause any material change to the terms and conditions of the existing agreement.
 - c. Xcel may not purchase the Elk Creek facility or equity ownership interest in Seller without the consent of the Commission.
 - d. Upon exercising its option to purchase the facility or all equity ownership interest in Seller, Xcel shall file with the Commission its plan to recover the costs of purchasing the facility or equity ownership interest in Seller.
3. Require Xcel to use the Track 1/Track 2 process for future Renewable*Connect resources procured after issuance of this order until Xcel has a Commission approved new formal competitive bidding process for future Renewable*Connect resources or has obtained explicit new prior approval, on a case-by-case basis, to use a less formal process for a particular tranche. This is not a predetermination of the appropriateness of any prior-procured projects.

The motion passed 5–0.

E-015/RP-15-690

In the Matter of Minnesota Power’s 2015-2029 Integrated Resource Plan

E-015/M-17-568

In the Matter of Minnesota Power’s Petition for Approval of EnergyForward Resource Package

E-015/GR-16-664

In the Matter of the Application of Minnesota Power for Authority to Increase Electric Rates in Minnesota

Commissioner Schuerger moved that the Commission approve an extension of Minnesota Power’s Resource Plan to February 1, 2021.

Commissioner Tuma moved to amend the motion to grant Minnesota Power’s request for a six-month extension of its resource plan filing, to April 1, 2021.

The amended motion failed; Commissioners Schuerger, Sullivan and Chair Sieben voted no.

Commissioner Schuerger moved that the Commission do the following:

1. Grant Minnesota Power an extension to February 1, 2021 for submitting its next resource plan, baseload retirement plan, and securitization plan.

2. Require Minnesota Power to file an interim update by November 1, 2020, which will include the following items:
 - a. An update of Minnesota Power's customers operations.
 - b. An interim report on stakeholder engagement done to date and additional engagement planned prior to the February 1, 2021 filing date.
 - c. Resource Plan modeling assumptions that resulted from the stakeholder modeling subgroup process.
 - d. An interim report on the operating requirements and impacts of utilizing economic dispatch at each Boswell unit given impacts of the COVID-19 pandemic on the grid and MISO energy market.
 - e. An interim report on the operating requirement and impacts of utilizing economic dispatch at each Boswell unit given impacts of the COVID-19 pandemic on the grid and MISO energy market.
 - f. A load and capability report and a progress report regarding the ongoing, Commission-approved additions to the Company's resource portfolio.
3. Require Minnesota Power to file, by October 1, 2020, a report on securitization informed by the input from stakeholders, including the Office of the Attorney General and the Clean Energy Organizations. The report should include, at a minimum, a description of how securitization could be used to facilitate closure of facilities with large undepreciated balances; a discussion on the feasibility of securitization in Minnesota and for Minnesota Power; a specific discussion of obstacles to securitization and how they can be resolved; and a discussion of how securitization could be used to balance the interests of ratepayers and shareholders as they apply to the Boswell Energy Center.

The motion passed 4–1; Commissioner Means voted no.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: December 16, 2020



Will Seuffert, Executive Secretary