

The Commission met on **Thursday, November 7, 2019** with Chair Sieben and Commissioners Means, Schuerger, and Tuma present.

The following matters were taken up by the Commission:

G-004/M-19-273

In the Matter of the Petition of Great Plains Natural Gas Co., a Division of Montana-Dakota Utilities Co.

Commissioner Tuma moved that the Commission approve Great Plains' request to suspend its GUIC rider coincident with the implementation of interim rates in the Company's general rate case, in Docket No. G-004/GR-19-511.

The motion passed 4–0.

G-004/GR-19-511

In the Matter of the Petition by Great Plains Natural Gas Co., a Division of Montana-Dakota Utilities Co., for Authority to Increase Natural Gas Rates in Minnesota

Chair Sieben moved that the Commission:

1. Accept this filing as being in proper form and substantially complete as of September 27, 2019.
2. Suspend the proposed final rates until the Commission makes its final determination in this matter.
3. Find that the Commission has insufficient time to make a final determination in this case within a 10-month suspension period because of the need to make final determinations in other pending cases involving changes in general rates under Minn. Stat. § 216B.16 and extend the suspension period of rates in this case for an additional 30 days, until August 26, 2020.
4. Refer this matter to the Office of Administrative Hearings for Contested Case Proceedings.
5. Request the ALJ's report on or before May 26, 2020, if the Commission initially extends the suspension period by 30 days. If the statutory deadline for the Commission's decision is extended beyond eleven months at any point during this proceeding for any reason (e.g., settlement discussions, waiver, etc.), request that the ALJ's report be filed at least three months before the extended deadline for the Commission's decision.

6. Identify the following issues for development of a complete record in this case:
 - a. The standard rate case issues.¹
 - b. Great Plains' request to continue its Revenue Decoupling Mechanism on a permanent basis:
 - i. Should the pilot be extended beyond 2020 and, if so, for how long?
 - ii. Should the proposed margin sharing mechanism be incorporated into the RDM?
 - iii. Should a minimum energy savings level be required in order to implement a surcharge?
 - c. The impact of suspending the GUIC rider and if the Company intends to continue use of the GUIC subsequent to the rate case.
 - d. The Company's redemption of preferred stock.
 - e. Accuracy of the sales forecast.
 - f. Great Plains' proposed change to the CCRA Factor from the currently approved CCRA Factor amount of (.0337) to (.0599) in this general rate case rather than a CIP Tracker/DSM financial incentive docket.
7. Authorize Great Plains to implement interim rates for service rendered on or after November 26, 2019 (sixty days after Great Plains' September 27, 2019 filing date) and authorize Great Plains' request to waive its right under statute to put interim rates into effect on November 26 and authorize Great Plains to implement interim rates for service rendered on and after January 1, 2020.
8. Approve an annual interim rate revenue deficiency of \$3,366,855 as amended by Great Plains' October 14, 2019 reply comments.
9. Approve Great Plains' proposed interim cost of capital for setting interim rates.

¹ The standard rate case issues are: 1) is the test year revenue increase sought by the Company reasonable or will it result in unreasonable and excessive earnings by the Company? 2) is the rate design proposed by the Company reasonable? 3) are the Company's proposed capital structure and return on equity reasonable? See *In the Matter of the Application of Minnegasco, a Division of NorAm Energy Company, for Authority to Increase Natural Gas Rates in Minnesota*, Docket No. G-008/GR-95-700, Notice and Order for Hearing, p. 3. (October 4, 1995).

10. Approve Great Plains' request to collect as a uniform percent interim rate adjustment to the non-gas base rates of customer bills, i.e. the basic service charge and the delivery charge (which includes the conservation cost recovery charge) and to display the interim rate increase on customer bills using a single, line-item interim rate adjustment.
11. Determine there are exigent circumstances and authorize Great Plains to forgo collection of interim rates from its market-based rate service (flexible tariff) customers and deny Great Plains' request to recover forgone interim revenue from its remaining customers.
12. In the Notice of and Order for Hearing, require the following:
 - a. This 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. The Company shall give the following notices of the evidentiary and public hearings:
 - i. Individual notice to each customer, which may be in the form of a bill insert, and shall be served at least 10 days before the first day of hearings.
 - ii. Written notice to the governing bodies of all municipalities, counties, and local governing bodies in the area affected and to all parties in the Company's last two rate cases. These notices shall be mailed at least ten days before the first day of hearings.
 - iii. Display advertisements in legal newspapers of affected counties and other newspapers of general circulation within the Company'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.
 - iv. The company shall submit proposed notices for Commission approval prior to publication or service.
13. In the order setting interim rates, require the following:
 - a. Order the company 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 Company'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 the Company 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 the Company to include with each customer's first bill under the interim rate schedule a notice of the rate changes, approved by the Executive Secretary. Upon completion of this task, the Company shall certify this fact to the Commission.
 - d. Require Great Plains to maintain records of Conservation Improvement Program (CIP) costs and collection through the interim period so that it can be ascertained that recoveries dedicated to CIP are properly recorded as CIP.
14. 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 4–0.

G-004/MR-19-512

In the Matter of the Application of Great Plains Natural Gas Co. (Great Plains), a Division of Montana-Dakota Utilities Co., to Establish a New Base Cost of Gas and Reset the Purchased Gas Adjustment to Zero, to Coincide with the Implementation of Interim Rates in its General Rate Case Filing, in Docket No. G-004/M-GR-19-511

Chair Sieben moved that the Commission:

1. Approve Great Plains' base cost of gas petition, as modified by the Department.
2. Require Great Plains to provide updated cost of gas information in this proceeding and its companion general rate case and work with Commission staff to determine the appropriate timing for providing this information and whether the update(s) to the information should be applied to Great Plains' base cost of gas and reflected in the accompanying general rate case.

The motion passed 4–0.

IP-7009/CN-19-351

In the Matter of the Application of Elk Creek Solar, LLC for a Certificate of Need for the up to 80 MW Elk Creek Solar Project in Rock County, Minnesota

IP-7009/GS-19-495

In the Matter of the Application of Elk Creek Solar, LLC for a Site Permit for the up to 80 MW Elk Creek Solar Project in Rock County, Minnesota

Commissioner Tuma moved that the Commission:

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.
3. Accept the site permit application as substantially complete and authorizes 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. Take no action on an advisory task force at this time.
6. Refer the matter to the Office of Administrative Hearings for the appointment of an ALJ to serve as the hearing examiner and requests preparation of a summary report in general adherence to the timelines listed in Table 1 of DOC EERA's October 4, 2019 comments in Docket No. IP-7009/GS-19-495.
7. Regarding administrative responsibilities:
 - a. Delegate administrative authority, including timing issues, to the Executive Secretary.
 - b. Identify Charley Bruce as the Commission's Public Advisor who will facilitate citizen participation in the process.
 - c. Request that DOC DER and DOC 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.

- d. Require the Applicants to facilitate in every reasonable way the continued examination of the issues requested by DOC DER, DOC EERA, and Commission staff.
 - e. Require the Applicants 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.
 - f. Direct the Applicants to work with Commission staff and DOC 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; require that such notice be in the form of visible display ads and proof of publication must be obtained and provided to Commission staff.
 - g. Approve the sample site permit (Attachment A of the briefing papers) for public review during the review process.
8. Grant a variance to Minn. R. 7849.0200, subp. 5, to extend the 30-day timeline.

The motion passed 4–0.

E-002, ET-6675/TL-17-185

In the Matter of the Application of Xcel Energy and ITC Midwest LLC for a Route Permit for the Huntley-Wilmarth 345-kV Transmission Line Project

Commissioner Tuma moved that the Commission authorize a minor alteration for the Green Route with the following additional conditions:

1. The Commission finds that it would be appropriate to expand the route width of the Green Route in the area at the crossing of the Watonwan River for the purpose of:
 - a. Allowing for fewer and less expensive structures;
 - b. Still remaining more than 1000 feet away from the Larson residence and the daycare;
 - c. Avoiding placing structures in the middle of presently cultivated fields; and
 - d. Allowing for better structure placement along field lines, property parcel lines and road right-of-ways.
2. In order to accomplish this, approve a modified and expanded route width as follows: all of the area south and west of a line starting at a point on the centerline of 502 Ave. that

is 1,500 feet north of the corner of 502 Ave. and 166 St. and going to a point 500 feet north of the centerline of 505 St. at the corner of the eastern boundaries of the Sergeant and Gilman farm field parcels. The south and west boundaries of this expanded route are the south and west boundaries from the newly proposed Green Route. (See maps attached to order.)

3. Direct that no structures may be placed outside of the proposed Green Route as identified in the Permittees' September 9, 2019 filing for a minor alteration unless the Permittees receive consent from the property owners. If the Permittees do receive consent from the landowners for this small portion of the route outside of the proposed Green Route, the Permittees are not required to request another minor alteration but must make a compliance filing within 30 days of receiving consent to notify the Commission of the new final route in this segment.

The motion passed 4-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: March 4, 2020

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

Will Seuffert, Executive Secretary