

The Commission met on **Thursday, July 29, 2021**, with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

E-017/M-16-280

In the Matter of Otter Tail Power Company’s Update of Renewable Energy Credit Rates for Cogeneration and Small Power Production Rates.

Commissioner Schuerger moved that the Commission approve Otter Tail Power’s updated Wind REC and Solar REC optional standard offer rates for 2021 – 2022.

The motion passed 5—0.

E-002/M-18-643

In the Matter of Xcel Energy’s Petition for Approval of Electric Vehicle Pilot Programs.

E-002/M-20-745

In the Matter of Xcel Energy’s Petition for Approval of Electric Vehicle Programs as part of its COVID-19 Pandemic Economic Recovery Investments.

Chair Sieben moved that the Commission take the following actions:

1. Modify Xcel’s existing Fleet EV Pilot so that the number of non-profit entities, school districts and their fleets, are not limited.
2. Maintain the pilot budget cap of \$14.4 million.
3. Adopt the following additional reporting requirements for Xcel’s Fleet EV Pilot, to the extent the information is available to the Company:
 - a. the number of light-, medium-, and heavy-duty vehicles charged at each site; and
 - b. the type of business, non-profit or agency that is participating at each site.

The motion passed 5—0.

G-011/M-17-409

In the Matter of a Petition by the Minnesota Energy Resources Corporation (MERC) for Approval of Farm Tap Customer-Owned Fuel Line Replacement Plan, Tariff Amendments, and Deferred Accounting.

Commissioner Tuma moved that the Commission take the following actions:

1. Accept the Report on Farm Tap Planning and Design Phase and Phase II Procedural Proposal (December 30, 2019) filed by Minnesota Energy Resources Corporation (MERC).
2. Find that MERC complied with and provided the information requested in the Commission's Order Approving Phase 1 of Farm Tap Replacement Project with Conditions (November 30, 2017).
3. Find MERC's proposed Enhanced Customer Safety Education Proposal to be reasonable and direct MERC, in its impending filing seeking rate recovery, to demonstrate that the farm-tap costs it seeks to recover from ratepayers are incremental, least-cost, and not recovered via some other mechanism.
4. Approve MERC's proposal to extend its distribution system to farm-tap customers within one mile of MERC's existing distribution infrastructure.
5. Authorize MERC to recover costs to extend its distribution system beyond one mile if the extension is a cost-beneficial continuation of a planned distribution build-out or a build-out to those within one mile. Require MERC to show that such an additional extension is self-supporting under MERC's Customer Extension Model. Require MERC, before extending its distribution plant to a customer's premises located beyond one mile of MERC's existing distribution infrastructure, to notify 1) the customer to be served, 2) the Minnesota Department of Commerce, and 3) the Minnesota Office of the Attorney General. Authorize MERC, if there is no objection filed within 30 days of the notice, to proceed with that work and recover costs under its proposed recovery for projects within one mile. If there is an objection, authorize MERC or any of the other notified parties to seek review before the Commission.
6. Deny MERC's proposal to recover contingency costs of approximately \$643,000 from ratepayers.
7. Require MERC to continue a month-to-month extension of the service agreement with Northern Natural Gas (NNG) to allow MERC to continue to provide services to current farm-tap customers located more than one mile from MERC's distribution system.
8. Approve MERC's proposal to treat customers located more than one mile from MERC's system as new customers, with the application of MERC's Commission-approved extension model to evaluate required contributions in aid of construction.

9. Approve MERC's recommendation to encourage other gas utilities to extend service to nearby farm-tap customers.
10. Require MERC to include in its five-year report a discussion of how it facilitated other utilities to provide service to nearby farm-tap customers.
11. Grant MERC's request to discontinue its policy of extending farm-tap service to new customers exercising their NNG easement rights for the first time.
12. Grant MERC's request to not reactivate farm-tap service to farm-tap customers that have not recorded natural gas usage for the prior 12 consecutive months, and those customers who discontinue using natural gas for 12 consecutive months during the course of the Phase II period.
13. Approve MERC's proposal to shut off service to farm taps 12 months after detecting a leak until and unless –
 - a. the customer has repairs performed by MERC or another contractor from a MERC-approved contractor list and provides proof of the repairs, or
 - b. the customer has repairs made by a contractor of their choosing and provides proof of the repairs along with a signed waiver indicating they have made repairs at their own risk.
14. Approve MERC's recommendation regarding upgrading and maintaining service to existing farm-tap customers.
15. Approve MERC's proposal to provide a status report and next steps for farm taps in five years.
16. Require MERC to include in its five-year report a discussion regarding MERC's actions to encourage other gas utilities to extend service to farm-tap customers.
17. Approve MERC's request to recover Phase II costs through its rider for recovering gas utility infrastructure cost (GUIC), with the understanding that MERC will seek to recover any unrecovered balance in any subsequent rate case.
18. Require MERC to calculate Phase II costs using the most recent applicable depreciation lives approved by the Commission.
19. Require MERC to provide a more detailed review of final revenue requirements in MERC's future rate case or GUIC rider.

20. Request an updated schedule from MERC in a compliance filing to the Commission's order.

The motion passed 5—0.

E015/D-21-229

In the Matter of Minnesota Power's 2021 Intangible, Transmission, Distribution, and General Plant Depreciation Petition.

Chair Sieben moved that the Commission take the following actions:

1. Approve Minnesota Power's proposed average service lives, survivor curves, net salvage rates, remaining lives, and the corresponding depreciation rates, with an effective date of January 1, 2021.
2. Approve the proposed transition from the average service life to the remaining life depreciation technique for Minnesota Power's general/intangible plant accounts.
3. Require Minnesota Power to include an update on its reporting and accounting for ASC 410-20 in its next transmission, distribution, and general/intangible plant five-year depreciation study.
4. Approve the proposed depreciation reserve reallocation.
5. Require Minnesota Power to file its next five-year depreciation study no later than April 1, 2026.

The motion passed 5—0.

E,G002/D-19-723

In the Matter of the Petition of Northern States Power Company for Approval of its 2020 Annual Review of Remaining Lives and Five-Year Depreciation Study.

This item was pulled from the agenda.

E,G002/M-21-329

In the Matter of a Proposal by Northern States Power Company d/b/a Xcel Energy to Offer an Unregulated Energy, Infrastructure, and Sustainability Program for Business Customers.

Commissioner Schuerger moved that the Commission accept Xcel Energy's request for permission to withdraw its May 12, 2021 notice contingent upon the following requirements:

1. Directed Xcel Energy to work with stakeholders on the issues identified;
2. Required Xcel Energy to file a status report in this docket on its consultation with stakeholders about its initial and revised proposals by August 20, 2021;
3. Required that Xcel Energy submit in this docket its amended proposal, if any, by September 1, 2021; or if an amended proposal is not submitted by September 1, 2021, required Xcel Energy to submit status reports every ninety days in this docket on its non-regulated service offerings.

The motion passed 5—0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: October 13, 2021

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

Will Seuffert, Executive Secretary