

The Commission met on **Thursday, December 5, 2019** with Chair Sieben and Commissioners Lipschultz, Means, Schuerger, and Tuma present.

The following matters were taken up by the Commission:

IP-6895/WS-17-700

In the Matter of the Application of Xcel Energy for a Site Permit for the Up to 200 MW Blazing Star Wind Farm 2 Project in Lincoln County

Chair Sieben moved that the Commission:

1. Grant Xcel Energy's request to amend the Blazing Star Wind Farm Site Permit to reflect the change in turbine technology by amending Section 2.0 (as noted in the order and requested by Xcel) and replacing the maps identified in Section 3.1.
2. Authorize staff to reissue the site permit reflecting these modifications.

The motion passed 5–0.

E-002/M-19-609

In the Matter of the Petition for Approval of the Renewable Development Fund Annual Report, Tracker Account True-up, and Request for New 2020 Rate Rider Factor

Commissioner Tuma moved that the Commission:

1. Approve a 2020 RDF rate rider factor of \$0.001252/kWh;
2. Require Xcel to provide in reply comments an estimate of the RDA balance and the unencumbered cumulative RDF balance as of December 31, 2019, based on the data provided in the Petition; and
3. Require Xcel to provide in reply comments the most up-to-date RDA balance, including any RDA related interest payments received by MMB.

The motion passed 5–0.

E-017/RP-16-386

In the Matter of Otter Tail Power Company's 2017-2031 Resource Plan

Commissioner Schuerger moved that the Commission:

1. Approve Otter Tail Power Company's request to delay the filing date for its next Integrated Resource Plan from June 1, 2020 to September 1, 2021;
2. Require Otter Tail Power Company to make a supplemental filing by December 31, 2020 which shall include a Base Cost with low, mid, and high scenarios for Regional Haze compliance options, as well as a Coyote Station 2028 retirement scenario. The Company shall also run a reasonable number of sensitivities for each scenario including Minnesota environmental externality and carbon regulatory costs. The compliance filing will be limited To Otter Tail's EnCompass modeling results and is not subject to all items required by Minn. R. 7843.0400 and Minn. Stat. 216B.2422; and
3. By June 1, 2020, require Otter Tail Power Company to complete a competitive-bidding process to procure approximately 30 MW or more of installed solar capacity. The process shall allow for the option of solar plus storage. The bidding process and timeline must be filed by April 15, 2020. By July 1, 2020, the Company shall make a compliance filing detailing the process and their proposed next steps for contract negotiations and filing with the Commission.

The motion passed 5–0.

E-015/GR-19-442

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

E-015/MR-19-443

In the Matter of the Petition of Minnesota Power for Approval of a New Base Cost of Fuel and Purchased Energy

Commissioner Lipschultz moved that the Commission:

1. Accept the rate-increase application filed by Minnesota Power in this docket and find it in proper form and substantially complete as of November 1, 2019.
2. Suspend the operation of the proposed rate schedule under Minn. Stat. § 216B.16, subd. 2(a), until the Commission has issued a final determination in this case.
3. Find that it has insufficient time to make a final determination within a 10-month period because of the need to make a final determination in other pending cases involving

changes in general rates. Therefore, the rates in this case are suspended for an additional ninety days, until November 30, 2020.

4. Accept the Department's comments and recommendations related to the base cost of energy, filed November 25, 2019 in Docket No. E-015/MR-19-443.
5. Approve the Company's interim rates proposal as modified and authorize the Company to implement interim rates for service rendered on and after December 31, 2019.
6. Authorize the Company to waive its right under the interim rate statute to put interim rates into effect on December 31, 2019, and to implement interim rates for service rendered on and after January 1, 2020.
7. Accept comments made by intervening parties on the topic of interim rates and consider those comments when making a determination on all interim rate issues.
8. Require Minnesota Power to remove the Basin Large Market Contract adjustment from its interim rate request and file revised financial schedules and calculations (interim rate base, income statement, cost of capital, and revenue summary) and class revenue schedules reflecting this modification within five calendar days of the Commission meeting.
9. Approve Minnesota Power's proposed interim cost of capital for setting interim rates.
10. Approve Minnesota Power's request to collect the approved interim rate increase as modified.
11. Require the Company to file with the Commission and the Department interim rate tariff sheets and supporting documentation reflecting this order. 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.
12. Require 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.
13. Require the Company 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 Company shall certify this fact to the Commission.
14. Require the Company 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.

15. Refer this case to the Office of Administrative Hearings for contested-case proceedings, as set forth above. The Commission notes that parties requesting intervenor status should be considered from a view towards inclusivity, transparency, and completeness of the record, rather than limiting participation in the case in the interest of administrative efficiency.
16. Require use of the following language in the Notice of and Order for Hearing:
 - a. This order will be served on the Company, which shall mail copies of this order to the governing bodies of all municipalities, counties, and local governing authorities within its Minnesota service area.
 - b. Public hearings shall be held in this matter at locations within the Company's service area.
 - c. The Company shall give the following notices of the evidentiary and public hearings:
 - i. 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;
 - ii. Written notice to the governing bodies of all municipalities, counties, and local governing authorities 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.
17. Require the Company to submit proposed notices for Commission approval prior to publication or service.
18. Delegate to the Executive Secretary the authority to approve notices, bill inserts, and bill format for the duration of this proceeding.

The motion passed 5–0.

G-008/AI-19-292

In the Matter of the Petition of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, for approval of an Affiliated Interest Agreement between CenterPoint Energy Minnesota Gas and Minnesota Limited

Commissioner Tuma moved that the Commission:

1. Approve the Company's 2019 Metro Beltline (MBSLSE) Replacement Project construction services contract with Minnesota Limited, LLC, a non-regulated subsidiary of Vectren Corporation; and
2. Require CenterPoint Energy to file the following information by April 30, 2020:
 - a. A description of any changes in CPE's relationship with Minnesota Limited, its affiliated vendor;
 - b. Detail of the actual costs of the scope of work described on pages 4–10 of the 2019 AIA, and a comparison of the actual cost of the work to the estimated cost of the work as reported in Exhibit D of the petition, with an explanation of any significant differences;
 - c. Detail of any changes to the scope of work to be performed under the 2019 AIA (e.g. additions via change orders), including:
 - i. An explanation of what the changes are and why they were necessary;
 - ii. The additional costs associated with the changes and a demonstration that those additional costs are reasonable;
3. Require the Company to propose improved procurement practices in future affiliated interest agreements; and
4. Request comments from parties on the Company's adopting improved contractor and construction oversight practices in the future.

The motion passed 5–0.

G-008/GR-19-524

In the Matter of the Application by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, for Authority to Increase Natural Gas Rates in Minnesota

Commissioner Sieben moved that the Commission:

1. Accept the rate-increase application filed by CenterPoint in this docket and find it in proper form and substantially complete as of October 28, 2019.

2. Suspend operation of the proposed rate schedule under Minn. Stat. § 216B.16, subd. 2(a), until the Commission has issued a final determination in this case.
3. Extend the suspension period under Minn. Stat. § 216B.16, subd. 2(f), to allow 90 additional calendar days to make a final determination in this case, plus an additional two months conditioned on CenterPoint's agreement to waive its right to a decision within the statutory timeline. The Commission will make a final determination no later than February 1, 2021.
4. Authorize CenterPoint to waive its right under the interim rate statute to put interim rates into effect on December 27, 2019, and authorize CenterPoint Energy to actually implement interim rates for service rendered on and after January 1, 2020.
5. Approve CenterPoint's annual interim rate revenue deficiency of \$52.7 million, 5.8% over current rates including the cost of gas or 13.6% over current rates excluding the cost of gas.
6. Approve CenterPoint's request to collect the \$52.7 million interim rate increase as a uniform 13.8% increase to the basic charge, the delivery charge (excluding CCRA) and the GAP surcharge and to display the interim rate increase on customer bills using a single, line-item interim rate adjustment.
7. Approve CenterPoint's request to assess but forgo collection of the interim rate increase from its market rate service (flexible rate) rider customers, and to not seek recovery of the difference from its other customers; the Commission determines that this does not require a finding of exigent circumstances.
8. Require 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.
9. Require 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.
10. Require the Company 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 Company shall certify this fact to the Commission.
11. Require the Company 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.

12. Refer this case to the Office of Administrative Hearings for contested-case proceedings, as set forth above.
13. Require use of the following language in the Notice of and Order for Hearing:
 - 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 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;
 - 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.
14. Require the Company to, within 30 days, file supplemental direct testimony on the adequacy of the Company's supervision of contractors and construction oversight practices to ensure the work they do is done correctly and whether it is prudent from a cost recovery standpoint for CenterPoint to use the contractors they have selected. This testimony must include the safety-related terms, conditions, and performance guarantees that are included in the Company's construction contracts with affiliated and non-affiliated vendors, and may include information on any performance-related outage payments to customers.
15. Delegate to the Executive Secretary the authority to approve notices, bill inserts, and bill format for the duration of this proceeding.

The motion passed 5–0.

G-008/MR-19-525

In the Matter of the Application of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, 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 G-008/GR-19-524

Commissioner Sieben moved that the Commission:

1. Approve the Company's application to establish a new base cost of gas; and
2. Direct the Company to file periodic updates on the commodity cost of gas in this docket and in the general rate case docket (Docket No. G-008/GR-19-524). The Company shall work with the Department and Commission staff to determine the appropriate timing for providing this information and whether this updated information should be applied to the base cost of gas.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: February 12, 2020



Will Seuffert, Executive Secretary