The Commission met on **Thursday, April 27, 2017,** with Acting Chair Lipschultz, and Commissioners Schuerger, and Sieben present.

The following matters were taken up by the Commission:

G-008/M-16-571
In the Matter of a Request by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas for Approval of a Change in Demand Units Effective November 1, 2016

Commissioner Schuerger moved to take the following actions:

1) Approve CenterPoint's proposed level of demand entitlement and proposed recovery of associated demand costs effective November 1, 2016; and

2) Accept the design-day level proposed by the Company.

The motion passed 3-0.

G-011/M-17-85
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 Schuerger moved that the Commission approve MERC's petition, including the following:

1. Extend the variance to Minnesota Rules 7825.2400, 7825.2500, and 7825.2700, originally granted in Docket No. G007,G011/M-06-1358 for four years, until June 30, 2021;

2. Direct MERC to continue the accounting practices required by the existing variance;

3. Allow MERC to continue using the financial instruments allowed in previous hedging variance dockets for its hedging activities;

4. Leave the hedging cap unchanged at 30 percent of MERC's total projected heating season sales volumes;

5. Require MERC to include, in its annual requests 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.

6. Require MERC to include data on the relative benefits of price-hedging contract, 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.

7. 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.

8. 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.

The motion passed 3-0.

G-011/M-16-87
In the Matter of a Petition by Minnesota Energy Resources Corporation for Approval of a Purchased Gas Adjustment Rule Variance to include Kansas Ad Valorem Tax as Storage Related Cost of Natural Gas Recovery Through its PGA Commodity Factors

Commissioner Schuerger moved to take the following actions:

1. Grant MERC its request for a variance to Minn. Rule 7825.2400, subp. 12 to allow recovery of its $145,147 2009-2014 lump sum assessed Kansas Ad Valorem (property) tax through the PGA commodity factor;

2. Grant MERC its request for a variance to Minn. Rule 7829.3200, subp. 3 and approve MERC's latest variance recovery period proposal – a six-month recovery period from July 2017 to December 2017;

3. Approve MERC's proposal to roll-in any remaining under- or over-recovered Kansas tax amounts at December 31, 2017 into its consolidated NNG-PGA area;

4. Direct MERC to include the Kansas property tax as a separate line item in its monthly PGA reports;

5. Require MERC to list the Kansas property tax costs and revenues as separate line items in the Annual Automatic Adjustment (AAA) and PGA true-up reports;

6. Require MERC to submit a report with its annual AAA and true-up reports detailing the total amount paid to Kansas and collected from ratepayers during the gas year.

The motion passed 3-0.

G-022/S-16-931
In the Matter of the Petition of Greater Minnesota Gas, Inc. for Approval of 2017 Capital Structure and Permission to Issue Securities

Commissioner Lipschultz moved to take the following actions:

1. Approve GMG's proposed 2017 capital structure;

2. Approve an equity ratio contingency range of 31.59 percent to 38.61 percent;

3. Require that GMG maintain an equity ratio contingency range of at least 31.59 percent at all times;

4. Require GMG make monthly compliance filings on or before the 15th of each month containing a balance sheet, income statement, and cash flow statement for the first of the prior two months, demonstrating that its equity ratio is at least 31.59 percent;

5. Approve a short-term debt contingency cap of 10 percent (i.e., GMG's short-term debt is not to exceed 10 percent of its total capitalization, including the contingency, for more than 60 days);

6. Approve a total capitalization contingency of $4.0 million above the estimated 2017 year-end total capitalization of $39.6 million, for a total capitalization of $43.6

7. Require GMG to file a new securities issuance and capital structure petition by January 1, 2018;

8. Require GMG to propose in its next capital structure petition a plan that would be expected to result in a 35.00 percent equity ratio by December 31, 2018, assuming normal weather, or explain why such an increase is not possible; and

9. Require GMG to propose in its next capital structure petition a step-increase in its equity ratio floor from 31.59 percent to 33.0 percent beginning March 31, 2019;

10. Permit the company to issue long-term debt provided that it remains within its equity contingency range at all times, and remains within its

The motion passed 3-0

G-008/M-16-486
In the Matter of CenterPoint Energy's Evaluation of its 2016 Gas Affordability Program

G-002/M-16-493
In the Matter of Xcel Energy's Evaluation of its 2016 Gas Affordability Program

G-004/M-16-495
In the Matter of Great Plains Natural Gas' Evaluation of its 2016 Gas Affordability Program

Commissioner Lipschultz moved that the Commission take the following actions:

1. Accept CenterPoint Energy's evaluation of its Gas Affordability Program;

2. Accept Xcel Energy's evaluation of its Gas Affordability Program;

3. Accept GPNG's evaluation of its Gas Affordability Program;

4. Require CenterPoint to continue to report customer payments, arrears balances and disconnection rates using both the non-GAP-LIHEAP baseline method and pre-Program baseline method beginning with its 2017 annual report of the GAP;

5. Require Xcel to continue to report customer payments, arrears balances and disconnection rates using both the non-GAP-LIHEAP baseline method and pre-Program baseline method beginning with its 2017 annual report of the GAP;

6. Require CPNG to change its method of reporting its GAP performance based on one-hundred percent of customers enrolled in both LIHEAP and GAP and one-hundred percent of customers only enrolled in LIHEAP;

7. Approve Xcel's request to raise its monthly GAP surcharge from $0.00400 to $0.0045;

8. Approve GPNG's request to reinstate a GAP surcharge at the Company's requested level;
9. Do not require CenterPoint, Xcel, or GPNG to provide an assessment of enrollment practices, including the impacts and practicability of requiring customers to opt-out of participation in the GAP within one year of the Commission's Order in this docket;
10. Do not require CenterPoint to increase its spending cap of $5 million;
11. Do not require Xcel to increase its spending cap of $2.5 million;
12. Require CenterPoint, Xcel, and GPNG to participate in a stakeholder workgroup with other utilities that offer a GAP, third party administrators, and the Department to discuss if changes should be made to the GAP program;
13. Require the stakeholder group to file an evaluation of whether changes should be implemented to the GAP program within twelve months of the Commission's order;
14. Require the utilities to continue the GAP Programs with no expiration date;
15. Require the utilities to file their next evaluation reports on or before May 31, 2019;
16. Require CenterPoint, Xcel, and GPNG to submit revised tariffs to reflect Program changes as ordered by the Commission.

The motion passed 3-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: May 17, 2017

Daniel P. Wolf

Daniel P. Wolf, Executive Secretary