

The Commission met on **Thursday, January 26, 2017**, with Chair Lange and Commissioners Lipschultz, Schuerger, Sieben, and Tuma present.

The following matters were taken up by the Commission:

## **ENERGY AGENDA**

### **ET-2/TL-12-1245**

#### **In the Matter of the Application of Great River Energy for a Route Permit for a 115 kV Transmission Line Project in the Elko New Market and Cleary Lake Areas in Scott and Rice Counties, Minnesota**

Commissioner Tuma moved to issue a modified permit identifying a specific route for the portion of the project being transferred from GRE to Xcel.

The motion passed 5–0.

### **G-002/M-16-649**

#### **In the Matter of the Petition of Northern States Power Company for Approval of Changes in Contract Demand Entitlements**

Commissioner Schuerger moved to 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 Purchased Gas Adjustment effective November 1, 2016; and
3. Approve changes in the jurisdictional allocation for demand costs.

The motion passed 5–0.

### **G-999/AA-15-612**

#### **In the Matter of Minnesota Natural Gas Utilities’ 2014–2015 Annual Automatic Adjustment (AAA) Reports**

### **G-022/AA-15-797**

#### **In the Matter of Greater Minnesota Gas, Inc.’s 2014–2015 True-up Report**

**G-004/AA-15-794**

**In the Matter of Great Plains Natural Gas Company's 2014–2015 True-up Report**

**G-001/AA-15-796**

**In the Matter of Interstate Power and Light Company's 2014–2015 True-up Report**

**G-011/AA-15-801**

**In the Matter of Minnesota Energy Resources Corporation (MERC) – Albert Lea's 2014–2015 True-up Report**

**G-011/AA-15-802**

**In the Matter of Minnesota Energy Resources Corporation (MERC) – Consolidated's 2014–2015 True-up Report**

**G-011/AA-15-803**

**In the Matter of Minnesota Energy Resources Corporation (MERC) – Northern Natural Gas's 2014–2015 True-up Report**

**G-008/AA-15-800**

**In the Matter of CenterPoint Energy's 2014–2015 True-up Report**

**G-002/AA-15-809**

**In the Matter of Xcel Energy's 2014–2015 True-up Report**

Commissioner Lipschultz moved to take the following actions:

*All Commission-Regulated Natural Gas Utilities*

1. Accept the FYE15 annual reports filed by the gas utilities as complete under Minnesota Rules 7825.2390–.2920;
2. Require each utility that hedges (including physical and financial hedging) to continue to provide a post-mortem analysis, in a format similar to what was provided in this docket, in subsequent AAA filings;

*Greater Minnesota Gas (GMG)*

3. Accept GMG's FYE15 true-up as filed in Docket No. G-022/AA-15-797;
4. Allow GMG to implement its true-up, as shown in Attachment G5 to the Department's July 1, 2016 *Review of the 2014–2015 Annual Automatic Adjustment Reports*;

*Great Plains Natural Gas Company*

5. Accept Great Plains' FYE15 true-ups, Docket No. G-004/AA-15-794;
6. Allow Great Plains to implement its true-ups, as shown in Attachments G6a and G6b to the Department's July 1, 2016 *Review of the 2014–2015 Annual Automatic Adjustment Reports*;

*Interstate Power and Light Company*

7. Accept Interstate Gas' FYE15 true-up filing in Docket No. G-001/AA-15-796 as shown in Attachment G7 to the Department's July 1, 2016 *Review of the 2014–2015 Annual Automatic Adjustment Reports*;

*Minnesota Energy Resources Corporation (MERC)*

8. Accept MERC-NNG's FYE15 true-up filing in Docket No. G-011/AA-15-803;
9. Allow MERC-NNG to implement its true-up as shown in Attachment G8 to the Department's July 1, 2016 *Review of the 2014–2015 Annual Automatic Adjustment Reports*;
10. Accept MERC-Consolidated's FYE15 true-up filing in Docket No. G-011/AA-15- 802;
11. Allow MERC-Consolidated to implement its true-up as shown in Attachment G9 to the Department's July 1, 2016 *Review of the 2014–2015 Annual Automatic Adjustment Reports*;
12. Accept MERC-Albert Lea's FYE15 true-up filing in Docket No. G-011/AA-15-801;
13. Allow MERC-Albert Lea to implement its true-up as shown in Attachment G8a to the Department's July 1, 2016 *Review of the 2014–2015 Annual Automatic Adjustment Reports*;

*CenterPoint Energy*

14. Accept CenterPoint Energy's FYE15 true-up, Docket No. G-008/AA-15-800;
15. Allow CenterPoint Energy to implement its true-up, as shown in Attachment G10 to the Department's July 1, 2016 *Review of the 2014–2015 Annual Automatic Adjustment Reports*;

*Xcel Energy*

16. Accept Xcel Gas' FYE15 true-up, Docket No. G-002/AA-15-809; and
17. Allow Xcel Gas to implement its true-up, as shown in Attachment G11 to the Department's July 1, 2016 *Review of the 2014–2015 Annual Automatic Adjustment Reports*.

The motion passed 5–0.

**G-011/M-15-992**

**In the Matter of MERC's Petition for Authorization to Establish Amortization Periods Related to Pre-Acquisition Pension and Other Postretirement Benefits Costs**

Chair Lange moved that the Commission take the following actions:

1. Require MERC to identify and exclude all non-qualified plan amounts. Allow MERC to amortize the remaining assets and liabilities. Require MERC to file, within 30 days of the order, a letter identifying the total assets and liabilities to be amortized.
2. Require MERC to transfer to its balance sheet its share of the IBS legacy benefit plans costs allowed above, to add this amount to the MERC-specific allowed costs, and to amortize the combined balance over 14 years.
3. Allow the amortization to begin January 1, 2016.
4. Require MERC to ring-fence the pre-acquisition pension and OPEB costs it is being allowed to amortize such that none of those costs are eligible to be included in rate base.

The motion passed 5–0.

**E-002/M-15-805**

**In the Matter of the petition of Northern States Power Company for Approval of the Renewable Energy Standard (RES) Rider True-up Report for 2015, Revenue Requirements for 2016, and a Revised Adjustment Factor**

Commissioner Lipschultz moved to take the following actions:

### *Accumulated Deferred Income Tax Proration*

1. Defer a final decision regarding historical vs. projected cost recovery for the Transmission Cost Recovery (TCR) rider in the future until more information is available through the federal Internal Revenue Service's response to the anticipated Private Letter Ruling to be requested by Northern States Power Company d/b/a Xcel Energy (the Company or Xcel) regarding the application of proration to accumulated deferred income tax (ADIT) balances. The Company is directed to address this issue in its next Renewable Energy Standard (RES) Rider filing.

### *North Dakota Investment Tax Credit*

2. Allow the Company to recover the costs of Xcel's 200 megawatt (MW) Courtenay Wind Farm in Stutsman County, North Dakota (Courtenay Project),<sup>1</sup> from Minnesota ratepayers in this rider petition. Require Xcel to credit its Minnesota ratepayers for their proportionate share of used North Dakota Investment Tax Credits (NDITCs) associated with the Courtney Project, based on the pro-rata share of the costs of the Courtenay Project that is charged to Minnesota ratepayers.
3. Approve recovery of the Company's actual 2016 revenue requirement and authorize the recovery of actual 2016 costs through the RES Rider.
4. Approve the resulting RES Adjustment percentage to be included in the Resource Adjustment on bills for Minnesota electric customers. Authorize Xcel to recalculate the RES adjustment factors based on the ten-month period of March to December 2017.

### *Tariff Sheets & Customer Notices*

5. Approve the Company's proposed revised tariff sheet and proposed customer notice. (The RES Adjustment percentage in the tariff and proposed customer notice may fluctuate up or down based on the Commission's decisions.)

### *Compliance Filing*

6. Require the Company to submit a compliance filing updated to reflect the Commission's decisions in the order and updating the forecasted numbers with actual numbers within ten days from the date the Commission's order is issued.

Commissioner Sieben proposed to amend the motion to add the following item:

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<sup>1</sup> See *In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of the Acquisition of the 200 MW Courtenay Wind Farm*, Docket No. E-002/M-15-401.

7. Approve the 2015 TCR true-up and tracker balance report and carryforward of the 2015 tracker balance. (The true-up may fluctuate up or down when the Company updates its forecasted numbers with actual numbers.) A large change in the revenue requirement would be brought to the Commission's attention.

Commissioner Lipschultz accepted the proposal.

The motion passed 5–0.

**E-002/M-13-867**

**In the Matter of the Petition of Northern States Power Company, dba Xcel Energy, for Approval of Its Proposed Community Solar Garden Program**

1. Deny Xcel's appeal and find that the Department's determination that the Kjellberg and Hellman projects exhibit the characteristics of two separate projects is reasonable.
2. Deny Xcel's appeal and find that the Department's determination that the Taylors Falls and Gopher projects exhibit the characteristics of two separate projects is reasonable.
3. Deny Xcel's appeal and find that the Department's determination that the Menke and Hauer projects exhibit the characteristics of two separate projects is reasonable.
4. Within 30 days of the order in this matter, Xcel shall make any compliance filing necessary to reflect the Commission's decisions.

The motion passed 5–0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: April 26, 2017**



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**Daniel P. Wolf, Executive Secretary**