

The Commission met on **Thursday, December 2, 2021**, with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

E-295/SA-21-697

In the Matter of the Joint Request of Princeton Public Utilities and East Central Energy for Approval to Update Electric Service Territory Records

Commissioner Tuma moved that the Commission do the following:

1. Approve the permanent service territory transfer from East Central Energy to Princeton Public Utilities.
2. Requested that the Minnesota Geospatial Information Office should update the Commission's maps to reflect the service area designations as shown on the map in the Petition.

The motion passed 5-0.

PT-5817/RW-21-268

In the Matter of a Petition of Connexus Energy for Resolution of a Dispute with BNSF Railway Company Regarding Fees and Additional Requirements Under Minnesota Statutes Section 237.045

Commissioner Means moved that the Commission do the following:

1. Deny consideration or rehearing of the October 5, 2021, Order Resolving Dispute and Authorizing Commencement of Construction.

The motion passed 5-0.

E-015/GR-21-335

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

Commissioner Tuma moved that the Commission do the following:

1. Accept this filing as being in proper form and substantially complete as of November 1, 2021.

2. Find the Commission has insufficient time to make a final determination within a 10-month period because of the need to make final determinations in other pending cases involving changes in general rates. Find that the rates in this case should be suspended for an additional ninety (90) days, until November 30, 2022.
3. Request the report of the administrative law judge (ALJ) on or before September 1, 2022. If the deadline for the Commission's decision is extended beyond ten months plus ninety days at any point during this proceeding for any reason (e.g., settlement discussions, waiver, etc.), request the ALJ's report at least three months before the extended deadline for the Commission's decision.
4. Identify issues requiring development of a complete record in this case.
 - A. The standard rate case issues.
 - B. Develop a full record that includes reasons for the significant changes from Minnesota Power's last rate case.
 - C. Develop a full record and provide a determination of any necessary adjustments regarding the appropriate rate treatment of the following categories identified by the Minnesota's Office of the Attorney General in its November 10, 2021 comments:
 - 1) Large Power Incremental Production Service;
 - 2) Economy/Non-firm Service;
 - 3) Replacement Firm Power Service; and
 - 4) Pool-within-Pool service.
5. Authorize Minnesota Power to implement interim rates for service rendered on and after December 31, 2021 (sixty days after Minnesota Power's November 1, 2021 filing date).
6. Authorize Minnesota Power to waive its right under the interim rate statute to put interim rates into effect on December 31, 2021, and authorize Minnesota Power to actually implement interim rates for service rendered on and after January 1, 2022.
7. Approve an annual interim rate revenue deficiency of \$87.3 million, or 14.23%, subject to the adjustment in the November 10, 2021, joint letter of Minnesota Power, Energy CENTS Coalition, and the Citizens Utility Board of Minnesota (CUB).
8. Find that exigent circumstances exist for the residential class.
9. Direct Minnesota Power, if appropriate, to file revised financial schedules and calculations (interim rate base, income statement, cost of capital, and revenue summary) and class revenue schedules reflecting the Commission's modifications within 10 calendar days of this meeting.

10. Approve Minnesota Power's proposed interim cost of capital for setting interim rates.
11. Approve Minnesota Power's request to collect the interim rate increase as proposed on all customer classes except for (1) Large Power Incremental Production Services; (2) Economy/Non-firm Service; (3) Replacement Firm Power Service; and (4) Pool-within-Pool service.
12. Approve Minnesota Power's proposal to reduce interim rates for the residential class by 50%, subject to possible adjustment.
13. In the Notice and Order for Hearing, require the following:
 - A. This order will be served on Minnesota Power, 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 Minnesota Power.
 - C. Minnesota Power shall give the following notices of the evidentiary and public hearings:
 - 1) 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.
 - 2) Written notice to the governing bodies of all municipalities, counties, and local governing bodies in the area affected and to all parties in Minnesota Power's last two rate cases. These notices shall be mailed at least ten days before the first day of hearings.
 - 3) Display advertisements in legal newspapers of affected counties and other newspapers of general circulation within Minnesota Power'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.
 - 4) Minnesota Power shall submit proposed notices for Commission approval prior to publication or service.

14. In the Order Setting Interim Rates:

- A. Order Minnesota Power to file interim rate tariff sheets and supporting documentation reflecting the decisions herein with the Commission and Minnesota's Department of Commerce-Division of Energy Resources. Minnesota Power'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 Minnesota Power 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 Minnesota Power 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, Minnesota Power shall certify this fact to the Commission.
- D. Require Minnesota Power 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. Delegate authority to approve notices, bill inserts, and bill format to the Commission's Executive Secretary for the duration of this proceeding.

16. Grant CUB's request to intervene in this docket.

The motion passed 5–0.

G-008/M-21-755

In the Matter of the Petition by CenterPoint Energy for Approval of a Rate Stabilization Plan

Commissioner Sieben moved that the Commission do the following:

- 1. Not approve the Rate Stabilization Proposal offered by CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (CenterPoint).
- 2. Order CenterPoint to extend the amortization period for extraordinary gas costs in Docket No. G-008/M-21-138, *In the Matter of the Petition of CenterPoint Energy for Approval of a Recovery Process for Cost Impacts Due to February Extreme Gas Market Conditions*, to 63 months beginning on January 1, 2022, for all customer classes. Order CenterPoint to file, by December 15, 2021, the new schedule for all affected classes.

3. Direct the Executive Secretary to issue a notice in Docket No. G-999/CI-21-135, *In the Matter of a Commission Investigation into the Impact of Severe Weather in February 2021 on Impacted Minnesota Natural Gas Utilities and Customers*, requesting comments on whether the amortization period should be extended for other natural gas utilities affected by the February gas spike.

The motion passed 5–0.

G-008/GR-21-435

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 do the following:

1. Accept this filing as being in proper form and substantially complete as of November 1, 2021.
2. Require CenterPoint to make a compliance filing within 30 days of this order in this docket that provides, if applicable, revised schedules of rates and charges reflecting the revenue requirement and the rate design decisions herein, along with the proposed effective date.
3. Suspend the proposed final rates until the Commission makes its final determination in this matter by the 10-month statutory deadline of September 1, 2022.
4. Request the report of the administrative law judge (ALJ) at least seventy-five (75) days prior to the Commission’s statutory deadline (e.g., on or before June 13, 2022) for issuing its order. If the statutory deadline for the Commission’s decision is extended beyond the normal ten months at any point during this proceeding for any reason (e.g., settlement discussions, waiver, etc.), request the ALJ’s report at least three months before the extended deadline for the Commission’s decision.
5. Identify issues requiring development of a complete record in this case.
 - A. The standard rate case issues.
 - B. Determine whether the base cost of gas proposed in Docket No. G-008/MR-21-436, *In the Matter of CenterPoint Energy Resources Corporation’s Filing to Establish a New Base Gas Cost Filing (PGA Zero-Out) for Interim Rates in CenterPoint Energy’s General Rate Filing*, Docket No. G-008/GR-21-435, needs to be updated.

- C. Determine whether it is appropriate to use the proposed hypothetical capital structure or whether an alternate capital structure should be adopted.
 - D. Develop a full record that includes reasons for the significant changes since CenterPoint’s last rate case.
 - E. Develop a full record regarding whether CenterPoint’s income tax rider request should be approved.
 - F. Develop a full record that includes calculations for Minnesota-based personnel or full-time equivalents.
6. Authorize CenterPoint to waive its right under the interim rate statute to put interim rates into effect on December 31, 2021, and authorize CenterPoint to actually implement interim rates for service rendered on and after January 1, 2022.
 7. Approve an annual interim rate revenue deficiency of \$51.8 million.
 8. Establish interim rates as proposed by CenterPoint, but find that exigent circumstances exist and limit the interim rate increase for residential customers to 3.9 percent and reduce the interim rate revenue deficiency accordingly.
 9. Direct CenterPoint to file revised financial schedules and calculations (interim rate base, income statement, cost of capital, and revenue summary) and class revenue schedules reflecting the Commission’s modifications within 5 calendar days of this meeting.
 10. Approve CenterPoint’s proposed interim cost of capital for setting interim rates.
 11. Adopt the following capital structure to calculate the annual interim rate increase:

Proposed Interim Rates Cost of Capital

Component	Percent of Total	Cost Rate	Weighted Cost
Long-Term Debt	45.00%	4.09%	1.84%
Short-Term Debt	4.00%	0.39%	0.02%
Common Equity	51.00%	9.03%	4.61%
Total (ROR)			6.46%

12. Consistent with the CenterPoint's proposed methodology (except for the residential class), order CenterPoint to collect the revised interim rate increase as a uniform increase to the basic charge, the delivery charge (excluding the Conservation Cost Recovery Adjustment) and to display the interim rate increase on customer bills using a single, line-item interim rate adjustment.
13. 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. Determine that this does not require a finding of exigent circumstances.
14. In the Notice and Order for Hearing, require the following:
 - A. This order will be served on CenterPoint, 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 CenterPoint's service area.
 - C. CenterPoint shall give the following notices of the evidentiary and public hearings:
 - 1) 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.
 - 2) Written notice to the governing bodies of all municipalities, counties, and local governing bodies in the area affected and to all parties in CenterPoint's last two rate cases. These notices shall be mailed at least ten days before the first day of hearings.
 - 3) Display advertisements in legal newspapers of affected counties and other newspapers of general circulation within CenterPoint'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.
 - 4) CenterPoint shall submit proposed notices for Commission approval prior to publication or service.
15. In the Order Setting Interim Rate require the following:
 - A. Order CenterPoint to file interim rate tariff sheets and supporting documentation reflecting the decisions herein with the Commission and Minnesota's Department of Commerce-Division of Energy Resources (Department). CenterPoint'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 CenterPoint 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 CenterPoint 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, CenterPoint shall certify this fact to the Commission.
 - D. Require CenterPoint 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.
16. Delegate authority to approve notices, bill inserts, and bill format to the Commission's Executive Secretary for the duration of this proceeding.
17. Request that the Chief Administrative Law Judge appoint another judge to convene a settlement conference pursuant to Minnesota Statutes section 216B.16, subd. 1a(a), after the filing of direct testimony, with further conferences as needed during the contested case process.

The motion passed 5–0.

G-008/MR-21-436

In the Matter of CenterPoint Energy Resources Corporation's Filing to Establish a New Base Gas Cost Filing (PGA Zero-Out) for Interim Rates in CenterPoint Energy's General Rate Filing, Docket No. G-008/GR-21-435

Commissioner Sieben moved that the Commission do the following:

1. Approve CenterPoint's Base Cost of Gas as filed.
2. Require CenterPoint to provide updated information on the commodity cost of gas during this proceeding and in the general rate case. Direct CenterPoint to 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 CenterPoint's base cost of gas. The updates shall be filed in both this docket and in the general rate case, in Docket No. G-008/GR-21-435.

3. Require CenterPoint to provide updated tariff sheets that reflect the Commission's interim rate decision(s) in this proceeding.

The motion passed 5–0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: December 15, 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