

The Commission met on **Thursday, November 3, 2016**, with Chair Heydinger and Commissioners Lipschultz, Schuerger, and Tuma present.

The following matters were taken up by the Commission:

### **ENERGY AGENDA (PART 1)**

#### **G-008/GR-15-424**

#### **In the Matter of the Application of CenterPoint Energy Resources Corp. for Authority to Increase Natural Gas Rates in Minnesota**

Commissioner Schuerger moved to take the following actions:

1. approve CenterPoint's (CPE's) proposed tariffs;
2. approve CPE's proposed CCRC of \$0.1928 per dekatherm to be applied to all customer classes except for approved CIP-exempt facilities;
3. require CPE to resubmit the CIP tracker account (including rates, revenues, expenses, and ending balance) for the entire period that interim rates were in effect within ten days after the actual date final rates become effective;
4. approve CPE's refund plan; and
5. require CPE to submit, within ten days of the completion of the refund for all of its customers, a compliance filing that separately shows the actual refunds and interest paid by rate class including supporting calculations.

The motion passed 4–0.

#### **G-008/MR-16-741**

#### **In the Matter of CenterPoint Energy's Petition to Establish a New Base Cost of Gas to Coincide with the Implementation of Final Rates in Compliance with the Commission's Order in CenterPoint's General Rate Case, Docket No. G-008/GR-15-424**

Commissioner Tuma moved to approve CenterPoint's new base cost of gas to coincide with the implementation of final rates in Docket No. G-008/GR-15-424.

The motion passed 4–0.

**E-015/M-16-534**

**In the Matter of Minnesota Power’s Petition for Approval of an Amended and Restated Electric Service Agreement Between Minnesota Power and United Taconite LLC and Northshore Mining Company (collectively, “Cliffs”)**

Commissioner Lipschultz moved to take the following actions:

1. Approve the petition for an Electric Service Agreement between Minnesota Power and Cliffs; and
2. Require Minnesota Power, in its next IRP, to address how to ensure that the Company has sufficient yet not excessive capacity resources to serve the Cliffs facilities under the terms of this ESA.

The motion passed 4–0.

**TELECOMMUNICATIONS AGENDA**

**P-6966/NA-16-607**

**In the Matter of the Application of Mobilitie Management LLC for a Certificate of Authority to Provide Local Niche Services**

Commissioner Lipschultz moved to take the following actions:

1. Approve Mobilitie Management, LLC’s Application for a Certificate of Authority; and
2. Require Mobilitie Management, LLC to file its detailed company policy regarding access to local units of government rights of way conditioned on the following:
  - A. Mobilitie Management shall file a detailed company policy regarding access to local government rights of way; and
  - B. Mobilitie Management, LLC, shall acknowledge that facilities placed in local rights of way are subject to the permitting authority of local units of government.

The motion passed 4–0.

## ENERGY AGENDA (PART 2)

### **E-999/M-16-342**

#### **In the Matter of Utilities' Annual Reports on Progress in Achieving the Solar Energy Standard**

### **E-999/CI-13-542**

#### **In the Matter of the Implementation of Solar Energy Standards Pursuant to 2013 Amendments to Minnesota Statutes Section 216B.1691**

Commissioner Lipschultz moved to take the following actions:

1. Accept the utilities' 2015 Solar Energy Standard reports as complete; and
2. Delegate authority to the Executive Secretary to develop a standardized form for future SES reports in consultation with the Department and utilities. This shall include a requirement for each utility to report on its compliance with Minn. Stat. § 216B.1691, subd. 2f(c). The Executive Secretary may also update the standardized form in future years as necessary.

The motion passed 4–0.

### **G-004/M-16-384**

#### **In the Matter of Great Plains' 2015 Demand-Side Management Financial Incentives and Annual Filing to Update the CIP Rider**

Commissioner Lipschultz moved to take the following actions:

1. Approve Great Plains' 2015 financial incentive for CIP achievements;
2. Approve Great Plains' 2015 CIP tracker account as indicated at page six of the Department's August 8, 2016 comments;
3. Require Great Plains to use its short-term cost of debt approved by the Commission in the Company's most recent rate case;
4. Clarify that the CCRA should be adjusted only after a thorough review of Great Plains' CIP tracker;
5. Require Great Plains to use a CCRA calculation methodology that adequately accounts for carrying charges associated with the financial incentive;
6. Require Great Plains, in future filings, to calculate the CCRA based on the existing tracker balance, as well as the projected sales, expenditures, financial incentive(s), and any pertinent adjustments that may occur over the period the CCRA will be in place;

7. Approve the CCRA at \$0.2125/Dth as recommended by the Department to be effective with implementation of final rates in Docket No. G004/GR-15-879;
8. Approve Great Plains' proposed bill message for publication in conjunction with the implementation of final rates in Docket No. G-004/GR-15-879 with the modifications that the base year, effective date, and gas CCRA listed in the bill message be updated in the compliance filing to reflect the Commission's determinations of the base year, effective date, and approved rate; and
9. Delegate authority to the Executive Secretary to approve customer notices for the duration of this proceeding.

The motion passed 4–0.

**E-015/M-15-773**

**In the Matter of the Petition of Minnesota Power for Approval of Investments and Expenditures in the Camp Ripley Solar Project for Recovery Through Minnesota Power's Renewable Resources Rider Under Minn. Stat. § 216B.1645 and Related Tariff Modifications**

Commissioner Tuma moved to take the following actions:

1. Require the Company to adjust the project lease payment amounts to be recovered from the ratepayers by excluding the proposed "security benefits" and "Solar Education Center." The Company will determine the annual recoverable portion of the O&M expenses based on the "Total Value (NPV)" of \$197,619 annualized over 35 years.
2. The Company is prohibited from seeking recovery from ratepayers in this proceeding for the additional \$25,000 paid pursuant to clause 9.8 of the lease for the "Solar Education Center."

The motion passed 4–0.

Commissioner Lipschultz moved to take the following actions:

1. Accept the commitment by Minnesota Power (MP) in its July 18, 2016 reply comments to develop and provide in its 2016 rate case a methodology for allocating the Camp Ripley solar capacity benefits between solar-exempt and nonexempt, solar-paying customers.

2. Find that MP's alternative method for allocating costs between SES-exempt and nonexempt (solar-paying) customers, as revised in MP's July 18, 2016 reply comments, reasonably allocates SES project costs between exempt and nonexempt customers at this time. The Commission reserves the right to (1) revise the FPE and SEA Riders following MP's filing of its VOS calculation, part of MP's required compliance filing in Docket No. E-015/M-15-825; and/or (2) adopt a method for allocating capacity benefits as part of the Commission's decision in MP's rate case filed on November 2, 2016.
3. Approve the Company's compliance proposal for revisions to its existing FPE Rider, as shown in Attachment 5 of its April 25 compliance filing, and the Company's proposed Solar Energy Adjustment (SEA) Rider, as shown in Attachment 6 of its April 25 compliance filing, as modified by its July 18, 2016 reply comments:
  - a. Approve a revision to the tariff language and calculation of the SEA Rider so that the SEA Rider tariff language (on page 96.1) reads as follows:

(f) Calculate the simple average of actual non-solar cost (\$/MWh) for the first two of the preceding three months by dividing total monthly costs of non-solar generation by total monthly non-solar MWh sales.

The motion passed 4-0.

Commissioner Schuerger moved to find that the VOS Methodology remains an approved standard for determining the value of distributed solar projects where applicable and that MP's analysis of its applicability in this specific instance carries no implications for how the VOS Methodology is to be applied or in any way limits its full application, implementation and quantification in other cases.

The motion passed 4-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: December 21, 2016**



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**Daniel P. Wolf, Executive Secretary**