

The Commission met on **Thursday, October 24, 2019** with Chair Sieben and Commissioners Lipschultz and Tuma present.

The following matters were taken up by the Commission:

IP-7006/CN-19-309

In the Matter of the Application of Buffalo Ridge Wind Energy, LLC for a Certificate of Need for the 109 MW Large Wind Energy Conversion System in Lincoln County

Chair Sieben moved that the Commission:

1. Accept the certificate of need application as substantially complete as of BRW's reply comments - August 20, 2019.
2. Direct that the certificate of need application be reviewed using the informal review process.
3. Delegate administrative authority, including timing issues, to the Executive Secretary.
4. Provide the name, telephone number, and email address of the Commission staff person designated as public advisor to facilitate citizen participation in the process: Charley Bruce, (651) 201-2251, or publicadvisor.puc@state.mn.us.
5. Request that the Department continue to study the issues and indicate during the hearing process through testimony or comment its position on the reasonableness of granting a certificate of need.
6. Require the Applicant to facilitate in every reasonable way the continued examination of related issues by Department and Commission staff.
7. Require the Applicant to place a print or electronic copy of the application in the government center or public library located closest to the proposed project site.
8. Direct the Applicant to work with Commission staff to arrange for publication of the notice of hearings in newspapers of general circulation at least ten days prior to the hearings, that such notice be in the form of visible display ads, and that proof of publication be obtained from the newspapers selected.
9. Vary Minn. R. 7849.0200, subp. 5, and extend the 30-day time frame for Commission decision on application completeness.
10. Vary Minn. R. 7849.1400, subp. 3, and extend the 40-day time frame for the Commission staff and the Department of Commerce to hold a public information/ER scoping meeting.

11. Grant LIUNA's petition to intervene as a party in this docket.

The motion passed 3-0.

IP-7006/WS-19-394

In the Matter of the Application of Buffalo Ridge Wind Energy, LLC for a Site Permit for the 109 MW Large Wind Energy Conversion System in Lincoln County

Commissioner Tuma moved that the Commission:

1. Accept the site permit application as substantially complete.
2. Request that an ALJ from the Office of Administrative Hearings preside over the hearing and prepare a summary of public comments.
3. Request that an ALJ from the Office of Administrative Hearings preside over the hearing and that the ALJ:
 - A. conduct the public hearing in accordance with Minn. R. 7850.3800, subp. 2 to 4, and as the administrative judge determines appropriate, Minn. R. 1405.0500; 1405.0600; 1405.0800; 1405.1900; and 1405.2200;
 - B. direct that intervention as a party is not required. Parties to the proceeding are the Department of Commerce and the Applicant. Other persons may participate as public participants or as otherwise prescribed;
 - C. request that state agencies participate in accordance with Minn. Stat. § 216E.10, subd. 3;
 - D. establish the types of filings necessary to facilitate proper record development (i.e., testimony, briefs, reply briefs, proposed findings and site permit recommendations) and a schedule for submitting those filings through the scheduling of a prehearing conference in accordance with Minn. R. 1405.1100, as determined appropriate;
 - E. emphasize the statutory time frame for the Commission to make final decisions on the application and encourage the applicant and others to adhere to a schedule that conforms to the statutory timeframe;
 - F. request interested persons to address whether the proposed LWECS project meets the criteria established under Minnesota Statutes chapter 216F and Minnesota Rules chapter 7854;

- G. prepare a report setting forth findings of fact, conclusions of law, and recommendations on the merits of the LWECS site permit application, and provide recommendations, if any, on conditions and provisions of the proposed site permit; and
 - H. direct that the hearing record be maintained through the Commission's electronic e-Dockets filing system.
4. Delegate administrative authority, including timing issues, to the Executive Secretary.
 5. Provide the name, telephone number, and email address of the Commission's public advisor who will to facilitate citizen participation in the process: Charley Bruce, (651) 201-2251, or publicadvisor.puc@state.mn.us.
 6. Request that the Department continue to study the issues and indicate during the hearing process through testimony or comment its position on the reasonableness of granting a site permit.
 7. Require the Applicant to facilitate in every reasonable way the continued examination of the issues requested by the Department and Commission staff.
 8. Require the Applicant to place a print or electronic copy of the site permit application in the government center or public library located closest to the proposed project site.
 9. Direct the Applicant to work with Commission staff and the ALJ to arrange for publication of the notice of hearing in newspapers of general circulation at least ten days prior to the hearing, that such notice be in the form of visible display ads, and that proof of publication be obtained from the newspapers selected.
 10. Direct that all noticing requirements in these matters provided for under Minnesota Statutes chapter 216F and Minnesota Rules chapter 7854 include delivery to all affected landowners. An affected landowner is any landowner or designee that is within or adjacent to the proposed LWECS site boundary.
 11. Vary Minn. R. 7854.0600, subp. 1, and extend the 30-day time frame for Commission decision on application completeness.
 12. Vary Minn. R. 7854.0800, subp. 1, and extend the 45-day time frame for Commission decision on the issuance of a draft site permit.
 13. Grant LIUNA's petition to intervene as a party in this docket.

The motion passed 3-0.

E-111/GR-19-478

In the Matter of the Application of Dakota Electric Association for Authority to Increase Rates for Electric Service in Minnesota

Commissioner Lipschultz moved that the Commission take the following actions:

1. Accept the rate-increase application filed by Dakota Electric Association in this docket and find it in proper form and substantially complete as of September 19, 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. Refer this case to the Office of Administrative Hearings for contested-case proceedings;
4. Require Dakota Electric to promptly mail copies of the Commission's order to the governing bodies of all municipalities, counties, and local governing authorities within its Minnesota service area;
5. Require that public hearings be held in this case at locations within the Dakota Electric's service area; those locations shall be set by the Administrative Law Judge after consultation with the parties and Commission staff;
6. Require Dakota Electric to give the following notices of the evidentiary and public hearings:
 - a. 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;
 - b. Written notice to the governing bodies of all municipalities, counties, and local governing authorities in the area affected and to all parties in the Cooperative's last two rate cases. These notices shall be mailed at least ten days before the first day of hearings;
 - c. Display advertisements in legal newspapers of affected counties and other newspapers of general circulation within the Cooperative's 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;
7. Require Dakota Electric to submit proposed notices for Commission approval prior to publication or service;
8. Delegate to the Executive Secretary the authority to approve notices, bill inserts, and bill format for the duration of this proceeding;

9. Approve Dakota Electric's proposed method of applying the interim rate increase;
10. Set interim rates to be effective for service rendered on and after November 18, 2019;
11. Require Dakota Electric to file with the Commission and the Department of Commerce interim-rate tariff sheets and supporting documentation reflecting the Commission's decisions. Dakota Electric'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 Dakota Electric 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; and
13. Require Dakota Electric to include with each customer's first bill under the interim-rate schedule a notice of the rate change, approved by the Executive Secretary. The Cooperative shall certify completion of this task to the Commission.

The motion passed 3-0.

G-004/D-19-376

In the Matter of the Petition of Great Plains Natural Gas Company for Approval of its 2019 Depreciation Certification

Chair Sieben moved that the Commission take the following actions:

1. Approve the Company's proposed 2019 Annual Depreciation Study, effective January 1, 2019.
2. Approve the depreciation parameters for new Account 366.0 – Transmission Structures, not previously included in the Company's most recent five-year depreciation study.
3. Require the Company to continue its reporting for Account 390.0 – General Structures and Improvements in future depreciation filings.
4. Require the Company to continue providing annual updates on its PVC replacement program in its future depreciation studies.

The motion passed 3-0.

G-011/D-19-377

In the Matter of the Petition of Minnesota Energy Resources Corporation for the Annual Review of Depreciation Rates for 2019

Commissioner Lipschultz moved that the Commission:

1. Approve the depreciation parameters and rates proposed in MERC's Petition for all plant accounts other than Account 390 Structure and Improvements.
2. Require MERC to file its next annual depreciation study by June 1, 2020; and require MERC to file its next five-year study by June 1, 2022.
3. Require MERC to depreciate the Rosemount, Rochester, Cloquet, and Albert Lea Service Centers individually in the Account 390 Major group and to depreciate the other 18 buildings in Account 390 as members of the Minor buildings group.
4. Approve to OAG's proposed rule for depreciating buildings individually, and require the Company to identify new or existing buildings that exceed a total book value of \$1,000,000 in its future depreciation filings.
 - a. Use the North Central Region Gas Utility Construction January 2019 Structures and Improvements Index to adjust the threshold annually to recognize the impact of year-over-year inflation.
 - b. The threshold should be applied at the time of building acquisition, construction or improvements based upon the original cost of the building.
5. Require the Company to use depreciation parameters from MERC's response to OAG IR 11.
6. Deny MERC's request for deferred accounting.

The motion passed 3-0.

G-6278, G-6279, G-6280/CI-18-770

In the Matter of an Inquiry into Exemptions for Small Gas Utility Franchises Under Minn. Stat. § 216B.16, Subd. 12, for Gorham's Inc., Northwest Natural Gas, LLC, Northwest Natural Gas of Murray County, Inc., and Northwest Natural Gas of Cass County, LLC

Commissioner Lipschultz moved that the Commission:

1. Require Northwest to file or facilitate the filing of all municipal resolutions requesting exemption under Minn. Stat. § 216B.16, subd. 12, within 90 days.

2. Require Northwest to file the following within 90 days:
 - a. Additional information and legal analysis, with the guidance of the Department, on the question of whether the Commission should consider Northwest to be one company or three separate companies in the analysis of whether the exemption requirements are satisfied.
 - b. Additional information and legal analysis, with the guidance of the Department, regarding the number of customers being served inside and outside the municipalities.
 - c. Updated customer counts, plus a statement that the utility does not discriminate between customers located within and outside of municipalities, and if it does, why.
 - d. Any municipality-approved rate changes that occurred in the prior year and when these changes went into effect. All small gas utilities must comply with Minn. Stat. § 216B.16, subd. 12 (b), which states “[t]he public utility shall file with the commission and the department all initial and subsequent changes in rates, tariffs, and contracts for service outside the municipality at least 30 days in advance of implementation.”
 - e. All changes to its tariff book in redlined and final revised tariff form.
 - f. A copy of its cold weather disconnection notice sent to the customers, including how the notice was communicated and date communicated, as required by Minn. Stat. § 216B.096 (Cold Weather Rule).
 - g. A copy of any utility disconnection reports served to any of the municipalities, as required by Minn. Stat. § 216B.0976 (Notice to Cities of Utility Disconnection).
 - h. Pursuant to Minn. Stat. § 216B.098 (Residential Customer Protections), a copy of its notice form sent to customers who are in arrears, along with any policy not clearly identified in the tariffs regarding budget billing plans, payment arrangements, and under-charge repayment.
3. Authorize the Executive Secretary to set and modify comment period dates and deadlines.

The motion passed 3-0.

E,G-999/CI-08-133

In the Matter of Commission Review of Utility Performance Incentives for Energy Conservation Pursuant to Minn. Stat. § 216B.241 Subd. 2c

Commissioner Lipschultz moved to do the following:

1. Approve the Shared Savings Demand-Side Management (DSM) financial incentive mechanism for 2020 with the same parameters as 2019.
2. Ask the Minnesota Department of Commerce join the parties in exploring revising the mechanism's caps, or providing cap relief, for the 2021-23 timeframe.

The motion passed 3-0.

E-017/M-19-256

In the Matter of Otter Tail Power Company's 2018 Demand-Side Management Financial Incentive and Annual Filing to Update the Conservation-Improvement Program Rider

Chair Sieben moved to do the following:

1. Approve a 2018 Conservation Improvement Program (CIP) tracker account for Otter Tail Power Company (Otter Tail) resulting in a December 31, 2018 tracker balance of \$5,994,429.
2. Approve a Shared Savings financial incentive of \$3,004,311 for Otter Tail's 2018 CIP achievements.
3. Approve a Conservation Cost Recovery Adjustment of \$0.00710 per kilowatt-hour, to be effective the first day of the month following the Commission's order.
4. Grant Otter Tail a variance to Minn. R. 7820.3500(K) and 7825.2600 for one year after the issue date of the Commission's order to allow Otter Tail to continue to combine the Fuel Clause Adjustment with the Conservation Improvement Adjustment on customer bills.
5. Require Otter Tail to submit a compliance filing, within 10 days of the order, with revised tariff sheets reflecting the Commission's determinations in this matter.

The motion passed 3-0.

G-004/M-19-280

In the Matter of Great Plains Natural Gas Company's Service Quality Report for 2018

Commissioner Tuma moved that the Commission:

1. Accept Great Plains' report and modify the future reporting requirements to require Great Plains to file:
 - a. based on the utility's filing under 49 C.F.R. 192.1007 (e) and the baseline information provided on May 1, 2019, an update of: integrity management plan performance measures; monitoring results; and evaluation of effectiveness.
 - b. a summary of any 2019 emergency response violations cited by MnOPS along with a description of the violation and remediation in each circumstances.
 - c. the number of violation letters received by the utility from MnOPS during the year in question.
 - d. Require Great Plains to file the uniform reporting metrics for installation of excess flow valves and manual service line shutoff valves to be developed as follows: By December 6, 2019, after consultation with the other gas utilities obligated to report EFV metrics, Great Plains shall provide recommendations for uniform reporting of annual and overall EFV and manual shutoff valve installation on its distribution system. The recommendation could include:
 - i. a uniform definition of the number of customers suitable for EFV;
 - ii. a uniform definition of the number of customers suitable for manual shut-off valves;
 - iii. a uniform metric to be reported as a percentage of customers with installations of both;
 - iv. metrics for the number of customers receiving installations upon request prior to a system upgrade that would require the installation of EFVs.
2. Find that upon receipt of these compliance filings, the Executive Secretary will set a schedule for a comment period.

The motion passed 3-0.

G-004/M-19-300

In the Matter of CenterPoint Energy's Natural Gas Service Quality Report for 2018

Commission Tuma moved that the Commission:

1. Accept CenterPoint's Report and modified the future reporting requirements as recommended by the Department to require CenterPoint to file:
 - a. based on the utility's filing under 49 CFR 192.1007 (e) and the baseline information provided on May 1, 2019, an update of: integrity management plan performance measures; monitoring results; and evaluation of effectiveness.
 - b. a summary of any 2019 emergency response violations cited by MnOPS along with a description of the violation and remediation in each circumstance.
 - c. the number of violation letters received by the utility from MnOPS during the year in question.
 - d. the uniform reporting metrics for installation of excess flow valves (EFV) and manual service line shutoff valves, to be developed as follows: By December 6, 2019, after consultation with the other gas utilities obligated to report EFV metrics, CenterPoint shall provide recommendations for uniform reporting of annual and overall EFV and manual shutoff valve installation on their distribution system. The recommendation could include:
 - i. a uniform definition of the number of customers suitable for EFV;
 - ii. a uniform definition of the number of customers suitable for manual shut-off valves;
 - iii. a uniform metric to be reported as a percentage of customers with installations of both; and
 - iv. metrics for the number of customers receiving installations upon request prior to a system upgrade that would require the installation of EFVs.
 - e. a discussion of the National Transportation Safety Board report, regardless of the status of the Minnesota Office of Pipeline Safety (MNOPS) report, and any actions resulting from the report relating to the Minnehaha explosion.
 - f. a discussion of the MNOPS investigation.

2. Find that upon receipt of these compliance filings, the Executive Secretary will set a schedule for a comment period.

The motion passed 3-0.

G-011/M-19-303

In the Matter of Minnesota Energy Resources Corporation's Natural Gas Service Quality Report

Commissioner Tuma moved that the Commission:

1. Accept MERC's Report and modify the future reporting requirement as recommended by the Department to require MERC to file:
 - a. based on the utility's filing under 49 C.F.R. 192.1007 (e) and the baseline information provided on May 1, 2019, an update of: integrity management plan performance measures; monitoring results; and evaluation of effectiveness.
 - b. a summary of any 2019 emergency response violations cited by MnOPS along with a description of the violation and remediation in each circumstance.
 - c. the number of violation letters received by the utility from MnOPS during the year in question.
 - d. the uniform reporting metrics for installation of excess flow valves (EFV) and manual service line shutoff valves, to be developed as follows: By December 6, 2019, after consultation with the other gas utilities obligated to report EFV metrics, CenterPoint shall provide recommendations for uniform reporting of annual and overall EFV and manual shutoff valve installation on their distribution system. The recommendation could include:
 - i. a uniform definition of the number of customers suitable for EFV;
 - ii. a uniform definition of the number of customers suitable for manual shut-off valves;
 - iii. a uniform metric to be reported as a percentage of customers with installations of both; and
 - iv. metrics for the number of customers receiving installations upon request prior to a system upgrade that would require the installation of EFVs.
2. Find that upon receipt of these compliance filings, the Executive Secretary will set a schedule for a comment period.

3. Allow MERC to retain the \$500,000 set-aside as an ICE performance incentive.
4. Continue to require MERC, pursuant to the Commission's order in Docket No. 15-736 (July 31, 2019), to monitor and report on its ICE project metrics and to continue to retain \$500,000 as a set-aside performance incentive.

The motion passed 3-0.

G-022/M-19-304

In the Matter of Greater Minnesota Gas' Natural Gas Service Quality Report for 2018

Commissioner Tuma moved that the Commission accept Greater Minnesota Gas's report and modify the future reporting requirements as recommended by the Department to require Greater Minnesota Gas to file:

1. based on the utility's filing under 49 C.F.R. 192.1007 (e) and the baseline information provided on May 1, 2019, an update of: integrity management plan performance measures; monitoring results; and evaluation of effectiveness.
2. a summary of any 2019 emergency response violations cited by MnOPS along with a description of the violation and remediation in each circumstance.
3. the number of violation letters received by the utility from MnOPS during the year in question.

The motion passed 3-0.

G-002/M-19-305

In the Matter of Xcel Energy's Natural Gas Service Quality Report

Commissioner Tuma moved that the Commission:

1. Accept Xcel's report and modify the future reporting requirements as recommended by the Department to require Xcel to file:
 - a. based on the utility's filing under 49 C.F.R. 192.1007(e) and the baseline information provided on May 1, 2019, an update of: integrity management plan performance measures; monitoring results; and evaluation of effectiveness.
 - b. a summary of any 2019 emergency response violations cited by MnOPS along with a description of the violation and remediation in each circumstances.

- c. the number of violation letters received by the utility from MnOPS during the year in question.
 - d. the uniform reporting metrics for installation of excess flow valves (EFV) and manual service line shutoff valves, to be developed as follows: By December 6, 2019, after consultation with the other gas utilities obligated to report EFV metrics, CenterPoint shall provide recommendations for uniform reporting of annual and overall EFV and manual shutoff valve installation on their distribution system. The recommendation could include:
 - i. a uniform definition of the number of customers suitable for EFV;
 - ii. a uniform definition of the number of customers suitable for manual shut-off valves;
 - iii. a uniform metric to be reported as a percentage of customers with installations of both; and
 - iv. metrics for the number of customers receiving installations upon request prior to a system upgrade that would require the installation of EFVs.
2. Find that upon receipt of these compliance filings, the Executive Secretary will set a schedule for a comment period.

The motion passed 3-0.

G-004/M-19-280

In the Matter of Great Plains Natural Gas Company's Service Quality Report for 2018

G-004/M-19-300

In the Matter of Great Plains Natural Gas Company's Service Quality Report for 2018

G-011/M-19-303

In the Matter of Minnesota Energy Resources Corporation's Natural Gas Service Quality Report

G-022/M-19-304

In the Matter of Greater Minnesota Gas' Natural Gas Service Quality Report for 2018

G-002/M-19-305

In the Matter of Xcel Energy's Natural Gas Service Quality Report

Commissioner Lipschultz moved that the Commission:

1. Require CenterPoint to continue to file annually, as part of its service quality report, the TIMP/DIMP data addressing the 29 metrics developed in its Affiliated Interest docket (and reported in its 2018 annual service quality report), updating the three-year averages each year.
2. Require Xcel, MERC, GMG, and Great Plains to file, annually as part of their service quality reports, TIMP/DIMP data, including the leak count by facility type and threat; leak count on main by material; and leak count on service by material, with updates to the three-year averages each year.

The motion passed 3-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: March 18, 2020



Will Seuffert, Executive Secretary