

The Commission met on **Thursday, June 6, 2018** with Chair Sieben and Commissioners Lipschultz, Means, Schuerger, and Tuma present.

The following matters were taken up by the Commission:

E-299,132/SA-19-267

In the Matter of the Joint Request of Rochester Public Utilities and People's Energy Cooperative for Approval to Update Electric Service Territory Boundaries

Commissioner Tuma moved that the Commission:

1. Approve the permanent service territory transfer from People's Energy Cooperative to Rochester Public Utilities; and
2. Request that the Minnesota Geospatial Information Office update the Commission's maps to reflect the service area designations as shown on the map in the petition.

The motion passed 5-0.

G-022/M-17-399

In the Matter of a Request by Greater Minnesota Gas, Inc. for Approval of a Change in Contract Demand Entitlement Units Effective November 1, 2017

Commissioner Tuma moved that the Commission:

1. Approve the Company's proposed level of demand entitlements as shown in the Company's Petition;
2. Allow the Company to recover associated demand costs through the monthly Purchased Gas Adjustment effective November 1, 2017; and
3. Require the Company to undertake the following in future demand entitlement filings:
4. Use a constant annual average residential usage estimate for the purpose of estimating rate impact on a going-forward basis;
5. Perform separate regression analyses by service area, using area-specific weather stations, as soon as there is sufficient consumption and customer data for the results to be relied upon;

6. Estimate its design day using data from at least three heating seasons when appropriate. If the results of these calculations are not acceptable, the Company shall fully explain its decision to use a shorter estimation period in its initial filing; and
7. Maintain, on a going-forward basis, a two-part design-day process involving both regression analysis and mathematical analysis based on the Company's historical all-time peak-day send-out.

The motion passed 5-0.

G-022/M-18-232

In the Matter of Petition by Greater Minnesota Gas, Inc. for a Change in Contract Demand Entitlement for the 2018-2019 Heating Season

Commissioner Tuma moved that the Commission:

1. Approve the Company's proposed level of demand entitlements as shown in the Company's Petition
2. Allow the Company to recover associated demand costs through the monthly Purchased Gas Adjustment effective April 1, 2018; and
3. Require the Company to undertake the following in future demand entitlement filings:
4. Use a constant annual average residential usage estimate based on weather normalized sales for the purpose of estimating customer rate impact;
5. Perform separate regression analyses by service area, using area-specific weather stations, as soon as there is sufficient consumption and customer data for the results to be relied upon;
6. Estimate its design day using data from at least three heating seasons when appropriate. If the results of these calculations are not acceptable, the Company shall fully explain its decision to use a shorter estimation period in its initial filing;
7. Maintain, on a going-forward basis, a two-part design-day process involving both regression analysis and mathematical analysis based on the Company's historical all-time peak-day send-out.

The motion passed 5-0.

G-011/GR-17-563

In the Matter of the Application of Minnesota Energy Resources Corporation for Authority to Increase Rates for Natural Gas Service in Minnesota

Commissioner Schuerger moved that the Commission:

1. Approve the Company's compliance filing, with the following modified dates and with the exception of the Company's customer notice. The customer notice will be approved by the Executive Secretary in a separate Commission notice in this docket.
2. Final rates and proposed tariffs will be implemented and effective July 1, 2019;
3. Interim rates will be terminated for service rendered after June 30, 2019; and
4. The Company will commence issuance of refunds with September 2019 bills.
5. Require the Company to resubmit the Conservation Improvement Program tracker account (including rates, revenues, expenses, and ending balance) for the entire period that interim rates were in effect within 10 days after the actual date final rates become effective.
6. Require the Company to submit final tariff sheets that incorporate the Commission's decisions herein within 10 days of this order but no later than the actual date that final rates become effective.
7. Require the Company to submit, within 10 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 5-0.

E-002/M-19-127

In the Matter of Northern States Power Company's 2018 Annual Revenue Decoupling Mechanism Pilot Program

Commissioner Lipschultz moved that the Commission:

1. Accept Xcel's 2018 revenue decoupling evaluation report.
2. Approve Xcel's revenue decoupling rate adjustment factors.
3. Permit Xcel's revenue decoupling pilot program to lapse as scheduled at the end of 2019.

4. Require Xcel to provide recommendations with supporting analysis in its next annual revenue decoupling evaluation report on whether to renew the decoupling program, and if so, whether the program as it currently exists should be modified to, among other things, better reflect the value of electric vehicles and potentially beneficial electrification. The Commission authorizes the Executive Secretary at that time to issue a notice and solicit comments from interested persons in response to Xcel's recommendations and analysis.

The motion passed 5-0.

E-002/GR-12-961

In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Power Service in the State of Minnesota

Chair Sieben moved that the Commission accept the Company's Annual Business Incentive and Sustainability Rider Report.

The motion passed 5-0.

E-015/M-19-37

In the Matter of Minnesota Power's Petition for Approval of an Amended and Restated Electric Service Agreement Between Blandin Paper Company and Minnesota Power

Commissioner Tuma moved that the Commission:

1. Approve the proposed Amended and Restated Electric Service Agreement between Minnesota Power and Blandin Paper Company through December 31, 2029.
2. Require Minnesota Power to include a schedule in its annual Energy-Intensive, Trade-Exposed (EITE) tracker account report that shows the change in revenue for each EITE customer due to any increased use of Incremental Production Service energy since the 2016 EITE base year.

The motion passed 5-0.

E-015/M-16-564

In the Matter of Minnesota Power's Revised Petition for a Competitive Rate for Energy-Intensive Trade-Exposed (EITE) Customers and an EITE Cost Recovery Rider

Commissioner Tuma moved that the Commission accept Minnesota Power's Second Annual Report.

The motion passed 5-0.

E-017/M-19-199

In the Matter of Otter Tail Power Company's Petition for Approval of the Annual Update to its Energy-Intensive, Trade-Exposed Rider Surcharge Rate

Commissioner Sieben moved that the Commission approve the Company's petition.

The motion passed 5-0.

E-017/D-18-568

In the Matter of Otter Tail Power Company's Petition for Approval of its 2018 Five-Year Review of Depreciation Certification

Commissioner Lipschultz moved that the Commission:

1. Approve the proposed service lives, salvage values, and depreciation rates contained in the Company's 2018 Five-Year Review of Depreciation Certification, with the following additional requirements regarding group accounting:
2. The Commission accepts the Company's representation that it will not argue in a subsequent rate case that group accounting alone would prohibit the Commission from making adjustments to the Company's rates; and
3. The Company must continue to maintain information about each of the major components in the Company's group accounting.
4. Require the Company to file its next annual depreciation study by September 1, 2019.
5. Require the Company to file its next five-year depreciation study by September 1, 2023.
6. Require the Company, in its next five-year depreciation study, to include the supporting schedules for each of its transmission, distribution, and general plant accounts.

7. Require the Company, in its first depreciation filing that includes new peaking generators, to compare the last rate case's short-term peaking capacity costs to the peaking capacity costs of the new generators.
8. Require the Company to include a comparison of the retirement estimates used in its most current integrated resource plan to remaining lives used in its depreciation filing and explain any differences.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: September 18, 2019



Daniel P. Wolf, Executive Secretary