

The Commission met on **Thursday, May 7, 2020**, with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

E,G-999/CI-20-425

In the Matter of an Inquiry into the Financial Effects of COVID-19 Natural Gas and Electric Utilities

E,G-999/M-20-427

In the Matter of the Petition of the Minnesota Rate Regulated Electric and Gas Utilities for Authorization to Track Expenses Resulting from the Effects of the COVID-19 and Record and Defer Such Expenses into a Regulatory Account

Commissioner Tuma moved that the Commission take the following actions:

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1. Request initial comments on the following:
 - a. Stakeholder input on what actions the Commission should take including what type of information to gather, if any;
 - b. Input on how to identify the types of financial impacts that could be considered COVID-related, including cost increases and decreases, revenue increases and decreases, and investments, as well as what off-sets there may be; and
 - c. Information on the financial effects on the utilities of the pandemic.
2. Delegate authority to its Executive Secretary to modify and vary procedures and deadlines, including the procedures and deadlines in this and subsequent orders, for the duration of this proceeding.
3. Direct the Executive Secretary to issue a notice requesting information from the regulated electric and gas utilities on the investments that would assist in Minnesota's economic recovery from the COVID-19 pandemic.

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4. Delegate authority to the Commission's Executive Secretary to modify and vary procedures, including the procedures and deadlines in this and subsequent orders, for the duration of this proceeding.

Grant the Joint Petition's April 20, 2020 request with the caveat that the grant is for accounting purposes only. Further, the utilities must track costs and revenues or grants incurred or received as a result of the Covid-19 pandemic. The utilities shall make an initial filing of their accounting methodology and known and estimated costs and revenues within the specific categories in 21 days, and quarterly thereafter. The utilities still bear the burden to establish significance, reasonableness, prudence, and the incremental nature of the costs.

The motion passed 5–0.

G-011/M-19-282

In the Matter of the Petition of Minnesota Energy Resources Corporation (MERC) for Approval of 2020 Gas Utility Infrastructure Cost (GUIC) Rider Revenue Requirement and Revised Surcharge Factor

Commissioner Tuma moved that the Commission do the following:

1. Accept and approve MERC's 2019 GUIC petition, except as modified herein.
2. Determine that MERC's proration methodology for accumulated deferred income tax (ADIT) is acceptable.
3. Determine that MERC's estimated cost for the expected level of 2020 Sewer Cross Bore Survey activity appears reasonable.
4. Determine that MERC's requested rate of return and income tax gross-up factors are reasonable.
5. Approve MERC's proposed GUIC rider rate design.
6. Direct MERC to include and discuss in its next general rate case, in pre-filed direct testimony and supporting schedules, the Company's proposed apportionment of revenue responsibility that fully aligns with its proposed customer rate classes and rate design.
7. Require MERC to clearly and transparently disclose and report in its GUIC true-up filings any operations and maintenance expense recovery requested, but not expressly included in the original revenue requirements derivation of the test year being reconciled; the information reported at a minimum should (1) identify and discuss each expense, (2) include the account number, (3) provide the reasoning it is GUIC- eligible, (4) provide the cost amount included, (5) discuss how the requested recovery amount was determined, and (6) discuss whether this type of expense was included in base rates.
8. Require MERC to report its Aldyl-A pipe replacement progress details in its annual GUIC true-up filings. The requested reporting details should include, by listed project site:

- a locational description of the work completed,
 - the associated work order number(s),
 - the size of the Aldyl-A pipe mains replaced,
 - the size of replacement pipe installed,
 - footage of main replaced,
 - total costs net of embedded labor, vehicles, fuel, overhead, etc., and
 - total replacement costs.
9. Require MERC to reflect the corrected revenue requirements model in any compliance and future GUIC filing schedules.
 10. Require MERC to include in the relevant future GUIC Rider filing a proposal to address the termination of the GUIC Statute.
 11. Require MERC to include in its next general rate case filing a discussion of its GUIC rider cost recovery transition to base rates (and requested interim rate) recovery.
 12. Direct MERC to roll in rider recovered facilities at the beginning of its next general rate case.
 13. Require MERC to include a projected depreciation adjustment in its 2020 GUIC-rider revenue requirement to prevent double recovery of depreciation expense associated with assets that are replaced, retired, and removed by GUIC projects. This forecasted adjustment must be calculated based on MERC's actual 2019 depreciation adjustment as reflected in the Company's true-up calculation. In future GUIC rider petitions, require MERC to include a forecasted adjustment to account for depreciation associated with facilities removed or replaced as a result of GUIC capital projects based on the most recently filed actual true-up adjustment.
 14. Determine that MERC's proposal to use a historical test year to estimate the right-of-way project costs is not acceptable and require MERC to continue to use the three-year average (using 2017-2019), as established in the 2019 GUIC-Rider order.
 15. Approve a capital cost budget for the Obsolete Materials Replacement Project of \$7 million for MERC's 2020 GUIC rider.
 16. Approve MERC's requested 2020 budget of \$2 million in O&M expenses.
 17. Approve MERC's request to include recovery of Excess Flow Valve Assessment project costs, incurred for third-party contractor services in its GUIC Rider, but at a reduced level, specifically \$95,049, which is one-fifth of its total estimated costs of \$506,970 for this five-year project reduced by \$31,175 for one-half of the engineering costs in light of current uncertainties.

18. Require MERC to use actual weather-normalized 2019 sales in setting the 2020 GUIC rider rate to account for increased growth in Rochester, consistent with the methodology used in the 2019 GUIC rider.
19. Approve MERC's proposed bill message as filed in its February 14, 2020 reply comments, updated to reflect final surcharge rates to appear on the first customer bill on which the new GUIC rider surcharge rates appear.
20. If MERC files a general rate case with a 2021 test year, determine that MERC's 2020 GUIC rider rate is effective only through December 31, 2021 and set the rate to zero effective January 1, 2022.
21. Require MERC to submit a compliance filing within ten days of the Commission's order showing the final rate adjustment factors and all related tariff changes.

The motion passed 5–0.

E-002/M-19-559

In the Matter of Xcel Energy's Petition for Approval of an Electric Vehicle Home Service Program

Chair Sieben moved, under Rule 5 of the Minnesota Rules of Practice, to grant the motion for admission of Jessica L. Bayles *Pro Hac Vice* as counsel for the Xcel Large Industrials (XLI) to participate in this case.

The motion passed 5–0.

Commissioner Schuerger moved to do the following:

1. Approve the Home Electric Vehicle (EV) Service Program, customer service agreement, and tariff language proposed by Northern States Power Company d/b/a Xcel Energy (Xcel) with some or all of the following modifications.
 - a. Grant Xcel's request for a variance to Minnesota Rules, parts 7820.3700 and 7820.3800, and the associated tariff language in Xcel's Electric Rate Book and Customer Service Agreements, limited to billing errors that occur as a result of the failure of a customer to maintain adequate and reliable Wi-Fi connectivity for the duration of Xcel's offering.
 - b. Place the Home EV Service Customer Service Agreement in Section No. 7 of Xcel's Minnesota Electric Rate Book.

- c. Approve Xcel’s proposed accounting treatment and cost recovery.
 - d. Require Xcel to separately track all costs as well as revenues received from EV Service offerings as outlined on page 9 of its January 21, 2020 supplemental comments, and include in its annual report. The costs to be tracked should include—but not be limited to—procurement, storage/inventory, installation, removal, and disposal costs.
 - e. Amend the customer service agreement and tariff to expand program eligibility to customers who rent or own single-family homes, townhouses, or duplexes as their dwelling, provided they have a separately metered service, are willing to pay for the make-ready infrastructure, and have the building owner’s consent.
 - f. Provide bundled service customers who choose to leave the program the option to purchase the charger by paying Xcel a tariffed buyout rate based on the estimated undepreciated balance of the charger.
2. Approve Xcel Energy’s Voluntary EV Charger Service, customer service agreement, and tariff language with modifications to make the terms of the Voluntary EV Charger Service consistent with any relevant, parallel modifications to the Home EV Service Program adopted above.
 3. Require Xcel to offer an installation-only option for customers who own an EV charger model that is already deployed in the program.
 - a. Permit enrollment only for customers who have purchased an Xcel-compatible EV charger on or before the date of the launch of the Home EV Service Program.
 - b. Require Xcel to use the proposed “prepay” option customer charge as the monthly customer charge for customers who have purchased chargers compatible with Xcel’s billing system.
 4. By the date of its first annual report, Xcel shall propose an option for participation in the Home EV Service Program or a similar offering that would allow customers to buy, install, and maintain their own chargers, including models not currently deployed in the Program—or explain why it is not feasible or prudent to do so, and provide cost information to support this position.
 5. Each year of the pilot program, Xcel shall report the following information in this docket and as part of Xcel’s Annual EV report in Docket No. E-002/M-15-111, *In the Matter of Northern States Power Company d/b/a Xcel Energy’s Petition for Approval of a Residential Electric Vehicle Charging Tariff*. This report may be combined with the annual report required in Docket No. E-002/M-17-817, *In the Matter of Xcel Energy’s Petition for Approval of a Residential Electric-Vehicle Service Pilot Program*. Where applicable, Xcel shall report the data in spreadsheet (.xlsx) format. The Commission delegates authority to its Executive

Secretary to establish final report formatting, and to resolve any inconsistencies in reporting requirements in individual dockets.

- a. Participant information (for each rate option, including the Voluntary option):
 - i. Total number of participants
 - ii. New enrollees
 - iii. Participants exiting the program
 - iv. Participants changing locations
 - v. Equipment selection (model of charging equipment)
 - vi. Number of participants selecting the renewable option
- b. Energy profile details on a per month basis, including:
 - i. Level of demand (in kilowatts) resulting from electric vehicles during each hour of the day, or if not yet available, during each time period in a utility's time-differentiated tariff utility's time-differentiated tariff
 - ii. Consumption of electricity (in kilowatt-hours) by electric vehicles during each hour of the day, or if not yet available, during each time period in a utility's time-differentiated tariff
- c. The costs and revenues associated with each service option, including the amount of metering equipment added to rate base and whether the pilot is revenue neutral.
- d. The Levelized Annual Revenue Requirement for the costs that were incurred in each year for customers choosing the Bundled option for EV service equipment.
- e. Learnings on customer experience and pilot performance under Xcel's safety and reliability standards.
- f. Information about issues caused by Wi-Fi connectivity problems, if any.
- g. The results of any RFP conducted during the preceding year.
- h. An evaluation of the EV chargers, including:
 - i. discussion of alternative EV chargers

- ii. compatibility with the Company’s metering and billing systems
 - iii. charger costs
 - iv. Potential of technological innovation and customer preference to result in stranded assets
6. Require Xcel to do one or more of the following:
- a. Update the Residential EV Subscription pilot program tariff and EV Service Pilot tariff to reflect the reduced customer charges for the “bundled” and “pre-pay” options approved for the Home EV Service program.
 - b. Provide a thorough discussion of the customer charges on an annual basis.
 - c. File any proposed customer charge changes in a miscellaneous filing for Commission approval, noting all affected tariff offerings.
 - d. Maintain the end-of-term options available to current participants in the EV Service Pilot if any participant elects not to transition to the Home EV Service Program.
7. Where not otherwise noted, require Xcel Energy to submit a compliance filing consistent with the Commission’s decision in this matter no later than 10 days from the issuance of the order. The Commission delegates authority to the Executive Secretary to approve via notice the customer service contract if no parties or Commission staff object or file an intent to object within 30 days of the filing.

The motion passed 5–0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: December 16, 2020



Will Seuffert, Executive Secretary