

Electric Annual Automatic Adjustment (AAA) of Charges for Fiscal-Years 2012, 2013 & 2014

Minnesota Public Utilities Commission

Docket Nos. E-999/CI-03-802, E-999/AA-12-757, E-999/AA-13-599 & E-999/AA-14-579

Oral Argument: April 12, 2016, 9:30 am

Deliberations: April 14, 2016, 9:30 am

Decision Alternatives

Note: Staff has attempted to clearly identify the parties' positions next to the decision alternatives in this outline. Please note that when only one alternative is listed, that does not mean that is the only alternative available. Every decision has a theoretical alternative. It may mean that parties did not provide a clear alternative to the one they recommended.

Acceptance of the Electric Utilities' Annual Automatic Adjustment Reports

1. Accept the electric utilities'
 - a. Fiscal-year 2012 annual automatic adjustment reports, in Docket No. E-999/AA-12-757;
 - b. Fiscal-year 2013 annual automatic adjustment reports, in Docket No. E-999/AA-13-599; and
 - c. Fiscal-year 2014 annual automatic adjustment reports, in Docket No. E-999/AA-14-579;

as filed, and subsequently amended, as being substantially complete as to Minnesota Rules 7825.2390 through 7825.2920.

or

2. Take no action on acceptance of the electric utilities' fiscal-year 2012, 2013, and 2014 annual automatic adjustment reports.

Uncontested Minnesota Department of Commerce Recommendations

3. Should the Commission accept the Minnesota Department of Commerce's uncontested recommendations in
 - a. Attachment A to these decision alternatives for fiscal-year 2012, in Docket No. E-999/AA-12-757;
 - b. Attachment B to these decision alternatives for fiscal-year 2013, in Docket No. E-999/AA-13-599; and
 - c. Attachment C to these decision alternatives for fiscal-year 2014, in Docket No. E-999/AA-14-579.

or

4. Take no action on the Department of Commerce's uncontested recommendations.

Ongoing Monitoring and Review of Electric Automatic Adjustment of Charges Issues

5. Request the Department to continue its monitoring and review of electric automatic adjustment issues and compliance filings and all other related and relevant issues in its review of the fiscal-year 2015 electric AAA reports.

Xcel Sherco Unit 3 – Extended Plant Outage

6. Find that the replacement power costs related to the Sherco 3 outage between November 2011 and December 2013 were prudently incurred by Xcel. Accept Xcel's commitment to provide information relating to the Sherco 3 event and insurance recovery as additional information emerges through litigation. And Xcel's acknowledgement that if there are further developments in the context of the litigation, the Commission can authorize that such amounts can be dealt with at that time. (Xcel)
7. Find that the prudence of costs related to Sherco 3 outage between November 2011 and December 2013, as identified in the Department's September 16, 2014 Report in Docket No. E-999/AA-13-599, remain subject to review by the Commission if additional facts developed during the General Electric legal process contradict the record to date. (DOC)
8. Defer any decision on the recovery of Sherco 3 energy replacement costs until there is a sufficient record to determine if recovery is appropriate and clarify that the Commission may act in the future to remedy any inequities for ratepayers. (OAG)
9. Open an investigation to review the cause and foreseeability of the Sherco 3 outage and the prudence of the replacement power costs Xcel incurred during the Sherco 3 outage. (OAG alternative)
10. Take no action.

Forced Outage Reporting Requirements for Utilities Seeking to Recover Replacement Power Costs

11. Require utilities seeking to recover replacement power costs due to a forced outage to provide the following:
 - a. Information showing the causes of forced outages;
 - b. Efforts the utility took to prevent the forced outage;
 - c. Efforts the utility took to minimize the length of the forced outage;
 - d. Efforts the utility took to protect ratepayers from having to pay for the costs of the forced outage;

- e. Efforts the utility took to recover replacement power costs from all potential sources; and
 - f. The amount by which the replacement power costs exceed the power costs the utility would otherwise have charged ratepayers.
12. Require the utilities to provide the information in 1(a) through 1(f) in their
- a. September 1st annual automatic adjustment (AAA) of charges reports,
 - b. Monthly fuel clause adjustment (FCA) reports,
 - c. Some other filing or combination of filings to-be-determined.
13. Request that the Department, Xcel, Minnesota Power and Otter Tail Power work together to develop and clarify future outage reporting requirements. Request a report from the Department, Xcel, Minnesota Power and Otter Tail Power within 90 days of the Commission's meeting and a plan for implementing the new reporting requirements in the AAA reports for fiscal-year 2016 that are due September 1, 2016. The report should include the information that is to be provided and the frequency and format of the reports.

Sharing Lessons Learned

14. Require the IOUs to develop a searchable database applicable to non-nuclear facilities that shares the attributes of the SEE-IN program and provides for a systematic gathering, review, and analysis of operating experience at (Minnesota) IOUs-owned non-nuclear facilities.
15. Require the IOUs to develop a way to share information, using an existing system such as FOMIS that has already been developed and is maintained by an outside organization, that includes a searchable database applicable to non-nuclear facilities and provides for a systematic gathering, review, and analysis of operating experience at (Minnesota) IOUs-owned non-nuclear facilities.
16. Take no action

Contractor Accountability for Replacement Power Costs & Supplier Warranties

Contractor Accountability

17. Require Minnesota Power and Otter Tail Power to adopt Xcel's Quality Management program, identified in more detail in Attachment D of Xcel's November 10 comments, to hold contractors more accountable for replacement power costs, to the extent those practices are not already in place.
18. Take no action

Supplier Warranties

19. Require Xcel, Minnesota Power and Otter Tail Power to add language to the “Supplier Warranties” section of the contracts as discussed above to indicate that contractors may be liable for a limited amount of replacement power costs. [DOC]
20. Take no action

Business Interruption Insurance (BII)

21. Take no further action at this time. [The Department did not recommend any further action on BII.] OR
22. Require Xcel, OTP, and IPL [or some other configuration of utilities] to conduct a meaningful analysis on whether BII is in the interest of ratepayers that incorporates, at a minimum, the following: [OAG Recommendation]
 - a. Given that Xcel Energy and Minnesota Power obtained BII for some generation facilities, there must exist some cost threshold or breakeven point for BII that depends on variables. More simply said, there is a price at which BII becomes affordable given the characteristics of a generation facility. Each utility should discuss this threshold and the variables considered to influence this threshold. The response should include quantification of the threshold and variables whenever possible.
 - i. This response should include discussion of quotes from insurance companies, and an estimate of an “affordable” BII premium for a generation facility that uses cost-benefit principles, among other things.
 - ii. This response should include discussion of all underwriting criteria that are used by the insurance brokers that were contacted by each utility.
 - iii. This response should include an explanation as to why additional brokers were not contacted if the primary insurance broker for the utility did not offer BII, or it was deemed too expensive.
 - b. If a utility finds that BII is still too expensive once a more comprehensive analysis has been completed, it should discuss the characteristics that are causing the premiums and deductibles to be too high and how it plans to better insulate ratepayers from these risks without BII.¹
 - c. The utilities should discuss the possibility of using other risk management instruments to control for price increases in the event of an outage. For example, what are the opportunities for the utilities to use call-put option collars, forward

¹ Some risk will remain due to the expense of decreasing risk. The objective is to ensure that utilities are not shifting risk that would be cost effective to avoid and that the utility is identifying all relevant information.

contracts, or other techniques and instruments to control for replacement power costs?

OR

23. Require Xcel, Minnesota Power, and Otter Tail Power to provide sufficient explanation in the 2016 AAA reports as how they reached the conclusion to: [Staff provided alternative.]
 - d. Purchase BII for those facilities for which they purchased it, including an evaluation of the risk of an interruption, and the cost and terms of the policy; and
 - e. Not purchase BII for those facilities for which they did not purchase it, including an evaluation of the risk of an interruption, the potential costs of an interruption, insurer quotes for the cost of BII for those facilities along with details of the considered terms such as deductible and/or length of outage before coverage kicks in.

Otter Tail Power's Revenue Sufficiency Guaranty (RSG) and Make Whole Payments Costs

24. Accept Otter Tail Power's identification of and explanation for the higher RSG and make whole payments in May 2013. [OTP, DOC]
25. Allow OTP to recover the cost of all of its RSG charges for May 2013. [OTP]
26. Disallow 50 percent of the difference between the actual amount of RSG charges and the average amount of RSG monthly charges for this period in May 2013 as calculated by OTP, i.e. \$37,058. (DOC)
27. Disallow 100 percent of the difference between the actual amount of RSG charges and the average amount of RSG monthly charges for this period in May 2013 as calculated by OTP, i.e. \$74,170.

Minnesota Power's Rail Transportation Costs

28. Find that Minnesota Power's coal procurement policies and actions taken in response to coal shortages during 2013 appear to be reasonable. However, find that that MP has not fully met its burden of proof to show that the rates MP charged to its ratepayers were reasonable. [DOC]
29. Find that Minnesota Power's coal procurement policies and actions taken in response to coal shortages during 2013 were reasonable and the rates MP charged ratepayers for rail transportation were also reasonable. [MP]
30. Take no action.

FCA Reform

Next Steps

31. Require all three IOUs (Xcel, MP, and OTP) to file proposals for pilot programs to change or modify their tariffs for their Fuel Clause Adjustment (FCA) riders used for the recovery of energy (fuel and purchased power) costs, or
32. Request additional written comments or schedule another meeting on whether there are potential (and realistic) alternatives for FCA reform and other topics related to the discussion at the Commission's meetings on April 12 & 14. Request these written comments or schedule another meeting in the
 - a. 12-757 docket,
 - b. a new Commission investigation (CI) docket,
 - c. the existing CI-03-802 Commission investigation docket,² or
33. Authorize Xcel to work with the Department during this AAA proceeding to develop an alternative option for Commission consideration, or [Xcel]
34. Affirm OTP's belief that its current KPI mechanism is an appropriate alternative to the Department's proposal to change the FCA, or [OTP]
35. Take no action and close the CI-03-802 Commission investigation docket,³ or
36. An alternative next step determined by the Commission

If one or more of the IOUs are required to propose a revised mechanism for recovering energy (fuel and purchased power) costs, when should proposals be submitted?

37. At the earliest of each IOU's next rate case or in a petition submitted no later than January 1, 2017 for implementation on July 1, 2017 (at the beginning of the 2017-2018 fiscal year for annual automatic adjustments), whichever comes first, or
38. In each IOU's next rate case (incorporating appropriate test-year forecasting factors), or
39. In individual utility-specific petitions submitted no later than January 1, 2017 for implementation on July 1, 2017 (at the beginning of the 2017-2018 fiscal year for annual automatic adjustments), or
40. For Xcel (in Docket No. E-002/GR-15-826) and Otter Tail (in Docket No. E-017/GR-15-1033), in their pending rate cases, in supplemental direct testimony, within 60 days of the Commission's April 14, 2016 meeting, and

² Investigation into the Appropriateness of Continuing to Permit Electric Energy Cost Adjustments, Docket No. E-999/CI-03-802

³ Ibid.

41. For MP, in its next rate case or in a petition submitted no later than January 1, 2017 for implementation on July 1, 2017, whichever comes first, or

42. An alternative schedule determined by the Commission.

If pilot program proposals for revised, alternative mechanisms for recovering energy (fuel and purchased power) costs are required, the Commission may want to direct the IOUs to include in their proposals, one or more of the following features or provisions:

43. Annual or monthly energy cost rates

- a. A single rate throughout the year at the IOU's average energy costs (\$/kWh) over the previous three years, or
- b. A different energy rate for each month of the year based on the IOU's average costs for that month over the past three years, [DOC]
- c. Some other alternative (other than a three-year historical average) that is representative of fuel and/or purchased energy costs for the rate case test year [MLIG]

44. Inclusion of fuel and/or purchased power costs

- a. Allow continued adjustments for fuel costs while fixing the level of purchased energy costs. (MLIG)

45. Asset-based and non-asset based margins

- a. A total comprehensive rate, i.e., all energy costs less offsetting asset-based and non-asset based margins when applicable, [OAG] or
- b. A partial rate, i.e., all energy costs without offsetting asset-based and non-asset-based margins, [OAG] or
- c. Proper accounting for wholesale margins. [MCC]

46. Known and measurable changes and replacement power costs

- a. Costs should be adjusted for known and measurable changes in rate cases. [MCC]
- b. Outliers such as costs associated with forced outages should be removed in calculating the monthly energy costs. [MCC]
- c. Clarify that if, for some reason, an unplanned and extended outage at a generating facility occurs and the utility purchases much more energy from the market than

planned, then the Utilities would be free to submit a filing seeking recovery.
[MLIG]

47. Caps and Deadbands

- a. Set the fixed fuel cost rate with a cap on utilities' cost recovery for fuel and purchased power costs at three percent above the authorized base cost in a utility's rate case. (OAG)
- b. Establish an appropriate cap on automatic adjustments. Below the cap, adjustments would continue as under the current FCA. Above the cap, the burden would be on the utility to seek recovery through a rate case or request deferred accounting. (MLIG)

48. Ongoing monitoring of fuel and purchased power costs during FCA reform pilot programs

- a. Require the IOUs to continue submitting monthly FCA filings and the annual automatic adjustment (AAA) reports to assess how this approach is working.
[DOC]

Docket No. E-999/AA-12-757

Summary of uncontested Minnesota Department of Commerce recommendations

- June 5, 2013 Report
 - December 31, 2014 Response Comments (pp. 27-30)
-

COMPLIANCE FILINGS

1. Approve Xcel Electric's compliance filing on the high level cost allocation test between retail and wholesale customers for June, July and August 2012, and require Xcel Electric to continue to report this generation cost allocation in future AAA filings.
2. Accept Xcel Electric's Natural Gas Financial Instruments compliance filing in the FYE12 docket. The Department will review Xcel Electric's continued compliance with this requirement in the FYE13 AAA report.
3. Accept Xcel Electric's FYE12 wind curtailment report.
4. Accept Xcel Electric's compliance filing regarding Xcel Electric's Nuclear Fuel Sinking Fund. The Department will continue to monitor Xcel Electric's Nuclear Fuel Sinking Fund in future AAA filings.
5. Accept Otter Tail Power's Enbridge Energy compliance filing in this docket. The Department will continue to monitor this compliance filing in future AAA reports.
6. Find that Xcel Electric complied with the April 30, 2010 Order in Docket No. E-002/M-10-161 regarding reporting on any curtailment from WM Renewable Energy, including the reasons for any such curtailments and the amounts paid.
7. Find that Xcel Electric complied with the January 29, 2009 Order in Docket No. E-002/M-08-1098, requiring Xcel Electric to report in future AAA filings any revenue from any source as a result of the Renewable Energy Purchase Agreement with Koda Energy, and to itemize any such revenue by source and amount.
8. Find that Xcel Electric complied with the August 26, 2010 Order in Docket No. E-002/M-10-486, requiring Xcel Electric to offset its recovery of costs by any revenues Xcel Electric receives from any and all sources as a result of Xcel Energy's purchase power agreement with Diamond K Dairy, and to report and itemize any such revenues by source and amount in its annual automatic adjustment reports.
9. Find that the IOUs complied with the April 6, 2012 Order in Docket No. E-999/AA-10-884 (Ordering Point 8), requiring the IOUs to report in future AAA filings any offsetting revenues or compensation recovered by the utilities as a result of contracts, investments, or expenditures paid for by their ratepayers.

10. Accept the IOUs' compliance filings regarding their actual expenses pertaining to maintenance of generation plants, with a comparison to the generation maintenance budget from the IOUs' most recent rate cases.
11. Accept the IOUs' compliance filings regarding their plant outages contingency plans.
12. Find that the IOUs are in compliance with the April 6, 2012 Order in Docket No. E-999/AA-10-884 (ordering Point 22) regarding sharing lessons learned about forced outages.
13. Find that Minnesota Power complied with the Commission's March 11, 2011 Order in Docket No. E-015/M-10-961 regarding reporting information on Minnesota Power's PPA with Manitoba Hydro.

MISO DAY 1

14. Find that the Companies' responses have complied generally with all of the AAA MISO Day 1 compliance reporting requirements.¹
15. Require the utilities to continue to provide in the initial filing of all future electric AAA reports the Minnesota jurisdictional Schedule 10 costs together with the allocation factor used and support for why the allocator is reasonable.
16. Require the utilities to provide, in the initial filing of all future electric AAA reports, information to support increases in MISO Schedule 10 costs of five percent or higher over the prior year's costs, including an explanation of benefits received by customers for these added costs.

MISO DAY 2

17. Accept Xcel Electric's MISO Day 2 reporting for FYE12.²
18. Accept Minnesota Power's MISO Day 2 reporting for FYE12.

¹ The Department expects utilities to continue to work hard to mitigate costs or the effects of changes by MISO or FERC that could negatively impact Minnesota retail customers. Utilities are required to continue to show benefits of MISO Day 1 in the context of their rate cases before receiving cost recovery of Schedule 10 costs.

² Based on additional information provided by Xcel Electric in its reply comments, the DOC concludes that Xcel Electric's Day Ahead and Real Time Energy amounts for FYE12 are reasonable, and Xcel Electric's Real Time Revenue Neutrality costs for FYE12 are reasonable. As a result of the Company's response confirming the Company has not changed its MISO Day 2 allocations and the two above responses on Day Ahead and Real Time Energy and Real Time Revenue Neutrality, the Department recommends that the Commission accept Xcel Electric's MISO Day 2 report for FYE12.

19. Accept Otter Tail Power's MISO Day 2 reporting for FYE12.³

20. Accept Interstate Electric's MISO Day 2 reporting for FYE12.⁴

ANCILLARY SERVICES MARKET

21. Accept Xcel Electric's ASM reporting.⁵

22. Accept Minnesota Power's ASM reporting.

23. Accept Otter Tail Power's ASM reporting.

24. Accept Interstate Electric's ASM reporting.

³ Based on its review, the Department concludes that Otter Tail Power's allocation of costs between Retail and Wholesale customers is reasonable for the FYE12 reporting period and therefore the Department recommends that the Commission accept Otter Tail Power's MISO Day 2 reporting.

⁴ Based on a limited review, Interstate Electric's allocation of costs between Retail and Wholesale customers appears to be reasonable for the FYE12 reporting period and therefore the Department recommends that the Commission accept Interstate Electric's MISO Day 2 reporting.

⁵ Based on this additional information provided by the Company in its reply comments.

Docket No. E-999/AA-13-599

Summary of uncontested Minnesota Department of Commerce recommendations

- September 16, 2014 Report
 - December 31, 2014 Response Comments (pp. 23-27)
-

COMPLIANCE FILINGS

1. Approve Xcel Electric's compliance filing on the high-level cost allocation test between wholesale and retail customers for June, July, and August of 2013. Continue to require Xcel Electric to report this generation cost allocation data in future AAA filings.
2. Accept Xcel Electric's Natural Gas Financial Instruments compliance filing in the FYE13 docket. The Department will review Xcel Electric's continued compliance with this requirement in the FYE14 AAA Report.
3. Accept Xcel Electric's FYE13 wind curtailment report.
4. Find that Xcel Electric's FYE13 AAA filing included information and analysis to address the FCA Settlement Agreement approved by the Commission in Docket No. E-002/GR-05-1428.¹
5. Accept Xcel Electric's compliance filing regarding Xcel Electric's Nuclear Fuel Sinking Fund. The Department will continue to monitor Xcel Electric's Nuclear Fuel Sinking Fund in future filings.
6. Accept Otter Tail Power's Enbridge Energy compliance filing in this docket. The Department will continue to monitor this compliance filing in future reports.
7. Find that Xcel Electric complied with the January 29, 2009 Order in Docket No. E002/M-08-1098, requiring Xcel Electric to report in future AAA filings any revenue from any

¹ During Xcel's Electric's 2005 rate case (Docket No. E-002/GR-05-1428), the Minnesota Chamber of Commerce and the Large Industrial Group entered into an FCA Settlement Agreement with Xcel Electric. The settlement included several commitments by Xcel Electric intended to provide customers with more information and analysis to enhance the ability of customers to plan for and manage volatility in fuel costs. ... Xcel Electric's FYE13 AAA filing included this additional information and analysis. However, the Department was not a party to this settlement, and thus invites comments on this information from those who were parties, regarding whether there are any concerns that need to be addressed. (Please see p. 7 of the DOC's September 16, 2014 Review.)

source as a result of the Renewable Energy Purchase Agreement with Koda Energy, and to itemize any such revenue by source and amount.

8. Find that Xcel Electric complied with the August 26, 2010 Order in Docket No. E002/M-10-486, requiring Xcel Electric to offset its recovery of costs by all revenues Xcel Electric receives from any and all sources as a result of Xcel Energy's purchase power agreement with Diamond K Dairy, and to report and itemize any such revenues by source and amount in its annual automatic adjustment reports.
9. Find that the IOUs complied with the April 6, 2012 Order in Docket No. E999/AA-10-884 (Ordering Point 8), requiring the IOUs to report in future AAA filings any offsetting revenues or compensation recovered by the utilities as a result of contracts, investments, or expenditures paid for by their ratepayers.
10. Accept the IOUs' compliance filings regarding their actual expenses pertaining to maintenance of generation plants, with a comparison to the generation maintenance budget from the IOUs' most recent rate cases.
11. Accept the IOUs' compliance filings regarding their plant outages contingency plans.
12. Accept the IOUs' compliance filings regarding sharing lessons learned about forced outages.²
13. Find that Xcel Electric complied with the April 30, 2010 Order in Docket No. E002/M-10-161 regarding reporting on any curtailment of WM Renewable Energy, including the reasons for any such curtailments and the amounts paid, in Xcel's monthly fuel clause adjustment filings.
14. Find that Minnesota Power complied with the Commission's March 11, 2011 Order in Docket No. E015/M-10-961 regarding reporting information on Minnesota Power's PPA with Manitoba Hydro.
15. Accept Interstate Electric's compliance with the Commission's October 2, 2009 Order in Docket No. E001/M-09-455 requiring Interstate Electric to file the same quarterly reports regarding the costs and benefits of transactions involving Auction Revenue Rights that it files with the Iowa Utilities Board.³

² The Department provided further recommendations regarding recovery of replacement power costs.

³ Interstate Electric's compliance filing N regarding quarterly filings of accounting costs for Auction Revenue Rights. The Department concluded that Interstate Electric did a reasonable job explaining and clarifying information requested by the Department regarding the refund to Minnesota customers of ARR revenues through the monthly FCA factors. Please see the Department's December 31, 2014 Response Comments, p. 10.

MISO DAY 1

16. Find that the Companies' responses have complied generally with all of the AAA MISO Day 1 compliance reporting requirements.⁴
17. Require the utilities to continue to provide in the initial filing of all future electric AAA reports the Minnesota jurisdictional Schedule 10 costs together with the allocation factor used and support for why the allocator is reasonable.
18. Require the utilities to provide, in the initial filing of all future electric AAA reports, information to support MISO Schedule 10 cost increases of five percent or higher over the prior year's costs, including an explanation of benefits received by customers for these added costs.

MISO DAY 2

19. Accept Xcel Electric's MISO Day 2 reporting for FYE13.
20. Accept Minnesota Power's MISO Day 2 reporting for FYE13.
21. Accept all aspects of OTP's MISO Day 2 reporting for FYE13 except for the amounts reported for Revenue Sufficiency Guarantee (RSG) charges and Make Whole Payments for the month of May 2013.
22. Accept Interstate Electric's MISO Day 2 reporting for FYE13.

ANCILLARY SERVICES MARKET

23. Accept Xcel Electric's ASM reporting for FYE13.
24. Accept Minnesota Power's ASM reporting for FYE13.
25. Accept Otter Tail Power's ASM reporting for FYE13.
26. Accept Interstate Electric's ASM reporting for FYE13.

⁴ The Department expects utilities to continue to work hard to mitigate costs or the effects of changes by MISO or FERC that could negatively impact Minnesota retail customers. Utilities are required to continue to show benefits of MISO Day 1 in the context of their rate cases before receiving cost recovery of Schedule 10 costs.

Docket No. E-999/AA-14-579

Summary of uncontested Minnesota Department of Commerce recommendations

- Department of Commerce, August 26, 2015 Response Comments (pp. 35-40)
-

COMPLIANCE FILINGS

1. Approve Xcel Electric's compliance filing on the high-level cost allocation test between retail customers and the wholesale sector for June, July, and August of 2014. Continue to require Xcel Electric to report this generation cost allocation data in future AAA filings.
2. Accept Xcel Electric's Natural Gas Financial Instruments compliance filing in the FYE14 docket. The Department will review Xcel Electric's continued compliance with this requirement in the FYE15 AAA Report.
3. Accept Xcel Electric's FYE14 wind curtailment report.
4. Require Xcel Electric to discuss in a supplement to its FYE15 AAA report whether and why it is still reasonable to curtail wind facilities that are receiving Production Tax Credits, in response to Manual Curtailment Events.
5. Accept Xcel Electric's compliance filing regarding Xcel Electric's Nuclear Fuel Sinking Fund. The Department will continue to monitor Xcel Electric's Nuclear Fuel Sinking Fund in future AAA filings.
6. Accept Otter Tail Power's compliance filing in this docket on its electric service agreement with Enbridge Energy, which was required by the Commission's January 16, 2007 Order, in Docket No. E-017/M-06-1332. Allow Otter Tail Power to stop reporting this information.
7. Find that Xcel Electric complied with the January 29, 2009 Order in Docket No. E-002/M-08-1098, requiring Xcel Electric to report in future AAA filings any revenue from any source as a result of the Renewable Energy Purchase Agreement with Koda Energy, and to itemize any such revenue by source and amount.
8. Find that Xcel Electric complied with the August 26, 2010 Order in Docket No. E-002/M-10-486, requiring Xcel Electric to offset its recovery of costs by any revenues Xcel Electric receives from any and all sources as a result of Xcel Energy's purchase power agreement

with Diamond K Dairy, and to report and itemize any such revenues by source and amount in its annual automatic adjustment reports.

9. Find that the IOUs complied with the April 6, 2012 Order in Docket No. E-999/AA-10-884 (Ordering Point 8), requiring the IOUs to report in future AAA filings any offsetting revenues or compensation recovered by the utilities as a result of contracts, investments, or expenditures paid for by their ratepayers.
10. Accept the IOUs' compliance filings regarding their actual expenses pertaining to maintenance of generation plants, with a comparison to the generation maintenance budget from the IOUs' most recent rate cases.
11. Accept the IOUs' compliance filings regarding their plant outages' contingency plans.
12. Accept the IOUs' compliance filings regarding sharing lessons learned about forced outages.¹
13. Find that Xcel Electric complied with the April 30, 2010 Order in Docket No. E-002/M-10-161 regarding reporting on any curtailment from WM Renewable Energy, including the reasons for any such curtailments and the amounts paid.
14. Find that Minnesota Power complied with the Commission's March 11, 2011 Order in Docket No. E-015/M-10-961 regarding reporting information on Minnesota Power's PPA with Manitoba Hydro.
15. Accept Interstate Electric's compliance with the Commission's October 2, 2009 Order in Docket No. E-001/M-09-455 requiring Interstate Electric to file the same quarterly reporting regarding the costs and benefits of transactions involving Auction Revenue Rights that it files with the Iowa Utilities Board.
16. Discontinue the reporting requirement, from Docket No. E-999/AA-10-884, that Interstate Electric explain in future filings why it does not have economic generation resources comparable to other utilities in the MISO footprint and explain how this affects what happens when there are outages on its system.

¹ However, the Department continues to conclude that utilities should do more to develop joint systems to share information about outages, similar to the mechanisms developed by the nuclear generation owners. The Department looks forward to discussing the general issue of consumer protection and various ways to accomplish that goal when the Commission considers the comments in Docket Nos. E-999/AA-12-757 and E-999/AA-13-599.

RAIL DELIVERY ISSUES

17. Accept Xcel Electric's reporting with respect to fuel costs associated with coal shortages during FYE14.
18. Accept Otter Tail's reporting with respect to fuel costs associated with coal shortages during FYE14. Require Otter Tail to report in future AAA filings any coal conservation measures taken in response to coal delivery issues during the relevant reporting period, along with a discussion of Otter Tail's efforts to minimize coal, coal delivery and any replacement power costs if needed to address issues with coal supplies for Otter Tail.
19. Accept Interstate Electric's reporting with respect to fuel costs associated with coal shortages during FYE14.

MISO DAY 1

20. Find that the Companies' responses have complied generally with all of the AAA MISO Day 1 compliance reporting requirements.²
21. Require the utilities to continue to provide in the initial filing of all future electric AAA reports the Minnesota jurisdictional Schedule 10 costs together with the allocation factor used and support for why the allocator is reasonable.
22. Require the utilities to provide, in the initial filing of all future electric AAA reports, information to support MISO Schedule 10 cost increases of five percent or higher over the prior year's costs, including an explanation of benefits received by customers for these added costs.

² The Department expects utilities to continue to work hard to mitigate costs or the effects of changes by MISO or FERC that could negatively impact Minnesota retail customers. Utilities are required to continue to show benefits of MISO Day 1 in the context of their rate cases before receiving cost recovery of Schedule 10 costs.

MISO DAY 2

23. Accept Xcel Electric's MISO Day 2 reporting for FYE14. Require Xcel to report its Real-Time Schedule 24 Allocation and Real-Time Schedule 24 Distribution charges (revenues) as separate line items in future AAA filings. Accept Xcel's plan to pass back its MVP ARR revenues to customers in its TCR Rider compliance filing in Docket No. E-002/M-14-852
24. Accept Minnesota Power's MISO Day 2 reporting for FYE14.
25. Accept Otter Tail's MISO Day 2 reporting for FYE14. Require Otter Tail to provide in future AAA filings, information and narrative to explain why the selected Option for FTRs and ARRs is better for rate payers than the alternative.
26. Accept Interstate Electric's MISO Day 2 reporting for FYE14.

ANCILLARY SERVICES MARKET

27. Accept Xcel Electric's ASM reporting for FYE14. Require Xcel Electric, in future AAA filings, to allocate the asset-based wholesale portion of Day-Ahead Regulation Amount and Real-Time Regulation Amount separately under each charge type.
28. Accept Minnesota Power's ASM reporting for FYE14.
29. Accept Otter Tail Power's ASM reporting for FYE14.
30. Accept Interstate Electric's ASM reporting for FYE14.