

The Commission met on **Thursday, May 12, 2016**, with Chair Heydinger and Commissioners Lange, Lipschultz, Schuerger, and Tuma present.

The following matters came before the Commission:

### **ENERGY FACILITIES PLANNING AGENDA**

#### **IP-6964/CN-16-289**

#### **In the Matter of the Application of Nobles 2 Power Partners, LLC for a Certificate of Need for the up to 300 MW Nobles 2 Wind Project and Associated Facilities in Nobles and Murray Counties**

Commissioner Schuerger moved to take the following actions:

1. Grant the exemption request as outlined in Nobles 2 Wind's Petition, as conditioned by the comments of the Division of Energy Resources of the Minnesota Department of Commerce (the Department).
2. Varied, as outlined by staff, Minn. R. 7849.0200, subp. 6, to allow the Commission more than 30 days to respond to an exemption request, and Minn. R. 7849.0200, subp. 5, to allow the Commission more than 30 days to determine application completeness.

The motion passed 5-0.

### **TELECOMMUNICATIONS AGENDA**

#### **P-6267,430/IC-16-230**

#### **In the Matter of an Interconnection Agreement between Hiawatha Broadband Communications, Inc. and CenturyLink EQ**

Commissioner Lipschultz moved to take the following actions.

1. First, reject the parties' March 16, 2016 adoption request as unnecessary given the Commission's prior approval of the adoption request on April 12th in Docket No. P-6267, 5561/IC-15-1020, *In the Matter of the Adoption of an Interconnection Agreement by Hiawatha Broadband Communications, Inc. pursuant to Section 252(i)*.
2. Second, approve the modifications to the adopted Hutchinson interconnection agreement as amendments meeting the standards set forth in 47 U.S.C. § 252(e).

Chair Heydinger moved to amend the motion to omit the words "First" and "Second."  
Commissioner Lipschultz accepted the motion.

The amended motion passed 5-0.

**P-6267,551,430/IC-16-236**

**In the Matter of an Interconnection Agreement between Hiawatha Broadband Communications, Inc. and CenturyTel of Minnesota**

Commissioner Lipschultz moved to take the following actions.

1. Approve the parties March 17th request for adoption of the TDS Metrocom interconnection agreement, and approve the modifications to the adopted TDS Metrocom interconnection agreement as being the same as the terms found in the TDS Metrocom interconnection agreement.
2. Approve, pursuant to 47 U.S.C. § 252(e), the companies' April 26th requested amendments.

The motion passed 5-0.

**ENERGY AGENDA**

**E-001/M-16-89**

**In the Matter of Interstate Power and Light Company's Petition for Approval of a Variance to Certain Minnesota Public Utilities Commission Rules and Orders Governing Annual Electric Automatic Adjustment Reports**

Commissioner Lange moved to approve Interstate Power and Light Company's petition.

The motion passed 5-0.

**G-002/M-16-206**

**In the Matter of the Petition of Northern States Power Company for Approval of a Modification to its Natural Gas SEP Tariff, 2016 SEP Rate Factor, And 2015 SEP Compliance Filing**

Commissioner Tuma moved to do the following:

1. Approve the 2016-2017 natural gas State Energy Policy (SEP) adjustment factor of \$0.001368/therm as proposed by Northern States Power Company d/b/a Xcel Energy (Xcel).
2. Approve Xcel's proposed customer notice included in the Petition, adjusted to incorporate the updated adjustment factor, but authorizing Xcel to work with the Commission's Consumer Affairs Office to make revisions to explain the rate change, subject to approval of the Executive Secretary.

3. Require Xcel to provide a comparison between actual and budgeted monthly costs in the Company's next SEP Rider filing, including a discussion of reasons for deviations from budgeted amounts (both higher and lower).

The motion passed 5-0.

**G-008/M-16-228**

**In the Matter of the Petition of CenterPoint Energy for Approval of a Continued Variance from the Commission's Automatic Adjustment Rules Related to the Recovery of Demand Costs**

Commissioner Schuerger moved to take the following actions:

1. Grant a three-year variance to Minn. R. 7825.2700, subp. 5, as requested by CenterPoint Energy (CenterPoint).
2. Allow CenterPoint to continue to calculate a monthly demand adjustment to the company's demand-cost recovery rate as approved in Docket No. G-008/M-07-1063 and updated in Docket No. G-008/M-13-728, including the provision regarding capacity-release credits and removal of the one-month lag;
3. Continue to cap the maximum monthly allowed demand adjustment at 25 percent of the demand cost recovery rate.
4. Require CenterPoint to continue to report the information pertaining to the operation of the program, including:
  - reporting in CenterPoint's monthly Purchased Gas Adjustment filings the detailed calculations of the demand adjustment;
  - reporting in CenterPoint's Automatic Adjustment of Accounts (AAA) Report a summary of the results of the over/(under) recovery with and without the proposed additional demand recovery adjustment, reflecting the method of calculating this analysis as the Commission ordered in Docket No. G-008/M-05-1196; and
  - reporting in CenterPoint's AAA Filing the results of the company's monthly demand adjustment compared to a hypothetical demand-cost recovery rate that reflects a one-month lag.

The motion passed 5-0.

**G-6960/M-16-214**

**In the Matter of a Petition by United Natural Gas LLC (UNG) for Approval of its Request for a Small Gas Utility Franchise Exemption**

Commissioner Tuma moved to take the following actions:

1. The request of United Natural Gas LLC (UNG) for an exemption from the requirements of Minn. Stat. § 216B.16, subd. 12, for service provided within the borders of the municipalities listed in the petition, and for incidental service outside the borders of the municipalities it serves, as listed in the petition, is approved;
2. The Commission clarifies that UNG is subject to statutory reporting requirements, including:
  - annual Cold Weather Rule, in Minn. Stat. § 216B.096, subd. 11, and Minn. Stat. § 216B.16, subd. 12(c);
  - notice to cities of utility disconnection, in Minn. Stat. § 216B.0976;
  - residential customer protections, in Minn. Stat. § 216B.098;
  - annual tariff updates with municipally-approved rates, in Minn. Stat. § 216B.16, subd. 12(c);
  - any subsequent changes in rates, tariffs, and contracts for service outside the municipalities at least 30 days in advance of implementation; and
  - notification to the Commission should its customer base expand beyond the 2,000 customer threshold.
3. The Commission will request UNG to submit its revised tariff book with the Department's and Commission staff's changes in a compliance filing, plus more detailed map(s) for areas between Courtland and Lafayette with detail down to the street level, within 10 days of order;
4. Having approved UNG's small gas utility franchise exemption request, the Commission will:
  - A. Clarify in its order that its approval is limited to this docket and that any future decisions involving interpretation of the term incidental service in Minn. Stat. § 216B.16, subd. 12(b), will be made on a case-by-case basis; and
  - B. Accept UNG's agreement to provide a compliance filing regarding the quantity and quality of service to UNG customers outside of the municipalities after one year of providing service. The compliance filing shall provide the Commission and the Department with the following information:
    - 1) notice when service to the first customer outside the municipalities was commenced;

- 2) one year from above date, the number of customers having received or receiving services outside of the municipalities, along with their rate class and in-service date;
  - 3) one year from the above date, the total number of customers in each class, whether they are within or outside the municipalities, and the total volume of gas received by each class with the comparison between those within or outside the municipalities of the throughput for each class;
  - 4) one year from above date, a forecast of the information provided in subpart 3);
  - 5) one year from above date, a summary of all complaints submitted orally or in writing by customers outside the municipalities, along with a description of the resolution or status of those complaints.
5. Commission staff will review the UNG/Brownton and UNG/UGS agreements in Docket No. G-6960/16-317, *In the Matter of United Natural Gas, LLC's Petition for Approval of Firm Transportation Agreement*, and not in this docket.

The motion passed 5-0.

**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 Lange moved to deny the Office of the Attorney General's petition for reconsideration.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: July 20, 2016**



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**Daniel P. Wolf, Executive Secretary**