

The Commission met on **Thursday, September 10, 2015**, with Chair Heydinger and Commissioners Lange, Lipschultz, Tuma, and Wergin present.

The following matters came before the Commission:

## **ENERGY AGENDA**

### **G-008/GR-15-424**

#### **In the Matter of the Application of CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas for Authority to Increase Natural Gas Rates in Minnesota**

Commissioner Lipschultz moved to do the following:

1. Accept the filing as being in proper form and substantially complete as of August 3, 2015.
2. Suspend the proposed final rates until the Commission makes its final determination in this matter.
3. Request the report of the Administrative Law Judge (ALJ) within eight months of the filings completeness date (on or before April 1, 2016). If the statutory deadline for the Commission's decision is extended beyond the normal ten months at any point during this proceeding for any reason, request the ALJ's report at least two months before the extended deadline for the Commission's decision.
4. Identify issues requiring development of a complete record, including the standard rate case issues and corporate allocation issues pertaining to Kirk Nesvig's Schedule 53 set out in Staff Briefing Papers at pp. 19-20.
5. Require CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas (CenterPoint or the Company) to reflect any updated sales forecasts from its general rate case in its rate for the demand cost of gas per dekatherm. Require CenterPoint to file such updates in this docket and in Docket No. G-008/MR-15-728, *In the Matter of the Application of CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas to Establish a New Base Cost of Gas and Reset the Purchased Gas Adjustment to Zero, to Coincide with the Implementation of Interim Rates in General Rate Case Filing*.
6. Authorize CenterPoint to implement interim rates for service rendered on and after October 2, 2015 (sixty days after CenterPoint's August 3, 2015 filing date).
7. Approve an annual interim rate revenue deficiency of \$47.8 million, or 5.65 percent.
8. Approve CenterPoint's proposed interim cost of capital for setting interim rates.

9. Approve CenterPoint's request to collect the \$47.8 million interim rate increase as a uniform 5.65 percent interim rate adjustment to the base rate portion of customer bills, i.e., the basic service charge, the delivery charge (excluding the conservation cost recovery adjustment, or CCRA), the gas affordability program (GAP) adjustment, and the base cost of gas. Display the interim rate increase on customer bills using a single, line-item interim rate adjustment.
10. Approve CenterPoint's request to assess but forgo collection of the interim rate increase from customers taking service under the terms of CenterPoint's market rate service (flexible rate) rider, and to not seek recovery of the difference from its other customers.
11. Require use of the following language in the Notice and Order:
  - A. This order will be served on the Company, which shall mail copies of the Order to all municipalities, counties, and local governing bodies in its Minnesota service area.
  - B. Public Hearings shall be held in this matter at locations within the service area of the Company.
  - C. The Company shall give the following notice of the evidentiary and public hearings:
    - 1) 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.
    - 2) Written notice to the governing bodies of all municipalities, counties, and local governing bodies in in the affected and to all parties in the Company's last two rate cases. Notices shall be mailed at least ten days before the first day of hearings.
    - 3) Display advertisements in legal newspapers of affected counties and other newspapers of general circulation within the Company's Minnesota 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.
    - 4) The Company shall submit proposed notices for Commission approval prior to publication or service.
12. Require the following language in the Order Setting Interim Rate:
  - A. Order the Company to file interim rate tariff sheets and supporting documentation reflecting the decisions herein with the Commission and the Division of Energy Resources of the Minnesota Department of Commerce (the Department). The Company's filing should also include the notice to customers, approved by the Executive Secretary, regarding the rate change under the interim rate schedule.

- B. Order the Company 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 in a manner approved by the Commission within 120 days of the effective date of the Commission's final order.
  - C. Order the Company to include with each customer's first bill under the interim rate schedule a notice of the rate change, approved by the Executive Secretary. Upon completion of this task, the Company shall certify this fact to the Commission.
  - D. Require CenterPoint to maintain records of Conservation Improvement Program (CIP) costs and collection through the interim period so that it can be ascertained that the recoveries dedicated to CIP are properly recorded as CIP.
13. Delegate authority to approve notices, bill inserts, and bill format to the Executive Secretary.

The motion passed 5-0.

**E-002/MR-15-728**

**In the Matter of CenterPoint Energy Resources Corporation's Filing to Establish a New Base Gas Cost Filing (PGA Aero-Out) for Interim Rates in CenterPoint Energy's General Rate Docket No. G-008/GR-15-424**

Commissioner Wergin moved to take the following actions:

- 1. Approve CenterPoint's base cost of gas as filed.
- 2. Order CenterPoint to update the commodity cost of gas. Direct the Company to work with the Department and Staff to determine the timing of these updates. The updates should be filed in both this docket and the rate case Docket No. G-008/GR-15-424, above.

The motion passed 5-0.

**E-002/M-15-619**

**In the Matter of a Petition by Xcel Energy for Approval of a Purchase Power Agreement with Best Power Int'l, LLC**

Commissioner Tuma moved to do the following:

- 1. Grant the request of Northern States Power Company d/b/a Xcel Energy (Xcel) to approve the power purchase agreement (PPA) with Best Power Intl., LLC, including the edits to Section 4.4(a)-(b) proposed on page 3 of Xcel's August 6, 2015 comments, upon the condition that any extension of the PPA beyond its current 15 year term would require Commission approval.

2. Order Xcel to remain fully aware and carefully monitor inherent risks associated with PPAs for projects that have been awarded Renewable Development Fund funding. These risks include but are not limited to potential environmental risks. Order Xcel to follow up on the risks it identifies and report them to the Commission and the Department.
3. Find that the renewable energy generated by the project was eligible for the Minnesota Renewable Energy Standard and approved the PPA under Minn. Stat. § 216B.1645, subd. 1.
4. Authorize recovery of the PPA's Minnesota-jurisdictional costs, including the combined energy and capacity costs, through Xcel's fuel-clause rider under Minn. Stat. § 216B.1645, subd. 2.
5. Order Xcel to report in its annual automatic adjustment reports on whether it obtained any revenue from any source as a result of the PPA with Best Power Intl., LLC, and to itemize any such revenues by source and amount.

The motion passed 5–0.

**E-017/RP-13-961**

**In the Matter of Otter Tail Power Company's Application for 2014-2028 Integrated Resource Plan Approval**

Commissioner Lange moved to grant the request of Otter Tail Power Company (the Company) for a six-month extension to file the Company's next integrated resource plan, modifying the next resource plan filing date to June 1, 2016.

The motion passed 5-0.

**ET-2/RP-14-813**

**In the Matter of Great River Energy's 2014 Resource Plan**

Commissioner Wergin moved to the following:

1. Deny the Environmental Intervenors' Motion to Compel Great River Energy (GRE) to disclose the revenues of Spiritwood Station.
2. Deny the Environmental Intervenors' request to re-designate operations and maintenance (O&M) costs as public information.

Chair Heydinger proposed bifurcating the motion into two separate motions. Commissioner Wergin accepted this proposal.

On the motion to deny the Environmental Intervenors' Motion to Compel GRE to disclose Spiritwood's revenue, the motion passed 4-1; Commissioner Tuma voted no.

On the motion to deny the Environmental Intervenors' request to re-designate O&M costs as public information, the motion passed 3-2; Commissioners Tuma and Wergin voted no.

Chair Heydinger moved to reconsider the last motion.

The motion passed 5-0.

On reconsideration of the motion to deny the Environmental Intervenors' request to re-designate O&M costs as public information, the motion passed 4-1; Commissioner Tuma voted no.

Commissioner Tuma moved to do the following:

1. Accept GRE's resource plan.
2. Direct GRE, in future resource plans, to do the following:
  - A. Continue to use an appropriate capacity expansion model.
  - B. Continue to apply the Commission-approved externality costs and carbon dioxide (CO<sub>2</sub>) regulatory costs in its reference case.
  - C. Continue to evaluate cost-effective retirement of its coal plants, and include in its coal plant retirement analysis the rate impact of various retirement dates, as well as a discussion of any decommissioning and site remediation costs.
  - D. Use a broader range of cost assumptions for potential hydroelectric resources.
  - E. Evaluate cases in which market sales are prohibited (or priced at zero).
3. Direct GRE to file its next resource plan on or before May 1, 2017.

The motion passed 5-0.

Commissioner Lange moved to direct GRE should continue to strive to meet the 1.5% statewide energy efficiency goal; in GRE's next resource plan it should document in detail its supply-side energy efficiency savings, how they are accomplished, and its progress toward meeting the 1.5% energy savings goal.

The motion passed 5-0.

Commissioner Lange moved to direct GRE, in its next resource plan filing, to articulate and discuss the customer composition of its individual member distribution cooperatives and the unique opportunities for conservation that these customers may provide.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: December 2, 2015**

A handwritten signature in black ink that reads "Daniel P. Wolf". The signature is written in a cursive style with a large, sweeping 'D' and 'W'.

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**Daniel P. Wolf, Executive Secretary**