

The Commission met on **Wednesday, December 21, 2016**, with Chair Heydinger, and Commissioners Lange, Lipschultz, Schuerger, and Tuma present.

The following matters came before the Commission:

## **ENERGY AGENDA**

### **E-275,134/SA-16-857**

#### **In the Matter of the Joint Request of Moorhead Public Service Commission and Red River Valley Cooperative Power Association to Modify Electric Service Territory Boundaries**

Commissioner Tuma moved to approve the requested service territory transfer from Red River Valley Cooperative Power Association to Moorhead Public Service Commission.

The motion passed 5-0.

### **E-002,124/SA-16-701**

#### **In the Matter of the Joint Request of Northern States Power Company, d/b/a Xcel Energy, and Minnesota Valley Electric Cooperative for Approval of a Compensation and Orderly Transfer Agreement**

Commissioner Tuma moved to approve the requested service territory transfer between Northern States Power Company d/b/a Xcel Energy (Xcel) and Minnesota Valley Electric Cooperative.

The motion passed 5-0.

### **E-002/M-16-811**

#### **In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of the Renewable Development Fund Annual Report, Tracker Account True-up, and Request for New 2017 Rate Rider Factor**

Commissioner Lipschultz moved to approve the 2017 Renewable Development Fund rate rider factor of \$0.001034 per kilowatt-hour (kWh) beginning in January 2017, and require that Xcel file the appropriate updated tariff sheets within 30 days.

The motion passed 5-0.

### **G-008/GR-13-316**

#### **In the Matter of an Application by CenterPoint Energy for Authority to Increase Natural Gas Rates in Minnesota**

Commissioner Schuerger moved to do the following:

1. Accept the 2016 revenue decoupling evaluation report of CenterPoint Energy (CenterPoint).
2. Approve CenterPoint's revenue decoupling adjustment factors.
3. Order CenterPoint to provide information based on 20-year normal weather in subsequent annual evaluation plan filings.

The motion passed 5-0.

**E-002/M-14-761**

**In the Matter of Northern States Power Company's Petition for Approval of the 2016-2018 Triennial Nuclear Decommissioning Accrual**

Commissioner Lipschultz moved to do the following:

1. Order Xcel to do the following:
  - A. File the average annual return on the Nuclear Decommissioning Trust Fund (NDT) portfolio and the return on each individual asset and
  - B. Compare the portfolio's annual return to the annual returns for
    - 1) the Standard & Poor's 500 stock market index,
    - 2) 10-year treasury bonds, and
    - 3) The Charles Schwab Moderate Aggressive Asset Allocation.<sup>1</sup>
2. Order the use of a trailing one-year, ten-year and twenty-year evaluation period.
3. Order the NDT fund performance information, with the evaluation period ending December 31 of the preceding year, to be part of the compliance filing that is annually submitted on or around April 1 each year.
4. Order Xcel to re-evaluate its investment mix with the purpose of reducing the Qualified Trust investment management fees and increasing the Qualified Trust annual return on its investment portfolio.
5. Direct Xcel to retain a third-party expert in long-term institutional investments strategies to evaluate Xcel's investment strategy with respect to the NDT with a goal of assuring sufficient funding to meet the decommissioning obligations at the time they are expected to come due and maximize return from the investment consistent with the appropriate risk level.

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<sup>1</sup> See Department Response Comments at 4-5 (August 15, 2016).

Commissioner Tuma proposed to amend the motion as follows:

1. Order Xcel to do the following:
  - A. File the average annual return on the Nuclear Decommissioning Trust Fund (NDT) portfolio and the return on each individual asset and
  - B. Compare the portfolio's annual return to the annual returns for
    - 1) the Standard & Poor's 500 stock market index,
    - 2) 10-year treasury bonds, ~~and~~
    - 3) The Charles Schwab Moderate Aggressive Asset Allocation, and
    - 4) a benchmark that Xcel and the Department [the Minnesota Department of Commerce] agree to, or a benchmark proposed by the third-party expert.

Commissioner Lipschultz, in lieu of adopting Commission's Tuma's proposal, amended the motion as follows:

1. Order Xcel to do the following:
  - A. File the average annual return on the Nuclear Decommissioning Trust Fund (NDT) portfolio and the return on each individual asset and
  - B. Compare the portfolio's annual return to the annual returns for
    - 1) the Standard & Poor's 500 stock market index,
    - 2) 10-year treasury bonds, ~~and~~
    - 3) The Charles Schwab Moderate Aggressive Asset Allocation, and
    - 4) any other benchmarks proposed by Xcel, or jointly by Xcel and the Department.

Commissioner Schuerger proposed to amend the motion as follows:

2. Order the use of a trailing ~~one~~ five-year, ten-year and twenty-year evaluation period.

Commissioner Lipschultz accepted the amendment.

Chair Heydinger moved to amend the motion as follows:

1. Order Xcel to do the following:
  - A. File the average annual return on the Nuclear Decommissioning Trust Fund (NDT) portfolio and the return on each individual asset and
  - B. Compare the portfolio's annual return to the annual returns for

- 1) the Standard & Poor's 500 stock market index,
- 2) 10-year treasury bonds,
- 3) The Charles Schwab Moderate Aggressive Asset Allocation, ~~and~~
- 4) any other benchmarks proposed by Xcel, or jointly by Xcel and the Department, and
- 5) other qualified nuclear decommissioning trust funds.

Commissioner Lipschultz accepted the amendment.

Commissioner Lipschultz further amended the motion as follows:

6. Order the first full five-year evaluation period to run from January 1, 2016, through December 31, 2020.
7. Xcel shall make its filing within six months from the date of the order.

The motion passed 5-0.

## **TELECOMMUNICATIONS AGENDA**

### **P-421/AM-16-496**

**In the Matter of the Petition of CenturyLink QC to be Regulated Pursuant to Minn. Stat. § 237.025: Competitive Market Regulation**

### **P-421/AM-16-547**

**Repository for "Highly Sensitive Protected Data" Subject to Additional Protection in Docket 16-496**

Commissioner Lipschultz moved to do the following:

1. Find that the filing of Qwest Corporation dba CenturyLink QC (CenturyLink) is complete as of November 21, 2016.
2. Find that the objections filed by the Department and the Minnesota Officer of the Attorney General (OAG) on August 15, 2016, are sufficient to prevent approval of CenturyLink's petition as a matter of law. The petition shall proceed on the merits.

The motion passed 5-0.

Commissioner Lipschultz moved to do the following:

1. Require CenturyLink to issue a notice to its customers informing them of its petition to be regulated pursuant to Minn. Stat. § 237.025.
2. Delegate to the Executive Secretary the authority to determine the form and content of the notice.

3. Require that any comments on the merits of the application be filed with the Commission no later than March 9, 2017.

The motion passed 5-0

Commissioner Lipschultz moved to do the following:

1. Set the following schedule:

Day 0:	November 21, 2016	Filing Complete
Day 30:	December 21, 2016	Agenda Meeting
Day 72:	February 9, 2017	Intervenors Direct, with Exhibits
Day 87:	February 23, 2017	Rebuttal Testimony, with Exhibits
Day 102:	March 9, 2017	Initial Briefs and Proposed Findings and Conclusions
Day 114:	March 23, 2017	Reply Briefs and Amended Findings and Conclusions
Day 136:	April 13 and 28, 2017	Commission Oral Argument and Deliberations
Day 180:	May 22, 2017	Statutory Deadline

2. Permit adjustments to the schedule, consistent with the statutory deadline, with the approval of the Executive Secretary.
3. Refer disputes concerning discovery and resolution of interlocutory motions to the Office of Administrative Hearings.

The motion passed 4-1; Commissioner Lange voting no.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: February 8, 2017**



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**Daniel P. Wolf, Executive Secretary**