

The Commission met on **Thursday, August 27, 2015**, with Acting Chair Wergin, and Commissioners Lange, Lipschultz and Tuma.

The following matters were taken up by the Commission:

### **ENERGY FACILITIES AGENDA**

#### **IP-6666/WS-08-208**

#### **In the Matter of Sibley Wind Substation, LLC's Site Permit for a 20 MW Large Wind Energy Conversion System in Sibley County**

Commissioner Lipschultz moved to revoke the Sibley Wind Substation Site Permit.

The motion passed 4-0.

#### **IP-6630/WS-07-318**

#### **In the Matter of Comfrey Wind Energy, LLC's Site Permit for a 31.5 MW Large Wind Energy Conversion System in Brown and Cottonwood Counties**

Commissioner Lipschultz moved to revoke the Comfrey Wind Site Permit.

The motion passed 4-0.

### **ENERGY AGENDA**

#### **E-016/M-15-316**

#### **In the Matter of Northwestern Wisconsin Electric Company's Minnesota Electric Distribution Reliability Report Pursuant to Minnesota Rules, Chapter 7826**

Commissioner Tuma moved that the Commission adopt the Department recommendation to accept the report and to set 2015 reliability goals based on a 5-year performance average.

The motion passed 4-0.

#### **G-001/M-15-409**

#### **In the Matter of the 2014 Annual Service Quality Report submitted by Interstate Power and Light Company**

Commissioner Lange moved that the Commission adopt the Department recommendation to accept the report.

The motion passed 4-0.

**G-011/M-15-420**

**In the Matter of A Request by Minnesota Energy Resources Corporation for Approval of the Company's 2014 Natural Gas Conservation Improvement Program Tracker Account, Including a Proposed 2014 Demand Side Management Financial Incentive and a Revised Conservation Cost Recovery Adjustment**

Commissioner Lipschultz moved that the Commission adopt the Department recommendation to approve the Company's petition with modifications.

The motion passed 4-0.

**G-004/M-15-422**

**In the Matter of Great Plains Natural Gas Co.'s Petition for Approval of its CIP Tracker and Demand Side Management Incentive**

Commissioner Lange moved that the Commission adopt the Department's recommendation stated in its July 28 reply comments to approve the petition with modifications.

The motion passed 4-0.

**G-022/M-14-964**

**In the Matter of Greater Minnesota Gas Inc.'s 2013 Annual Gas Service Quality Report**

Commissioner Lipschultz moved that the Commission:

1. Accept GMG's 2013 Gas Service Quality Report.
2. Allow GMG to propose a new metric for service extension response time.
3. Allow GMG to consult with the Department and/or research other states' metrics as part of its proposal.
4. Require GMG to file a proposal within 120 days of the date of the order, and require that the proposal shall be filed in a new docket number.

The motion passed 4-0.

**E-015/M-15-80**

**In the Matter of Minnesota Power's 2014 Demand Side Management Financial Incentives and Annual Filing to Update the CIP Rider**

Commissioner Lange moved that the Commission:

1. Approve Minnesota Power's 2014 CIP tracker account as summarized on page 5 of the Department's July 8, 2015, comments.

2. Approve Minnesota Power's \$6,237,702 2014 financial incentive for CIP achievements.
3. Vary Minnesota Rule 7820.3500 and 7825.2600 to allow Minnesota Power to combine the Conservation Program Adjustment with the fuel clause adjustment line item on customer's bills.
4. Require Minnesota Power to calculate the carrying charge on its CIP tracker account using the rate from its multi-year credit facility. The modification shall be effective as of the date of the order.
5. Require that, within 10 days of the date of the Order, Minnesota Power shall calculate and file in a compliance filing a CPA rate that
  - a. uses a fiscal year approach, and
  - b. recognizes that it has been generating revenue since July 1, 2015, at the higher rate of \$0.003425.

The motion passed 4-0.

**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 Wergin moved that the Commission:

1. Approve Xcel's decommissioning study.
2. Approve an annual accrual of \$14,030,831 for decommissioning under the 60-year scenario and a \$2,020,602 accrual for end-of-life nuclear fuel starting January 1, 2016 for the calendar years 2016 through 2018 while maintaining the current approved amounts for 2015.
3. Approve Xcel's annual accrual allocation of \$13,392,226 for Monticello, \$49,264 for Prairie Island Unit 1 and \$589,341 for Prairie Island Unit 2.
4. Authorize Xcel to discontinue the Escrow Fund and to transfer (pour-over) its current balance to the Qualified Trust Fund.
5. Require that, within 120 days of the date of the order or in its next rate case, Xcel make a filing to enable the Commission to determine the appropriate method for crediting any future Department of Energy Settlement proceeds resulting from the Settlement extension.
6. Approve Xcel's assessment regarding the risk of premature decommissioning.
7. Accept Xcel's property tax assumptions for purposes of calculating the 2016 decommissioning accrual.
8. Require that, in its next triennial decommissioning filing, Xcel:

- a. continue to provide balance sheet accounts for SFAS 143 related to nuclear decommissioning, with a brief narrative explaining the numbers provided on the ARO balance sheet for nuclear decommissioning.
  - b. continue using a consultant (rather than Xcel) to prepare the Schedule C escalation analysis section and provide a statement indicating that the consultant is doing this calculation in an independent manner.
  - c. develop a 60, 100 and 200-year plan for the City of Red Wing to enable Xcel to build, improve, communicate, and share an understanding of the long-term safety-related costs of spent fuel storage on host communities.
  - d. discuss possible end of life nuclear cost mitigation alternatives.
  - e. re-examine its 50-year model recasking cost assumption and analysis, by providing two scenarios—one based on the same recasking assumptions used in this filing, and one assuming the need to replace all casks prior to being turned over to the custody of the federal government.
  - f. provide an updated assessment of the risk of premature decommissioning.
9. Require that, in its next and future triennial decommissioning filings, Xcel provide a more detailed break out of “spent fuel management” costs.

The motion passed 4–0.

Commissioner Lipschultz moved that the Commission:

1. Require that, in its next annual decommissioning filing, Xcel include possible benchmarks and methodologies for assessing annual performance of the Qualified Trust Fund. The filing must include, at a minimum proposals for:
  - a. Annual performance benchmarks.
  - b. The date the Qualified Trust Fund’s achieved returns will be measured against the benchmarks.
  - c. The date Xcel will make a compliance filing comparing the Qualified Trust Fund’s achieved returns to the benchmarks.and a discussion of:
  - d. The acceptable deviation level between the performance benchmarks and the Qualified Trust Fund’s achieved returns. (For example: 100 basis points).
  - e. The amount of any true-up, in dollars, that falls outside of the acceptable band, if applicable.
  - f. The date on which the true-up would take place.

The motion passed 4–0.

Commissioner Lipschultz moved that the Commission:

1. Authorize Xcel to transition investments to bonds six years before decommissioning.
2. Require that Xcel provide more detailed analysis when proposing future assumption changes related to the transition to bonds.
3. Approve a change in the investment mix to a target weight of 50% equities.

The motion passed 4–0.

Commissioner Tuma moved that the Commission require that, in its next triennial decommissioning filing, Xcel:

1. provide a detailed discussion of the status of Nuclear Regulatory Commission relicensing of casks, on the anticipated life of the casks used by Xcel, manufacturer and contractor warranties and liability obligations for the casks, the technical and regulatory barriers associated with transporting the casks used and the status of any federal storage initiatives whether permanent or temporary.
2. include a detailed explanation of the anticipated financial responsibility of utilities for the delivery of the casks into federal custody that includes descriptions of when ratepayers' and Xcel's present storage duties terminate and the cost and liabilities would shift to the federal government.

The motion passed 4–0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: November 11, 2015**



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**Daniel P. Wolf, Executive Secretary**