

The Commission met on **Thursday, January 29, 2015**, with Chair Heydinger and Commissioners Lipschultz and Wergin present.

The following matters were taken up by the Commission:

## **TELECOMMUNICATIONS AGENDA**

### **P-6450/PA-14-1010**

#### **In the Matter of the Joint Petition for Approval of Indirect Transfer of Control of LSSA Data Corporation to NewNet Communication Technologies, LLC**

Commissioner Lipschultz moved to approve the transfer of control of LSSi Data Corporation to New Net Communication Technologies, LLC.

- LSSi Data Corporation shall continue to file jurisdictional annual reports and other regulatory filings and pay regulatory assessments for LSSi Data Corporation.
- LSSi Data Corporation will operate under their existing certificates of authority.
- Parties violated Minn. Stat. §237.74, subd. 12 and Minn. Rule Part 7812.0500. A settlement in the amount of \$1,000 payable to the Department of Commerce has been negotiated between the Applicants and the Department of Commerce. Agreement to this settlement is not an admission of a knowing and intentional violation of Minnesota law. Payment of this settlement is due within 30 days of the receipt of this Order. The Department of Commerce will deposit the remittance into the State of Minnesota General Fund.

The motion passed 3-0.

## **ENERGY AGENDA**

### **ET-6675/CN-12-1053**

#### **In the Matter of the Application of ITC Midwest LLC for a Certificate of Need for the Minnesota-Iowa 345 kV Transmission Line Project in Jackson, Martin, and Faribault Counties**

Chair Heydinger moved to deny reconsideration or rehearing of the November 25, 2014 Order Granting Certificate of Need, as petitioned.

The motion passed 3-0.

**ET-6675/TL-12-1337**

**In the Matter of the Application of ITC Midwest LLC for a Route Permit for the Minnesota-Iowa 345 kV Transmission Line Project in Jackson, Martin, and Faribault Counties**

Chair Heydinger moved to deny reconsideration or rehearing of the November 25, 2014 Order Issuing Route Permit, as petitioned.

The motion passed 3-0.

**E-015/M-14-960**

**In the Matter of Minnesota Power's Petition for Approval of a 133 MW Power Purchase Agreement with Manitoba Hydro**

Commissioner Wergin moved to approve Minnesota Power's petition with the following caveat:

This action does not prejudice any issue in the pending applications for a certificate of need and site permit for the Great Northern Transmission Line, docket numbers E-015/CN-12-1163 and E-015/TL-14-21. Should either application be denied, the Company must make a filing within 90 days of such order detailing the effect of the denial on this PPA and the course of action proposed by the Company.

The motion passed 3-0.

**E-015/M-14-926**

**In the Matter of Minnesota Power's Petition for Approval of a 50 MW Power Purchase Agreement with Manitoba Hydro**

Commissioner Wergin moved to approve Minnesota Power's petition.

The motion passed 3-0.

**ET-9/RP-13-1104**

**In the Matter of Southern Minnesota Municipal Power Agency's Submittal of Its 2014 – 2028 Integrated Resource Plan**

Commissioner Lipschultz moved to do the following:

1. Accept 2014-2028 integrated resource plan (IRP) of Southern Minnesota Municipal Power Agency (SMPMA) maintaining the IRP's base case scenario for demand-side management energy savings.

2. Require SMMPA to file its next resource plan no later than December 1, 2017 and the following status updates, which may consist of a letter referring to other filings, in a compliance filing by December 1, 2016:
  - A. Its demand-side management efforts.
  - B. Its distributed generation efforts.
  - C. The effect, if known, of federal environmental regulations.

The motion passed 3 – 0.

**ET-9/RP-13-1165**

**In the Matter of Minnesota Municipal Power Agency's 2014-2028 Resource Plan**

Commissioner Wergin moved to do the following:

1. Accept the plan as filed by Minnesota Municipal Power Agency (MMPA) for planning purposes, on the condition that MMPA --
  - A. Continue working with all interested parties on an alternate, statistically valid methodology to project the utility peak demand coincident with the system peak of the Midcontinent Independent System Operator, Inc. (MISO).
  - B. Increase the estimate of its accredited resources by –
    - taking into account a reasonable estimate of the accredited capacity of wind resources and
    - assuming the historical Equivalent Forced Outage Rate demand rates for its Faribault Energy Park and Minnesota River Station generation facilities continue at least through 2018.
  - C. Participate in the dialogue with the Commission concerning whether Minnesota utilities should plan for the MISO coincident peak or non-coincident peak.
  - D. In its future supply-side modeling,
    - analyze a range of possible fuel and capital costs, along with a range of environmental costs, and
    - analyze what capacity additions best meet MMPA's needs, considering the resources currently in its portfolio.
  - E. Continue to strive for annual energy savings of 1.5 percent.

2. Approve MMPA's extension request and vary Minn. R. 7843.0300 to make its next IRP due by August 1, 2017, conditioned upon MMPA filing the following compliance status reports, which may consist of a letter referring to other filings, by August 1, 2016:
  - A. Its demand-side management efforts.
  - B. Its distributed generation efforts.
  - C. The effect, if known, of federal environmental regulations.

The motion passed 3 – 0.

**E-017/D-14-732**

**In the Matter of Otter Tail Power Company's 2014 Remaining Lives Petition**

Commissioner Wergin moved to take the following actions:

1. Approve the proposed remaining lives, salvage values and depreciation rates in OTP's 2014 Depreciation Petition;
2. Require OTP to compare, in its first depreciation filing that includes new peaking generators, the short-term peaking capacity costs in its last rate case to the peaking capacity costs of the new generators;
3. Require OTP to include in future depreciation filings a table comparing asset lives used for the purpose of the Company's resource planning with the remaining lives proposed in the depreciation filings, explaining any differences; and
4. Require OTP to file its next annual depreciation study by September 1, 2015.

The motion passed 3-0.

**G-011/M-12-558**

**In the Matter of a Petition by Minnesota Energy Resources Corporation (MERC-PNG NNG) for Approval of Changes in Contract Demand Entitlements Effective June 1, 2012**

**G-007/M-12-559**

**In the Matter of a Petition by Minnesota Energy Resources Corporation (MERC-NMU) for Approval of Changes in Contract Demand Entitlements Effective June 1, 2012**

Commissioner Lipschultz moved to approve the recovery of MERC's proposed level of storage capacity and proposed recovery of associated storage costs effective June 1, 2012.

The motion passed 3-0.

**G011/M-12-1192**

**In the Matter of a Petition by Minnesota Energy Resources Corporation (MERC-PNG GLGT) for Approval of Changes in Contract Demand Entitlements for the 2012-2013 Heating Season Supply Plan effective November 1, 2012**

**G011/M-12-1193**

**In the Matter of a Petition by Minnesota Energy Resources Corporation (MERC-PNG NNG) for Approval of Changes in Contract Demand Entitlements for the 2012-2013 Heating Season Supply Plan effective November 1, 2012**

**G011/M-12-1194**

**In the Matter of a Petition by Minnesota Energy Resources Corporation (MERC-PNG Viking) for Approval of Changes in Contract Demand Entitlements for the 2012-2013 Heating Season Supply Plan effective November 1, 2012**

**G007/M-12-1195**

**In the Matter of a Petition by Minnesota Energy Resources Corporation (MERC-NMU) for Approval of Changes in Contract Demand Entitlements**

Chair Heydinger moved to take the following actions:

1. Approve MERC's demand entitlement petitions for 2012-2013, effective November 1, 2012, for its 4 PGA areas – MERC-NMU, MERC-PNG Viking, MERC – PNG GLGT, and MERC-PNG NNG, recognizing that the following issues have been resolved between the parties
  - Design Day Requirements Estimates
  - Demand Entitlement Estimates
  - Bison and NBPL pipeline contract costs
  - Reserve Margin Calculation
  - Peak day send-out use per customer
  - Storage Contract changes and cost recovery
  - PGA Cost Recovery
2. Approve MERC's peak-day analysis with the caveat that the Department cannot fully verify the results of MNEC's analysis as mentioned above for all of its PGA areas;
3. Accept MERC's proposed level of demand entitlement for all of its PGA areas;
4. Allow MERC's proposed recovery of associated demand costs effective November 1, 2012 for all of its PGA areas;
5. Require MERC to check its regression models for autocorrelation and correct the model if autocorrelation is present by removing the autocorrelation from the model;

6. Require MERC to provide a reasonable explanations of its use of no-intercept models if it chooses to use one again in the future; and
7. Require MERC to take additional care in its trade secret data designations within attachments. The Department puts MERC on notice that it may recommend rejection of any of MERC's future filings that are in the same or similar condition as the instant Petitions.

The motion passed 3-0.

**G-001/M-14-560**

**In the Matter of IPL's Request for Changes in Demand Entitlements**

Commissioner Wergin moved to take the following actions:

1. Approve IPL's proposed level of demand entitlements as proposed in its Supplemental Filing;
2. Allow IPL to recover associated demand costs through the monthly Purchased Gas Adjustment effective November 1, 2014;
3. Accept IPL's proposal to correct the SMS cost allocation in its 2015 true-up filing and grant IPL a variance to Minn. R. 7820.4000 as necessary to make this correction to the allocation of MSMS costs; and
4. Require IPL (or MERC if the sale/purchase has transpired) to correct the SMS cost allocation in the 2015 true-up filing.

The motion passed 3-0.

**E-015/M-14-337**

**In the Matter of Minnesota Power's Petition for Approval of a Transmission Cost Recovery Rider under Minn. Stat. § 216B.16, subd. 7b**

Commissioner Lipschultz moved to take the following actions:

1. Do not approve Minnesota Power's proposal to include NERC Alert Projects in its 2014 TCR Rider.
2. Approve Minnesota Power's proposal to include Multi-Value Projects (MVP) Auction Revenue Rights (ARR) revenues in the tracker and to reflect MVP ARR revenues in future filings and TCR factor calculations.
3. Approve the inclusion of the remaining proposed annual revenue requirements and true-up tracker balance in the 2014 TCR rider rate factors.

4. Require that, within 30 days of the date of the Commission's order, the Company submit a compliance filing.

The motion passed 3 – 0.

**E-015/M-14-577**

**In the Matter of the Petition of Minnesota Power for an Eligibility Determination Under Minn. Stat. § 216B.1645 for Investments and Expenditures for the Thomson Restoration Project**

Commissioner Lipschultz moved to take the following actions:

1. Find that the investments and expenditures for Minnesota Power's Thomson Restoration Project have been entered into to satisfy the renewable energy standards set forth in Minn. Stat. § 216B.1691.
2. Find that investments and expenditures for Minnesota Power's Thomson Restoration Project meet the eligibility requirements under Minn. Stat. §216B.1645, subdivision 1, allowing Minnesota Power to file a petition under Minn. Stat. §216B.1645, subdivision 2a, seeking recovery of specific costs associated with the Project.
3. Determine that the effective date for the recovery of costs for the Project will be determined in Docket No. E-015/M-14-962, once Minnesota Power has revised its 14-962 filing to include a request for recovery of the specific Project costs.
4. Determine that Minnesota Power's cost recovery through the renewable rider shall be no more than the amount of Minnesota Power's cost estimates as detailed in Attachment C to the Department's November 17, 2014, comments. The Company will have the opportunity to seek recovery of other costs on a prospective basis.

The motion passed 3 – 0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: April 1, 2015**



---

**Daniel P. Wolf, Executive Secretary**