

The Commission met on **Thursday, April 7, 2016**, with Chair Heydinger and Commissioners Lipschultz, Schuerger and Tuma present.

The following matters were taken up by the Commission:

ENERGY AGENDA

E-002/M-12-1278

In the Matter of a Petition by Xcel Energy for Approval of Higher Education Block Grant Contract with the Minnesota State Colleges and Universities (MnSCU) Renewable Development Fund

Commissioner Tuma moved that the Commission:

1. Approve the petition.
2. Require that any benefits to be received by Xcel as a result of the Grant Contract with MnSCU, including but not limited to royalties, be returned by Xcel to its Minnesota electric ratepayers.

The motion passed 4-0.

E-002/M-09-1456

In the Matter of Northern States Power Company d/b/a Xcel Energy's (Xcel) Request for Approval of the Proposed Mercury Emissions Reduction Plan for the Sherburne County Generating Facility's Units 1 & 2

Commissioner Tuma moved that the Commission:

1. Approve Xcel's request for an extension of the start-up period for the Mercury Emissions Reduction System at the Sherburne County Generating Facility's Units 1 and 2 until December 20, 2016.

The motion passed 4-0.

E,G-002/S-15-948

In the Matter of the Petition of Northern States Power Company (NSP-MN) for Approval of Capital Structure for Issuance of Long-term and Short-term Securities for 2016

Commissioner Schuerger moved that the Commission:

1. Approve NSP-MN's requested 2016 capital structure; this approval to be in effect until the 2017 Capital Structure Order is issued.
2. Approve a 10 percent range around NSP-MN's common equity ratio of 52.1 percent (i.e., a range of 46.89 to 57.31 percent).
3. Approve NSP-MN's total capitalization contingency of \$544 million (i.e. a total capitalization of \$10.75 billion, including the \$544 million).
4. Approve NSP-MN's short-term debt issuance not to exceed 15 percent of total capitalization at any time while the 2016 Capital Structure is in effect.
5. Continue the variance authorizing NSP-MN to enter into multi-year credit agreements and issue associated notes thereunder, but require NSP-MN to continue to report on its use of such facilities, including:
 - a. how often they are used;
 - b. the amount involved;
 - c. rates and financing costs;
 - d. the intended uses of the financing; and
 - e. for any period in which Xcel sells bonds, a comparison over a six-month period of the results of all bond issuances by other utilities.
6. Approve NSP-MN's request to issue securities provided that the Company remain within the contingency ranges or does not exceed them for more than 60 days.
7. Require NSP-MN to obtain the Commission's pre-approval of any issuance expected to result in the Company remaining outside the contingency ranges for more than 60 days.
8. Approve NSP-MN's flexibility to use risk management instruments that qualify for hedge accounting treatment under Accounting Standard Codification No. 815.
9. Require NSP-MN to include an exhibit providing a general projection of capital needs, projected expenditures, anticipated sources, and anticipated timing, with the understanding that such exhibit is not intended to require dollar-for-dollar on the uses identified in the exhibit or to limit the issuances to project-specific financing in its next capital structure filing. The exhibit need not list short-term recurring security issuances.
10. Require NSP-MN to include a report of actual issuances and uses of funds from the prior year in its next annual capital structure filing. The report will be for information purposes only and need not cover short-term recurring security issuances.
11. Require NSP-MN to develop and use in its next annual securities filing, a schedule showing, for various time periods, the planned investment for each project.

12. Require, within 20 days of each non-recurring security issuance, NSP-MN to file for informational purposes only an after-the-fact report providing the following information:
 - a. the type of security issued;
 - b. the total amount issued;
 - c. the purpose of the issuance;
 - d. the issuance cost associated with the security issuance; and
 - e. the total cost of the security issuance, including details such as interest rate or cost per share of common equity issued.
13. Require NSP-MN to include a discussion of the purpose(s) that the NSP Nuclear Corporation serves and the advantages and disadvantages of having NSP Nuclear Corporation structured as a first-tier subsidiary as opposed to being treated similarly to NSP-MN's other generation facilities in its next capital structure filing.
14. Require NSP-MN to meet with the Department and other interested parties in an effort to develop a cost-benefit analysis that can provide the Commission with a frame-work for determining if the Company's current debt management practices are cost-effective for all the services provided related to the Multi-Year Credit Agreement. The analysis should be included in the Company's 2017 Annual Capital Structure filing.
15. Require NSP-MN to file its request for approval of its 2017 securities issuances no later than November 1, 2016.

The motion passed 4-0.

E-015/M-15-875

In the Matter of Minnesota Power's Petition for Approval of Credit to Customers

This item was pulled from the agenda.

TELECOMMUNICATIONS AGENDA

P-999/R-14-413

In the Matter of a Rulemaking to Consider Possible Amendments to Minnesota Rules, parts 7810.4100 through 7810.6100

P-421/AM-14-256

In the Matter of the CenturyLink, Inc. Petition for Rulemaking to Revise Service Quality Rules

Commissioner Lipschultz moved that the Commission:

1. Close the rulemaking docket.
2. Request that the Department convene a stakeholder workgroup to engage in further discussion of possible rule changes.
3. Request that the Department and all participants in the process attempt to reach consensus, to the extent possible, on changes to the Commission's rules consistent with the current marketplace, state of the industry, and the interests of consumers.
4. Request that the Department seek participation in the process from the Office of the Attorney General and reach out to other groups representing consumers, including low income consumers, to request their participation.
5. Request that the Department report back to the Commission within a year on the progress made and any decisions or consensus reached.

The motion passed 4-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: July 6, 2016



Daniel P. Wolf, Executive Secretary