

The Commission met on **Thursday, March 16, 2017**, with Chair Lange and Commissioners Lipschultz, Schuerger, Sieben, and Tuma present.

The following matters were taken up by the Commission:

ENERGY AGENDA

E-111/M-17-33

In the Matter of Dakota Electric Association's 2017 Annual Resource and Tax Adjustment

Commissioner Schuerger moved that the Commission approve Dakota Electric Association's 2017 Annual Resource and Tax Adjustment petition.

The motion passed 5-0.

E-015/M-15-876

In the Matter of Minnesota Power's Petition for Approval of its 2016 Boswell Energy Center Unit 4 (BEC4) Emission Reduction Rider Factor

Chair Lange moved that the Commission take the Department's letter as a recommendation to accept Minnesota Power's request not to implement the 2016 BEC4 factor at this time.

The motion passed 5-0.

E-015/M-14-166

In the Matter of Minnesota Power's Erie Mine Site Service Schedule

Commissioner Sieben moved that the Commission approve Minnesota Power's request to cancel the EMSS Schedule.

The motion passed 5-0.

E,G002/S-16-887

In the Matter of the Petition of Northern States Power Company for Issuance of Long-Term and Short-Term Securities for 2017

Commissioner Lipschultz moved that the Commission:

1. Approve NSP-MN's requested 2017 capital structure; this approval to be in effect until the 2018 Capital Structure Order is issue.

2. Approve a 10 percent range around NSP-MN's common equity ratio of 52.4 percent (i.e., a range of 47.16 to 57.64 percent)
3. Approve NSP-MN's total capitalization contingency of \$523 million (i.e. a total capitalization of \$11,200, including the \$523 million).
4. Approve NSP-MN's short-term debt issuance not to exceed 15 percent of total capitalization at any time while the 2017 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 also 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 NPS-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 for 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 short0term 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: 1) the type of security issued; 2) the total amount issued; 3) the purpose of the issuance; 4) the issuance cost associated with the security issuance; and 5) the total cost of the security issuance, including details such as interest rate or cost per share of common equity issued.

The motion passed 5-0.

E-017/RP-16-386

In the Matter of Otter Tail Power's 2017-2031 Integrated Resource Plan

Commissioner Lipschultz moved that the Commission:

1. Approve Otter Tail Power Company's 2017-2031 Integrated Resource Plan
2. Find that the Company's demand and energy forecasts are acceptable for planning purposes.
3. Require Otter Tail Power Company to file its next resource plan no later than June 3, 2019.
4. Approve a five-year action plan that includes the addition of:
 - a. 200 MW of wind in the 2018 to 2020 timeframe;
 - b. 30 MW of solar in about 2020;
 - c. Up to 250 MW of peaking capacity in 2021; and
 - d. Average annual energy savings of 46.8 GWh (1.6 percent of retail sales).
5. Modify Otter Tail's IRP to include 100 MW to 200 MW of wind in the 2022 to 2023 timeframe. This does not preclude the addition of more wind during the five-year action plan period than the 200 MW specifically approved herein.
6. Find that Otter Tail is adequately tracking environmental regulations that might impact its operations.
7. Require Otter Tail to address the status of Clean Power Plan (CPP) compliance plans in the states included in Otter Tail's service territory in the Company's next resource plan.
8. Require Otter Tail to include in its next resource plan filing a transparent methodology to reflect forecasted load associated with pipelines or pipeline replacements.

9. Require Otter Tail to provide in its next resource plan filing a discussion of how incremental levels of new wind could be reasonably procured and worked into the system while maintaining reliability of service.
10. Require Otter Tail to provide in its next resource plan filing an evaluation of capacity savings the Company could achieve via demand response programs, including more from its existing direct load control programs. The Company must also study reliability, price, and technology-based demand-response products.
11. Require Otter Tail to provide in its next resource plan filing a detailed discussion of how the identified technical and economic potential for direct load control programs can be integrated into its supply-side and demand-side resource mix. The Company must also provide its strategies to improve on its installed kW as a percentage of technical potential. The discussion must include any overall and specific program benchmarks.

The motion passed 5-0.

Commissioner Tuma moved that the Commission require Otter Tail Power in its next resource plan filing to analyze the cost-effectiveness of its oil peaker plants (at Jamestown, North Dakota, Units 1 and 2; Lake Preston, South Dakota) relative to other supply and demand-side alternatives as it relates to transmission constraints.

The motion passed 5-0.

ENERGY FACILITIES PERMITTING AGENDA

PL-5/PPL-05-2003

In the Matter of the Application to the Minnesota Public Utilities Commission for a Pipeline Routing Permit for a Crude Oil Pipeline and Associated Aboveground Facilities

Chair Lange moved that the Commission vary Minn. R. 7852.3900 to allow more time to consider the certification of completion and to allow for the filing of any documentation memorializing the resolution of the Tupy complaint.

The motion passed 5-0.

PL-9/CN-14-916

In the Matter of the Application of Enbridge Energy, Limited Partnership for a Certificate of Need for the Line 3 Pipeline Replacement Project in Minnesota from the North Dakota Border to the Wisconsin Border

PL-9/PPL-15-137

In the Matter of the Application of Enbridge Energy, Limited Partnership for a Route Permit for the Line 3 Replacement Project in Minnesota from the North Dakota Border to the Wisconsin Border

Commissioner Lipschultz moved to clarify that public meetings under Minn. R. 4410.2600, subp. 2 and 7852.1300, subp.1B are not required in the counties in which SA-04 is located because there is no proposal to locate any part of the Line 3 Replacement Project in those counties.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: May 31, 2017

A handwritten signature in black ink that reads "Daniel P. Wolf". The signature is written in a cursive, flowing style.

Daniel P. Wolf, Executive Secretary