

The Commission met on **Thursday, May 25, 2017**, with Chair Lange and Commissioners Lipschultz, Schuerger, Sieben, and Tuma present.

The following matters were taken up by the Commission:

ENERGY FACILITIES PERMITTING AGENDA

PL-9/CN-13-153

In the Matter of the Application of Enbridge Energy, Limited Partnership for a Certificate of Need for the Alberta Clipper (Line 67) Phase 2 Upgrade Project

This item was pulled from the agenda.

IP-6979/WS-17-265

In the Matter of the Application of Palmer's Creek Wind Farm, LLC for a Large Wind Energy Conversion System Site Permit for the 44.6 MW Palmer's Creek Wind Project in Chippewa County

This item was pulled from the agenda.

ENERGY AGENDA

E-257,002/SA-16-287

In the Matter of the Joint Request of the Kasson Public Utilities, City of Kasson and Northern States Power Company for Approval to Terminate a Service Exception Agreement.

Commissioner Tuma moved that the Commission:

1. Approve the parties' request that: (1) Xcel Energy's unapproved service by exception to the Kasson waste water treatment plant be terminated; (2) Kasson provide service to the Kasson waste water treatment plant in its own assigned service territory; and (3) the Compensation Agreement be approved.
2. Note that it is not necessary for MnGEO to update the Commission's maps to reflect termination of a service-by-exception agreement that was never recorded on the maps.

The motion passed 5-0.

G-6960/M-16-317

In the Matter of a Petition by United Natural Gas, LLC, a Subsidiary of United Farmers Cooperative, for Approval of a Firm Gas Transportation Agreement with the City of Brownton

Commissioner Lipschultz moved that the Commission:

1. Approve the UNG/Brownton Firm Transportation Agreement Retroactive to June 26, 2013.
2. Require, within 30 days of the date of the order, that UNG provide its agreement with UGS and a discussion of the services provided to UGS, such as transportation services and purchasing of gas, the construction costs of the intrastate pipeline, the rates charged to UGS, the time period associated with the UGS arrangement, and any other relevant terms of the agreement.

The motion passed 5-0.

E-999/AA-15-611

In the Matter of the Review of the 2014-2015 Annual Automatic Adjustment Reports for All Electric Utilities

Commissioner Lipschultz moved that the Commission:

1. Accept all the electric utilities fiscal-year 2015 annual automatic adjustment reports as filed, and subsequently amended, as being substantially complete as to Minn. R. 7825.2390 through 7825.2920.
2. Accept the Department's uncontested comments, conclusions, and recommendations for fiscal year 2015.
3. Require Xcel to issue a refund of Prairie Island Unit 1 incremental replacement power costs associated with the December 10 to December 27, 2014 outage at Unit 1.
4. Require Xcel to refund all of Prairie Island Unit 2 incremental replacement power costs associated with the outage caused by the failure of a faulty solenoid valve.
5. Reject the Department's recommendation on MISO Schedule 10 costs since this information is reviewed in a general rate case and is unnecessary in the AAA filings.
6. Adopt the Department's recommendation to require Xcel, Minnesota Power, and Otter Tail Power to include, in independent auditors' reports in future AAA filings, in the following:

- a. comparison of the documentation supporting payments and invoices received from the energy supplies;
 - b. comparison of the base costs of power approved by the Commission to the bases used by the utility;
 - c. Recalculation of the billing adjustment charge (credit) per kWh charged customers for purchased power for the entire applicable period by class of customer;
 - d. comparison of the accounting records for the revenues billed to customers for energy delivered for the relevant period to the total sales of electric energy;
 - e. on a test basis, examination of individual billings in each customer class by recalculating the automatic adjustment of charges and credits and tracing to the individual customers' subsidiary records to ensure that the calculated credit or charge was correctly recorded;
 - f. examination of any corrections to FCA charges or other billing errors;
 - g. reconciliation of total revenue and cost of power in the utility's general ledger; and
 - h. recalculation of any true-up, and tracing the related revenue and expense amounts of the utility's accounting records.
7. Adopt the Department's recommendation to require all utilities to list all the dockets in which the Commission has granted any variances to a utility's FCA (such as true-up provisions, allowing costs of purchased power adjustments to flow through the FCA, allowing MISO costs and revenues to be included in the FCA, etc.).

Commission Tuma moved that the Commission require Xcel to file, within 30 days of the date of the order, its contracts or agreements with contractors involved in the outages at issue, along with a description of Xcel's efforts to obtain refunds or settlements for performance of contractors involved in the outages, and a description of the refund and the process for issuing refunds.

The motion passed 5-0.

Commission Tuma moved that the Commission require Xcel to issue refunds with interest based on the most recent rate case settlement for the interest rate applicable to interim rate refunds.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: September 20, 2017

A handwritten signature in black ink that reads "Daniel P. Wolf". The signature is written in a cursive style with a large, stylized 'D' and 'W'.

Daniel P. Wolf, Executive Secretary