

The Commission met on **Thursday, July 6, 2017**, with Chair Lange and Commissioners Lipschultz, Schuerger, Sieben, and Tuma present.

The following matters were taken up by the Commission:

## **ENERGY AGENDA**

### **E-017/GR-15-1033**

#### **In the Matter of the Application of Otter Tail Power Company for Authority to Increase Rates for Electric Service in Minnesota**

Commissioner Lipschultz moved to deny the petitions for reconsideration or clarification filed by—

- Otter Tail Power Company (Otter Tail),
- the Minnesota Department of Commerce (Department), and
- the Minnesota Office of the Attorney General.

The motion passed 5-0.

Commissioner Lipschultz moved to do the following:

1. Grant Otter Tail's request for reconsideration and adopt the following modifications to the Commission's Order—

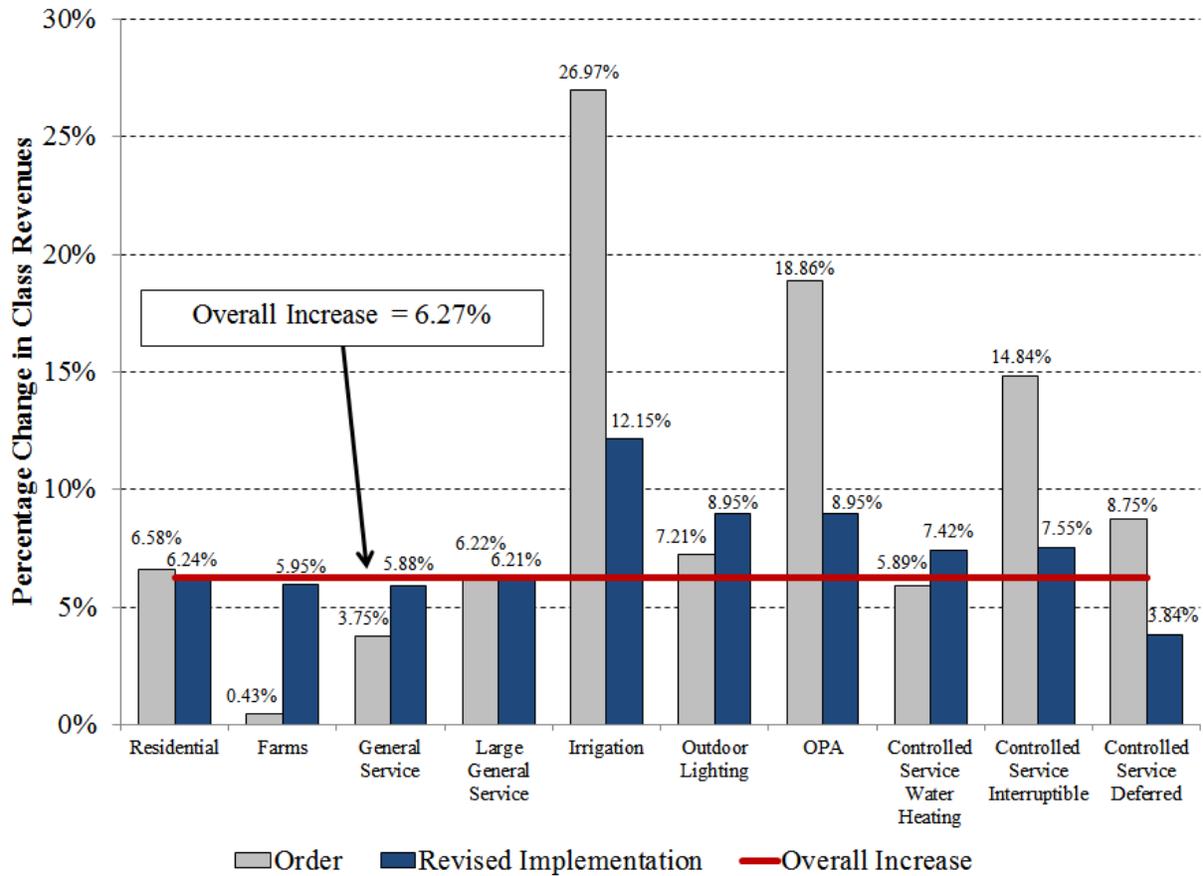
- A. At p. 64:

~~The Commission concurs with the Department that the shortcomings in Otter Tail's sales analysis and forecasting, set forth in the attached supplementary findings, rendered the Company's testimony unreliable. And, c~~Consistent with the positions of Otter Tail and the Department, the Commission will rely on the test-year sales and revenue analysis and figures set forth in the Department's corrected surrebuttal testimony instead.

- B. At page 70:

~~But a recent surge in sales resulting from one specific customer has complicated the ability to anticipate future growth rates, as reflected in the disputes between Otter Tail and the Department.~~

- Grant Otter Tail's request that the Commission reconsider how the class revenue allocation is implemented and apply the revised class increase to each customer class as shown below:<sup>1</sup>



Commissioner Schuerger moved to amend the motion to grant Otter Tail's request for reconsideration *in part*.

Commissioner Lipschultz accepted the amendment.

There motion passed 5-0.

<sup>1</sup> Otter Tail Petition at 31 (May 22, 2017).

**E-002/M-16-777**

**In the Matter of the Petition of Xcel Energy for Approval of the Acquisition of Wind Generation from the Company's 2016-2030 Integrated Resource Plan**

Commissioner Lipschultz moved that the Commission:

1. Approve the petition by Xcel Energy to add 1,550 megawatts of wind resources to its system with additional provisions, finding:
  - a. the Commission will hold Xcel accountable for the prices and terms used to evaluate each of the selected projects for the purpose of cost recovery from Xcel ratepayers.
  - b. ratepayers will not be put at risk for any costs that are higher than bid or for assumed benefits that do not materialize.
  - c. ratepayers must be sufficiently protected from risks associated with the non-deliverability of accredited capacity and/or energy from the projects.
  - d. require Xcel to report in its monthly fuel clause filings and annual automatic adjustment filings the amount of any curtailment payments, along with explanations for the curtailments.
  - e. require Xcel to account, clearly and separately, for all costs, including costs related to capital, operation and maintenance expense, and any other costs related to these facilities.
2. Acknowledge Xcel's commitment to file a compliance filing in January 2018 that provides an update on each approved project status, and require, annually thereafter, that Xcel file a compliance filing that includes the actual delivered energy and actual accredited capacity for each project.
3. Require Xcel to report quarterly, until the projects are in service, project failures along with the options available to the Commission to remedy the failure.
4. Require Xcel to file a list of back-up projects that can be utilized if any project fails.
5. Find that the acquisition of the applicable projects is consistent with the public interest.
6. Grant the requested variance to Minn. R. 7825.1800 (B) to not require the filing of the information required under Minn. R. 7825.1400 (A) – (J).
7. Confirm that Blazing Star I and II, Freeborn, and Lake Benton are exempt, under Minn. Stat. § 216B.2422, subd. 5, from the requirement to obtain a certificate of need.
8. Approve Xcel's proposed aggregate cost cap for the Company's self-build portfolio.

9. Find that Xcel's proposals to acquire 1550 megawatts of wind resources is a reasonable and prudent approach to meeting its obligation under Minnesota's Renewable Energy Standard and is a system least-cost resource addition under every scenario in Xcel's economic analysis.

The motion passed 5-0.

**E-002/AI-17-215**

**In the Matter of the Petition of Northern States Power Company for Approval of a Sale of Components Agreement with Capital Services, LLC**

Commissioner Lange moved that the Commission:

1. Approve the proposed Sale of Components Agreement with Capital Services, LLC.
2. Direct the Company to include reporting of the charges billed by Capital Services in Xcel Energy's annual jurisdictional report within the affiliate transaction section.
3. Direct the Company to provide a one-time report with a breakdown of total costs for the wind generation equipment procured from Capital Services, by each wind project, within 60 days after the transfer to NSPM is complete. The report should be filed in the instant docket and in the 16-777 Docket.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: September 20, 2017**



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**Daniel P. Wolf, Executive Secretary**