

The Commission met on **Thursday, February 1, 2018**, with Chair Lange and Commissioners Lipschultz, Schuerger, Sieben, and Tuma present.

The following matters were taken up by the Commission:

**E-002/M-16-281**

**E-002/M-17-249**

**In the Matter of Xcel Energy's 2015/2016 Annual Safety, Reliability, Service Quality Report, and Proposed Annual Reliability Standards for 2017**

Commissioner Schuerger moved that the Commission:

1. Accept Xcel Electric's Safety, Reliability, and Service Quality Reports for 2015 and 2016, clarifying that its acceptance is based on using Xcel's proposed goals for 2016 as the standard for evaluating the Company's 2016 performance;
2. Accept Xcel's proposed annual reliability standards for 2017;
3. Order Xcel to provide the following information in its next annual service quality report:
  - A. The Company's data on benchmarking with national IEEE Reliability Standards;
  - B. A qualitative discussion of ways the Commission looks at increased granularity;
  - C. An assessment of MAIFI data;
  - D. A summary of the Company's estimated response time data to customers and steps the Company is taking to measure and communicate more accurately the Company's response time to customers;
  - E. The Company's internal customer satisfaction goals and a comparison of the Company actual performance to those goals, as well as an explanation of the basis for those goals;
  - F. With respect to the distribution table identification provided in the report, Xcel shall include the appropriate locational labels, applicable substation name, and region to which the information relates;
  - G. The Company's additional thinking on CEMI and CELI metrics after consultation with the DOC and interested parties; and
  - H. Data on the number of applicants and participants in the Company's emergency medical accounts.

The motion passed 5–0.

**G-011/M-16-371**

**G-011/M-17-343**

**In the Matter of Minnesota Energy Resources Corporation's 2015/2016 Annual Gas Service Quality Report**

Commissioner Lipschultz moved to do the following:

1. Accept the 2015/2016 Annual Gas Service Quality Report of Minnesota Energy Resources Corporation (MERC);
2. Require MERC to provide its emergency response time in total and without farm tap customers in its next Annual Service Quality Annual Report.

The motion passed 5–0.

**E-015/AI-17-304**

**In the Matter of the Petition of Minnesota Power, an Operating Division of ALLETE, Inc., for Approval of Affiliated Interest Agreements Between ALLETE, Inc. and ALLETE Clean Energy, Inc.**

Commissioner Lipschultz moved to do the following:

1. Determine that the affiliated interest transaction is reasonable and consistent with the public interest in accordance with Minn. Stat. § 216B.48 and approve the proposed \$121,179 as a minimum credit to ratepayers;
2. Allow Minnesota Power to flow benefits from the affiliate interest transaction as authorized in the following decision alternatives to ratepayers through the renewable resource rider;
3. Require Minnesota Power to credit to ratepayers any additional amount to the extent that the accumulated costs/fees related to this transaction exceed this stated price;
4. Require Minnesota Power to report in the renewable rider petition, in which the benefits of this transaction are determined to begin, an accounting of all legal, state and federal regulatory costs, as well as other costs that were incurred related to this matter;
5. Direct that the revenue requirements attributable to the capital (plant-in-service) imputed in Minnesota Power's base rates (in Docket E-015/GR-16-664), but now allocated to ALLETE Clean Energy, Inc. (ACE), due to the sale of Bison 6 Large Generation Interconnection Agreement (LGIA), be reflected as an equal and static credit amount in the rider mechanism as long as the benefits of this transaction are flowed to ratepayers through the rider;

6. Direct Minnesota Power to include Taxes Other Than Income Tax costs based on applicable North Dakota property taxes and applicable labor-related tax, gross-receipts, and other taxes from Attachment O to determine the annual O&M amount to allocate to ALLETE Clean Energy;
7. Direct Minnesota Power to include Taxes Other than Income Tax costs from Transmission Schedule O, consistent with other O&M expenses, when calculating the per-line-mile rate when determining the annual operations and maintenance (O&M) amount to allocate to ACE;
8. Allow Minnesota Power to only include transmission capital costs in the on-time capital-based payment from ACE, resulting in a payment of approximately \$7.7 million (to be adjusted to reflect the effective date that the Commission designates);
9. Calculate the one time capital payment and accrual of O&M, taxes, and other incremental costs based on the date of the Commission order;
10. Require Minnesota Power to submit, within 15 days of the order, a compliance filing with supporting documentation that provides the calculations required in this order.

Commissioner Tuma proposed amending Motion Paragraph 9 to calculate the one-time capital payment and accrual of O&M, taxes, and other incremental costs as of February 4, 2018.

Commissioner Lipschultz accepted the amendment.

Commissioner Lipschultz amended the motion by withdrawing Motion Paragraph 6.

The motion passed 5–0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: May 2, 2018**



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**Daniel P. Wolf, Executive Secretary**