

The Commission met on **Thursday, December 6, 2018**, with Chair Lange and Commissioners Lipschultz, Schuerger, Sieben, and Tuma present.

The following matters were taken up by the Commission:

P-6160/RV-18-644

In the Matter of the Revocation of Telenational Communications, Inc.'s Certificate of Authority

Commissioner Tuma moved to revoke Telenational Communications, Inc.'s certificate of authority.

The motion passed 5–0.

E-281,124/SA-18-609

In the Matter of the Joint Request of the New Prague Utilities Commission and Minnesota Valley Electric Cooperative for Approval to Modify Electric Service Territory Boundaries

Commissioner Tuma moved to take the following actions:

1. Approve the permanent service territory transfer from Minnesota Valley Electric Cooperative to the New Prague Utilities Commission.
2. Request that MnGeo update the Commission's maps to reflect the service-area designations as shown on the map in the Petition.

The motion passed 5–0.

E-002,257/SA-18-598

In the Matter of the Joint Request of Northern States Power Company, d/b/a Xcel Energy, and Kasson Public Utilities for approval of a Compensation and Orderly Transfer Agreement and Bill of Sale Between the Two Parties

Commissioner Sieben moved to take the following actions:

1. Approve the parties' request to terminate the 2013 Agreement and re-establish Kasson as the electric service provider in its service area, and the permanent service territory transfer of the Football Field from Xcel Energy to Kasson.

2. Request that MnGeo update the Commission's maps to reflect the service area designations as shown on the maps in the Petition.

The motion passed 5–0.

E-015,106/SA-17-893

In the Matter of the Complaint by Lake Country Power Against Minnesota Power Alleging Violation of Its Exclusive Service Area by Providing Service to Canadian National Railway Company Facilities Near Hoyt Lakes

Commissioner Lipschultz moved to dismiss Lake Country Power's Amended Complaint with prejudice.

The motion passed 5–0.

E-002/RP-15-21

In the Matter of Xcel Energy's 2016–2030 Integrated Resource Plan

Commissioner Lipschultz moved to take the following actions:

1. Approve Xcel Energy's request to delay filing its next resource plan from February 1, 2019 to July 1, 2019.
2. Require Xcel to submit the files necessary to recreate the Company's 2020–2034 reference case, as summarized at Xcel's October 23, 2018 IRP workshop. Further, consistent with the Commission's typical approach for IRPs, require Xcel to provide the Strategist files with the same assumptions as in the Company's 2020–2034 reference case but using the midpoint of the Commission's most recently approved externalities and regulatory costs of carbon.

The motion passed 5–0.

E-017/CI-18-253

In the Matter of Distribution System Planning for Otter Tail Power Company

E-015/CI-18-254

In the Matter of Distribution System Planning for Minnesota Power

E-111/CI-18-255

In the Matter of Distribution System Planning for Dakota Electric Association

Chair Lange moved to take the following actions:

1. Adopt Staff's December 6 IDP Filing Requirements for Otter Tail, revised to include a \$2 million threshold for nonwires alternatives.
2. Adopt Staff's December 6 IDP Filing Requirements for Minnesota Power, revised to include a \$2 million threshold for nonwires alternatives.
3. Adopt Staff's December 6 IDP Filing Requirements for Dakota Electric, revised to include a \$2 million threshold for nonwires alternatives.

The motion passed 5–0.

PL-6580/M-18-465

In the Matter of the Petition of Greater Minnesota Transmission, LLC (GMT) for Approval of a Firm Gas Transportation Agreement with Northwest Natural Gas of Cass County, LLC, Inc. to Serve the Walker, MN Area

Commissioner Tuma moved to take the following actions:

1. Approve GMT's petition for a firm gas transportation agreement providing intrastate pipeline transportation services to Northwest Natural Gas of Cass County, LLC.
2. Require GMT to include the Walker pipeline project in its annual load-utilization-factor report.
3. Direct GMT to submit its annual load-utilization-factor report each year, as required under the Commission's October 30, 2018 *Order Accepting GMT's 2017 Annual Utilization Load Factor Compatibility Report*, under a new docket number. The report will be treated as a miscellaneous filing rather than a compliance filing pursuant to the Commission's rules of practice and procedure.

The motion passed 5–0.

Commissioner Tuma moved to take the following actions:

1. Initiate an inquiry into Gorhams' Inc.; Northwest Gas; Northwest Natural Gas of Murray County; and Northwest Natural Gas of Cass County and their parents and affiliates, if any, ("companies") to determine:
 - the appropriate customer count for each of the companies and the relationship of the companies to each other for purposes of the exemption under Minn. Stat. § 216B.16, subd. 12 (a);

- the status of all the municipal franchise agreements with municipalities served by the companies and the related City Council resolutions for purposes of the exemption under Minn. Stat. § 2168.02, subd. 4, and § 216B.16, subd. 12 (a);
 - whether the companies are serving any incidental load outside of the municipalities requiring exemption pursuant to § 216B.16, subd. 12 (b);
 - whether the companies met their obligations under Minn. § 216B.16, subd. 12(c), for reporting of their tariffs;
 - whether each of the companies has met its obligation for cold-weather disconnection notice sent to the customers, including how the notice was communicated and the date communicated (Minn. Stat. § 216B.096, Minnesota’s Cold Weather Rule);
 - whether the companies submitted any utility disconnection reports to the municipalities as required by Minn. Stat. § 216B.0976;
 - whether each of the companies maintain notice forms to send to customers who are in arrears pursuant to the utility’s obligation under Minn. Stat. § 216B.098, along with any policy not clearly identified in the tariffs regarding budget billing plans, payment arrangements, and undercharge repayment; and
 - whether each of the companies filed its Annual Minnesota Natural Gas Utility Information with the Department under Minn. R. 7610.0800–.0860 on or before July 1, 2018.
2. Delegate authority to the Executive Secretary to issue notices requesting information and to establish comment periods to ascertain this information.

The motion passed 5–0.

G-004/M-18-282

In the Matter of the Petition of Great Plains Natural Gas Co. for Approval of a Gas Utility Infrastructure Cost (GUIC) Adjustment True-up Report for 2017, 2018 Revenue Requirement and Revised Adjustment Factors

Chair Lange moved to take the following actions:

1. Grant Great Plains’ petition for approval of its GUIC adjustment true-up report for 2017, 2018 revenue requirement (\$720,257), and revised adjustment factors, including the Company’s proposed rate of return (7.032%).

2. Allow Great Plains to use the forecasted test period as proposed in its initial petition.
3. Require Great Plains to include, in future GUIC filings, its excess ADIT balance and any related amortization amounts to be refunded to customers.
4. Require Great Plains to submit a compliance filing within ten days of the Commission's order that includes the new, authorized tariff language and a revised customer bill insert that explains the change in rates.

The motion passed 5–0.

G-011/M-18-281

In the Matter of the Petition of Minnesota Energy Resources Corporation (MERC) for Approval of a Gas Utility Infrastructure Cost (GUIC) Rider

Commissioner Sieben moved to take the following actions:

1. Determine that MERC's petition, as filed, meets the information requirements set forth in Minn. Stat. § 216B.1635, allow the Company to establish a GUIC rider in 2019, and allow MERC to begin cost recovery in 2019.
2. Authorize MERC to recover approximately \$5.3 million, using its proposed three year average, in its GUIC rider for relocation of natural gas facilities for public works and right-of-way projects.
3. Authorize MERC to recover approximately \$7 million in capital costs in its GUIC rider for its replacement-of-obsolete-materials project.
4. Authorize MERC to recover approximately \$2 million in O&M costs in its GUIC rider for its stop-valve survey.
5. Authorize MERC to recover approximately \$1 million in O&M costs in its GUIC rider for its sewer-cross-bore survey.
6. Set MERC's rate of return for the GUIC rider equal to the 6.6971% rate of return authorized in MERC current general rate case, Docket No. 17-536 (order pending).
7. Approve MERC's proposed energy-based rate factor of \$0.0041533 per therm.
8. Require the design of the per-therm GUIC rate factors to be based on 12 months of sales.
9. Do not adopt any performance metrics for MERC's GUIC rider.

10. Do not authorize a carrying charge to the average monthly tracker balance.
11. Require MERC to work with the Commission's Consumers Affairs Office and Commission staff to develop a bill insert that explains MERC's GUIC program and rates in each customers' first bill that includes the new GUIC rate factors.
12. Require MERC to submit a compliance filing within ten days of the Commission's order that includes the following: a calculation of the authorized GUIC revenue requirement, GUIC rate factor(s), revised tariff language, and a revised customer bill message and bill insert that explain the change in rates.
13. MERC's compliance filing should also include a proposed effective date for the rider and a plan of implementation for the new rate factors.
14. Authorize comments on MERC's compliance filing within ten days of MERC's submitting the filing.

The motion passed 4–1. Commissioner Tuma voted against the motion.

E-999/R-18-518

In the Matter of a Possible Rulemaking to Amend Minnesota Rules Chapter 7854

Commissioner Lipschultz moved to deny the petition for reconsideration of the Commission's September 26, 2018 order.

The motion passed 5–0.

IP-6984/CN-17-676

In the Matter of the Application of Flying Cow Wind, LLC for a Certificate of Need for the Up-to-152 MW Bitter Root Wind Project and Associated Facilities in Yellow Medicine County

IP-6984/WS-17-749

In the Matter of the Application of Flying Cow Wind, LLC for a Site Permit for the Up-to-152 MW Bitter Root Wind Project and Associated Facilities in Yellow Medicine County

Commissioner Lipschultz moved to take the following actions:

1. Defer further action on these dockets, and refer them to the Office of Administrative Hearings for a contested case proceeding to be conducted by an administrative law judge (ALJ).

2. Ask the ALJ to consider timely comments received to date in evaluating the merits of the applications, and identify the issues and determine the appropriate scope and conduct of the hearing according to applicable law, due process, and fundamental fairness.
3. Ask the Department to continue to advance the public interest by identifying issues warranting further development, studying the issues, and indicating during the hearing process, through testimony or comment, its position on the reasonableness of granting a certificate of need and site permit.
4. Ask the Department to facilitate discussions and negotiations among the parties, and to report any resolutions to the Commission promptly.

The motion passed 5–0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: March 6, 2019

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