

The Commission met on **Thursday, July 18, 2019** with Commissioners Means, Schuerger, and Tuma present.

The following matters were taken up by the Commission:

PL6580/M-19-191

In the Matter of the Petition of Greater Minnesota Transmission, LLC for Approval of its Annual Load Utilization Report.

Commissioner Tuma moved that the Commission accept the Company's 2018 annual load utilization factor compliance filing.

The motion passed 3–0.

G002/M-19-200

In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of a Modification to the Natural Gas State Energy Policy (SEP) Tariff, Updated SEP Rate Factor, and SEP Compliance Filing.

Commissioner Tuma moved that the Commission:

1. Accept Xcel's Petition as a compliance filing;
2. Approve an SEP rate factor of \$0.001173 per therm, based on 2018 actual retail sales of 1,109,497,520, to be effective August 1, 2019; and
3. Require Xcel to file a compliance filing that includes its revised SEP rider tariff language.

The motion passed 3–0.

E015/S-19-299

In the Matter of the Petition of Otter Tail Power Company for Approval of 2019 Capital Structure and Permission to Issue Securities.

Commissioner Means moved that the Commission:

1. Approve OTP's 2019 proposed capital structure. This approval will remain effective until the latter of May 1, 2020 or the date at which the Commission issues a new capital structure Order;

2. Approve OTP's equity ratio contingency of plus/minus 10 percent around its 2019 proposed equity ratio. Equity ratios outside this range may not exceed a period of 60 days without Commission approval;
3. Approve OTP's total capitalization contingency of \$121,027,000 above its 2019 total capitalization. OTP may not exceed its total capitalization including the requested contingency of \$121,027,000 for a period longer than 60 days without prior Commission approval;
4. Allow OTP to issue any securities in 2019 that would not result in an equity ratio outside the proposed range or a total capitalization exceeding its proposed cap for more than 60 days;
5. Require OTP to obtain prior approval for the issuance of any securities in 2019 that would result in an equity ratio outside the approved range or a total capitalization exceeding its approved cap for more than 60 days;
6. Require OTP to provide, within 20 days after each non-recurring issuance of securities, the following information:
 - a. The specific purposes for the individual issuances;
 - b. The type of issuances;
 - c. The timing of issuances;
 - d. The amounts of issuances;
 - e. Issuance costs (for common equity issuances, include price per share); and
 - f. Interest rates;
7. Require OTP to provide, in its next capital structure filing, an exhibit showing 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 information on the uses identified in the exhibit or to limit the issuances to project-specific financing. The exhibit need not list short-term security issuances;
8. Require OTP to provide, in its next annual capital structure filing, a report of actual issuances and uses of the funds from the prior year. The report will be for information purposes only and need not cover short-term security issuances;
9. Require OTP to provide in its next annual capital structure filing a schedule comparing its actual capital investments in the past year with the capital investments projected by OTP in its previous capital structure filing;
10. Require OTP to provide in its next annual capital structure filing the Company's investment plan not only for the next year, but for at least the next five years;

11. Approve OTP's request for a variance to allow it to treat any loan under its multiyear credit facility as a short-term debt and require OTP to report on its use of such facilities including:
 - a. How often they are used;
 - b. The amount involved;
 - c. Rates and financing costs; and
 - d. The intended uses of the financing;
12. Require OTP to file its request for approval for its 2020 securities issuances no later than May 1, 2020;
13. Require OTP, in its next securities issuance filing, to show its competitiveness of debt issuances, using analysis similar to its analysis in attachment 12 of the Company's Petition; and
14. Clarify that approval of securities issuance and the resulting capital structure, within this proceeding, is not a determination of the appropriate capital structure for ratemaking purposes.

The motion passed 3–0.

E286,112/SA-19-346

In the Matter of The Joint Request of North Branch Water and Light Commission of the City of North Branch and East Central Energy for approval to Update Electric Service Territory Boundaries.

Commissioner Tuma moved that the Commission:

1. Approve the permanent service territory transfer from East Central Energy to the North Branch Water and Light Commission; and
2. Request that the Minnesota Geospatial Information Office update the Commission's maps to reflect the service area designations as shown on the map in the petition.

The motion passed 3–0.

E015/M-19-31

In the Matter of Minnesota Power's Conservation Improvement Program Consolidated Filing.

Commissioner Schuerger moved that the Commission:

1. Approve Minnesota Power's 2018 CIP tracker account, as summarized in Table 1 of the Department's comments, with a December 31, 2018 tracker balance of (\$1,519,260);
2. Approve Minnesota Power's new monthly carrying charge rate of 0.4792 percent;
3. Approve a 2019/2020 Conservation Program Adjustment (CPA) of (\$0.000137) per kWh, to be effective July 1, 2019, or on the first billing cycle in the next full month after Commission approval, whichever is later;
4. Approve a Demand Side Management financial incentive of \$2,780,073 for Minnesota Power's 2018 CIP achievements, to be included in the Company's CIP tracker account no sooner than the issue date of this Order;
5. Grant Minnesota Power a variance to Minnesota Rules part 7820.3500, item (K), and a variance to Minnesota Rules part 7825.2600, until issuance of the Commission's Order establishing MP's 2020/2021 CPA; and
6. Require Minnesota Power to submit a compliance filing, within 10 days of the issue date of this Order, with revised tariff sheets reflecting the Commission's determinations in this matter.

The motion passed 3–0.

G004/M-19-287

In the Matter of Great Plains Natural Gas Company's 2018 Conservation Improvement Program Tracker and Shared Savings Demand Side Management Incentive.

Commissioner Tuma moved that the Commission:

1. Approve Great Plains Natural Gas Company's 2018 CIP tracker account, as summarized in Table 1 of the Department's comments, resulting in a 2018 CIP tracker balance of \$(830,804);
2. Approve a 2019/2020 Conservation Cost Recovery Adjustment rate of \$(0.0337) per Dth, to be effective September 1, 2019, or the first day of the month following issuance of this Order;
3. Require Great Plains Natural Gas Company to include the following bill message in the billing month immediately following the date of this Order:

Great Plains recovers the cost changes in its energy conservation programs from the base established in 2007 through a Conservation Cost Recovery Adjustment (CCRA) subject to MN Public Utilities Commission approval. A CCRA of [insert

rate] per dk as shown in the Resource Adjustment above is effective [insert effective date]. Learn more about reducing your energy use by visiting our website at www.gpng.com or calling us at 1-877-267-4764.

4. Require Great Plains Natural Gas Company to submit a compliance filing, within 10 days of the issue date of this Order, with revised tariff sheets reflecting the Commission's determinations in this matter.

The motion passed 3–0.

G011/M-19-301

In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of 2018 Conservation Improvement Program Tracker Account, Demand-Side Management Financial Incentive, and Conservation Cost Recovery Adjustment Factor.

Commissioner Means moved that the Commission:

1. Approve MERC's 2018 DSM financial incentive of \$1,892,566 to be included in the Company's CIP tracker account no sooner than the issue date of this Order;
2. Approve MERC's 2018 CIP tracker account activities as summarized in Table 1 of the Department's comments;
3. Approve the revised gas CCRA of (\$0.00953) per therm for all of MERC's Minnesota customer classes, to be effective January 1, 2020, or on the first billing cycle in the next full month after Commission approval, whichever is later. The approval is conditioned on the Company submitting, within 10 days of the issue date of this Order, a compliance filing with the relevant tariff sheets and necessary calculations that comply with the Commission's determinations; and
4. Require MERC to include the following bill message (with the appropriate date) by January 1, 2020:

Effective [Insert date], the CCRA (conservation cost recovery adjustment) has been reduced to (\$0.00953) per therm. The CCRA is an annual adjustment to true-up under-recovery or over-recovery of CIP (conservation improvement program) expenses.

The motion passed 3–0.

E002/M-19-258

In the Matter of a Petition Submitted by Northern States Power Company, doing business as Xcel Energy Requesting Approval of a DSM Financial Incentive, CIP Cost Recovery, and a Proposed CIP Adjustment Factor.

Commissioner Tuma moved that the Commission:

1. Approve the 2018 Xcel Electric CIP Tracker Account activity shown in Table 1 of the Department's comments;
2. Approve a CIP Adjustment Factor for 2019/2020 of \$0.001613/kWh beginning with the first billing cycle in the month following this Order, or October 2019, whichever is later, conditional on the Company submitting, within 10 days of the issue date of this Order, a compliance filing with tariff sheets and necessary calculations that comply with the Commission's determinations in this matter;
3. Approve Xcel's proposed bill message effective the first month the 2019/2020 CIP Adjustment Factor takes effect, revised as necessary to incorporate the approved CIP Adjustment Factor and effective date; and
4. Approve a Shared Savings DSM financial incentive of \$28,856,219 for Xcel's 2018 electric CIP achievements, and allow Xcel to include the incentive in the Company's electric CIP tracker account no sooner than the issue date of this Order.

The motion passed 3–0.

G002/M-19-259

In the Matter of a Petition Submitted by Northern States Power Company, doing business as Xcel Energy Requesting Approval of a Proposed 2018 DSM Financial Incentive, CIP Cost Recovery, and a Proposed Gas CIP Adjustment Factor.

Commissioner Means moved that the Commission:

1. Approve Xcel's proposed 2018 gas DSM financial incentive of \$4,391,216 and allowed Xcel to include the incentive in the Company's gas CIP tracker account no sooner than the issue date of this Order;
2. Approve Xcel's 2018 gas CIP tracker account activity, as provided in the Company's Petition and summarized in Table 1 of the Department's comments resulting in a December 31, 2018 tracker balance of (\$3,660,890);
3. Approve Xcel's proposed bill message language; and

4. Allow Xcel to implement its proposed gas CIP Adjustment Factor of \$0.022357 per therm beginning October 1, 2019, or the first billing cycle in the month following the issue date of this Order, whichever is later, conditional on the Company submitting, within 10 days of the issue date of this Order, a compliance filing with tariff sheets and necessary calculations that comply with the Commission's determinations in this matter.

The motion passed 3–0.

ET2/TL-19-311

In the Matter of the Application of Great River Energy for a Route Permit for a 115 kV High Voltage Transmission Line to Accommodate the Lake Eunice Substation Conversion in Becker County.

Commissioner Tuma moved that the Commission:

1. Accept the application as substantially complete and authorize review under the alternative permitting process defined in Minn. Stat. § 216E.04 and Minn. R. 7850.2800 to 7850.3900;
2. Take no action on an advisory task force at this time;
3. Appoint an ALJ to serve as the hearing examiner and request preparation of a summary report in general adherence to the timelines suggested by Department of Commerce Energy and Environmental Review Analysis unit (EERA) as provided in Table 1 of its June 21, 2019 Comments and Recommendations;
4. Authorize the following administrative actions:
 - A. Delegate administrative authority, including timing issues, to the Executive Secretary;
 - B. Identify Charley Bruce as the Commission's Public Advisor who will facilitate citizen participation in the process;
 - C. Request that EERA continue to study the issues and indicate during the hearing process through testimony or comment its position on the reasonableness of granting a route permit;
 - D. Require the Applicant to facilitate in every reasonable way the continued examination of the issues requested by DOC EERA and Commission staff;
 - E. Require the Applicant to place a copy of the route permit application in the government center or public library located closest to the proposed project site;
 - F. Direct the Applicant to work with Commission staff and EERA staff to arrange for publication of the notices related to public information meetings and public hearings in newspapers of general circulation under the timelines prescribed in

rule and statute, that such notice be in the form of visible display ads, and that proof of publication be obtained and provided to Commission staff; and
G. Authorize Commission staff to file a sample route permit in this docket.

5. Grant a variance to Minn. R. 7850.3700, subp. 3, and extend the 10-day timeline; and
6. Request EERA to present draft route alternatives to the Commission for its input prior to the issuance of the final scoping decision.

The motion passed 3–0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: July 31, 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