

The Commission met on **Thursday, April 17, 2014**, with Acting Chair Boyd, and Commissioners Lange, Lipschultz, and Wergin present.

The following matters were taken up by the Commission:

TELECOMMUNICATIONS AGENDA

P571/AM-14-147

Petition for Designation as an eligible Telecommunications Carrier (ETC)

Commissioner Wergin moved that the Commission adopt the Department's recommendation to approve the petition.

The motion passed 4 – 0.

FACILITIES AGENDA

E999/M-13-402

In the Matter of the 2013 Minnesota Biennial Transmission Projects Report

Commissioner Wergin moved that the Commission take the following actions:

1. Accept the 2013 projects report;
2. Encourage the Department to collect the amount of mitigation costs included in future certificate of need proposals;
3. Grant a variance to the public participation requirements of Minn. Rule 7848.0900 and no longer require a webinar presentation be scheduled; and
4. Require the Transmission Owners to include in their 2015 report content similar to the 2013 report, and to include a discussion addressing Minn. Stat. § 216B.2425, subd. 2(c)(3).

The motion passed 4 – 0.

E-015/GP-13-978

In the Matter of the Application of Minnesota Power for a Gas Pipeline Routing Permit for the Laskin Energy Center Natural Gas Pipeline Project

Commissioner Lange moved to take the following actions:

1. Vary Minn. R. 7852.0600, subp. 2 to allow greater than 15 days for Minnesota Power to publish notice of the application acceptance in a newspaper of general circulation in St. Louis County;
2. Due to the unique circumstances of this project, as outlined in staff briefing papers, issue a Route permit conditional on 1) Minnesota Power's newspaper publication, 2) establish a period of 30 days for a person to submit comment or request an additional public meeting be held, 3) a letter from the Executive Secretary confirming that upon review of the comments no additional process is necessary. Require an affidavit of service; and
3. Grant the partial exemption and issue the Route Permit (attached in the DOC's comments Part 2 of 2) to Minnesota Power for the Laskin Energy Center Project with the Finding of Fact and Route Permit modifications proposed by Commission staff conditioned on the following:
 - A. Publication of the notice of the application's acceptance in the Mesabi Daily News and the Timberjay newspapers. Minnesota Power shall promptly file an affidavit of publication of the notice.
 - B. A comment period of 30 days from the date of the publication of the newspaper notice required in Ordering Point 3A, permitting persons to submit comments or request an additional public meeting regarding the Laskin Energy Center project pipeline route permit;
 - C. A letter from the Executive Secretary confirming that after his review of any comments received, no additional process such as an additional public meeting is necessary; and
 - D. The Commission hereby varies Minn. R. 7852.0600, subp. 2 to allow more than 15 days for Minnesota Power to publish notice of the application acceptance in a newspaper of general circulation in St. Louis County.

The motion passed, 4 – 0.

ENERGY AGENDA

EG002/002/M-14-74

Northern States Power Company dba Xcel Energy's Request for a Variance to Billing Error Rules

Commissioner Boyd moved that the Commission adopt the Department's recommendation to grant the requested variance.

The motion passed 4 – 0.

G-002/M-07-1395

In the Matter of Xcel's Petition for Approval of Changes in Contract Demand Entitlements for the 2007-2008 Heating Season Supply Plan effective November 1, 2007

G-002/M-08-1315

In the Matter of Xcel's Petition for Approval of Changes in Contract Demand Entitlements for the 2008-2009 Heating Season Supply Plan effective November 1, 2008

G-002/M-09-1287

In the Matter of Xcel's Petition for Approval of Changes in Contract Demand Entitlements for the 2009-2010 Heating Season Supply Plan effective November 1, 2009

G-002/M-10-1163

In the Matter of Xcel's Petition for Approval of Changes in Contract Demand Entitlements for the 2010-2011 Heating Season Supply Plan effective November 1, 2010

G-002/M-11-1076

In the Matter of Xcel's Petition for Approval of Changes in Contract Demand Entitlements for the 2011-2012 Heating Season Supply Plan effective November 1, 2011

G-002/M-12-862

In the Matter of Xcel's Petition for Approval of Changes in Contract Demand Entitlements for the 2012-2013 Heating Season Supply Plan effective November 1, 2012

G-002/M-13-663

In the Matter of Xcel's Petition for Approval of Changes in Contract Demand Entitlements for the 2013-2014 Heating Season Supply Plan effective November 1, 2013

Commissioner Wergin moved that the Commission take the following actions:

1. Approve Xcel's request for interstate pipeline and other capacity changes to meet its design-day and reserve-margin requirements as described in the dockets listed above.
2. Approve Xcel's request to recover the associated cost changes in its pipeline demand-entitlement contracts and supplier-reservation fees as described in the dockets listed above.
3. Accept Xcel's proposal to continue treating its producer demand (supply-reservation) costs as demand costs charged to firm-sales customers only.
4. Require Xcel to allocate some storage-capacity demand charges to interruptible sales customers by including the costs in the commodity cost of gas withdrawn from storage and delivered to firm- and interruptible-sales customers, effective July 1, 2014.
5. Accept Xcel's proposal to continue treating storage-deliverability (reservation) demand charges as demand costs chargeable to firm-sales customers only.

6. Require Xcel to make a compliance filing within 30 days explaining the basis for its Minnesota/North Dakota allocation factors and ask the Department to respond to the compliance filing within 30 days of the date it is filed. The filing shall address the following issues:
 - a. Moorhead/Fargo Service Area Jurisdictional Allocation Factor
 - i. Provide the demand-entitlement costs previously allocated by the Moorhead/Fargo Service Area Jurisdictional Allocation Factor, as reflected in Attachment 1 to Xcel's petitions in Docket Nos. 07-1395 and 08-1315, for all subsequent dockets.
 - ii. Provide additional discussion regarding why Xcel believed the arguments in its petition in Docket No. 09-1287 and its September 24, 2012 reply comments in Docket No. 12-862 supported the change in jurisdictional-allocation-factor methodology.
 - iii. Explain the need for and purpose of the ANR contract (proposed in Docket No. 09-1287) and identify the primary customer(s) served by this contract. In other words, what is the primary delivery point(s) on Xcel's system of the Viking backhaul agreement? Is the capacity primarily to serve Xcel's Minnesota or North Dakota customers?
 - iv. Provide additional discussion on why it is appropriate to propose changing Xcel's jurisdictional allocation factors, which shift additional cost burden to Minnesota customers.
 - v. Provide any new data or discussion that would support Xcel's jurisdictional-allocation-factor change.
 - b. Fargo Lateral Agreement(s)—Explain what demand-entitlement contract(s) replaced Xcel's expired Fargo Lateral Agreement (expired in Docket No. 09-1287). Provide the demand-entitlement costs of the replaced (expired) agreement and the new agreement(s). Explain why the new Fargo Lateral agreement is different from the expired agreement.
 - c. Fargo Lateral Economic True-up Adjustment
 - i. Explain what the revised annual cost and the monthly demand rate would be under the capacity recalculation. Explain whether Xcel's customers are receiving the appropriate refund for the over-collected capacity costs. Provide the supporting calculation to determine if this recalculated capacity level provides an appropriate refund to Xcel's customers.

- ii. Discuss flowing the over-collection back to Xcel's customers as a one-time credit or amortized over a period of 2 or 3 years. Provide pro forma calculations and estimates of the remaining refund for crediting the appropriate cost in Xcel's next demand entitlement petition or in a future monthly PGA petition.
- d. Grand Forks Service Area Jurisdictional Allocation Factor
- i. Provide the demand-entitlement costs previously allocated by the Grand Forks Service Area Jurisdictional Allocation Factor, as reflected in Attachment 1 to Xcel's petitions in Docket Nos. 07-1395 through 10-1163, for all subsequent dockets.
 - ii. Provide additional discussion regarding why Xcel believed the arguments in its petition in Docket No. 09-1287 and its September 24, 2012 reply comments in Docket No. 12-862 supported the change in jurisdictional-allocation-factor methodology.
 - iii. Provide additional discussion on why it is appropriate to propose changing Xcel's jurisdictional allocation factors, which shift additional cost burden to Minnesota customers.
 - iv. Provide any new data or discussion that would support Xcel's jurisdictional-allocation-factor change.
- e. Customer Count—Provide a further explanation as to why Xcel's economic-slowdown explanation for the customer-count decrease in 2008-2009 applies only to Minnesota and not to North Dakota.

The motion passed 4-0.

E-999/CI-07-1199

In the Matter of Establishing an Estimate of the Costs of Future Carbon Dioxide Regulation on Electricity Generation under Minn. Stat. § 216H/06

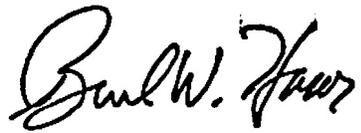
Commissioner Lipschultz moved to take the following actions:

1. Continue using the current range of \$9 to \$34 per ton of CO₂;
2. Begin applying the CO₂ values as of 2019;
3. Determine that there is no additional state or federal legislative direction to suggest that the values should be changed for 2015 and adopt the range of \$9/ton to \$34/ton values for 2015.

The motion passed, 4-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: August 13, 2014

A handwritten signature in black ink, reading "Burl W. Haar". The signature is written in a cursive style with a large initial "B" and a distinct "H".

Burl W. Haar, Executive Secretary