

The Commission met on **Thursday, July 31, 2014**, with Acting Chair Boyd and Commissioners Lange, Lipschultz, and Wergin present.

The following matters were taken up by the Commission:

### **TELECOMMUNICATIONS AGENDA**

#### **P-6434/RV-14-433**

#### **In the Matter of the Revocation of Ernest Communications, Inc.'s Certificate of Authority**

Commissioner Wergin moved to revoke Ernest Communications, Inc.'s certificate of authority.

The motion passed 4-0.

### **ENERGY AGENDA**

#### **E-257,132/SA-14-481**

#### **In the Matter of the Joint Request of People's Cooperative Services (People's) and the City of Kasson, Minnesota (the City) for approval of a Service Territory Agreement**

Commissioner Lange moved to take the following actions:

1. Approve the requested service-territory, facilities, and customer transfer of Areas 1 and 3 from People's to the City; and the requested service-territory and customer transfer of Area 2 from the City to People's.
2. Approve the Compensation Agreements and the termination of the previously approved Exception Agreements as identified in the petition.

The motion passed 4-0.

#### **E-017/S-14-381**

#### **In the Matter of the Petition of Otter Tail Power Company (OTP) for Approval of Its 2014 Capital Structure and Permission to Issue Securities**

Commissioner Wergin moved to take the following actions:

1. Approve OTP's requested 2014 capital structure; this approval to be in effect until the 2015 capital-structure order is issued. OTP shall file its next securities-issuance petition no later than May 1, 2015.
2. Approve OTP's equity ratio of 50.0 percent and a contingency range of plus/minus 10 percent around the approved equity ratio. Equity ratios outside this range may not exceed a period of 60 days without prior Commission approval.

3. Approve OTP's proposed total capitalization of \$897,070,000 with a contingency cap of 10 percent (or \$986,777,000). The Company may not exceed its total capitalization including the requested contingency amount for a period exceeding 60 days without prior Commission approval.
4. Approve OTP's request to issue short-term debt not to exceed 15 percent of OTP's total capitalization (i.e., \$148,017,000). OTP's short-term debt may not exceed 15 percent of its total capitalization for a period exceeding 60 days without prior Commission approval.
5. Approve any securities issuance during the period in which this order is in place that would not result in an equity ratio outside the approved range. Securities issuances resulting in an equity ratio outside this range may not exceed a period of 60 days without prior Commission approval.
6. Require OTP to provide, within 20 days after each non-recurring issuance of securities, the following information:
  - a. the specific purposes for individual issuances;
  - b. the type of issuances;
  - c. the timing of issuances;
  - d. the amounts of issuances;
  - e. issuance costs (for common equity issuances, including 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 spending on the uses identified in the exhibit or to limit issuances to project-specific financing. The exhibit need not list short-term, recurring security issuances.
8. 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.
9. Require OTP to provide in its next annual-capital structure filing the Company's investment plan not only for the next year, but also for at least the next five years.

**G-022/M-14-342**

**In the Matter of a Petition by Greater Minnesota Gas, Inc. for Approval by the Minnesota Public Utilities Commission of a Firm Gas Transportation Agreement with Northern States Power Company, d/b/a Xcel Energy**

Commissioner Lipschultz moved to take the following actions:

1. Modify the Company's Main Extension tariff to clarify its applicability by adding the following language to the end of Section 4.1:

The above provisions do not apply to Transportation for Resale projects. The reasonableness, and appropriate return on investment, of a Transportation for Resale extension is reviewed in the Transportation Agreement filed with each project, as required by Section 2 of the Transportation for Resale tariff.

2. Approve the Firm Gas Transportation Agreement between Greater Minnesota and Xcel subject to the revision of certain language in the contract to explicitly acknowledge the Commission's authority over disputes regarding the provision of utility service, including GMG's provision of service under the Agreement;
3. Authorize the creation of a "Transportation for Resale" tariff based on the draft language provided in Attachment R-5 to the Department's June 25, 2014 response comments in this docket; and
4. Require the following reporting requirements in this docket:
  - a. A compliance letter on the date construction begins;
  - b. A compliance letter on the date that construction ends;
  - c. A compliance letter notifying the Commission that transportation of gas has started; and
  - d. A compliance filing, when available, detailing final costs and assumptions for the project. This filing should be in the same format as the financial worksheets previously used in this proceeding.

The motion passed 4-0.

#### **G-008/GR-08-1075**

#### **In the Matter of an Application by CenterPoint Energy for Authority to Increase Natural Gas Rates in Minnesota**

Commissioner Wergin moved to take the following actions:

1. Accept CenterPoint's revenue-decoupling evaluation report for 2013;
2. Accept CenterPoint's March 1, 2014 revenue-decoupling rate adjustments;
3. Authorize CenterPoint to end decoupling adjustments prior to February 28, 2015, for any customer class once its tracking balance reaches \$0. Instruct the Company to notify parties within ten days of discontinuing the adjustment factor and include a message on customers' bills the first month where the decoupling adjustment is removed; and

4. If the tracker balance for any class has not reached \$0 by February 28, 2015, instruct the Company to return/collect any remaining unaccounted revenues during the earliest billing month possible.

The motion passed 4-0.

**E-002/M-13-1179**

**In the Matter of the Petition of Northern States Power Company for Approval of a Modification to Its TCR Tariff, 2014 TCR Rate Factors, and 2013 TCR True-Up and Compliance Filing**

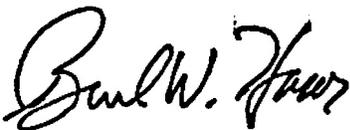
Commissioner Lipschultz moved to take the following actions:

1. Approve Xcel's proposed 2014 TCR Rider on the condition that Xcel recalculate its proposed 2014 TCR rate factors by customer class using test-year state jurisdictional and customer-class demand allocation factors from its last-approved rate case (12-961).
2. Require Xcel to recover the revenue requirement over ten months beginning September 2014.
3. Require Xcel to make a compliance filing by August 15, 2014, providing the TCR rates resulting from the Commission's decision in this docket.
4. Approve Xcel's 2013 tracker account with the understanding that the methodology and data for that calculation will be based on the allocation factors from Xcel's last rate case.

The motion passed 4-0.

There being no further business, the meeting was concluded.

**APPROVED BY THE COMMISSION: August 20, 2014**



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**Burl W. Haar, Executive Secretary**