

The Commission met on **Thursday December 5, 2013**, with Chair Jones Heydinger and Commissioners Lange, O'Brien, and Wergin present.

The following matters were taken up by the Commission:

### **TELECOMMUNICATIONS AGENDA**

#### **P-999/PR-13-8**

#### **In the Matter of Annual Certifications related to Eligible Telecommunications Carriers' Use of Federal Universal Service Support Required Under 47 C.F.R. § 54.313**

Commissioner Wergin moved to certify that all high-cost support provided to the petitioning ETCs was used in 2012, and will be used in 2014, only for the provision, maintenance, and upgrading of facilities and services for which the support is intended

The motion passed 4-0.

#### **P-999/PR-13-398**

#### **In the Matter of Annual Reports related to Eligible Telecommunications Carriers' Use of Federal Universal Service Support Required Under 47 C.F.R. § 54.422**

Commissioner Wergin moved to take no action at this time.

The motion passed 4-0.

### **ENERGY AGENDA**

#### **E-002/M-13-959**

#### **In the Matter of Northern States Power Company's, d/b/a Xcel Energy's, Petition for Approval of a Modification to State Energy Policy (SEP) Tariff Rates and 2014 SEP Adjustment Factor**

Commissioner O'Brien moved to approve Xcel's proposal to modify the electric SEP Rider adjustment factor from \$0.000060 to \$0.000000, effective January 1, 2014.

The motion passed 4-0.

**E-002/M-13-905**

**In the Matter of a Petition for Approval of the Renewable Development Fund Annual Report, Tracker Account True-up, and Request for New 2014 Rate Rider Factor**

Commissioner Lange moved to approve the 2014 RDF rate rider factor of \$0.00075 per kWh, beginning in January 2014, and require that Xcel file the appropriate updated tariff sheets within 30 days of the Commission's Order.

The motion passed 4-0.

**E-002/M-13-809**

**In the Matter of Xcel Energy's Request for a One-Time Waiver of Its City Requested Facilities Surcharge Rider and Special Facilities General Rules and Regulations**

Commissioner Lange moved to take the following actions:

1. Deny Xcel's request for a waiver of its City Requested Facilities Surcharge Tariff;
2. Direct Xcel to recalculate the City Requested Facilities Surcharge for the City of Rogers and submit a compliance filing within 10 days of the date of the Order;
3. Direct Xcel to begin applying the new CRFS rate to all customers no later than January 1, 2014, unless objections to the compliance filing calculations are filed; and
4. Direct Xcel to provide the notice listed in its reply comments to affected customers of the billing change at least 30 days prior to the change.

The motion passed 4-0.

**G-6915/M-13-672**

**In the Matter of the Petition of Dooley's Natural Gas LLC for Exemption for Small Gas Utility**

Commissioner O'Brien moved to take the following actions:

1. Approve Petitioner's request for an exemption from the requirements of Minn. Stat. § 216B.16 for service provided within the borders of the municipalities listed in its petition, and for incidental service outside the borders of the municipalities it serves, as listed in the petition, subject to making required compliance filings.
2. Require the Company to submit the following compliance filings within 20 days of the Commission's order:
  - a. An update of Section 28 of its Tariff to reflect that Dooley's Natural Gas must comply with the Commission's Cold Weather Rule.

- b. An update of Section 27, Item 1 a) of its Tariff amended to read “To a customer who owes a past due and unpaid balance for utility service at a former address, in the same class of service.”
  - c. Additional language in its Tariff demonstrating its compliance with Minn. Stat. §§ 216B.0976 (Notice to Cities of Utility Disconnection) and 216B.098 (Residential Customer Protections).
3. Clarify that DNG is required to file tariff updates annually for municipally approved rates; file annual Cold Weather Rule reports under § 216B.091; file changes in rates, tariffs, and contracts at least 30 days prior to implementation for its service areas outside of municipalities; and inform the Commission immediately if the company begins to service more than 2,000 customers.

The motion passed 4-0.

**G-011/M-11-407**

**In the Matter of a Request by Minnesota Energy Resource Corporation-PNG for Approval of the Company’s 2010 CIP Tracker Account, 2010 DSM Financial Incentive, and CCRA**

**G-011/M-12-444**

**In the Matter of a Request by Minnesota Energy Resource Corporation-PNG for Approval of the Company’s 2011 CIP Tracker Account, 2011 DSM Financial Incentive, and CCRA**

**G-011/M-13-369**

**In the Matter of a Request by Minnesota Energy Resource Corporation-PNG for Approval of the Company’s 2012 CIP Tracker Account, 2012 DSM Financial Incentive, and CCRA**

Commissioner Wergin moved to take the following actions:

1. Approve MERC-PNG’s revised proposed 2010 DSM financial incentive of \$1,788,587 to be included in the Company’s CIP tracker account no sooner than the issue date of this Order.
2. Approve MERC-PNG’s proposed 2011 DSM financial incentive of \$2,016,694 to be included in the Company’s CIP tracker account no sooner than the issue date of this Order.
3. Approve MERC-PNG’s proposed 2012 DSM financial incentive of \$1,515,256 to be included in the Company’s CIP tracker account no sooner than the issue date of the Commission’s Order in the current docket (13-369).
4. Approve MERC-PNG’s 2012 CIP tracker account, as provided in the Company’s Petition and summarized in the following table:

**Summary of MERC-PNG's Proposed CIP Tracker Account in 2012**

<b>Description</b>	<b>Time Period</b>	<b>Amount</b>
Beginning Balance	January 1, 2012	\$9,604,438
CIP Expenses	January 1 through December 31, 2012	\$7,433,833
Carrying Charges	January 1 through December 31, 2012	\$564,063
2010 DSM Incentive	Pending Approval	\$0
2011 DSM Incentive	Pending Approval	\$0
CIP Recoveries	January 1 through December 31, 2012	(\$5,895,374)
Ending Balance	December 31, 2012	\$11,706,960

5. Approve the DOC's recommended CCRA of \$0.0420 per therm, conditioned on the Company submitting revised tariff sheets within ten days of the issue date of the Order in Docket No. G011/M-13-369. Direct MERC to suspend the CCRA factor collection when the MERC-PNG tracker balance reaches zero and require MERC to file a compliance filing in this docket notifying the Commission of the suspension.
6. Approve MERC-PNG's proposed customer bill message with a modification of the CCRA to reflect the Department's recommended CCRA of \$0.0420 per therm.
7. Find that the CCRA approved herein is effective on January 1, 2014. Any new CCRA resulting from MERC-PNG's May 2014 CIP tracker/DSM financial incentive/CCRA filing will not be effective prior to January 1, 2015.
8. Direct MERC to include in its May 1, 2014 filing schedules starting with the CIP tracker balance used in the 10-407 docket and all adjustments made to arrive at the tracker balance to be used in the 2014 filing. Each adjustment should be clearly described and labeled to show the origin of the adjustment.
9. Direct MERC to continue working with the Department on the treatment of conservation costs in rates for discounted transactions and address that issue in its May 1, 2014 filing.

The motion passed 4-0.

**G-007/M-11-406**

**In the Matter of a Request by Minnesota Energy Resource Corporation-NMU for Approval of the Company's 2010 CIP Tracker Account, 2010 DSM Financial Incentive, and CCRA**

**G-007/M-12-443**

**In the Matter of a Request by Minnesota Energy Resource Corporation-NMU for Approval of the Company's 2011 CIP Tracker Account, 2011 DSM Financial Incentive, and CCRA**

**G-007/M-13-370**

**In the Matter of a Request by Minnesota Energy Resource Corporation-NMU for Approval of the Company's 2012 CIP Tracker Account, 2012 DSM Financial Incentive, and CCRA**

Commissioner Wergin moved to take the following actions:

1. Approve MERC-NMU's revised proposed 2010 DSM financial incentive of \$500,664 to be included in the Company's CIP tracker account no sooner than the issue date of this Order.
2. Approve MERC-NMU's proposed 2011 DSM financial incentive of \$571,254 to be included in the Company's CIP tracker account no sooner than the issue date of this Order.
3. Approve MERC-NMU's proposed 2012 DSM financial incentive of \$1,214,275 to be included in the Company's CIP tracker account no sooner than the issue date of the Commission's Order in the current docket (13-370).
4. Approve MERC-NMU's 2012 CIP tracker account, as provided in the Company's Petition and summarized in the following table:

**Summary of MERC-NMU's Proposed CIP Tracker Account in 2012**

<b>Description</b>	<b>Time Period</b>	<b>Amount</b>
Beginning Balance	January 1, 2012	\$482,081
CIP Expenses	January 1 through December 31, 2012	\$2,517,185
Carrying Charges	January 1 through December 31, 2012	\$0
2010 DSM Incentive	Pending Approval	\$0
2011 DSM Incentive	Pending Approval	\$0
CIP Recoveries	January 1 through December 31, 2012	(\$2,637,038)
Prior Year Recoveries	May 2012	(\$358,392)
Ending Balance	December 31, 2012	\$3,835

5. Approve the DOC's recommended CCRA of \$0.00475 per therm, conditioned on the Company submitting revised tariff sheets within ten days of the issue date of the Order in Docket No. G011/M-13-370. Direct MERC to suspend the CCRA factor collection when the MERC-NMU tracker balance reaches zero and require MERC to file a compliance filing in this docket notifying the Commission of the suspension.
6. Approve MERC-NMU's proposed customer bill message with a modification of the CCRA to reflect the Department's recommended CCRA of \$0.00475 per therm.
7. Find that the CCRA approved herein is effective on January 1, 2014. Any new CCRA resulting from MERC-NMU's May 2014 CIP tracker/DSM financial incentive/CCRA filing will not be effective prior to January 1, 2015.
8. Direct MERC to include in its May 1, 2014 filing schedules starting with the CIP tracker balance used in the 10-409 docket and all adjustments made to arrive at the tracker balance to be used in the 2014 filing. Each adjustment should be clearly described and labeled to show the origin of the adjustment.
9. Direct MERC to continue working with the Department on the treatment of conservation costs in rates for discounted transactions and address that issue in its May 1, 2014 filing.

The motion passed 4-0.

**E-001/M-10-312**

**In the Matter of Interstate Power and Light Company's Petition for Approval of Eligibility for Investment in Whispering Willow – East, Renewable Energy Recovery Adjustment, and 2010 Rates**

Commissioner Lange moved to take the following actions:

1. Adopt the Administrative Law Judge's Report and associated findings; and
2. Require Interstate to make a compliance filing in Docket No. E-001/M-12-950 to address renewable energy credit purchase costs.

The motion passed 4-0.

**G-008/M-13-728**

**In the Matter of CenterPoint's Petition for Approval of a Continued Variance from the Commission's Automatic Adjustment Rules Related to the Recovery of Demand Costs**

Commissioner Lange moved to take the following actions:

1. Grant CenterPoint the requested variance to Minn. Rule 7825.2700, subp. 5, for three years;
2. Allow CenterPoint to continue calculating a monthly demand adjustment to the Company's demand-cost recovery rate as approved in Docket No. G-008/M-07-1063, including the provision regarding capacity-release credits;
3. Allow CenterPoint to remove the one-month lag in sales from its calculation;
4. Set the maximum monthly allowed demand adjustment at 25 percent; and
5. Require CenterPoint to continue to report the information pertaining to the operation of the program, including:
  - Reporting in CenterPoint's monthly PGA filings the detailed calculations of the demand adjustment;
  - Reporting in CenterPoint's AAA Report a summary of the results of the over/(under) recovery with and without the proposed additional demand recovery adjustment. The summary will reflect the method of calculating this analysis as the Commission ordered in Docket No. G-008/M-05-1196; and
  - Continue to report in CenterPoint's AAA Filing the results of the Company's monthly demand adjustment compared to a hypothetical demand-cost recovery rate that reflects a one-month lag.

The motion passed 4-0.

**E-002/RP-13-368**

**In the Matter of Xcel Energy's Sherco Life Cycle Management Study and 2014 Integrated Resource Plan**

Chair Jones Heydinger moved to take the following actions:

1. Accept Xcel's Sherco Life Cycle Management Study for informational purposes.
2. Modify the deadline for Xcel's next resource plan to July 1, 2014.
3. Direct Xcel, in its next integrated resource plan, to
  - a. Evaluate the feasibility and cost-effectiveness of continuing to operate, retrofitting, repowering, or retiring Sherco Units 1 and 2;
  - b. Include analysis of retiring Sherco Units 1 and 2 in 2020 and thereafter;
  - c. Include any updated externality values;
  - d. Include sensitivity cases for phasing in carbon costs (various cost amounts) in 2017 and thereafter;
  - e. Model a possible legislative increase in the renewable energy standard to 40 percent by 2030; and
  - f. Ensure that reliability on the Xcel system is carefully evaluated.

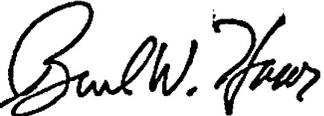
The motion passed 4-0.

Chair Jones Heydinger moved to direct Xcel, in its next resource plan, to evaluate energy efficiency potential among CIP-exempt customers.

The motion passed 3-1. Commissioner Wergin voted against the motion.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: January 29, 2014**



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**Burl W. Haar, Executive Secretary**