

The Commission met on **Thursday, April 25, 2013**, with Chair Heydinger and Commissioners Boyd, Lange, O'Brien, and Wergin present.

The following matters were taken up by the Commission:

ENERGY AGENDA

E-015/S-13-126

In the Matter of Minnesota Power's Request Under Minnesota Statutes § 216B.49 for Approval of its Capital Structure and Authorization to Issue Securities

Commissioner Boyd moved to take the following actions:

1. Approve Allete's 2013 proposed capital structure. This approval will remain effective until the latter of May 1, 2014, or the date at which the Commission issues a new capital structure Order;
2. Approve Allete's equity ratio contingency of plus/minus 10 percent around its 2013 proposed equity ratio. Equity ratios outside this range may not exceed a period of 60 days without prior Commission approval;
3. Approve Allete's total capitalization contingency of \$289 million above its 2013 total capitalization. Allete may not exceed its total capitalization including the requested contingency of \$289 million for a period longer than 60 days without prior Commission approval;
4. Approve any issuance of securities in 2013 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 MP to obtain prior approval for the issuance of any securities in 2013 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 MP 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, include price per share), and
 - f. interest rates.
7. Require MP 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 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 MP 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 recurring security issuances.
9. Require MP 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 MP in its previous capital structure filing.
10. Require MP 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 MP's request for a variance to allow it to treat any loan under its multiyear credit facility as a short-term debt and require MP to report on its use of such facilities, including:
 - How often they are used;
 - The amount involved;
 - Rates and financing costs; and
 - The intended uses of the financing.
12. Require MP to keep the Commission informed of any corporate restructuring.
13. Require MP to keep the Commission informed of any rating agency action.
14. Require MP to file its request for approval of its 2014 securities issuances no later than March 1, 2014.
15. Clarify that approval of securities issuances, and the resulting capital structure, within this proceeding is not a determination of the appropriate capital structure for rate making purposes.

The motion passed 5-0.

E002/GR-10-971;

E002/M-10-1278

**In the Matter of the Application of Northern States Power Company, a Minnesota Corporation, for Authority to Increase Rates for Electric Service in Minnesota;
In the Matter of a Petition by Xcel Energy for Approval of Revisions to the Solar*Rewards Program.**

Commissioner O'Brien moved to take the following actions:

1. Find that Xcel's study filed on September 14, 2012 meets the requirements of paragraph 16 in the Commission's May 14, 2012, Findings of Fact, Conclusions, and Order in Docket No. 10-971.
2. Establish Docket No. E-002/CI-13-315, *In the Matter of a Rate for Large Solar Photovoltaic Installations*, for future submissions in this matter. Incorporate Xcel's solar load profile data study, and all filings related to the study in Dockets

No. 10-971 and 10-1278 filed on or after August 24, 2012, into Docket 13-315 by reference. Require that filings described in the paragraphs below be filed in Docket No. 13-315.

3. Require that Xcel file, on or before May 1, 2013, preliminary results of its Effective Load Carrying Capacity study, including as much supporting data as possible.
4. Require that Xcel hold a meeting with stakeholders to explain and discuss the preliminary inputs, assumptions, and results of the study, and encourage stakeholders to file information requests, to which Xcel shall respond.
5. Require that Xcel re-run the ProSym analysis used in the Effective Load Carrying Capacity study in response to stakeholder requests and file the revised results.
6. Require that Xcel file (and invite stakeholders to file), on or before July 1, 2013, a report on progress on the Large Customer Photovoltaic Rate proposal, and agreement or disagreement over results of the Effective Load Carrying Capacity Study.
7. Require that Xcel file, on or before October 1, 2013, a large customer photovoltaic rate proposal that appropriately reflects the value of solar resources on Xcel's system.
8. Require that Xcel work with stakeholders to explore and develop the solar rate proposal. The proposal should address concerns raised by interested parties and stakeholders, including responses to the Company's Solar Load Profile Study (filed September 14, 2012 in Docket No. 10-917) and the ELCC study, as well as any legislation enacted by the Legislature.

The motion passed 5 – 0.

Commissioner Lange moved to take the following actions:

1. Xcel shall immediately modify its Standby Service tariff to provide an interim photovoltaic capacity credit of \$5.15 per kW per month. Large photovoltaic customers on the Standby Service tariff should receive this credit beginning with bills issued on or after June 1, 2013.
2. Require that Xcel, as part of its proposal, also re-evaluate the interim Standby Service tariff capacity credit.

The motion passed 3 – 2 (with Commissioners Boyd and Wergin dissenting).

E015/M-12-233

In the Matter of Minnesota Power's Petition for Approval of a Temporary Rider for Residential Time-of-Day Rate for Participants of the Smart Grid Advanced Metering Infrastructure ("AMI") Pilot Project

Commissioner Boyd moved to take the following action:

1. Approve Minnesota Power's proposed privacy policy, subject to the following:
 - a. the policy is specific to the pilot only, and

- b. Minnesota Power shall revise the tariff to clarify that customer names will be excluded from reports made to the Department of Energy.

The motion passed 5 – 0.

E-001/RP-08-673

In the Matter of Interstate Power and Light’s 2011-2025 Integrated Resource Plan

Commissioner O’Brien moved to take the following actions:

1. Find that Interstate Power and Light Company has complied with the requirement of the Commission’s March 2, 2012 Order Approving Resource Plan With Modifications, Requiring Baseload Diversification Study and Additional Filings, and Setting Date for Next Resource Plan to file a Baseload Diversification Study.
2. Require the Company to make its next resource plan filing in the first quarter of 2014, after the Company has received a decision from the Iowa Utilities Board regarding its Marshalltown Generating Station.
3. Require the Company to work with the Department to inform its analysis for its next resource plan, using the guidance set forth below:
 - Use of consistent energy and demand forecasts and load shapes;
 - Limiting the amount of energy it draws from the spot market each year to five, and at most ten percent;
 - Use of the midpoint of the Commission-approved CO₂ regulatory costs in the Company’s base case;
 - Use of the Commission-approved externality values in the Company’s base case;
 - Evaluation of the impact of lower and higher wind prices on the Company’s expansion plan; and
 - Use of a forecast that includes data points through at least September 2013.

The motion passed 5-0.

E-015/RP-13-53

In the Matter of Minnesota Power’s 2011-2025 Integrated Resource Plan

Commissioner Heydinger moved to take the following actions:

2. Find that Minnesota Power’s 2013-2028 resource plan filing is complete.
3. Require Minnesota Power to file the following supplementary information requested by May 15, 2013:
 - A. How the addition of SO₂ allowance prices would have impacted its base case and preferred plan;

- B. How the use of unforced capacity would have impacted its base case and preferred plan;
 - C. How the use of Commission-approved CO2 values from its November 2, 2012 Order affect its base case and preferred plan;
 - D. How MP has considered water consumption issues and potential effects on aquatic life from water intake and discharge in its resource plan, both qualitatively and quantitatively.
 - E. How has MP has taken into account possible effects of drought and high water temperature on generating plant availability in its modeling, including the results of modeling the range of these possible effects.
 - F. How MP has considered demand side management (DSM) programs in its resource plan, and the pros and cons of DSM being considered a reduction in load versus a resource to be chosen, including modeling a range of assumptions.
- 4. Amend the procedural schedule set forth in the Commission's September 13, 2012 order in this docket so that initial comments are due June 3, 2013 and reply comments are due July 3, 2013.
 - 5. Allow no additional comments beyond the July 3, 2013, reply comment deadline unless the Executive Secretary authorizes such comments with notice.

The motion passed 5-0.

IP-6646/CN-13-193

In the Matter of the Application of EDF Renewable Energy for a Certificate of Need for the 100 MW Stoneray Wind Project in Pipestone and Murray Counties

Commissioner Boyd moved to take the following actions:

- 1. Grant EDF Renewable Energy's exemption requests.
- 2. Grant the requested variance to Minnesota Rules, part 7849.0200, subp. 6.

The motion passed 5-0.

IP-6839/WS-10-119

In the Matter of the Application of Oak Glen Wind Farm, LLC for a Large Wind Energy Conversion System Site Permit for the 44 MW Oak Glen Wind Farm in Steele County

Commissioner Wergin moved to approve the Post-Construction Noise Study Proposal as proposed for the 44 MW Oak Glen wind Farm pursuant to section III. F. 2 of the site permit.

The motion passed 5-0.

IP-6843/WS-10-425

In the Matter of the Application of Prairie Rose Wind, LLC for a Large Wind Energy Conversion System Site Permit for the 200 MW Prairie Rose Wind Farm in Rock and Pipestone Counties

Commissioner Wergin moved to approve the Post-Construction Noise Study Proposal as proposed for the 200 MW Prairie Rose Wind Farm in Pipestone and Rock counties pursuant to section 6.6 of the site permit.

The motion passed 5-0.

IP-6684/WS-08-1448

In the Matter of the Application of Buffalo Ridge Power Partners, LLC for an up to 138 MW Large Wind Energy Conversion System in Yellow Medicine and Lincoln Counties

Commissioner Boyd moved to revoke Buffalo Ridge power Partners, LLC's Project site permit.

The motion passed 5-0.

PL-9/CN-13-153

In the Matter of the Application of Enbridge Energy, Limits Partnership for a Certificate of Need for the Line 67 Station Upgrade Project – Phase 2 -- in Kittson, Marshall, Red Lake, Clearwater, Cass, Itasca, and St. Louis Counties

Commissioner Wergin moved to take the following actions:

1. Require Enbridge to clarify and/or correct the discrepancies in Attachment 4A of Enbridge's petition, as identified in the Department's comments of March 20, 2013;
2. Require Enbridge to revise its notice letters to landowners, abutting residents, and local and state government officials in which the information regarding the pumping station sites and their locations is presented in the tabular form;
3. Make the following modifications to the notice plan:
 - A. List the Commission contact in the notice letters as Tracy Smetana (phone: 651-296-0406, or email: consumer.puc@state.mn.us);
 - B. Include all members of the public who have enrolled in the Project List for the Line 67 Phase 1 docket in the distribution list for Phase 2;
 - C. Insert the paragraph on the second page beginning with "The purpose of the letter . . ." in the landowner, government officials, and abutting landowner letters in the second paragraph;
 - D. Identify the existence, status, and availability of the United States Department of State Presidential permit for Line 67 including any environmental impact statements in all notice letters; and

- E. Provide a means for the public to access the project location information easily, through more granular maps for the entire project.
- 4. Request that the Administrative Law Judge assigned to this docket consider the request for a public hearing in the Twin Cities.

The motion passed 5-0.

E-002/CN-12-1240

In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of Competitive Resource Acquisition Proposal and Certificate of Need

Commissioner Wergin moved to extend the time frame for determining completeness of the resource proposals until June 28, 2013.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: June 12, 2013



Burl W. Haar, Executive Secretary