

The Commission met on **Thursday, February 27, 2014**, with Chair Heydinger and Commissioners Boyd, Lange, Lipschultz, and Wergin present.

The following matters were taken up by the Commission:

TELECOMMUNICATIONS AGENDA

P-6832/PA-14-16

In the Matter of the Joint Application of Peerless Network, Inc. and IntelPeer, Inc. for Approval of a Transfer of Control of an Authorized Telecommunications Provider

Commissioner Wergin moved to approve the transfer of control of IntelPeer, Inc. (IntelPeer) with the following conditions:

1. Peerless Network Inc. and IntelPeer (jointly, Applicants) shall continue to file jurisdictional annual reports and Telephone Assistance Plan (TAP) reports, and pay regulatory assessments.
2. IntelPeer shall continue to operate under its existing certificate of authority.
3. Applicants violated Minn. Stat. § 237.74, subd. 12. A settlement in the amount of \$1,000 payable to the Minnesota Department of Commerce (the Department) has been negotiated between the Applicants and the Department. Agreement to this settlement is not an admission of a knowing and intentional violation of Minnesota law. Payment of this settlement shall be due within 30 days of the receipt of this order. The Department will deposit the remittance into the State of Minnesota General Fund. Docket No. P-6832/PA-14-16 shall be notated on the payment.

The motion passed 5-0.

ENERGY AGENDA

E,G-001/D-13-558

In the Matter of Interstate Power and Light Company's Petition for Approval of Its 2013 Annual Depreciation Study

Commissioner Boyd moved to do the following:

1. Continue requiring Interstate Power and Light Company (IPL) to provide a table (including all electric generating facilities) in its next depreciation filing comparing remaining lives used for depreciation purposes and the lives used for resource-planning purposes and explain any differences between the two lives.
2. Approve IPL's proposed remaining lives, salvage values, and resulting depreciation rates, effective January 1, 2013.

The motion passed 5-0.

Docket No. E,G-999/CI-12-1344

In the Matter of the Commission Inquiry into Privacy Policies of Rate-Regulated Energy Utilities

Commissioner Lipschultz moved to find that the administrative procedures set forth in the Federal Trade Commission's Red Flags Rule, 16 C.F.R. § 681.1, represent the minimum effort a prudently managed utility should undertake to reasonably protect its customers from identity theft. Each utility should have a regularly updated written identity-theft-prevention program designed to detect, prevent, and mitigate identity theft in connection with the opening of a customer account or any existing customer account, and to respond to any potential identity theft.

The amended motion passed 5-0.

Commissioner Boyd moved to do the following:

1. Make no determination at this time as to whether Minnesota's rate-regulated energy utilities are subject to the Red Flags Rule.
2. Take no action at this time regarding the utilities' plans for complying with the Red Flags Rule.

The motion passed 5-0.

E-002/M-13-867

In the Matter of the Petition of Northern States Power Company, dba Xcel Energy, for Approval of Its Proposed Community Solar Garden Program

The Commissioners voted on the following motions amending their preliminary decisions from the February 20, 2014 agenda meeting. The motions refer to decision options set forth in Commission staff briefing papers filed February 26, 2014, in this docket.

Commissioner Boyd moved to strike the concluding phrase "for approval by the Commission" from Decision Option A.3.b, previously adopted by the Commission.

The motion passed 5-0.

Chair Heydinger moved to amend Section 6(S) of the proposed contract to be consistent with the Commission's decisions regarding subscriber protections.

The motion passed 5-0.

Commissioner Lipschultz moved to adopt the following modified version of Decision Option C.4:

- (a) Allow applicants to submit applications as they are ready and to process those applications on a first-ready, first-served basis.
- (b) Require Xcel to make information on the total number of pending and approved applications and their size available on its website. Applications are deemed "ready" if (i) they meet the definition of

completeness in Xcel's CSG tariff; (ii) the project has obtained or arranged appropriate insurance or has entered into an insurance broker agreement; (iii) there is evidence of site control and point of interconnection (iv) there is evidence of projected subscription at the time of construction; and (v) the project proposal complies with all applicable material terms of the tariff and standard contract and with any additional considerations that Xcel, CSG developers, the Department, OAG and interested parties participating in the workgroup have agreed to include in the plan.

The motion passed 5-0.

Commissioner Boyd moved to take the following actions regarding the bill-credit process:

1. Delete Decision Option G.2, which the Commission previously adopted.
2. Require Xcel to include a process for sizing the subscription of a customer who does not have 24 prior months of consumption data, which includes a description of the calculation used to estimate annual electric energy consumption.

The motion passed 5-0.

Commissioner Lange moved to replace Decision Option G.5a with a requirement that Xcel purchase all bill credits with the billing statement that includes the last day of February and restart the credit cycle on the following period with a zero balance.

The motion passed 5-0.

Commissioner Wergin moved to take the following actions regarding bill-credit rates:

1. Adopt the following modified version of Decision Option I.3c:

In the absence of an approved Value of Solar rate, require Xcel to credit each subscriber's portion of the solar garden production at the applicable retail rate, which shall be the full retail rate, including the energy charge, demand charge, customer charge and applicable Riders, for the customer class applicable to the subscriber receiving the credit. This bill credit rate must be updated annually. In addition, the CSG operator or developer may transfer the solar RECs to Xcel at a compensation rate of \$0.02 per kWh for CSG facilities with capacity greater than 250 kW and \$0.03 for CSG facilities with capacity of 250 kW or less. This solar REC compensation rate is not intended to reflect a market rate or have any precedential effect. The applicable retail rate and solar REC value must be reviewed annually and adjusted accordingly. Both the applicable retail rate and the solar REC value shall expire according to the schedule set forth in the Order granting Commission approval of a Value of Solar rate for CSG projects.

2. Require that no solar REC value be paid if the solar garden has received or intends to accept a Made in Minnesota benefit, as defined in Minn. Stat. § 216C.411, pursuant to Minn. Stat. §§ 216C.411-.415.
3. Require that no solar REC value be paid if the solar garden has received or intends to accept a Solar*Rewards benefit, as defined in Minn. Stat. § 116C.7792.

The motion passed 5-0.

Commissioner Boyed moved that the tariff and contract between Xcel and the solar-garden operator include

1. A requirement that the solar-garden operator provide the subscriber with solar-garden operator contact information for subscriber questions and complaints; and
2. A requirement that Xcel disclose to subscribers that the Company recognizes that not all production risk factors, such as grid-failure events or atypically cloudy weather, are within the solar-garden operator's control.

The motion passed 5-0.

Commissioner Boyd moved to adopt the following modified version of Decision Option M.3:

Require that these provisions addressing Data Privacy shall remain in place until and unless other requirements are adopted by the Commission in its generic privacy proceeding, Docket No. E,G-999/CI-12-1344, or other Commission Order. Xcel shall file necessary revisions to its tariffs and contracts within 30 days of such Order.

The motion passed 5-0.

Commissioner Boyd moved to take the following actions regarding compliance filings:

1. Require Xcel to file annual reports beginning 18 months after the first solar garden is operational. These reports shall include
 - a. reporting on solar-garden program costs, including an analysis of the deposit, application, participation and metering fees and further justification for these fees going forward;
 - b. reporting on the solar gardens, including but not limited to size, location and the type of solar-garden subscriber groups;
 - c. reporting on known complaints and the resolution of these complaints;
 - d. a copy of each contract signed with a solar-garden operator, if not required through an earlier decision option;
 - e. reporting on the bill credits earned and paid;

- f. reporting on the application process; and
 - g. lessons learned and any potential changes to the program.
2. Require Xcel to make the following compliance filings for Commission review and approval within 30 days of the date of this order:
 - a. Revised tariff sheets and standard contract terms reflecting the decisions of the Commission herein; and
 - b. Revised policies and procedures reflecting the decisions of the Commission herein.
 3. Require Xcel to report back to the Commission by September 1, 2015, on the progress toward certification of smart inverters and other relevant barriers to the broader installation and use of smart inverters for solar gardens.
 4. Delegate to the Executive Secretary the authority to issue notices and establish and vary time lines set forth in this order as necessary for the reasonable implementation of Xcel's solar-garden plan.

The motion passed 5-0.

Commissioner Lange moved to adopt the following language replacing Decision Option Q.1 previously adopted by the Commission:

Xcel's CSG plan is not approved under Minn. Stat. section 216B.1641 and Xcel is not subject to the timelines therein until it has made a compliance filing of its revised tariff and standard contract with the Department and the Commission, demonstrating that the tariff and standard contract comply with the terms of this Order and the applicable provisions of statute. Upon receipt by the Commission of the Department's compliance approval, the Executive Secretary may issue a notice stating that the CSG Plan has been approved.

The motion passed 5-0.

Chair Heydinger moved to take the following actions regarding continued collaboration among stakeholders:

1. Encourage continued collaboration among Xcel, the solar-garden developers, the Department, OAG and other interested parties to
 - a. Ensure the smooth implementation of Xcel's solar-garden program;
 - b. Clarify and streamline the application process, interconnection and bill crediting;
 - c. Discuss uniform Subscriber disclosure forms;

- d. Clarify what information the solar-garden developers must make available on its website;
 - e. Discuss limitations on promotional activities and materials;
 - f. Discuss uniform standards for solar-garden production estimates; and
 - g. Develop and implement best practices for solar gardens in Minnesota.
2. Require Xcel to make a compliance filing six months and twelve months following the date of this order, reporting on the progress of the discussions between parties and any resolutions for each issue raised.

The motion passed 5-0.

Commissioner Wergin moved to permit the written order memorializing these decisions to rearrange, reorganize or renumber the items included in the Commission's motions as necessary for clarity and to standardize abbreviations and format.

The motion passed 5-0.

Commissioner Lipschultz moved to adopt all preliminary votes, including the editorial changes set forth in the February 26, 2014 staff briefing papers for these final deliberations, with the amendments the Commission has made today.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: April 23, 2014



Burl W. Haar, Executive Secretary