

The Commission met on **Thursday June 27, 2013**, with Chair Jones Heydinger and Commissioners Boyd, Lange, O'Brien, and Wergin present.

The following matters were taken up by the Commission:

ENERGY AGENDA

E-002/TL-09-1448

In the Matter of Xcel Energy's Application for a Route Permit for the CapX 2020 Hampton–Rochester–La Crosse High Voltage Transmission Line

Commissioner Lange moved to authorize the requested Minor Alteration for the Pine Island area of the Hampton–Rochester–La Crosse transmission line project.

The motion passed 5-0.

E-015/M-11-409

In the Matter of Minnesota Power's Petition for Approval of a Pilot Rider for Customer Affordability of Residential Electricity

Commissioner Boyd moved to take the following actions:

1. Accept Minnesota Power's first annual report on its pilot customer affordability of residential electricity (CARE) program as filed and supplemented.
2. Adopt and adapt the following gas reporting requirements for the CARE program:
 - a. Customer payment frequency

Payment frequency for future years that is similar to the data provided by CenterPoint Energy in its March 31, 2008 Annual Compliance Submission in Gas Affordability Service Program, Paragraph IX, Customer Payment History Study.

A comparison of the payment frequency for customers in the GAP to the frequency of their bill payments before they were in the GAP.

A comparison of the payment frequency for GAP participants to the payment frequency for all of the utility's LIHEAP grant participants to see if the assistance provided by GAP has made a noticeable difference.
 - b. Disconnection

The percentage of GAP customers disconnected compared to the percentage of all firm customers disconnected. In addition, a second disconnection comparison that compares the percentage of GAP customers disconnected to the disconnection rate for LIHEAP customers who do not participate in the GAP.

- c. Payment amount

The average annual and monthly bill credit amount in the utility's annual GAP reports. In addition, a comparison of these amounts to the average GAP participant's annual and average monthly bill and arrearage amount.
 - d. Customer payment history

Information in a similar form to that CenterPoint is providing in the Customer Payment History Section of its March 31, 2008 Annual Compliance Submission in Gas Affordability Service Program, Paragraph IX, that shows the number of GAP participants that paid their bills each month in full before and during their participation in the 2008 GAP. In addition, information about the number of customers who made partial or no payments.
 - e. Arrearage level

The change in the arrearage level for the average GAP customer compared to the LIHEAP customers that are not enrolled in the GAP and the average level of arrearage for all of the utility's residential customers.
 - f. Coordination with other available low-income bill payment assistance and conservation resources

Information relating to how and when each utility has coordinated its GAP with other available low income and conservation resources, naming the agencies the utility has coordinated with, how often the utility has communicated with those agencies during the year, the content of those communications, and what was accomplished in terms of coordination.
 - g. Continuation of existing reports

All of the information currently reported unless modified by order.
 - h. Participant billing impacts

A comparison of the average Minnesota Power CARE program participant's annual and monthly bill to the average annual and monthly program bill credit.
 - i. Participant electric usage

A comparison of average monthly electric usage for all of Minnesota Power's residential customers, LIHEAP customers, and CARE program participants.
3. Extend the CARE program enrollment annual renewal date January 1 each year.
 4. Require Minnesota Power to consult with its CARE program administrative agency, the Arrowhead Economic Opportunity Agency, regarding the following possible modifications to the CARE program and comment on them in its next annual report on the program:

- A requirement that Minnesota Power modify its program to allow for total monthly budget payments of no more than 10 percent of a household's monthly income.
 - A requirement that Minnesota Power modify its program to incorporate an arrearage forgiveness component.
 - A requirement that Minnesota Power increase the monthly CARE customer benefit so that payments are capped at no more than a certain percentage of household income.
5. Defer review of the Company's CARE administrative costs until Minnesota Power has demonstrated in its next annual report that its CARE program meets the low-income affordability program objectives described in Minn. Stat. § 216B.16, subd. 15(b).

The motion passed 5-0.

G-007,011/D-12-533

In the Matter of a Request by Minnesota Energy Resources (MERC) for Approval of its Five-year Depreciation Study

Commissioner O'Brien moved to take the following actions:

1. Approve MERC's proposal to use consolidated depreciation rates effective as of January 1, 2012.
2. Approve MERC's proposed lives and salvage values, including MERC's revised proposal to maintain the average service lives of Land and Land Rights (Account 374.10) at 25 years, with following exceptions:
 - a. Approve a consolidated -45% net salvage value for Distribution Mains (Account 376.00) and Transmission Mains (Account 367.10).
 - b. Approve a consolidated net salvage value of -60% for Services (Account 380.00).
 - c. Approve a consolidated net salvage value of -5% for Industrial Measuring and Regulating Equipment (Account 385.00).
3. Approve MERC's proposal to use functional composite depreciation rates for asset classes that arise in the future for which no depreciation rate is currently approved or for asset classes that are fully depreciated but may have future investment. Require that the rates may be used only until MERC files its next five-year depreciation study, or upon separate filing by MERC requesting certification of a new rate.
4. Deny MERC's proposal to partially reallocate the Distribution depreciation reserve.
5. Within 10 days of the date of this order, require MERC to submit a compliance filing with the approved remaining lives and salvage rates and resulting remaining lives, depreciation rates, and functional composite rates, along with the supporting workpapers.

6. Require MERC, on or before June 1, 2017, to file its next five-year depreciation study.
7. Require MERC to separately document its accumulated depreciation reserve in its next rate case to recognize the higher level of depreciation.

The motion passed 5-0.

TELECOMMUNICATIONS AGENDA

P-999/M-12-1315

In the Matter of the 2012 Lifeline Recertification Results

Commissioner Wergin moved to take the following actions:

1. With respect to the ETCs' 2012 Lifeline recertification reports:
 - a. Find that all ETCs, except Jaguar, have complied with the FCC recertification procedures and with the requirement to submit their recertification results with the Commission.
 - b. Take no action with respect to Jaguar's Lifeline recertification at this time.
2. With respect to the Lifeline recertification procedures:
 - a. Determine that no action is warranted at this time.
 - b. Support the MTA's use of the existing electronic data interface with DHS.
 - c. Encourage other ETCs to also use the existing electronic data interface with DHS.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: September 4, 2013



Burl W. Haar, Executive Secretary