

Modifications to Attachment B – Summary of Exception to ALJ Report

Docket E-015/CN-12-1163

May 13, 2015

A. Finding 148

148. The Administrative Law Judge adopts this recommendation as a reasonable one, given the representations made by Minnesota Power in this proceeding ~~and the ambiguity in its witnesses' testimony.~~

Note – Staff now recommends no modifications to this item and using the language from the ALJ Report.

B. Finding 152

152. Should the sale of shares from 6690271 Manitoba Hydro Ltd, a wholly owned subsidiary of Manitoba Hydro, transfer to Minnesota Power and/or one of its subsidiaries, potential capital costs revenue requirements and operation and maintenance revenue requirements for those shares that ~~will may~~ not be borne by Minnesota Power ratepayers **without preapproval by the Commission.**

Note – Staff changed the word “may” to “will” and added the words “without preapproval by the Commission.”

C. Finding 185

185. In this proceeding, the DOC-DER did not perform an analysis of the 2010 AFR or 2013 AFR, nor did it develop alternative forecasts to determine if Minnesota Power has a need for energy and capacity. Rather, the DOC-DER concluded that the issue of need has been adequately reviewed and accepted by the Commission in the 2010 Resource Plan Docket, 250 MW PPA Docket, and 2013 Resource Plan Docket, based on analyses conducted by the Department in those proceedings. Further, the Department noted that the requested certificate of need is required to deliver a generation resource that the Commission has already authorized. However, the Department confirmed in this proceeding that recent sales data for Minnesota Power shows that the 250 MW of generation continues to be needed to serve MP's customers reliably. Therefore, the DOC-DER confirmed that ~~summarily concurs with~~ Minnesota Power has ~~that~~ a need ~~exists~~ for the proposed Project.

Note – This modification corrects a typographical error (adding the word “has” to the last sentence) as included in DOC DER’s filing.

D. Finding 300

300. The Administrative Law Judge further recommends the Commission cap Minnesota Power's rider requests at the lesser of: (1) 28.3 percent of the Project's total capital costs; or (2) \$201 million (in 2013 dollars), the high end of Minnesota Power's rider current estimate of the amount customers will pay for the Project.

Note – This modification corrects a typographical error (adding the word “rider” to the last sentence) as originally included in the ALJ report.

E. Finding 310

310. The Commission has ~~consistently~~ approved transmission cost recovery (TCR) filings that provide for "a current return on construction work in progress" (CWIP). ~~To deny Minnesota Power the ability to make such a filing would mark a significant departure from Commission precedent as detailed below.~~

Note – Staff recommends this modifications to clarify the Commission’s position on the matter

F. Finding 314

314. ~~In every Commission order to date,~~ Minnesota Power has been allowed to recover a current return on CWIP for transmission projects that have not yet been placed in service, consistent with Minn. Stat. § 2168.16, subd. 7b(b)(5).

Note – Staff recommends this change to clarify the Commission’s position on the matter.

ADDITIONAL DECISION OPTIONS

Docket E-015/CN-12-1163

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The following options are intended to identify the associated findings related to conditions in the ALJ Report for Capping Minnesota Power's Cost Recovery include AFUDC treatment and Rider Recovery on All Project Costs.

8. Additional Conditions

1. Impose conditions as identified in the ALJ Report Recommendations 2, 3 and 4.
2. Take some other action deemed appropriate.
3. The Commission elects to not adopt findings related to a cost cap in Findings 296, 297, 298, 299, 300, 301 and 302 of the Administrative Law Judge's Report
4. The Commission elects to not adopt findings related to the AFUDC treatment of the project in Findings 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318.
5. The Commission elects to not adopt findings related to Rider Recover of All Project Costs in Findings 322, 323, 324 & 325.