The Commission met on **Thursday, September 4, 2014,** with Chair Heydinger, and Commissioners Boyd, Lange, Lipschultz, and Wergin present.

The following matters were taken up by the Commission:

ENERGY AGENDA

E002/M-14-490
Petition for Approval of the First Amendment to a Power Purchase Agreement with Best Power Intl., LLC

Commissioner Wergin moved that the Commission adopt the Department's conclusions and recommendations, as follows:

A. CONCLUSIONS

1. The price of the Amended PPA is appropriate.
2. Xcel's ratepayers would be appropriately protected from the financial and operational risks of the Amended PPA.
3. Xcel's ratepayers would be appropriately protected from curtailment risks since there are no curtailment provisions included in the original or in the Amended PPA.

B. RECOMMENDATIONS

1. Approve the Amended PPA subject to Xcel's continued obligation to prudently administer the Amended PPA;
2. Allow Xcel to recover the cost of the Amended PPA through the Fuel Clause Rider pursuant to Minn. Stat. §216B.1645;
3. Require that Xcel's recovery of costs be offset by any revenues it receives as a result of the Amended PPA; and
4. Report and itemize those revenues by source and amount in its annual automatic adjustment reports.

The motion passed 5 – 0.

E, G-999/CI-12-1344
In the Matter of a Commission Inquiry into Privacy Policies of Rate-Regulated Energy Utilities

Commissioner Boyd moved to grant reconsideration for the limited purpose of clarifying language.

The motion passed 5-0.

Commissioner Boyd moved to clarify the language of the order as follows:

- With respect to Ordering Paragraph 2 of the June 24th Order, modify that Paragraph as follows:

  Personally Identifiable Information (PII) shall be defined as "customer PII data which can be used to distinguish or trace the identity of an individual (e.g., name, social security number, biometric records, etc.) alone, or when combined with other personal or identifying information which is linked or linkable to a specific individual (e.g., date and place of birth, mother's maiden name, etc.)" (Source: NIST's *Security and Privacy Controls for Federal Information Systems and Organizations*; 800-53; April 2013).

- With respect to Ordering Paragraph 9 of the June 24th Order, modify that Paragraph as follows:

  Each rate-regulated electric and gas utility shall promptly notify affected customers, the Commission, the Department, and the Attorney General's Office in the event of an unauthorized use or release of customer PII data. Notice shall include the number of customers affected, date or period of breach, types of data inappropriately accessed, whether the source or cause of the breach has been identified and provided to law enforcement, steps taken to prevent similar breaches, and steps to redress the breach. <u>The notification required by this paragraph may be delayed to a date certain if a law enforcement agency affirmatively determines that the notification will impede a criminal investigation. The utility is not required to notify affected customers of the unauthorized use or release of customer PII data (i) if the breach does not extend beyond the regulated portion of the enterprise, or (ii) if the utility has implemented appropriate technological protection measures (such as encryption) and those measures were applied to the data exposed by the security breach. Such technological protection measures shall render the data unintelligible to any person who is not authorized to access it.</u>

The motion passed 5-0.

Commissioner Boyd moved to deny CenterPoint Energy's petition for reconsideration.

The motion passed 5-0.

E999/CI-00-1636
In the Matter of the Investigation into Environmental and Socioeconomic Costs Under Minn. Stat. §216B.2422, Subd. 3;

E999/CI-14-643
In the Matter of the Further Investigation into Environmental and Socioeconomic Costs Under Minn. Stat. §216B.2422, Subd. 3

Commissioner Wergin moved to find that Docket E999/CI-14-643 shall be used going forward for this proceeding.

The motion passed 5 – 0.

Chair Heydinger moved to take the following actions:

1. Refer the issues of the appropriate values for PM 2.5, SO_2, and NO_x under Minn. Stat. §216B.2422, subd. 3 to the Office of Administrative Hearings for contested case proceedings.
2. Direct that reduced form photochemical modeling to be used by the retained consultant in the contested case proceeding
3. Direct parties participating in the contested case proceeding to use the damage cost approach
4. Determine pursuant to Minnesota Statutes §216B.62, subd. 8 that it is necessary to conduct an investigation as outlined in the current Order and request the Department of Commerce to seek authority from the Office of Management and Budget to retain a consultant
5. Further clarify that the Commission shall play no role in the retention of a consultant and does not intend to communicate with the consultant during the course of the proceeding.
6. Find that a written public comment period or public hearings shall be held in this case, and as between written comments and public hearings the Commission defers to the reasoned determination of the Administrative Law Judge after consultation with the parties and Commission staff. Delegate authority to the Executive Secretary to approve customer notices for the duration of the proceeding.

The motion passed 5 – 0.

Chair Heydinger moved to take the following actions:

1. Refer the issue of the appropriate values for CO_2 under Minn. Stat. §216B.2422 subd. 3 to the Office of Administrative Hearings for contested case proceedings to determine whether the Federal Social Cost of Carbon is reasonable and the best available measure to determine the environmental externality cost of CO_2, and, if not, what measure is better supported by the evidence.
2. Direct parties participating in the contested case proceeding to use the damage cost approach
3. Determine pursuant to Minnesota Statutes §216B.62, subd. 8 that it is necessary to conduct an investigation as outlined in the current Order and request the Department of Commerce to work with the Office of Management and Budget to retain a consultant
4. Further clarify that the Commission shall play no role in the retention of a consultant and does not intend to communicate with the consultant during the course of the proceeding.
5. Find that a written public comment period or public hearings shall be held in this case, and as between written comments and public hearings the Commission defers to the reasoned determination of the Administrative Law Judge after consultation with the parties and Commission staff. Delegate authority to the Executive Secretary to approve customer notices for the duration of the proceeding.

The motion passed 5 – 0.

Commissioner Boyd moved to reconsider item 4 of Commissioner Heydinger's first motion.

The motion passed 5 – 0.

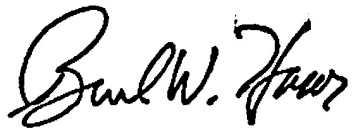
Commissioner Boyd moved to amend the Commission's chosen action to

1. Determine pursuant to Minnesota Statutes §216B.62, subd. 8 that it is necessary to conduct an investigation as outlined in the current Order and request the Department of Commerce to work with the Office of Management and Budget to retain a consultant.

The motion passed 5 – 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: November 19, 2014



Burl W. Haar, Executive Secretary