

December 6, 2018

The Public Service Commission convened in the Commission Hearing Room, State Capitol, Bismarck, North Dakota, on December 6, 2018, 10:00 a.m. Present were Commissioners Christmann, Kroshus and Fedorchak.

Minutes

Mr. Christmann: I move the minutes of November 20, 21, and 26, 2018, be approved.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Compliance Division
Auctioneer and Auction Clerk Update

Mr. Christmann: I move the Commission acknowledge the issuance of the following new auction licenses, all of which became effective during the month of November 2018.

AUCTION CLERK LICENSES

Auction Clerk Name	Location	Effective Date
BC Capital, Inc.	Bismarck, ND	11/1/2018

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Blaster Certification
Approval

Mr. Christmann: I move the Commission approve blaster certification for the following applicants:

Applicant	Affiliation	Certificate No.
Travis Frey	Freedom Mine	18-11-414
Larry Miller	Freedom Mine	18-11-415
Joshua Sommerer	Freedom Mine	18-11-416
Michael Swallers	Freedom Mine	18-11-417
Brandon Zent	Freedom Mine	18-11-418

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-18-366
Otter Tail Power Company
Kent Bartholomay - Ransom County
Public Convenience & Necessity

Mr. Christmann: I move the Commission issue a Notice of Opportunity for Hearing in Otter Tail Power Company, Kent Bartholomay – Ransom County, Public Convenience & Necessity, Case No. PU-18-366.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-11-696
Basin Electric Power Cooperative
345 kV Trans. Line -
Mercer, Dunn, McKenzie, Williams
Siting Application

Mr. Christmann: I move the Commission amend the contract with Keitu Engineers & Consultants, Inc. for consulting services in Basin Electric Power Cooperative, 345 kV Transmission Line, Mercer, Dunn, McKenzie, Williams, Siting Application, Case No. PU-11-696.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-14-853
Targa Badlands LLC
Little Missouri Gas Plant Expansion -
McKenzie
Siting Application

Mr. Christmann: I move the Commission amend the contract with E3 Environmental, LLC, Inc. for consulting services in Targa Badlands LC, Little Missouri Gas Plant Expansion - McKenzie, Siting Application, Case No. PU-14-853.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-15-114
Sacagawea Pipeline Company, LLC
16-inch Crude Oil Pipeline - McKenzie
& Mountrail
Siting Application

Mr. Christmann: I move the Commission amend the contract with Wenck Associates, Inc. for consulting services in Sacagawea Pipeline Company, LLC, 16-inch Crude Oil Pipeline – McKenzie & Mountrail, Siting Application, Case No. PU-15-114.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-15-674
NuStar Pipeline Operating Partnership,
L.P.
8-inch Refined Products Pipeline -
Cass County
Siting Application

Mr. Christmann: I move the Commission amend the contract with Houston Engineering, Inc. for consulting services in NuStar Pipeline Operating Partnership, L. P., 8-inch Refined Products Pipeline – Cass County, Siting Application, Case No. PU-15-674.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-15-694
ONEOK Bakken Pipeline, L.L.C.
16-Inch NGL Pipeline - McKenzie
County
Siting Application

Mr. Christmann: I move the Commission amend the contract with Wenck Associates, Inc. for consulting services in ONEOK Bakken Pipeline, L.L.C., 16-Inch NGL Pipeline - McKenzie County, Siting Application, Case No. PU-15-694.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-16-140
Plains Terminals North Dakota LLC
24-Inch Crude Oil Pipeline - McKenzie
County
Siting Application

Mr. Christmann: I move the Commission amend the contract with Kadrmas, Lee & Jackson, Inc. for consulting services in Plains Terminals North Dakota LLC, 24-Inch Crude Oil Pipeline – McKenzie County, Siting Application, Case No. PU-16-140.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-16-753
Savage Bakken Connector, Inc.
10-Inch Crude Pipeline Project -
Williams County
Siting Application

Mr. Christmann: I move the Commission amend the contract with Short Elliott Hendrickson, Inc. for consulting services in Savage Bakken Connector, Inc., 10-Inch Crude Pipeline Project – Williams County, Siting Application, Case No. PU-16-753.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-18-277
Hiland Partners Holdings LLC
Roosevelt Gas Plant Expansion Project
- McKenzie
Siting Application

Mr. Christmann: I move the Commission execute a contract with Keitu Engineers & Consultants, Inc. for construction inspection services in Hiland Partners Holdings LLC, Roosevelt Gas Plant Expansion Project - McKenzie, Siting Application, Case No. PU-18-277.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. AM-17-84
Public Service Commission
2017-2018 Sinkhole Filling AML Project
Project

Mr. Christmann: I move the Commission close out Contract No. AM-783-17 with Pleasant and Sons Construction for completion of construction services at the 2017-2018 Sinkhole Filling AML Project.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. RC-18-109
Falkirk Mining Company
Revision 38, Permit NAFK-8705
Approval

Mr. Christmann: I move the Commission approve Revision No. 38 to Surface Coal Mining Permit No. NAFK-8705 held by Falkirk Mining Company, to change the post-mining land use from industrial and fish and wildlife habitat to cropland on 387.4 acres of land in and around the former special waste landfill located in Sections 23 and 26 of Permit NAFK-8705, provide detailed plans for a mining pit cessation and contingency reclamation plan for the landfill, and to update other information and reclamation plans in the existing permit.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-18-342
BEK Communications Cooperative
Designated Eligible Carrier
Application

Mr. Christmann: I move the Commission adopt the Order on Eligible Telecommunications Carrier Designation in BEK Communications Cooperative, Designated Eligible Carrier, Application, Case No. PU-18-342.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. GE-18-400
J & K Grain LLC
License No. 1193 - Mooreton, ND
Discontinue Business

Mr. Christmann: I move the Commission adopt the Order Granting Request to Discontinue Business in J & K Grain LLC, License No. 1193 - Mooreton, ND, Discontinue Business, Case No. GE-18-400.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-17-120
Northern States Power Company
Advance Prudence - 1,550 MW Wind
Generation
Application

Mr. Kroshus: I move the Commission adopt the Order on Settlement in Northern States Power Company, Advance Prudence – 1,550 MW Wind Generation, Application and Northern States Power Company, Advance Prudence – 302.4 MW Dakota Range Wind, Application.

Case No. PU-17-372
Northern States Power Company
Advance Prudence - 302.4 MW Dakota
Range Wind
Application

Ms. Fedorchak: I second the motion.

Roll Call: Mr. Kroshus votes "Aye".

Ms. Fedorchak votes "Aye".

Mr. Christmann votes "Nay".

Dissenting Opinion

DISSENT

Commissioner Randy Christmann

Case No. PU-17-120
Northern States Power Company
Advance Prudence - 1,550 MW Wind
Generation
Application

Advanced determination of prudence (ADP) should not be granted for the entire portfolio of projects at this time.

Case No. PU-17-372
Northern States Power Company
Advance Prudence - 302.4 MW Dakota
Range Wind
Application

Northern States Power Company, doing business as Xcel Energy, acknowledges that the projects began with an RFP seeking proposals to meet the Minnesota Public Utility Commission's (MPUC) required addition of 1000 MW of additional wind generation. The North Dakota Public Service Commission (NDPSC) should always prioritize the needs of North Dakota citizens over arbitrary political preferences of regulators from outside jurisdictions. But with this set of projects Xcel has upped the ante on even the MPUC by requesting ADP on not 1000 MW of wind generation, but on 1852 MW. Like an out-of-control black Friday shopper, the only justification for this massive additional spending spree is that the price is right.

Xcel acknowledges that not all of this generation is needed at this time. The NDPSC must remember that these are not the type of energy infrastructure projects that take many years to build, requiring large amounts of capacity cushion. Most of the projects are forecast to be operational in approximately one year from now. That quick construction time indicates that any of the projects that will not be needed for a significantly longer period of time do not need advanced determinations of prudence at this time.

While Xcel emphasizes the importance of rushing to approve prudency determinations for these projects (interconnection costs are not even available yet on some of them) the NDPSC needs to also contemplate the risks of a rush to judgement. By the time some of these

Dissenting Opinion Continued

Case No. PU-17-120
Northern States Power Company
Advance Prudence - 1,550 MW Wind
Generation
Application

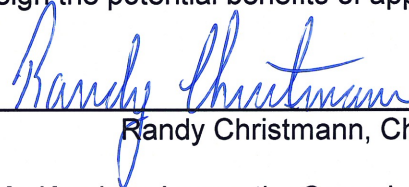
Case No. PU-17-372
Northern States Power Company
Advance Prudence - 302.4 MW Dakota
Range Wind
Application

projects are actually needed there may be much more efficient wind generation options available thanks to quickly evolving technology. By the time some of these projects are actually needed the federal government subsidies that make them attractive might be even more generous than they are now. By the time some of these projects are actually needed there may be a different social rage driving Minnesota regulators to mandate a completely different energy generation fad. By the time some of these projects are actually needed consumers may be asked to buy out and terminate these projects like the buyouts this commission recently approved for some Xcel biomass projects. (An energy generation fad of just a few years ago.)

In addition to those concerns, these projects will use up much of MISO's available transmission capacity just ahead of Xcel's commitment to the NDPSC to add thermal generation in the Red River Valley, which if not completed exposes Xcel to another \$25 million penalty.

These risks with this portfolio should not be minimized, considering that the potential benefits can be realized later in a rate case, Xcel testified they would build the projects whether this commission determines them to be prudent or not, and NDCC 49-05-16-6 allows a public utility to "... recover in its rates ... the amounts the public utility reasonably incurred or obligated on a prudent resource addition ... even though the resource addition may never be fully operational or used by the public utility to serve its customers".

These risks are real, they are significant, and they outweigh the potential benefits of approval.



Randy Christmann, Chairman

Case No. PU-18-329
Otter Tail Power Company
Transmission Facility Cost Recovery
(2019)
Rates

Mr. Kroshus: I move the Commission adopt the Order on Transmission Facility Cost Recovery Rates, Otter Tail Power Company, Transmission Facility Cost Recovery (2019), Rates, Case No. PU-17-340.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. PU-18-144
Foxtail Wind, LLC/Northern States
Power Company
Transfer of Site Certificate
Siting Application

Ms. Fedorchak: I move the Commission adopt the Order on Reissuing Certificate in Foxtail Wind, LLC / Northern States Power Company, Transfer of Site Certificate, Siting Application, Case No. PU-18-144.

Mr. Kroshus: I second the motion.

Roll Call: All voting "Aye."

New Hire- Arnold Siverson

Mr. Christmann: I move the Commission acknowledge the hiring of Arnold E. Siverson for Gas Pipeline Inspector / Program Manager, position No. 5005, effective December 10, 2018.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

New Hire - Michael McNamee

Mr. Christmann: I move the Commission acknowledge the hiring of Michael D. McNamee for Temporary Grain Warehouse Inspector, position No. 5033, effective November 28, 2018.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. AD-18-398
Public Service Commission
Sixty-sixth Legislative Session (2019)
Misc. Case

Mr. Christmann: I move the Commission prefile the following two bill drafts with the Legislative Council for the Sixty-sixth Legislative Assembly of North Dakota:

1. A BILL for an Act to Amend and reenact section 49-02-27 of the North Dakota Century Code, relating to decommissioning of solar energy conversion facilities.
2. A BILL for an Act to create and enact a new section to chapter 49-02 of the North Dakota Century Code, relating to an applicant paying the cost of publishing notice.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Resignation - Patrick Hart, Grain
Warehouse Inspector - Corrected
Motion

Mr. Christmann: I move the Commission amend the Commission Motion adopted on November 20, 2018, that acknowledged the resignation of Patrick Hart, Grain Warehouse Inspector, to correctly identify the position number for Patrick Hart as position number 5012 rather than position number 5013.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

Case No. GE-18-395
Midwest Grain Trading/NoDak Grain
Roving Grain Buyer/Grain Warehouse
Insolvencies

Mr. Christmann: I move that upon appointment as Special Assistant Attorneys General, the Commission retain Mitch Armstrong, Brian Schmidt, and Sarah Wall, effective November 16, 2018, to provide legal services to assist the Commission in processing Midwest Grain Trading/NoDak Grain, Roving Grain Buyer/Grain Warehouse, Insolvencies, Case No. GE-18-395.

Ms. Fedorchak: I second the motion.

Roll Call: All voting "Aye."

ATTEST

THE COMMISSION ADJOURNED AT 11:34 A.M.


Executive Secretary


RANDY CHRISTMANN, CHAIRMAN