

DECOUPLING
AND
DECOUPLING PILOT PROGRAMS

Report to the Legislature

February 2, 2018

As required by
Minnesota Statutes § 216B.2412

Submitted by the Minnesota Public Utilities Commission

INTRODUCTION

Statutory Reporting Requirement

Minnesota Statutes (2016), Section 216B.2412, subdivision 3 requires the Minnesota Public Utilities Commission (Commission) to report annually to the Legislature on decoupling and decoupling pilot programs.

This report details 2017 decoupling-related activity and is to fulfill the reporting requirements of this section.

Costs of Preparing Report

Pursuant to Minnesota Statutes (2016), Section 3.197, it is estimated that the costs incurred by the Commission in preparing this Report are minimal. Special funding was not appropriated for the costs of preparing this report.

BACKGROUND

Minnesota Statutes (2016), Section 216B.2412 is a provision of law regarding the decoupling of energy sales from revenues.

Definition of Decoupling

Subdivision 1 of that section defines decoupling as:

a regulatory tool designed to separate a utility's revenue from changes in energy sales. The purpose of decoupling is to reduce a utility's disincentive to promote energy efficiency.

In other words, decoupling is intended to neutralize the risks of lost revenue from fewer sales of electricity due to customer or utility investments in cost effective energy efficiency and other clean energy resources that reduce total customer consumption.

Decoupling Programs

Subdivisions 2 and 3 of that section go on to provide the following:

Subd. 2. Decoupling criteria. The commission shall, by order, establish criteria and standards for decoupling. The commission may establish these criteria and standards in a separate proceeding or in a general rate case or other proceeding in which it approves a pilot program, and shall design the criteria and standards

to mitigate the impact on public utilities of the energy-savings goals under section 216B.241 without adversely affecting utility ratepayers. In designing the criteria, the commission shall consider energy efficiency, weather, and cost of capital, among other factors.

Subd. 3. Pilot programs. The commission shall allow one or more rate-regulated utilities to participate in a pilot program to assess the merits of a rate-decoupling strategy to promote energy efficiency and conservation. Each pilot program must utilize the criteria and standards established in subdivision 2 and be designed to determine whether a rate-decoupling strategy achieves energy savings. On or before a date established by the commission, the commission shall require electric and gas utilities that intend to implement a decoupling program to file a decoupling pilot plan, which shall be approved or approved as modified by the commission. A pilot program may not exceed three years in length. Any extension beyond three years can only be approved in a general rate case, unless that decoupling program was previously approved as part of a general rate case. The commission shall report on the programs annually to the chairs of the House of Representatives and senate committees with primary jurisdiction over energy policy.

2017 DECOUPLING-RELATED ACTIVITY AND COMMISSION ACTIONS

CenterPoint Energy¹ - Docket Numbers 13-316, 15-424 and 17-285

On June 9, 2014, the Commission issued its Findings of Fact, Conclusions of Law, and Order (2014 CenterPoint Order) in CenterPoint Energy's 2013 General Rate Case.² The 2014 CenterPoint Order authorized a three-year, full-decoupling pilot program beginning on July 1, 2015 that encompassed all customer classes except for market-rate customers and required CenterPoint to file an annual evaluation report.

CenterPoint Energy's 2016 Decoupling Evaluation Report

On November 1, 2016, the Department of Commerce (Department) filed comments on CenterPoint's 2016 Decoupling Evaluation Report and recommended that the Commission allow CenterPoint to continue assessing its decoupling program and approve the company's annual decoupling adjustments.

The Department noted that, during both of CenterPoint's pilots, the company's energy savings did increase; however, the Department also concluded that these savings were not solely due

¹ CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas (CenterPoint Energy or CenterPoint)

² Docket G-008/GR-13-316

to decoupling. The Department listed the following policies as possible contributors to the achieved energy savings:

- Minnesota adopted an energy savings goal of 1.5% of retail sales.
- The Shared Savings Demand Side Management (DSM) Financial Incentive was increased for utilities to encourage them to work towards and surpass the State energy savings goal,
- Federal tax incentives to encourage homeowners to make energy-efficient investments in their home were in effect during this time, and
- Customers became more aware of energy conservation in general.

Table 1 shows that CenterPoint’s 2016 energy savings achievements were its highest ever. Furthermore, total savings steadily increased every year except for 2012. For 2016, the Residential and Commercial and Industrial Classes achieved record savings; however, the Low-Income Class savings were below the 2007-09 Average.

Table 1 - CenterPoint Historical First-Year CIP Energy Savings (Dth) for Residential, Low-Income Residential, and Commercial and Industrial Customer Classes

Year/Period	Residential	Low- Income	Commercial and Industrial	Overall Program
2007-09 Average	203,100	16,199	644,424	863,723
2010	267,137	15,243	1,017,848	1,300,228
2011	467,107	14,693	1,004,431	1,486,231
2012	496,194	13,510	820,814	1,330,518
2013	515,946	17,075	1,037,790	1,570,810
2014	648,482	21,986	1,031,248	1,701,716
2015	682,540	36,937	1,132,452	1,851,930
2016	671,984	14,250	1,312,399	2,006,014 ³
2016 Percent Change from 2007-2009 Average	231%	-12%	104%	132%

³ It is noted that the 2016 total does not cross-foot when the individual savings are added; however, the small discrepancy does not materially impact the savings analysis.

As summarized in Table 2, CenterPoint’s energy savings, as a percent of 20-year weather-normalized retail sales, increased from 0.54% in 2007 to 1.44% in 2016.⁴

Table 2 – CenterPoint’s CIP Energy Savings as a Percent of Weather-Normalized Sales

CIP Plan Period	Year	Applicable Three-Year Average 20-Year Weather Normalized Sales (Dth)	Annual Energy Savings (Dth)	Energy Savings as a Percent of Sales
2007-2008 Biennial Period	2007	154,110,813	825,030	0.54%
	2008	154,110,813	827,340	0.54%
Extension of 2007-2008 Biennial	2009	154,110,813	938,798	0.61%
2010-2012 Triennial Period	2010	150,775,872	1,300,228	0.86%
	2011	150,775,872	1,486,231	0.99%
	2012	150,775,872	1,330,518	0.88%
2013-2015 Triennial Period	2013	139,161,784	1,570,810	1.13%
	2014	139,161,784	1,701,716	1.22%
	2015	139,161,784	1,851,930	1.33%
Extension of 2013-2015 Triennial	2016	139,161,784	2,006,014	1.44%

The Department, as in previous years, attributed those energy savings to the following factors:

- the level of first-year energy savings;
- the different lifetimes of the mix of energy savings achieved each year (for example, large commercial and industrial projects generally have longer lifetimes; even if the company achieved the same first-time energy savings in two years, the lifetime energy savings for CIP achievements can be higher if it has a higher concentration of long lifetime projects); and
- changes in lifetime assumptions between triennial CIPs (*e.g.*, the assumed lifetime for behavioral change projects is lower now than when first introduced).

The Department noted that the third factor makes it difficult to compare changes in lifetime energy savings between triennial CIPs; however, based on the assumptions used at the time for each CIP triennial, CenterPoint’s 2014-2016 lifetime energy savings were 53 percent higher than the company’s 2007-2009 lifetime energy savings.

To put CenterPoint’s savings in context, the company’s residential customer uses approximately 92 Dth per year on average. In 2016, CPE’s lifetime energy savings were 19.6 million Dth.

⁴ The Department noted that, if 10-year weather normal is used, then 2016 energy savings would be 1.47%.

Consequently, the company’s 2016 lifetime energy savings were enough to provide natural gas service to more than 213,000 residential customers for a year.

Based on its analysis, the Department concluded that CenterPoint’s energy savings have continued to grow since the company implemented its revenue decoupling mechanisms. In Table 3, the Department showed that CenterPoint’s 2016 CIP expenditures were more than triple its pre-decoupling annual CIP expenditures.

Table 3 - Comparing 2016 CIP Expenditures with Average of Pre-Decoupling (2007-2009) CIP Expenditures

Year/Period	Residential	Low-Income	Commercial and Industrial	Other Projects	Overall Program
2007-09 Average	\$2,731,997	\$1,787,613	\$3,722,836	\$444,749	\$8,687,195
2010	\$7,861,852	\$2,121,325	\$5,886,263	\$705,297	\$16,574,737
2011	\$10,715,062	\$1,867,663	\$5,360,144	\$771,054	\$18,713,923
2012	\$10,801,865	\$1,977,250	\$5,278,953	\$1,033,732	\$19,091,800
2013	\$12,868,507	\$2,915,754	\$5,875,196	\$1,170,253	\$22,829,710
2014	\$14,054,870	\$2,207,285	\$6,314,013	\$1,125,353	\$23,701,520
2015	\$15,397,531	\$2,665,523	\$6,833,760	\$996,804	\$25,893,618
2016	\$17,546,421	\$2,701,799	\$7,873,273	\$1,107,040	\$29,228,533
2016 Percent Change from 2007-2009	542%	51%	111%	149%	236%

CenterPoint’s first-year energy savings cost was \$14.57 per Dth, or 45% higher the pre-decoupling average of \$10.03 per Dth; however, since 2012, the first-year energy savings cost has been stable. CenterPoint’s lifetime energy savings cost an average of \$1.41 per Dth in 2013-2015 as compared to \$0.71 per Dth in 2007-2009 and (three years prior to decoupling).

On December 28, 2016, the Commission issued its Order accepting CenterPoint’s 2016 revenue decoupling evaluation report and approving rate adjustments to go into effect on September 1, 2016.

Subsequent to this decision, in 2017, and as a result of the Commission’s decision in CenterPoint’s 2015 General Rate Case,⁵ decoupling factors for all decoupled classes changed. On February 1, 2017, CenterPoint submitted a Supplemental Filing requesting that the change in decoupling factors be implemented on February 1, 2017.⁶

⁵ Docket G-008/GR-15-424

⁶ Docket G-008/GR-13-316

On March 29, 2017 the Commission issued its Order approving CenterPoint’s request to implement adjusted decoupling factors as of February 1, 2017.⁷

CenterPoint Energy’s 2017 Decoupling Evaluation Report

On September 1, 2017, CenterPoint submitted its second annual report for the evaluation period of July 1, 2016 through June 30, 2017. In this second annual report, the company stated that, as a result of lower consumption, the reporting period’s revenue shortfall was \$20,394,443. Additionally, since revenue decoupling mechanism (RDM) recoveries are volumetric, the company under-recovered \$3,017,404 during the RDM reporting period. Thus the total amount to be recovered in the upcoming year⁸ is \$23,411,848. A summary of amounts to be recovered, by class, is provided on Table 4:

Table 4 - Decoupling Adjustment Balance Through June 30, 2017

Class	Decoupling Adjustment Balance through June 30, 2017	Adjustment Made to Reflect 10% Cap	Prior Period Balance	Adjusted Balance
Residential	\$16,783,444		\$2,186,838	\$18,970,282
Commercial A	\$360,457		\$82,456	\$442,912
Commercial & Industrial B	\$1,315,518		\$161,724	\$1,477,242
Commercial & Industrial C	\$752,573		\$62,822	\$815,395
SVDF A	\$1,565,063	(\$518,502)	\$175,096	\$1,221,656
SVDF B	\$509,931		\$78,258	\$588,188
LVDF	(\$110,131)		\$189,449	\$79,319
Large Volume General Firm	(\$263,909)		\$80,762	(\$183,146)
Total	\$20,912,947	(\$518,502)	\$3,017,404	\$23,411,848

CenterPoint noted that, since the decoupling adjustment surcharge only applies to non-gas margins, and because less energy was consumed during the reporting period, ratepayers retained their cost-of-gas savings. For instance, during the evaluation year (reporting period), residential customers used approximately 8.4 million less dekatherms which translated into a \$53 million cost-of-gas savings; therefore, despite the \$16.8 million decoupling surcharge, residential ratepayers still saved \$36.2 million.

Regarding conservation, CenterPoint stated that, when compared to the 2007-2009 pre-decoupling period, 2016 energy savings increased by 132 percent and Conservation Improvement Program (CIP) expenditures increased by 236 percent.

⁷ Docket G-008/GR-13-316

⁸ CenterPoint’s next recovery year will be from September 1, 2017 through August 30, 2018

On August 2, 2017, CenterPoint's filed its 2017 General Rate Case⁹ and requested that its decoupling pilot be made permanent. A final Order in this rate case is expected at the end of August 2018.

Since the three-year period pilot will end on June 30, 2018 and a decision on the 2017 Rate Case is not anticipated until later in 2018, CenterPoint requested that the pilot be extended until the Commission makes a final determination in the rate case. On September 26, 2017, the Department filed comments supporting the extension request.

CenterPoint's program extension request is one of the issues the Commission will be asked to act on when it takes up CenterPoint second annual (2017) full revenue decoupling report in February 2018.

Minnesota Energy Resources Corporation - Docket Numbers 10-977, 15-736 and 17-563

On July 13, 2012, the Commission issued its Findings of Fact, Conclusions of Law, and Order (MERC Order) in Minnesota Energy Resources Corporation's (MERC) 2010 general rate case, in this docket. As part of the MERC Order, the Commission authorized a three year pilot "full" revenue decoupling mechanism (RDM) that encompassed the Residential and the Small Commercial and Industrial customer classes. In conjunction with the implementation of rates authorized as a result of the 2010 rate case, MERC's revenue decoupling pilot program became effective on January 1, 2013.

MERC's pilot revenue decoupling program was scheduled to run through December 31, 2015; however, the pilot has been extended several times. The most recent extension extends the pilot through the end of 2019 and was granted at the conclusion of MERC'S 2015 rate case¹⁰ in the Commission's October 31, 2016.

The Commission's approval of MERC's RDM included the requirement that MERC file an annual Revenue Decoupling Evaluation. On March 1, 2017 MERC filed its Annual Adjustment Calculation and, on May 1, 2017, MERC filed its fourth annual Evaluation, encompassing the period of January 1 to December 31, 2016.

As shown in table 5, the 2016 RDM adjustment calculation resulted in surcharges to both classes subject to decoupling - Residential customers' total surcharge is \$3,844,071 and Small Commercial & Industrial customers' is \$228,814. Since the company recovers surcharges/refunds on a volumetric basis, a true up of the previous year's adjustment is necessary to make the company and ratepayers "whole"; therefore, the coming year's adjustment will include 2014 true-up refunds for both classes. Residential customers' 2014

⁹ Docket G-008/GR-17-285

¹⁰ Docket No. G-011/GR-15-736.

true-up refund is \$672,641 and Small Commercial & Industrial customers' is \$64,761. Post 2014 true-up, net surcharges will be \$3,171,430 and \$164,052, respectively.

Table 5 – MERC’s 2016 RDM Adjustment Calculations

	Residential	Small C&I
2016 RDM Surcharge/(refund)	\$3,844,071	\$228,814
2014 Reconciliation Adjustment	(\$672,641)	(\$64,761)
Total Surcharge/(refund)	\$3,171,430	\$164,052
Forecasted Sales, therms	180,058,590	11,856,852
Surcharge/(Refund) Rate, per therm	0.01761	0.01384

The Department’s comments on MERC’s Adjustment Calculations noted that because of the symmetrical 10% cap, the Residential surcharge was curtailed by \$387,000 and the Small C&I was curtailed by \$277,000.

The Department’s analysis of MERC’s residential energy savings in the company’s 2015 rate case indicated that energy savings for the decoupled class had declined since MERC initiated decoupling in 2013. Specifically, the Department observed that MERC’s 2013-2015 residential energy savings were lower than the annual residential energy savings achieved before the RDM was approved.

However, in its more recent comments, the Department concluded that it was inappropriate to compare MERC’s post 2012 residential energy savings to 2011-2012 residential energy savings without adjusting MERC’s 2011-2012 energy savings to recognize that the Department has reduced the assumed energy savings of behavioral change projects by two-thirds. Also, in 2011-2012, MERC had the Home Energy Reports Project which the company has since discontinued.

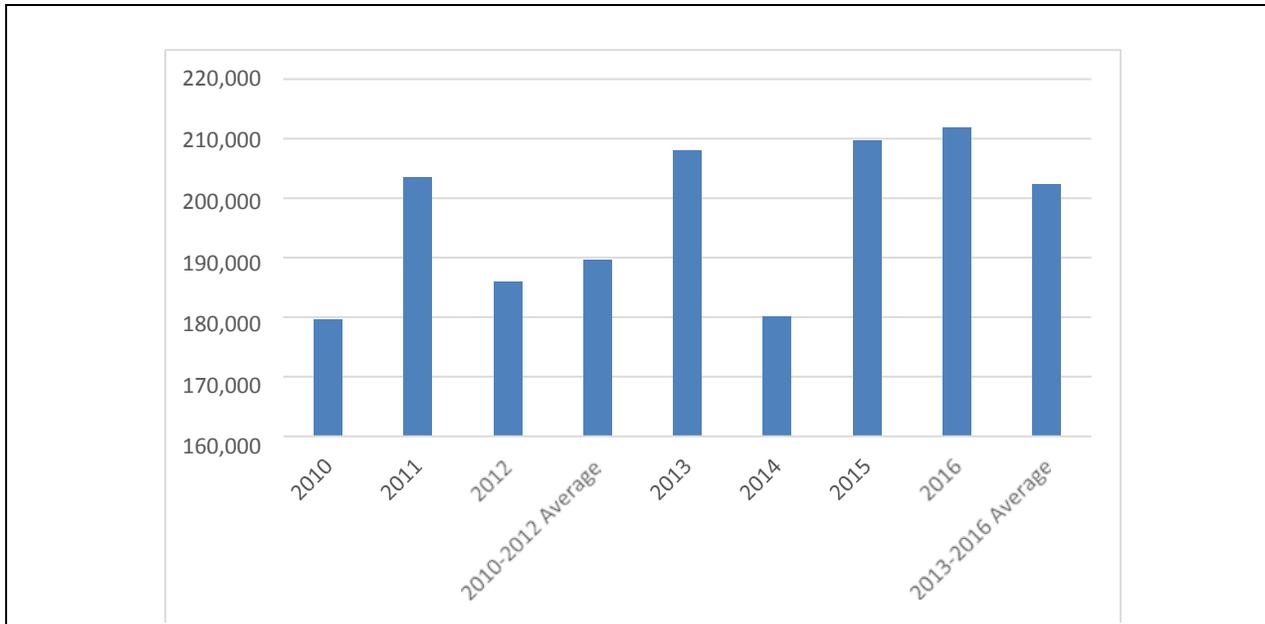
As shown in Figure 1, after modifying MERC’s pre-decoupling (2010-2012) energy savings numbers to account for the Department’s Average Savings Method for behavioral change projects, MERC’s average pre-decoupling residential savings were 189,703 Dth.

MERC’s post-decoupling (2013-2016) average residential energy savings were 202,433 Dth, an increase of 7 percent.

Furthermore, MERC’s 2016 energy savings (211,918 Dth) were 12 percent higher than the company’s pre-decoupling average residential energy savings.

Thus, the Department is no longer concerned that MERC’s residential energy savings declined under decoupling and; therefore, it recommended that the Commission should not discontinue MERC’s RDM for residential customers.

Figure 1 - Comparing Pre-Decoupling to Post-Decoupling Residential Energy Savings and Pre-Decoupling Behavioral Change Project Energy Savings Reduced to Reflect Three-Year Life of Behavioral Change Projects



MERC’s evaluation included an analysis regarding whether the pilot should be extended to all non-flex-rate customer classes with more than 50 customers. While the company opposed the pilot’s expansion for a variety of reasons, the Department partially disagreed - the Department thought that revenue decoupling would be inappropriate for only MERC’s flex rate customers.

The Department continued to support extending revenue decoupling to MERC’s non-flex-rate customer classes with more than 50 customers. Since, in subsequent annual reports, MERC is required to continue providing financial analysis regarding the possible extension of its RDM to other customer classes, the Department recommended that the Commission wait until the next year before making a final decision on this matter.

On December 1, 2017, the Commission’s Order adopted the Department’s recommendation to accept MERC’s revenue decoupling evaluation report for 2016 and revenue decoupling rate adjustment calculations effective March 1, 2017.

Xcel Energy - Docket Numbers 13-868 and 15-826

On May 8, 2015, the Commission issued its Findings of Fact, Conclusions of Law, and Order in Xcel’s 2013 General Rate Case¹¹. As part of the Order, the Commission authorized, effective January 1, 2016, a three year pilot “full” revenue decoupling mechanism (RDM) that applies to

¹¹ Docket No. E-002/GR-13-868

the Residential, Residential with Space Heating and Small Commercial and Industrial (Non-Demand) Classes.¹² The Commission’s approval of Xcel’s RDM required the company to file an annual Revenue Decoupling Evaluation. On February 1, 2017, Xcel filed its initial evaluation report encompassing the period of January 1 to December 31, 2016.

Xcel noted that the first annual Report is unique because the final calculation would be based on the outcome of their 2015 Rate Case;¹³ therefore, the Report’s calculations were based on the (at the time) proposed settlement and provided only a reasonable proxy for the RDM’s ultimate impact on each class. Based on those assumptions, Xcel estimated the following impact to the three classes:

Table 6 – Xcel Estimated 2016 Revenue Decoupling Adjustment, by Class

Class	Total RDM Surcharge/(Refund), in \$ millions	Estimated Surcharge Cap, in \$ millions	2016 Class Impact, in \$ millions	Annual Adjustment Amount	Credit/ Surcharge
Residential	(\$2.6)	\$0.0	(\$2.6)	\$2.34	Credit
Residential with Space Heating	\$1.1	\$0.9	\$0.9	\$27.00	Surcharge
Small C&I (Non-Demand)	(\$0.1)	\$0.0	(\$0.1)	\$1.51	Credit
Total	(\$1.6)	\$0.9	(\$1.8)		

Xcel attributed the \$1.6 million over-collection to warmer than normal weather throughout the year. Xcel also explained that, due to its electricity-intensive nature, a warmer than normal winter results in the Residential with Space Heating’s under-collection.

Xcel asserted that, since 2010, it has achieved a total of 2.5 million gigawatt hours (GWh) of customer energy savings – averaging just under 1.7% of our sales in each of those years. While committed to continued energy efficiency investments, the company warned that, due to changing market circumstances, achievement of state’s energy savings targets is becoming more difficult. For example, Xcel finds it is more costly to pursue harder-to-reach customers and savings opportunities. Also, increasing codes and standards make it difficult to deliver significant and cost-effective energy savings comparable to traditional savings levels. Xcel stated that it has also been experiencing reductions in residential and small commercial use per customer that is not CIP-related and it expects this trend to continue.

¹² To synchronize with rates approved in Xcel’s 2015 General Rate Case (Docket No. E-002/GR-15-826) the three year pilot was extended for a fourth year. The RDM is now scheduled to run through December 31, 2019.

¹³ Docket No. E-002/GR-15-826

Xcel explained that its CIP portfolio resulted in energy savings of 547 million kWh (1.8% of sales) which is 125% of the company’s approved energy savings goal of 434 million kWh.

In its July 12, 2017 compliance filing for the 2015 Rate Case, Xcel provided a final calculation of the 2016 decoupling adjustment. Normally, implementation of the decoupling adjustment would start on April 1, 2017; however, since implementation was delayed until the rate case was completed, Xcel proposed that the 2016 adjustment only be assessed during the six month period of September 1, 2017 through March 31, 2018. This six month timeline would in turn allow for the 2017 decoupling adjustment to be assessed during the normal twelve month period. Final 2016 adjustment amounts by class are shown in Table 7.

Table 7 - Final Decoupling Adjustment, by class

Class	Total Revenue Decoupling Adjustment	Credit/Surcharge
Residential	\$2,577,473	Credit
Residential with Space Heating	\$936,992	Surcharge
Small C&I (Non-Demand)	\$128,650	Credit

In its September 29, 2017 Order approving Xcel’s 2015 Rate Case compliance filing, the Commission, without making a final determination on the 2016 decoupling adjustment calculation, authorized Xcel to begin implementation of the decoupling adjustment on September 1, 2017.

Final Commission review and acceptance of Xcel’s first annual Report is expected in early 2018.

Great Plains Natural Gas Company - Docket Number 15-879

On September 6, 2016, the Commission issued its Findings of Fact, Conclusions of Law, and Order in Great Plains’ 2015 General Rate Case.¹⁴ In this Order, the Commission authorized, effective January 1, 2017, a three year pilot “full” revenue decoupling mechanism (RDM) that, except for Flexible Rate customers and one Large Interruptible customer, applies to all customers. The Commission’s approval of Great Plains’ RDM requires the company to file an annual Revenue Decoupling Evaluation. On December 1, 2017, Great Plains filed its initial evaluation report encompassing the period of October 1, 2016 to September 30, 2017.

Great Plains stated that, for the first evaluation period, the company incurred an overall revenue shortfall of \$466,045; however, because of the 10% surcharge cap, the total

¹⁴ Docket No. G-004/GR-15-879

decoupling adjustment is limited to \$428,305. A summary of amounts to be recovered, by class, is provided on Table 8:

Table 8 - Annual Revenue Decoupling Adjustment, by Class

Class	Decoupling Adjustment Balance through September 30, 2017	Adjustment to Reflect 10% Cap	Adjusted Balance
Residential Rate - N60	\$185,034		\$185,034
Residential Rate - S60	\$150,890		\$150,890
Firm General - N70	\$129,174	(\$7,556)	\$121,618
Firm General - S70	\$176,026	(\$30,184)	\$145,842
Small Interruptible - N71 & N81	\$38,252		\$38,252
Small Interruptible - S71 & S81	\$14,648		\$14,648
Large Interruptible - N85 & N82	\$37,751		\$37,751
Large Interruptible - S85 & S82	(\$265,730)		(\$265,730)
Total Under / (Over) Collection	\$466,045	(\$37,740)	\$428,305

Great Plains noted that, during the evaluation year, residential classes used approximately 190,000 less dekatherms (13%) than anticipated, so despite their \$335,000 surcharge, the classes still saved nearly \$900,000 compared to charges that might have been incurred under “normal” assumptions.

Decoupling’s volumetric adjustment factors and average monthly impact, by class, is summarized in Table 9:

Table 9 - Decoupling Adjustment Factors and Average Monthly Impact

Class	Decoupling Adjustment per Dk	Average Monthly Use (Dk)	Average Monthly Decoupling Adjustment
Residential Rate - N60	\$0.2842	6	\$1.82
Residential Rate - S60	\$0.2003	6	\$1.22
Firm General - N70	\$0.2454	33	\$7.98
Firm General - S70	\$0.2008	35	\$7.03
Small Interruptible - N71 & N81	\$0.1059	418	\$44.27
Small Interruptible - S71 & S81	\$0.0472	359	\$16.94
Large Interruptible - N85 & N82	\$0.1178	4,450	\$524.26
Large Interruptible - S85 & S82	(\$0.1568)	20,171	(\$3,162.80)

Regarding conservation, Great Plains stated that, since this is the first evaluation report and no decoupling revenues have been collected, the company does not have post-decoupling results to compare to the pre-decoupling baseline period. Since the 2013-2015 CIP Triennial period plus the 2016 extension have been defined as the pre-decoupling baseline period, in the company's second decoupling evaluation report, 2017 CIP energy savings and expenditures will be compared to the pre-decoupling period (2013-2016) averages.

Department comments and Commission review and acceptance of Great Plains' first annual Report are expected in the first half of 2018.

Otter Tail Power Company – Docket No. 15-1033

In its May 1, 2007 Findings of Fact, Conclusions, and Order in Otter Tail's 2015 rate case, the Commission adopted the ALJ's recommendation and declined to require Otter Tail to implement revenue decoupling. Instead, the Commission accepted Otter Tail's offer to research alternative rate design and to work with stakeholder groups in this effort to develop an alternative rate design proposal. Specifically, by April 1, 2018, Otter Tail is to prepare a report analyzing the potential customer impacts of Fresh Energy's proposed revenue-decoupling mechanism for the Residential, Farm, and Small General Service rate classes. Interested parties will be invited to file comments on the report to address how any proposed change would affect specific customers or classes, and potential strategies for implementing a decoupling mechanism for Otter Tail, among other matters.

Minnesota Power – Docket No. 16-664

In deliberations on Minnesota Power's request for a general increase in rates on January 30, 2018, the Commission rejected the proposal of the Clean Energy Organizations that would have required Minnesota Power to implement a revenue decoupling mechanism. An order describing and explaining the Commission's decision will be issued in March of 2018.