

2013 SENATE NATURAL RESOURCES

SB 2139

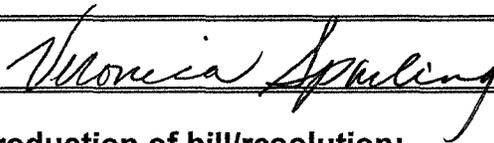
2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee
Fort Lincoln Room, State Capitol

SB 2139
January 24, 2013
17682

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the submission of ten-year plans by a utility

Minutes:

Written testimony attached

All committee members were present.

Chairman Lyson opened the hearing on SB 2139.

Alexander Kelsch spoke in support of SB 2139. See attached testimony #1, #2 and #3.

There were questions about whether the proposed change would cause any danger to the consumer. Mr. Kelsch said it would not pose any danger, it is just to reduce paperwork. The ten-year plans rarely change and the paperwork annually is usually just changing the year. The Public Service Commission was consulted and they had no problem with the change.

(4:45 to 6:30) John Olson spoke on behalf of Ottertail Power Company in support of SB 2139. He also proposed an amendment to the bill to require filings only in even-numbered years.

Shane Goettle, representing MDU Resources, also encouraged amending the bill so the filing requirement would be changed to even-numbered years.

Dale Niezwaag, representing Basin Electric Power Cooperative, also spoke in favor of amending the bill to change the filing requirement.

Kathy Aas with Xcel Energy also spoke in support of the amended version of SB 2139.

Opposition: None
Neutral: None

Chairman Lyson closed the hearing on SB 2139.

Senator Triplett mentioned that Minnesota's reporting requirement was in testimony #3, page 1, paragraph 2, line 11-12. It is required annually.

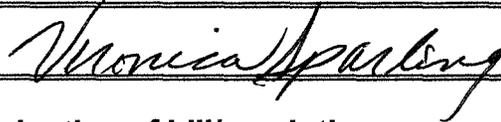
2013 SENATE STANDING COMMITTEE MINUTES

Senate Natural Resources Committee
Fort Lincoln Room, State Capitol

SB 2139
January 25, 2013
17739

Conference Committee

Committee Clerk Signature



Explanation or reason for introduction of bill/resolution:

Relating to the submission of ten-year plans by a utility

Minutes:

No testimony attached

Chairman Lyson opened discussion on SB 2139.

Senator Triplett reminded the committee that John Olson had requested an amendment to the bill to require reporting only on even-numbered years. The others who spoke up at the hearing had also been in favor of that amendment.

Senator Triplett made a motion to amend the bill as mentioned.

Senator Burckhard seconded the motion.

Motion carried by voice vote.

Senator Murphy made a motion Do Pass as Amended.

Senator Burckhard seconded the motion.

Roll Call Vote: 7, 0, 0

Carrier: Senator Murphy

January 25, 2013

VR
1/25/13

PROPOSED AMENDMENTS TO SENATE BILL NO. 2139

Page 1, line 9, remove "and submit the plan to the commission"

Page 1, line 9, overstrike the period

Page 1, line 9, after "On" insert "and submit the plan to the commission on"

Page 1, line 9, remove the overstrike over "~~or before July first of each~~" and insert immediately thereafter "even-numbered"

Page 1, line 9, remove the overstrike over "year"

Page 1, line 9, after "the" insert an underscored period

Renumber accordingly

Date: 1-25-13
Roll Call Vote #: 1

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2139

Senate Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Triplett Seconded By Burckhard

Senators	Yes	No	Senators	Yes	No
Senator Lyson			Senator Triplett		
Senator Burckhard			Senator Murphy		
Senator Hogue					
Senator Laffen					
Senator Unruh					

Total (Yes) 7 No 0

Absent 0

Floor Assignment _____

If the vote is on an amendment, briefly indicate intent:

*carried by
voice vote*

*remove overstrike...
on
insert . . .*

Date: 1-25-13
Roll Call Vote #: 2

2013 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2139

Senate Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number _____

Action Taken: Do Pass Do Not Pass Amended Adopt Amendment
 Rerefer to Appropriations Reconsider

Motion Made By Murphy Seconded By Burckhard

Senators	Yes	No	Senators	Yes	No
Senator Lyson	✓		Senator Triplett	✓	
Senator Burckhard	✓		Senator Murphy	✓	
Senator Hogue	✓				
Senator Laffen	✓				
Senator Unruh	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Murphy

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2139: Natural Resources Committee (Sen. Lyson, Chairman) recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends **DO PASS** (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2139 was placed on the Sixth order on the calendar.

Page 1, line 9, remove "and submit the plan to the commission"

Page 1, line 9, overstrike the period

Page 1, line 9, after "On" insert "and submit the plan to the commission on"

Page 1, line 9, remove the overstrike over "~~or before July first of each~~" and insert immediately thereafter "even-numbered"

Page 1, line 9, remove the overstrike over "~~year~~"

Page 1, line 9, after "~~he~~" insert an underscored period

Renumber accordingly

2013 HOUSE ENERGY AND NATURAL RESOURCES

SB 2139

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2013 HOUSE STANDING COMMITTEE MINUTES

House Energy and Natural Resources

Pioneer Room, State Capital

SB 2139
March 8, 2013
19610

Conference Committee

Minutes

Relating to the submission of ten year plans by a utility;

Minutes:

1 "attached testimony."

Rep. Porter: We will open the hearing on SB 2139.

Alex Kelsch: An attorney from Kelsch law and appear in behave of Missouri River Energy Services. I will explain what this bill proposes to do (testimony 1) In support of SB 2139. This will take the 10 year plans that are required from the utility companies they are to provide those every year to the Public Service Commission. This bill would change that requirement to every other year.

Carlee McLeod: President of the Utility Share Holders of North Dakota. We represent anyone who has stock of our trade and investors utility operating in the state. On behave of MDU I have Andrea Stromberg here who would like to testify.

Andrea Stromberg: Vice President of Electric Supply from MDU. We support SB 2139 because it will reduce administrative bourdon for our engineering staff.

Kathy Aas: Representing Excel Energy and we are also in support of this bill.

Dale Neizwaag: representing Basin Electric Power Cooperative. We are in support this bill. We don't think that this will change any information that the PSC receives. We will provide information as we do things. When we do projects we let the PSC know as changes come up.

Rep. Porter: We will close the hearing on SB 2139.

2013 HOUSE STANDING COMMITTEE MINUTES

House Energy and Natural Resources

Pioneer Room, State Capital

SB 2139
March 8, 2013
19622

Conference Committee

Emineth

Relating to the submission of ten year plans by a submission

Minutes:

"attached testimony."

Rep. Porter: We will open SB 2139. We have a motion for a do pass from Rep. Silbernagel and a second from Rep. Anderson. Motion carried Yes 12 No 0 Absent 1 Carrier Rep. Schmidt.

Date: 3-8-13
 Roll Call Vote #: 1

**2013 HOUSE STANDING COMMITTEE
 ROLL CALL VOTES
 BILL/RESOLUTION NO. SB 2139**

House Natural Resources Committee

Check here for Conference Committee

Legislative Council Amendment Number Do Pass

Action Taken _____

Motion Made By Silbernagel Seconded By Anderson

Representatives	Yes	No	Representatives	Yes	No
Chairman Todd Porter	✓		Rep. Bob Hunskor	✓	
Vice Chairman Chuck Damschen	✓		Rep. Scot Kelsh	✓	
Rep. Jim Schmidt	✓		Rep. Corey Mock	✓	
Rep. Glen Froseth	✓				
Rep. Curt Hofstad	✓				
Rep. Dick Anderson	✓				
Rep. Peter Silbernagel	✓				
Rep. Mike Nathe	✓				
Rep. Roger Brabandt	✓				
Rep. George Keiser	-				

Total (Yes) 12 No 0

Absent 1

Floor Assignment Rep Schmidt

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2139, as engrossed: Energy and Natural Resources Committee (Rep. Porter, Chairman) recommends DO PASS (12 YEAS, 0 NAYS, 1 ABSENT AND NOT VOTING). Engrossed SB 2139 was placed on the Fourteenth order on the calendar.

2013 TESTIMONY

SB 2139

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TESTIMONY ON SB 2139
SENATE NATURAL RESOURCES COMMITTEE
January 24, 2013

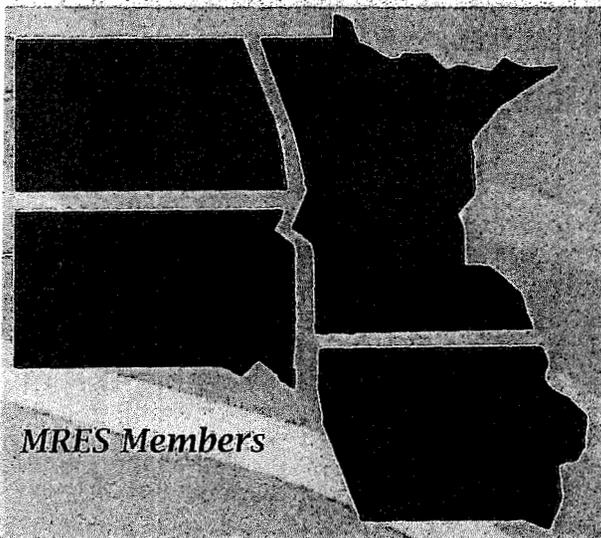
Good morning, Chairman Lyson, Members of the Senate Natural Resources Committee, my name is Alexander Kelsch. I am an attorney at the Kelsch Law Firm in Mandan and I appear before you on behalf of Missouri River Energy Services in support of SB 2139. Deb Birgen the Manager of State Legislative Relations for Missouri River Energy Services was unable to attend and she asked that information be presented on behalf of Missouri River Energy Services (MRES) which is a municipal power agency that provides wholesale electricity to six member communities in this state, including Cavalier, Hillsboro, Lakota, Northwood, Riverdale and Valley City. Attached is a MRES brochure that further identifies MRES members and what MRES does for its members.

SB 2139 modifies the statute regarding the frequency of submitting ten year plans that are currently provided annually by July 1st of each year to the Public Service Commission. The only changes in this bill are found at lines 9 to 11 on page 1. SB 2139 changes the annual filing requirement to biennial filings.

A ten year plan is required to provide the Public Service Commission with the type of information about a proposed utility as described in subparagraphs 1 through 6. That information seldom changes after the initial filing. There is a significant duplication of information in the ten year plans that are being provided with annual filings. Accordingly, MRES proposes biennial filings.

Thank you for the opportunity to appear before you in support of SB 2139 and I urge a Do Pass recommendation for SB 2139. If you have any questions I would be happy to try and respond.

Members and Associates



MRES Members

Iowa

Alton ♦ Atlantic ♦ Denison ♦ Fontanelle ♦ Hartley ♦
Hawarden ♦ Kimballton ♦ Lake Park ♦ Manilla ♦
Orange City ♦ Paullina ♦ Pella ♦ Primghar ♦
Remsen ♦ Rock Rapids ♦ Sanborn ♦ Shelby ♦
Sioux Center ♦ Woodbine

Minnesota

Adrian ♦ Alexandria ♦ Barnesville ♦ Benson ♦
Breckenridge ♦ Detroit Lakes ♦ Elbow Lake ♦ Henning ♦
Hutchinson ♦ Jackson ♦ Lake Park ♦ Lakefield ♦
Luverne ♦ Madison ♦ Marshall ♦ Melrose ♦ Moorhead ♦
Ortonville ♦ St. James ♦ Sauk Centre ♦ Staples ♦
Wadena ♦ Westbrook ♦ Worthington

North Dakota

Cavalier ♦ Hillsboro ♦ Lakota ♦ Northwood ♦
Riverdale ♦ Valley City

South Dakota

Beresford ♦ Big Stone City ♦ Brookings ♦ Burke ♦
Faith ♦ Flandreau ♦ Fort Pierre ♦ Pickstown ♦ Pierre ♦
Vermillion ♦ Watertown ♦ Winner

Associates

Central Minnesota Municipal Power Agency ♦
Granite Falls, Minn. ♦ Iowa Public Power Agency ♦
Litchfield, Minn. ♦ Maddock, N.D. ♦ Olivia, Minn. ♦
Redwood Falls, Minn. ♦ Willmar, Minn.



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Website: www.mrenergy.com

5/9/12



Building
Something Good
Together



#2

Who we are

Missouri River Energy Services (MRES) is a not-for-profit joint-action agency serving 61 member communities in the states of Iowa, Minnesota, North Dakota, and South Dakota. MRES, headquartered in Sioux Falls, S.D., was formed in the mid-1960s to help municipalities that operate their own electric systems work together to meet their growing need for energy and energy-related services.

What we do

MRES provides a variety of important services to our member communities. Those services include:

- ◆ Electric power and energy supply
 - Power plant construction management
 - Load forecasting
- ◆ Long-term power and energy planning
- ◆ Transmission services and contract negotiations
 - Transmission studies
 - Firm and non-firm transmission services including ancillary services
 - Transmission planning
 - Transmission construction management
- ◆ Demand-side management and energy-efficiency programs
- ◆ Legislative and regulatory advocacy at the state and federal levels

- ◆ Participation and intervention in regulatory and legal cases at state and federal levels
- ◆ Infrared digital thermography
- ◆ Ultrasonic leak detection
- ◆ Customer-owned generation program
- ◆ Retail rate studies for electric and water
 - Cost of service studies
 - Cost and rate unbundling services
 - Retail rate comparisons for electric, water, gas and sewer
 - Cash reserve and transfers in lieu of taxes comparisons
- ◆ WAPA Integrated Resource Plan preparation
- ◆ Electric distribution maintenance services
- ◆ Publications and communications
- ◆ Training and education programs
- ◆ Load profile information
- ◆ Community event sponsorships
- ◆ Scholarships
- ◆ Renewable energy supply and marketing for retail customers
- ◆ Representation and membership in state, regional, and national trade associations

Our resources

MRES has a reliable, cost-effective, environmentally conscious generation mix that helps members maintain competitive electric rates. More than 40 percent of the members' electricity comes from federal hydroelectric facilities along the Missouri River. MRES supplies additional power through the Laramie River Station, a coal-fired power plant from which MRES is entitled to 282-megawatts; the 52-megawatt Watertown Power Plant, a combustion turbine; the 140-megawatt natural gas-fired Exira Station; and smaller generating units located in several member communities.

MRES, in 2011, reached a purchased power agreement with WPPI Energy, a Wisconsin-based joint-action agency, for 33 megawatts of output from the Point Beach Nuclear Plant. And, MRES plans to build a 36-megawatt hydroelectric plant at the Red Rock Dam in Iowa. Construction of the Red Rock Hydroelectric Project (RRHP) is set to begin in 2013 and commercial operation should begin in 2016. Point Beach and RRHP will diversify the MRES baseload portfolio with non carbon-emitting generation.

MRES members receive wind energy from four facilities — 40 megawatts at Rugby, N.D., 20 megawatts at Odin, Minn., 18.7 megawatts at Marshall, Minn., and 3.7 megawatts at Worthington, Minn. These projects help MRES to meet and exceed renewable energy requirements in the states where it has members.

MRES also offers two programs aimed at reducing or delaying the need for about 80 megawatts of traditional generating resources by the year 2025. These programs are: *Bright Energy Solutions*[®], which offers cash incentives to MRES members' retail business and residential customers who install new energy-efficient equipment or upgrade existing equipment; and *Get The Load Down*SM, a coordinated demand response program that allows MRES staff to remotely monitor and operate load management equipment in participating member communities.

**Testimony on SB 2139
Senate Natural Resources Committee
January 24, 2011**

Good morning, Chairman Lyson, Members of the Senate Natural Resources Committee, my name is Deb Birgen. I serve as the Manager of State Legislative Relations for Missouri River Energy Services (MRES). I am speaking to you on behalf of Missouri River which is a municipal power agency that provides wholesale electricity to six member communities in this state, including Cavalier, Hillsboro, Lakota, Northwood, Riverdale and Valley City. MRES appears before you today to support SB 2139.

First, from a general overview, MRES is a municipal power agency operating in four states, North Dakota, Iowa, Minnesota and South Dakota. As a result, we have found that the various state reporting requirements MRES is subject are sometimes over-burdensome, occasionally superfluous and often repetitive. As a result, MRES has begun an effort to streamline reporting in all four states. This has resulted in combining requirements and even reducing state staff workload. One example of that was the reporting of MRES efforts to comply with the Community Based Energy Development goal of Minnesota. Minnesota law required that each utility report their efforts on a quarterly basis. MRES was active on this goal shortly after passage and met compliance early on. The result was that before long, MRES was reporting redundant information on a quarterly basis. Minnesota staff was required to review and file each of these redundant reports. As a result of MRES efforts to minimize redundancy and paperwork, this particular reporting was changed to once a year. This reduced the work load for state staff already inundated with paperwork, made the information available to the public in chronological increments that made sense, and reduced at least some of the red tape that has become a near-daily grind for utilities.

MRES comes before you now to support SB 2139 which would change the 10-year transmission plan filing requirement from every year to every other year. As a CapX2020 participant, MRES is a first-time owner/participant in a large, multi-state high-voltage

transmission line. As such, MRES is now subject to the requirements of Section 49-22-04 which requires each utility that owns or operates a transmission facility to develop a ten year transmission plan and submit it to the Public Service Commission each year. As a small municipal power agency serving only six cities in North Dakota, MRES has no additional plans to invest in transmission in the state beyond the 34 miles of high voltage transmission associated with its participation in CapX Fargo transmission line. Furthermore, the 10-year plan goes well beyond transmission and extends to resource planning, requiring a 19 page filing every year, including exhibits and graphs. For most utilities – and especially for MRES – information regarding these major issues does not change rapidly. Requiring an annual report results in utility and state staff both spending an inordinate amount of time on this administrative filing and reviewing information that is largely redundant on an annual basis.

In order to reduce this burden, and to reduce paperwork for state staff, MRES urges passage of SB 2139 to allow utilities to file on a bi-annual basis instead of yearly. It will reduce the red-tape and redundancy that is rampant throughout the utility industry and will make the reporting mean more to the public.

We thank you for your attention to this matter.

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Testimony on SB 2139
House Energy and Natural Resources Committee
March 8, 2013

Good morning, Chairman Porter, Members of the House Energy and Natural Resources Committee, my name is Deb Birgen. I serve as the Manager of State Legislative Relations for Missouri River Energy Services (MRES). I am speaking to you on behalf of Missouri River which is a municipal power agency that provides wholesale electricity to six member communities in this state, including Cavalier, Hillsboro, Lakota, Northwood, Riverdale and Valley City. MRES appears before you today to support **SB 2139**.

First, from a general overview, MRES is a municipal power agency operating in four states, North Dakota, Iowa, Minnesota and South Dakota. As a result, we have found that the various state reporting requirements MRES is subject are sometimes over-burdensome, occasionally superfluous and often repetitive. As a result, MRES has begun an effort to streamline reporting in all four states. This has resulted in combining requirements and even reducing state staff workload.

MRES comes before you now to support **SB 2139** which would change the 10-year transmission plan filing requirement from every year to every other year. As a CapX2020 participant, MRES is a first-time owner/participant in a large, multi-state high-voltage transmission line. As such, MRES is now subject to the requirements of Section 49-22-04 which requires each utility that owns or operates a transmission facility to develop a ten year transmission plan and submit it to the Public Service Commission each year. As a small municipal power agency serving only six cities in North Dakota, MRES has no additional plans to invest in transmission in the state beyond the 34 miles of high voltage transmission associated with its participation in CapX Fargo transmission line. Furthermore, the 10-year plan goes well beyond transmission and extends to resource planning, requiring a 19 page filing every year, including exhibits and graphs. For most utilities – and especially for MRES – information

regarding these major issues does not change rapidly. Requiring an annual report results in utility and state staff both spending an inordinate amount of time on this administrative filing, and reviewing information that is largely redundant on an annual basis.

In order to reduce this burden, and to reduce paperwork for state staff, MRES urges passage of **SB 2139** to allow utilities to file on a bi-annual basis instead of yearly. It will reduce the red-tape and redundancy that is rampant throughout the utility industry and will make the reporting mean more to the public. Additionally, **SB 2139** was amended in the Senate to make the filing deadline consistent with South Dakota which will also streamline our work by making similar state filings due at the same time.

We thank you for your attention to this matter and we urge a **Do Pass** recommendation for **SB 2139**.

Public Power Principles

MRES

Missouri River Energy Services (MRES) is a not-for-profit, wholesale power supplier to member municipal electric utilities in Iowa, Minnesota, North Dakota, and South Dakota. We are committed to supplying communities with reliable and affordable electricity and ensuring that we do so in an environmentally sensitive manner.

MRES members are public power communities. That means their electric distribution utilities are owned and controlled by the people they serve – the citizens of the community. Since MRES is owned and controlled by our members, our organization is an extension of that public power principle.



Iowa

Alton
Atlantic
Denison
Fontanelle
Hartley
Hawarden
Kimballton
Lake Park
Manilla
Orange City
Paullina
Primghar
Remsen
Rock Rapids
Sanborn
Shelby
Sioux Center
Woodbine

North Dakota

Cavalier
Hillsboro
Lakota
Northwood
Riverdale
Valley City

South Dakota

Beresford
Big Stone City
Brookings
Burke
Faith
Flandreau
Fort Pierre
Pickstown
Pierre
Vermillion
Watertown
Winner

Minnesota

Adrian
Alexandria
Barnesville
Benson
Breckenridge
Detroit Lakes
Elbow Lake
Henning
Hutchinson
Jackson
Lake Park
Lakefield
Luverne
Madison
Marshall
Melrose

Moorhead
Ortonville
St. James
Sauk Centre
Staples
Wadena
Westbrook
Worthington

