

STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION

Katie Sieben	Chair
Joseph K. Sullivan	Vice-Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
John Tuma	Commissioner

In the Matter of Northern States Power
Company d/b/a Xcel Energy's Petition for
Approval of Deferrals Related to Depreciation,
Distribution O&M, and Property Tax for 2022

MPUC DOCKET NO. G-002/M-21-750

**INITIAL COMMENTS OF THE
SUBURBAN RATE AUTHORITY**

INTRODUCTION

The Suburban Rate Authority ("SRA") appreciates the opportunity to file these comments on the Xcel Gas Petition for Approval of Deferrals Related to Depreciation, Distribution O&M, and Property Tax for 2022. ("Deferral") as an alternative to its requested 2022 base rate increase and interim rate increase of \$35.6M and \$24.9M, respectively.¹ The SRA's St. Paul area suburban members² are served by Xcel Energy gas, as well as Xcel Energy electric, both filing rate increase petitions for 2022.³ Undoubtedly cognizant of the impact on its customers of the combined rate cases, impending January 1, 2022 interim rates, and the ongoing recovery of February 2021 incurred "extraordinary gas prices," the Deferral proposal is an appropriate Xcel-created option for customer "rate shock" mitigation.

¹*In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of Deferrals Related to Depreciation, Distribution O&M, and Property Tax for 2022*, Docket No. G-002/M-21-750, Xcel Petition (Nov. 1, 2021).

² SRA Member List attached.

³ *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E-002/GR-21-630.

COMMENTS

The SRA supports Commission approval of Xcel's Deferral petition due to the deferral of bill increases while consumers are faced with the recovery of costs from the February Market Event, predicted higher natural gas market prices in the upcoming heating season and the near certainty of a substantial interim rate increase on January 1, 2022 to the Xcel Energy electric customers on Xcel's electric rate case seeking \$677 million in rate increases from 2022-2024.⁴

Further, Xcel's Deferral petition carries both maintenance of current rates into 2022 and the opportunity to review and challenge the prudence of the \$31.6 million in deferred costs in the subsequent Xcel Gas rate case, anticipated in November 2022. Xcel states:

granting a deferral does not guarantee cost recovery, but instead gives the Company the opportunity to demonstrate in a future general rate case that the expenses were actually incurred and prudently benefited customers. As a result, the requested deferral permits stakeholders the opportunity to scrutinize actual costs incurred. It merely delays the review of those costs by a year until the Company next files a case.⁵

Xcel also requests that the depreciation expense for the Wescott, Sibley, and Maplewood peaking plants be adjusted to reflect longer service lives.⁶ While the SRA appreciates the reduction in depreciation expense, it assumes that the Commission's approval of the revised depreciation expense for these assets is subject to future adjustment based on the prudence findings regarding

⁴ Docket No. E-002/GR-21-630, *id.*

⁵ *Ibid.*, p. 7.

⁶ *Ibid.*, pp. 8-9.

the operation and availability of these assets during the February Market Event under review of the Commission and Office of Administrative Hearings in the current contested case.⁷

The SRA supports Xcel's option to ease the utility rate burden on its customers in 2022 through this Deferral proposal.

Respectfully submitted,

Dated: November 10, 2021

KENNEDY & GRAVEN, CHARTERED

By: /s/ James M. Strommen
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ATTORNEYS FOR THE
SUBURBAN RATE AUTHORITY

⁷ Order Granting Variances and Authorizing Modified Cost Recovery Subject to Prudence Review, and Notice of and Order for Hearing at p. 22, ¶ 23 D v. (Aug. 30, 2021); *In the Matter of the Petitions for Recovery of Certain Gas Costs*, OAH Docket No. 71-2500-37763; *In the Matter of a Commission Investigation into the Impact of Severe Weather in February 2021 on Impacted Minnesota Natural Gas Utilities and Customers*, MPUC Docket No. G-999/CI-21-135; *In the Matter of the Petition of CenterPoint Energy for Approval of a Recovery Process for Cost Impacts Due to February Extreme Gas Market Conditions*, MPUC Docket No. G-008/M-21-138; *In the Matter of the Petition by Great Plains Natural Gas Co., a Division of Montana-Dakota Utilities Co., for Approval of Rule Variances to Recover High Natural Gas Costs from February 2021*, MPUC Docket No. G-004/M-21-235; *In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy to Recover February 2021 Natural Gas Costs*, MPUC Docket No. G-002/CI-21-610; *In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of a Recovery Process for Cost Impacts Due to February Extreme Gas Market Conditions*, MPUC Docket No. G-011/CI-21-611.

SUBURBAN RATE AUTHORITY MEMBER CITIES

2021

Bloomington	Minnetonka
Brooklyn Park	Mound
Burnsville	Orono
Carver	Plymouth
Chanhassen	Robbinsdale
Circle Pines	Rogers
Deephaven	Roseville
Eden Prairie	St. Anthony Village
Edina	St. Louis Park
Fridley	Shakopee
Golden Valley	Shoreview
Hastings	Spring Lake Park
Hopkins	Spring Park
Lauderdale	Victoria
Maple Grove	Wayzata
Maplewood	Woodbury



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November 10, 2021

VIA ELECTRONIC FILING

Mr. Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, MN 55101

Re: *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of Deferrals Related to Depreciation, Distribution O&M, and Property Tax for 2022*
MPUC Docket No. G-002/M-21-750

Dear Mr. Seuffert:

On behalf of the Suburban Rate Authority, attached for filing in the above-referenced docket please find the Initial Comments of the Suburban Rate Authority. This document has been served on the parties on the attached Service List. A Certificate of Service is also attached.

Very truly yours,

KENNEDY & GRAVEN, CHARTERED

/s/ James M. Strommen

James M. Strommen

Attachment

cc: Service List

Re: *In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of Deferrals Related to Depreciation, Distribution O&M, and Property Tax for 2022*
MPUC Docket No. G-002/M-21-750

CERTIFICATE OF SERVICE

I, Lisa Larson, hereby certify that I have this day served copies of the following document:

Initial Comments of the Suburban Rate Authority

on:

the list of persons on the attached Service List

by electronic filing and serving in the e-Dockets system, and/or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at Minneapolis, Minnesota.

Dated this 10th day of November, 2021.

/s/ Lisa Larson
Lisa Larson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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