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May 7, 2014

VIA E-Filing and U.S. Mail

Dr. Burl Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

**RE: COMMENTS OF MISSOURI RIVER ENERGY SERVICES ON
ALTERNATIVE COST IMPACT REPORT PROPOSALS
DKT. E-999/CI-11-852**

Dear Dr. Haar:

Enclosed for filing is the Comments of Missouri River Energy Services on Alternative Cost Impact Report Proposals on Behalf of Itself and Certain Member Municipal Electric Utilities, in regard to the above referenced docket.

We have served a copy to all parties on the service list either by e-service or paper service. Please contact me at 800.678.4042 or by email at derek.bertsch@mrenergy.com if you have any questions regarding this filing.

Sincerely,

/s/ Derek Bertsch

Derek Bertsch, Staff Attorney
Legal

Enc.
c: Service List

**STATE OF MINNESOTA
BEFORE THE PUBLIC UTILITIES COMMISSION**

Beverly Jones Heydinger
David C. Boyd
Nancy Lange
Dan Lipschultz
Betsy Wergin

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of Utility Renewable Energy
Cost Impact Reports Required by
Minnesota Statutes Section 216B.1691,
Subd. 2e.

Docket No. E-999/CI-11-852
Date: May 7, 2014

**COMMENTS OF MISSOURI RIVER
ENERGY SERVICES ON
ALTERNATIVE COST IMPACT
REPORT PROPOSALS**

Missouri River Energy Services (MRES) offers the following comments in response to the Notice of Supplemental Comment Period on Cost Impact Reports dated April 18, 2014, issued by the Minnesota Public Utilities Commission (MPUC). These brief comments address the alternative proposals presented by Xcel Energy (Xcel) and the Department of Commerce-Division of Energy Resources (Department) as identified in Templates 1 and 2 of the Commission's April 18, 2014 Notice.

Comments

MRES generally supports the alternative proposed reporting templates presented by Xcel and the Department as adapted by Commission Staff. Xcel's proposed template provides additional detail not included in Staff's proposed uniform reporting system or the Department's alternative proposal. Although the additional detail seeks to ensure consistent reporting between utilities by providing clarity on what is to be reported, we are concerned that adding more detail to the reporting template may significantly increase the administrative burden to complete the reports. For example, Xcel's proposed template adds a separate component for transmission costs. It is uncertain how this component can be calculated in a non-burdensome administrative manner while also ensuring consistent reporting among utilities.

Also, the public disclosure of avoided cost estimates is a concern. For instance, using non-public data regarding the cost of a new natural gas combustion turbine to calculate the avoided capacity benefit raises certain confidentiality issues. In addition, Row L of Xcel's template indicates that forecasted Locational Marginal Price (LMPs) or dispatch simulation will be used to calculate forecasted avoided costs. MRES uses LMP forecasts developed by a third party. The terms of the agreement with the third party prevent MRES from disclosing the LMP

forecasts. Due to these confidentiality issues, we support requiring only the highest levels of aggregated data be disclosed publicly when providing avoided cost information.

Lastly, it appears that parties generally agree that the cost of renewable energy must be compared to the cost of generation from conventional fossil fuels. However, it is not clear whether utilities are to compare the nameplate capacity of wind to a natural gas combustion turbine or the accredited wind capacity to a natural gas combustion turbine. Some wind is unaccredited and therefore has zero capacity.

Conclusion

MRES appreciates the opportunity to provide these brief comments on the alternative proposed reporting templates presented by Xcel and the Department to be used for utility renewable energy cost impact reporting. We look forward to participating in any further development of a uniform reporting system.

Respectfully submitted,

MISSOURI RIVER ENERGY SERVICES

By: /s/ Derek Bertsch

Derek Bertsch
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**COMMENTS OF MISSOURI RIVER
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COST IMPACT REPORT PROPOSALS**

AFFIDAVIT OF SERVICE

STATE OF SOUTH DAKOTA)
) SS.
COUNTY OF LINCOLN)

I, Tasha Altmann, being first duly sworn, depose and state that on the 7 day of May, 2014, I served a true and correct copy of the **COMMENTS OF MISSOURI RIVER ENERGY SERVICES ON ALTERNATIVE COST IMPACT REPORT PROPOSALS**, by electronic filing, to the Minnesota Public Utilities Commission, 121 7th Place East, Suite 350, St. Paul, MN, 55101-2147, and where not served by email, I have served a true and correct copy thereof by depositing the same in the US Mail at Sioux Falls, South Dakota.

Tasha Altmann

Tasha Altmann

Subscribed and sworn to before me

this 7th day of May, 2014

Deborah Birgen

Deborah Birgen
My commission expires: Dec 4, 2015

