



STATE OF MINNESOTA

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December 11, 2017

Mr. Daniel Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

Re: *In the Matter of the Formal Complaint and Petition for Relief by Minnesota Energy Resources Corporation Against Northern States Power Company d/b/a/ Xcel Energy*
Docket Number G-011, G-002/C-17-802

Dear Mr. Wolf:

The Office of the Attorney General-Residential Utilities and Antitrust Division (“OAG”) respectfully submits this letter in response to the Notice of Comment Period issued by the Public Utilities Commission (“Commission”) in the above-entitled matter.

The OAG, along with both natural gas utility companies at issue in this complaint, is participating in a related proceeding in docket number G-999/CI-17-499. One of the purposes of that docket is to determine what, if any, standards and procedures should govern disputes such as the instant complaint. While the G-999/CI-17-499 docket has not yet been resolved, the Commission should consider the interests of all ratepayers when it makes a decision in this docket. Minnesota Energy Resources Corporation (“MERC”) estimates that it spent \$40,000 in infrastructure costs to serve the United development, and that it would cost an additional \$175,000 for Northern States Power Company (“Xcel”) to serve the same customer. If MERC’s

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estimates are correct,¹ Minnesota ratepayers may collectively face a rate base increase more than four times as much to have Xcel rather than MERC serve this customer. Regardless of what standards and procedures the Commission ultimately adopts in the related proceeding, it should consider this ratepayer impact when making its decision on MERC's complaint.

Sincerely,

s/ Joseph C. Meyer

JOSEPH C. MEYER
Assistant Attorney General

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¹ The OAG takes no position on the accuracy of the estimates. Xcel does not dispute MERC's \$175,000 estimate in its Response to Complaint. In Attachment B of Xcel's Response to Complaint, the Company shows a cost estimate of greater than [TRADE SECRET BEGINS TRADE SECRET ENDS].