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May 1, 2015

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

VIA ELECTRONIC FILING

Re: *Northern States Power Company, doing business as Xcel Energy's Petition for Approval of Statement of Work Agreement for Non-Standard Distribution Facilities*
Docket No. E002/M-15-328; SRA Comments and Request for Expedited Review

Dear Mr. Wolf:

This letter on behalf of the Suburban Rate Authority (SRA) follows the April 30, 2015 letter from the Department of Commerce following review of Xcel's Petition for a new proposed Statement of Work Requested – Municipality ("SOW"). As noted by the Department, the SRA negotiated the SOW with Xcel and supports the Petition. The SRA appreciates the Department's prompt review and support of the Petition.

This letter seeks the Commission's expedited review of this uncontested Petition because of the need of SRA member the City of Golden Valley, to utilize the SOW prior to June 15. While the SRA understands that the approval of a new form under Xcel's tariff must follow appropriate procedures, a prompt review and approval would enable the City to utilize the SOW for use on a large expenditure of public funds to Xcel as explained below.

The City is currently proceeding with a \$25 million dollar public improvement project along a two-mile stretch of a main thoroughfare in the City, Douglas Drive. For safety and other reasons, the City has directed Xcel to relocate its overhead distribution lines along Douglas Drive to an underground location. As identified in the Petition and noted by the Department, cities may choose to pay Xcel directly for the incremental additional cost of a special (underground) facility rather than elect to have Xcel recover its incremental additional cost through the City Requested Facilities Surcharge. The City has decided to make a direct payment for the special undergrounding on this project rather than utilize the CRFS.

Xcel's current Statement of Work requires 100% upfront payment to Xcel-of its estimated cost, without further information regarding actual cost or a means to receive actual cost supporting documentation for purposes of a true-up at the conclusion of the work. Xcel's estimate of cost for the undergrounding along Douglas Drive is approximately \$2.6 million. Xcel has stated that it is bound to use that tariffed contract form (standard Xcel-customer forms – see Petition attachment,

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form 7-52) until the Commission approves the proposed SOW. In this case and similar circumstances, cities act in their right-of-way regulatory capacity in requiring a special facility, not as Xcel customers as presumed in the current form.

For the Douglas Drive project, Xcel will not proceed to order equipment until a Statement of Work is entered into by the City and the entire estimated cost is paid in full, upfront. The SRA and the City regard the current requirement as inappropriate for expenditures of public funds, especially in this amount, because it makes no provision for actual cost or oversight of the public funds. In order to keep the Douglas Drive construction schedule proceeding without contractor delay, the City has informed the SRA that a SOW needs to be executed by June 15, 2015. Utility facility relocation delays can be the source of significant disputes between the general contractor and a city on public improvement projects. The SRA and the City believe that the use of the SOW is far more appropriate for this project than Xcel's existing tariffed contract (hence the Petition), and Xcel has stated it must use the current form until the SOW is approved.

Accordingly, the SRA respectfully requests that the Commission act on this Petition at the earliest time possible and ideally before June 15, 2015.

Respectfully submitted,

KENNEDY & GRAVEN, CHARTERED

/s/ James M. Strommen

James M. Strommen

cc: Service List

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Re: *Northern States Power Company, doing business as Xcel Energy's Petition for Approval of Statement of Work Agreement for Non-Standard Distribution Facilities*
Docket No. E002/M-15-328

CERTIFICATE OF SERVICE

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

Suburban Rate Authority Letter to Daniel P. Wolf—Request for Expedited Review

on:

the list of persons on the attached Service List

by electronic filing, 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 1st day of May, 2015.

/s/ _____
Lisa Larson