

March 2, 2020

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Comments of the Minnesota Department of Commerce, Division of Energy Resources
Docket No. E002/AA-20-182

Dear Mr. Seuffert:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

Filing by Northern States Power Company, doing business as Xcel Energy, Regarding the Fuel Clause Adjustment True-Up for November and December 2019.

The Department recommends **approval** and is available to answer any questions that the Minnesota Public Utilities Commission may have.

Sincerely,

/s/SAMIR OUANES
Public Utilities Rates Analyst

SO/ja
Attachment



Before the Minnesota Public Utilities Commission
Comments of the Minnesota Department of Commerce
Division of Energy Resources

Docket No. E002/M-20-182

I. SUMMARY

On January 31, 2020, Northern States Power Company, doing business as Xcel Energy, (Xcel or the Company) filed a petition (Petition) requesting that the Minnesota Public Utilities Commission (Commission) approve Xcel's calculation of the Fuel Clause Adjustment (FCA) True-Up for November and December 2019. The Company proposes to implement the total true-up amount of -\$13,610,548 (a credit to ratepayers) in equal parts over the months of March and April 2020.

II. BACKGROUND INFORMATION

On March 1, 2019, the Electric Utilities (Minnesota Power, Otter Tail Power and Xcel) and Consumer Advocates (Minnesota Department of Commerce – Division of Energy Resources, Minnesota Office of Attorney General – Residential Utilities and Antitrust Division, Minnesota Chamber of Commerce, and Minnesota Large Industrial Group) filed joint comments, which included in part recommendations on Xcel's final 2019 FCA true-up:¹

Under the current FCA process, Xcel Energy implements a forecasted rate each month, which also incorporates the true-up for the two months prior. When the FCA Reform process is implemented on January 1, 2020, the months of November and December 2019 will not have been trueed up through the FCA mechanism. To address the true-ups for these months, the Company proposes to provide the supporting true-up calculations in a filing made by January 31, 2020, submitted in a new docket. The true-up amount would be implemented provisionally on March 1, 2020, subject to Commission review and approval. The true-up would be implemented in one or more months, depending on the size of the true-up. Customers would be notified of the true-up amount through a bill message. The Company's web page would also be updated to show a comparison table so that customers can see the forecasted rate approved by the Commission for that month, the true-up factor, and the total rate charged on the bill, all separately delineated.

¹ March 1, 2019 Joint Comments at 19-20 in Docket No. E999/CI-03-802.

| Month | Commission- Approved Rate | True-up Factor | Total Rate Charged |
|----------|------------------------------|-------------------|-----------------------|
| January | | | |
| February | | | |
| March | | | |

The Company would use a similar table on the web site going forward since each year under the FCA Reform also would be subject to a true-up.

The Department reviewed Xcel's true-up proposal and considers it to be reasonable. Therefore, the Department recommends Xcel's true-up proposal be approved.

On June 12, 2019, the Commission issued its *Order Approving Additional Details of New Fuel Clause Adjustment Process* (2019 Order) in Docket No. E999/CI-03-802 (03-802).

The 2019 Order noted that:

When the new FCA process goes into effect on January 1, 2020, Xcel Energy will need to implement true ups for November and December 2019 from the existing FCA process. Xcel Energy proposed to submit its true-up filing for these two months by January 31, 2020, with the true up to be implemented provisionally on March 1, 2020, over one or more months. The Commission agrees with the Department that this transition plan is reasonable.

The 2019 Order allowed Xcel to implement its November and December 2019 true-up on March 1, 2020, subject to Commission review and approval.

III. DEPARTMENT ANALYSIS

The Company proposes to charge the following fuel cost charges in March and April 2020:²

² Petition at page 10 of 12 (Advanced Grid Infrastructure Rider).

| Class | March 2020 True-Up Factor (1) | March 2020 Approved Fuel Cost Charge (2) | March 2020 Fuel Cost Charge With True-Up (3) = (1) + (2) |
|---------------------------------|-------------------------------|--|--|
| Residential | -\$0.00293 | \$0.02801 | \$0.02508 |
| C&I Non-Demand | -\$0.00297 | \$0.02836 | \$0.02539 |
| C&I Demand | -\$0.00287 | \$0.02748 | \$0.02461 |
| C&I Demand Time Of Day On-Peak | -\$0.00360 | \$0.03436 | \$0.03076 |
| C&I Demand Time of Day Off-Peak | -\$0.00235 | \$0.02248 | \$0.02013 |
| Outdoor Lighting | -\$0.00230 | \$0.02196 | \$0.01966 |

| Class | April 2020 True-Up Factor (1) | April 2020 Approved Fuel Cost Charge (2) | April 2020 Fuel Cost Charge With True-Up (3)= (1) + (2) |
|---------------------------------|-------------------------------|--|---|
| Residential | -\$0.00332 | \$0.02919 | \$0.02587 |
| C&I Non-Demand | -\$0.00336 | \$0.02956 | \$0.02620 |
| C&I Demand | -\$0.00326 | \$0.02864 | \$0.02538 |
| C&I Demand Time Of Day On-Peak | -\$0.00407 | \$0.03579 | \$0.03172 |
| C&I Demand Time of Day Off-Peak | -\$0.00267 | \$0.02344 | \$0.02077 |
| Outdoor Lighting | -\$0.00260 | \$0.02290 | \$0.02030 |

In response to a phone request from the Department,³ Xcel provided the live spreadsheets supporting the Company’s calculation of its proposed March and April 2020 true-up factors.

The live spreadsheets included:

- Xcel’s calculation of the November 2019 FCA true-up, -\$6,413,756,⁴
- Xcel’s calculation of the December 2019 FCA true-up, -\$7,196,792,⁵ and
- Xcel’s calculation of the March and April 2020 true-up factors to return to its ratepayers the November and December 2019 over recovered FCA amounts of \$6,413,756 and \$7,196,792, respectively.⁶

³ Attachment 1 to these comments.

⁴ Attachment 2 to these comments.

⁵ Attachment 3 to these comments.

⁶ Attachment 4 to these comments.

The Department reviewed Xcel's calculations and concludes that they are reasonable.

In addition, the Department verified that the March and April 2020 "Approved Fuel Cost Charge" are identical to Xcel's Commission-approved rates per the November 14, 2019 Order in Docket No. E002/AA-19-293.

As a result, the Department recommends approval of the proposed March and April 2020 fuel cost charges with true-up, subject to any input⁷ adjustment to Xcel's calculations following the Commission's Order in Xcel's upcoming AAA report for the July 2018-December 2019 period (Docket No. E999/AA-20-171).

IV. DEPARTMENT CONCLUSIONS AND RECOMMENDATIONS

The Department recommends approval of the proposed March and April 2020 fuel cost charges with true-up, subject to any input adjustment to Xcel's calculations following the Commission's Order in Xcel's upcoming AAA report for the July 2018-December 2019 period (Docket No. E999/AA-20-171).

/ja

⁷ Such inputs include but are not limited to Xcel's monthly calculation of Asset Based Margin Sharing, MISO Day 2 Charges, MISO ASM Charges, Biomass PPA Termination Cost Recovery, Purchased Power from Solar Gardens Program, Wind Curtailment Payment, or Windsorce Energy Costs.

From: [Chow, John](#)
To: [Ouanes, Samir \(COMM\)](#)
Subject: Xcel's November & December 2019 FCA True-Up Computation, Attachment 1, Page 1 - 5
Date: Thursday, February 06, 2020 10:51:30 AM
Attachments: [2020 02 MN COMPUTATION \(TU DOC INFORMAL FEB 04\).xlsx](#)

This message may be from an external email source.

Do not select links or open attachments unless verified. Report all suspicious emails to Minnesota IT Services Security Operations Center.

Hi Samir,

Per your phone request on February 4th, attached please find the live spreadsheets with formulas intact for our November and December 2019 FCA true-up calculation. The spreadsheets are the exact calculation as illustrated in Attachment 1, pages 1 through 5b of our January 31st true-up filing. Feel free to contact me if you have any questions.

Thanks,
John

Northern States Power Company
 Electric Operations - State of Minnesota
 Derivation of Adjustment for Fuel Clause Rider
 November 2019 Cost True Up Applicable to March 2020 Fuel Cost Charges

| Column A | Column B |
|-------------|----------|
| Projected * | Actual |
| Nov-2019 | Nov-2019 |

* From 2 months ago

| A System Fuel, Purchased Power Costs & MISO Recovery Authorized in Minnesota Jurisdiction | | |
|---|--|---|
| 1 | Account 151 - Fossil Fuel | \$30,777,503 |
| 2 | Account 518 - Nuclear Fuel | \$10,395,029 |
| 3 | Account 555 - Purchased Power (Include Windsorce Wind Contracts, excludes wind curtailment payments) | \$48,808,076 |
| 4 | Account 555 - Wind Curtailment Payment (as reported in Wind Curtailment Report) | \$318,684 |
| 5 | Account 555 - Subtotal [Line A3 + Line A4] | \$49,126,760 |
| 6 | Account 555 - MISO Day 2 Charges - Total | \$6,663,947 |
| 7 | - Less Schedules 16 & 17 | \$610,302 |
| 8 | - Less Schedule 24 | \$83,549 |
| 9 | - Less RSG/RNU Allocation Adjustment | \$16,457 |
| 10 | - Less Congestion and Loss Allocation Adjustment | \$970,081 |
| 11 | Account 555 - MISO Day 2 Charges - Net [Line A6 - Line A7 - Line A8 - Line A9 - Line A10] | \$4,983,557 |
| 12 | Account 555 - MISO ASM Charges | |
| 13 | - Excessive/Non-Excessive Charges | \$941,564 |
| 14 | - Other Charges | \$20,814 |
| 15 | - Less Congestion and Loss Allocation Adjustment | \$29,642 |
| 16 | Account 555 - MISO ASM Charges - Net [Line A13 + Line A14 - Line A15] | \$932,736 |
| 17 | Account 555 - Total MISO Charges [Line A11 + Line A16] | \$5,916,293 |
| 18 | Total System Costs [Line A1 + Line A2 + Line A5 + Line A17] | \$96,215,585 |
| 19 | Less Fuel Cost of Intersystem Sales (Included MISO Day 2 Charges) | (\$23,524,005) |
| 20 | Less Account 555 - Purchased Power For Windsorce Program | |
| 21 | Windsorce Energy Costs | (\$652,964) |
| 22 | Windsorce REC-Related Fuel Costs | (\$180,371) |
| 23 | Subtotal [Line A21 + Line A22] | (\$833,335) |
| 24 | Less Account 555 - Purchased Power From Solar Gardens Program | |
| 25 | Direct Assigned Minnesota Cost Removed from System Cost [Attachment 3 Page 3 Line 14]*-1 | (\$3,320,733) |
| 26 | Solar Gardens Developer Late Fees [Attachment 3 Page 3 Line 22]*-1 | \$154,614 |
| 27 | Less Account 555 - Renewable*Connect Program Energy Costs | (\$450,957) |
| 28 | Net System Costs (Excl Windsorce & R*C PPA Costs) COL B [A1+A2+A5+A11+A16+A19+A21+A22+A25+A26+A27] | \$68,707,966 \$68,241,169 |
| B NSP System MWh Sales | | |
| 1 | Total NSP System Retail | 3,143,980 |
| 2 | Firm Re-sale | - |
| 3 | Total NSP System | 3,143,980 |
| 4 | Windsorce and Renewable*Connect MWh | 41,826 |
| 5 | Total NSP System Exclude Windsorce [COL B Line B3 -Line B4] | 3,051,091 3,102,154 |
| C NSP System Cost of Fuel, Purchased Power & MISO Recovery Per KWh | | |
| 1 | System Energy Cost per kWh [COL B Line A28 / Line B5/ 10] | 2.252¢ 2.200¢ |

Northern States Power Company
 Electric Operations - State of Minnesota
 Derivation of Adjustment for Fuel Clause Rider
 November 2019 Cost True Up Applicable to March 2020 Fuel Cost Charges

| Column A | Column B |
|-------------|----------|
| Projected * | Actual |
| Nov-2019 | Nov-2019 |

* From 2 months ago

| D Minnesota Jurisdictional Calendar Month Retail MWh Sales Subject To FCA | | |
|---|--|-----------------------------------|
| 1 | Total Minnesota Retail MWh | 2,265,893 |
| 2 | Windsorce MWh and Renewable*Connect MWh | 41,826 |
| 3 | Total Minnesota Retail MWh Subject to FCA [COL B Line D1 - Line D2] | 2,169,745 2,224,067 |

| E Minnesota Jurisdictional Energy Cost | | | |
|---|---|---------------------|---------------------|
| 1 | Net System Cost Applicable to Minnesota Jurisdiction [Line C1*Line D3] | \$48,862,657 | \$48,929,474 |
| 2 | System Cost per KWh [Line C1] | <u>2.252¢</u> | <u>2.200¢</u> |
| <u>Biomass PPA Termination Cost Recovery</u> | | | |
| 3 | Benson Amortization - FERC 557 (Regulatory Asset) | \$921,317 | \$284,334 |
| 4 | Benson Amortization - FERC 407 (Plant Impairment) | \$0 | \$297,259 |
| 5 | Benson ROE (Regulatory Asset) - FERC 182.2 | \$0 | \$172,807 |
| 6 | Benson ROE (Plant Impairment) - FERC 182.3 | \$0 | \$166,751 |
| 7 | Benson O&M Pass Through | \$0 | \$0 |
| 8 | Laurentian | \$0 | \$0 |
| 9 | Pine Bend | \$49,786 | \$43,201 |
| 10 | Total [Lines E3+E4+E5+E6+E7+E8+E9] | <u>\$971,103</u> | <u>\$964,352</u> |
| 11 | Cost per KWh [Line 10/line 3/10] | 0.045¢ | 0.043¢ |
| <u>Solar Gardens Above Market Cost Allocated to MN Jurisdiction</u> | | | |
| 12 | Solar Gardens Above Market Bill Credit Amount | \$5,350,252 | \$3,320,733 |
| 13 | Less Solar Garden Developer Late Fees Credit | | \$154,614 |
| 14 | Solar Gardens Above Market Bill Credit Amount [COL B Line 12 - Line 13] | <u>\$5,350,252</u> | <u>\$3,166,119</u> |
| 15 | Cost per KWh [Line E14/Line D3/10] | 0.247¢ | 0.142¢ |
| 16 | Minnesota Jurisdiction Direct Cost [Line E10+Line E14] | <u>\$6,321,355</u> | <u>\$4,130,471</u> |
| 17 | Minnesota Direct Cost per KWh [Line E104/Line D80/10] | <u>0.291¢</u> | <u>0.186¢</u> |
| Total Minnesota Jurisdictional Energy Cost | | | |
| 18 | Minnesota Total Energy Cost Per KWh [Line E2 + Line E17] | <u>2.543¢</u> | <u>2.386¢</u> |
| 19 | Amount [Line E18 * Line D3 * 10] | <u>\$55,184,014</u> | <u>\$53,066,239</u> |

Northern States Power Company
 Electric Operations - State of Minnesota
 Derivation of Adjustment for Fuel Clause Rider
 November 2019 Cost True Up Applicable to 2020 Fuel Cost Charges

| Column A | Column B |
|-------------|----------|
| Projected * | Actual |
| Nov-2019 | Nov-2019 |

* From 2 months ago

| F Adjusted Minnesota MWh Sales Subject To FCA | | |
|---|-------------------------------|-----------|
| 1 | (i) Residential | 641,877 |
| 2 | (ii) C & I Non-Demand | 67,420 |
| 3 | (iii) C & I Demand Non-TOD | 712,932 |
| 4 | (iv) C & I Demand TOD On-Peak | 312,068 |
| 5 | (v) C & I Demand TOD Off-Peak | 477,814 |
| 6 | (vi) Outdoor Lighting | 11,956 |
| 7 | Total [Line D3] | 2,224,067 |

| G Class Ratio/TOD Ratio | | |
|-------------------------|-------------------------------|----------|
| | Sep-2019 | Nov-2019 |
| 1 | (i) Residential | 1.0177 |
| 2 | (ii) C & I Non-Demand | 1.0305 |
| 3 | (iii) C & I Demand Non-TOD | 0.9984 |
| 4 | (iv) C & I Demand TOD On-Peak | 1.2486 |
| 5 | (v) C & I Demand TOD Off-Peak | 0.8166 |
| 6 | (vi) Outdoor Lighting | 0.7976 |

| H Proposed True Up Recovery in March 2020 and April 2020 Fuel Cost Charges | | | |
|--|---|----------------------------|-----------------|
| | | | Total |
| | | | Sep-2019 |
| 1 | Prior Unrecovered Expenses (Sep-2019 Balance of Unrecovered Expenses) | | (\$5,043,146) |
| | | True-Up Factor | MWh |
| | | Sep-2019 | Nov-2019 |
| | | | Total |
| | | | Nov-2019 |
| | Prior (True-Up) Expenses Recovered in November 2019 | (a) | (b) |
| | | | (a)*(b)*10 |
| 2 | (i) Residential | -0.236544¢ | 641,877 |
| 3 | (ii) C & I Non-Demand | -0.239519¢ | 67,420 |
| 4 | (iii) C & I Demand Non-TOD | -0.232058¢ | 712,932 |
| 5 | (iv) C & I Demand TOD On-Peak | -0.290212¢ | 312,068 |
| 6 | (v) C & I Demand TOD Off-Peak | -0.189802¢ | 477,814 |
| 7 | (vi) Outdoor Lighting | -0.185386¢ | 11,956 |
| 8 | Total | | 2,224,067 |
| | | | (\$5,168,947) |
| | Cost Recovered in November 2019 Based on Forecast | | |
| | | Cost | MWh |
| | | | Total |
| | | | (a)*(b)*10 |
| | | Forecast Cost 2 Months Ago | |
| 9 | (i) Residential | 2.587575¢ | 641,877 |
| 10 | (ii) C & I Non-Demand | 2.620821¢ | 67,420 |
| 11 | (iii) C & I Demand Non-TOD | 2.539219¢ | 712,932 |
| 12 | (iv) C & I Demand TOD On-Peak | 3.174942¢ | 312,068 |
| 13 | (v) C & I Demand TOD Off-Peak | 2.076126¢ | 477,814 |
| 14 | (vi) Outdoor Lighting | 2.028729¢ | 11,956 |
| 15 | Total | | 2,224,067 |
| | | | \$56,549,466 |

Northern States Power Company
 Electric Operations - State of Minnesota
 Derivation of Adjustment for Fuel Clause Rider
 November 2019 Cost True Up Applicable to March 2020 Fuel Cost Charges

| 1 Nov-19 True-Up | |
|------------------|---|
| 1 | Prior Unrecovered Expenses (Sep-2019 Balance of Unrecovered Expenses) [COL C Line H1] (\$5,043,146) |
| 2 | Less Prior (True-Up) Expenses Recovered in Nov-2019 [COL C Line H8] \$5,168,947 |
| 3 | November 2019 Saver's Switch True-Up Adjustment - - |
| 4 | Over/Under Recovery in November-2019 to be Trued Up in March-2020 FCA [COL C - Line H15] (\$56,549,466) |
| 5 | Actual Cost Should Have Been Recovered in November 2019 [COL B Line E19] \$53,066,239 |
| 6 | Balance of Unrecovered Expenses [Sum of Line I1 to Line I5] <u>(\$3,357,426)</u> |
| 7 | Asset Based Margin Sharing [Attachment 3 Page 1 Remaining Balance] <u>(\$3,056,330)</u> |
| 8 | November 2019 True-Up [Line I6 + Line I7] <u><u>(\$6,413,756)</u></u> |

Northern States Power Company
 Electric Operations - State of Minnesota
 Derivation of Adjustment for Fuel Clause Rider
 December 2019 Cost True Up Applicable to 2020 Fuel Cost Charges

| Column A | Column B | Column C |
|-------------|----------|----------|
| Projected * | Actual | |
| Dec-2019 | Dec-2019 | |

* From 2 months ago

| A | System Fuel, Purchased Power Costs & MISO Recovery Authorized in Minnesota Jurisdiction | Projected * | Actual |
|----|---|---------------------|---------------------|
| 1 | Account 151 - Fossil Fuel | | \$30,272,020 |
| 2 | Account 518 - Nuclear Fuel | | \$10,765,431 |
| 3 | Account 555 - Purchased Power (Include Windsource Wind Contracts, excludes wind curtailment payments) | | \$50,544,451 |
| 4 | Account 555 - Wind Curtailment Payment (as reported in Wind Curtailment Report) | | \$318,684 |
| 5 | Account 555 - Subtotal [Line A3 + Line A4] | | \$50,863,135 |
| 6 | Account 555 - MISO Day 2 Charges - Total | | \$6,379,070 |
| 7 | - Less Schedules 16 & 17 | | \$790,376 |
| 8 | - Less Schedule 24 | | \$108,486 |
| 9 | - Less RSG/RNU Allocation Adjustment | | \$94,572 |
| 10 | - Less Congestion and Loss Allocation Adjustment | | \$846,635 |
| 11 | Account 555 - MISO Day 2 Charges - Net [Line A6 - Line A7 - Line A8 - Line A9 - Line A10] | | \$4,539,001 |
| 12 | Account 555 - MISO ASM Charges | | |
| 13 | - Excessive/Non-Excessive Charges | | \$1,139,232 |
| 14 | - Other Charges | | (\$21,090) |
| 15 | - Less Congestion and Loss Allocation Adjustment | | \$3,273 |
| 16 | Account 555 - MISO ASM Charges - Net [Line A13 + Line A14 - Line A15] | | \$1,114,868 |
| 17 | Account 555 - Total MISO Charges [Line A11 + Line A16] | | \$5,653,869 |
| 18 | Total System Costs [Line A1 + Line A2 + Line A5 + Line A17] | | \$97,554,455 |
| 19 | Less Fuel Cost of Intersystem Sales (Included MISO Day 2 Charges) | | (\$24,721,487) |
| 20 | Less Account 555 - Purchased Power For Windsource Program | | |
| 21 | Windsource Energy Costs | | (\$577,490) |
| 22 | Windsource REC-Related Fuel Costs | | (\$183,497) |
| 23 | Subtotal [Line A21 + Line A22] | | (\$760,987) |
| 24 | Less Account 555 - Purchased Power From Solar Gardens Program | | |
| 25 | Direct Assigned Minnesota Cost Removed from System Cost [Attachment 3 Page 3 Line 14]*-1 | | (\$5,452,794) |
| 26 | Solar Gardens Developer Late Fees [Attachment 3 Page 3 Line 22]*-1 | | \$427,800 |
| 27 | Less Account 555 - Renewable*Connect Program Energy Costs | | (\$480,010) |
| 28 | Net System Costs (Excl Windsource & R*C PPA Costs) COL B [A1+A2+A5+A11+A16+A19+A21+A22+A25+A26+A27] | \$76,120,641 | \$66,566,977 |
| B | NSP System MWh Sales | | |
| 1 | Total NSP System Retail | | 3,395,867 |
| 2 | Firm Re-sale | | - |
| 3 | Total NSP System | | 3,395,867 |
| 4 | Windsource and Renewable*Connect MWh | | 46,962 |
| 5 | Total NSP System Exclude Windsource [COL B Line B3 -Line B4] | 3,437,639 | 3,348,905 |
| C | NSP System Cost of Fuel, Purchased Power & MISO Recovery Per KWh | | |
| 1 | System Energy Cost per kWh [COL B Line A28 / Line B5/ 10] | 2.214¢ | 1.988¢ |

Northern States Power Company
 Electric Operations - State of Minnesota
 Derivation of Adjustment for Fuel Clause Rider
 December 2019 Cost True Up Applicable to March 2020 Fuel Cost Charges

| Column A | Column B | Column C |
|-------------|----------|----------|
| Projected * | Actual | |
| Dec-2019 | Dec-2019 | |

* From 2 months ago

D Minnesota Jurisdictional Calendar Month Retail MWh Sales Subject To FCA

| | | | |
|---|--|------------------|------------------|
| 1 | Total Minnesota Retail MWh | | 2,437,202 |
| 2 | Windsorce MWh and Renewable*Connect MWh | | 46,962 |
| 3 | Total Minnesota Retail MWh Subject to FCA [COL B Line D1 - Line D2] | <u>2,445,016</u> | <u>2,390,240</u> |

E Minnesota Jurisdictional Energy Cost

| | | | |
|----|---|---------------------|---------------------|
| 1 | Net System Cost Applicable to Minnesota Jurisdiction [Line C1*Line D3] | \$54,132,654 | \$47,517,971 |
| 2 | System Cost per KWh [Line C1] | <u>2.214¢</u> | <u>1.988¢</u> |
| | <u>Biomass PPA Termination Cost Recovery</u> | | |
| 3 | Benson Amortization - FERC 557 (Regulatory Asset) | \$918,288 | \$284,173 |
| 4 | Benson Amortization - FERC 407 (Plant Impairment) | \$0 | \$285,445 |
| 5 | Benson ROE (Regulatory Asset) - FERC 182.2 | \$0 | \$165,570 |
| 6 | Benson ROE (Plant Impairment) - FERC 182.3 | \$0 | \$166,740 |
| 7 | Benson O&M Pass Through | \$0 | \$0 |
| 8 | Laurentian | \$0 | \$0 |
| 9 | Pine Bend | \$42,979 | \$46,613 |
| 10 | Total [Lines E3+E4+E5+E6+E7+E8+E9] | <u>\$961,267</u> | <u>\$948,541</u> |
| 11 | Cost per KWh [Line 10/line 3/10] | 0.039¢ | 0.040¢ |
| | <u>Solar Gardens Above Market Cost Allocated to MN Jurisdiction</u> | | |
| 12 | Solar Gardens Above Market Bill Credit Amount | \$4,493,158 | \$5,452,794 |
| 13 | Less Solar Garden Developer Late Fees Credit | | \$427,800 |
| 14 | Solar Gardens Above Market Bill Credit Amount [COL B Line 12 - Line 13] | <u>\$4,493,158</u> | <u>\$5,024,994</u> |
| 15 | Cost per KWh [Line E14/Line D3/10] | 0.184¢ | 0.210¢ |
| 16 | Minnesota Jurisdiction Direct Cost [Line E10+Line E14] | <u>\$5,454,425</u> | <u>\$5,973,535</u> |
| 17 | Minnesota Direct Cost per KWh [Line E104/Line D80/10] | <u>0.223¢</u> | <u>0.250¢</u> |
| | Total Minnesota Jurisdictional Energy Cost | | |
| 18 | Minnesota Total Energy Cost Per KWh [Line E2 + Line E17] | <u>2.437¢</u> | <u>2.238¢</u> |
| 19 | Amount [Line E18 * Line D3 * 10] | <u>\$59,587,069</u> | <u>\$53,493,571</u> |

Northern States Power Company
 Electric Operations - State of Minnesota
 Derivation of Adjustment for Fuel Clause Rider
 December 2019 Cost True Up Applicable to March 2020 Fuel Cost Charges

| Column A | Column B | Column C |
|-------------|----------|----------|
| Projected * | Actual | |
| Dec-2019 | Dec-2019 | |

* From 2 months ago

| F Adjusted Minnesota MWh Sales Subject To FCA | | |
|---|-------------------------------|-----------|
| 1 | (i) Residential | 745,436 |
| 2 | (ii) C & I Non-Demand | 74,052 |
| 3 | (iii) C & I Demand Non-TOD | 734,640 |
| 4 | (iv) C & I Demand TOD On-Peak | 307,876 |
| 5 | (v) C & I Demand TOD Off-Peak | 513,771 |
| 6 | (vi) Outdoor Lighting | 14,465 |
| 7 | Total [Line D3] | 2,397,007 |
| | | 2,390,240 |

| G Class Ratio/TOD Ratio | | |
|-------------------------|-------------------------------|----------|
| | Oct-2019 | Dec-2019 |
| 1 | (i) Residential | 1.0177 |
| 2 | (ii) C & I Non-Demand | 1.0305 |
| 3 | (iii) C & I Demand Non-TOD | 0.9984 |
| 4 | (iv) C & I Demand TOD On-Peak | 1.2486 |
| 5 | (v) C & I Demand TOD Off-Peak | 0.8166 |
| 6 | (vi) Outdoor Lighting | 0.7976 |

| H True Up (Nov-19) and Other Recoveries | | | |
|---|---|-----------------------------------|-----------------|
| | | | Total |
| | | | Oct-2019 |
| 1 | Prior Unrecovered Expenses (Oct-2019 Balance of Unrecovered Expenses) | | (\$7,498,832) |
| | | | |
| | | True-Up Factor | MWh |
| | | Oct-2019 | Dec-2019 |
| | | | Total |
| | | | Dec-2019 |
| | Prior (True-Up) Expenses Recovered in December 2019 | (a) | (b) |
| | | (a)*(b)*10 | |
| 2 | (i) Residential | -0.312128¢ | 745,436 |
| 3 | (ii) C & I Non-Demand | -0.316053¢ | 74,052 |
| 4 | (iii) C & I Demand Non-TOD | -0.306208¢ | 734,640 |
| 5 | (iv) C & I Demand TOD On-Peak | -0.382944¢ | 307,876 |
| 6 | (v) C & I Demand TOD Off-Peak | -0.250450¢ | 513,771 |
| 7 | (vi) Outdoor Lighting | -0.244623¢ | 14,465 |
| 8 | Total | | 2,390,240 |
| | | | (\$7,311,401) |
| | | Cost | MWh |
| | | Forecast Cost 2 Months Ago | Total |
| | | | (a)*(b)*10 |
| 9 | (i) Residential | 2.479699¢ | 745,436 |
| 10 | (ii) C & I Non-Demand | 2.511588¢ | 74,052 |
| 11 | (iii) C & I Demand Non-TOD | 2.433389¢ | 734,640 |
| 12 | (iv) C & I Demand TOD On-Peak | 3.042590¢ | 307,876 |
| 13 | (v) C & I Demand TOD Off-Peak | 1.989566¢ | 513,771 |
| 14 | (vi) Outdoor Lighting | 1.944183¢ | 14,465 |
| 15 | Total | | 2,390,240 |
| | | | \$58,091,542 |

Northern States Power Company
 Electric Operations - State of Minnesota
 Derivation of Adjustment for Fuel Clause Rider
 December 2019 Cost True Up Applicable to March 2020 Fuel Cost Charges

| 1 Dec-19 True-Up | |
|------------------|---|
| 1 | Prior Unrecovered Expenses (Oct-2019 Balance of Unrecovered Expenses) [COL C Line H1] (\$7,498,832) |
| 2 | Less Prior (True-Up) Expenses Recovered in Dec-2019 [COL C Line H8] \$7,311,401 |
| 3 | December 2019 Saver's Switch True-Up Adjustment - - |
| 4 | Over/Under Recovery in December-2019 to be Trued Up in March-2020 FCA [COL C - Line H15] (\$58,091,542) |
| 5 | Actual Cost Should Have Been Recovered in December 2019 [COL B Line E19] \$53,493,571 |
| 6 | Balance of Unrecovered Expenses [Sum of Line I1 to Line I5] <u>(\$4,785,402)</u> |
| 7 | Asset Based Margin Sharing [Attachment 3 Page 1 Remaining Balance] <u>(\$2,411,390)</u> |
| 8 | December 2019 True-Up [Line I6 + Line I7] <u>(\$7,196,792)</u> |

Northern States Power Company
 Electric Operations - State of Minnesota
 Derivation of Adjustment for Fuel Clause Rider
 November 2019 and December 2019 Cost True Up Applicable to 2020 Fuel Cost Charges

Attachment 1

Page 1

| S December 2019 and November 2019 Cost True Up | | |
|--|---|-----------------------|
| Dec-19 True-Up | | |
| 1 | Balance of Unrecovered Expenses [Page 5b Line I6] | (\$4,785,402) |
| 2 | Asset Based Margin Sharing [Page 5b Line I7] | (\$2,411,390) |
| 3 | Total Amount [Page 5b Line I8] | (\$7,196,792) |
| Nov-19 True-Up | | |
| 4 | Balance of Unrecovered Expenses [Page 5a Line I6] | (\$3,357,426) |
| 5 | Asset Based Margin Sharing [Page 5a Line I7] | (\$3,056,330) |
| 6 | Total Amount [Page 5a Line I8] | (\$6,413,756) |
| 7 | December 2019 and November 2019 True Up Amount [Line S3 + Line S6] | (\$13,610,548) |

| T Proposed True Up Recovery in March 2020 and April 2020 Fuel Cost Charges | | | |
|---|--|-------------------|-------------------|
| | | <u>March 2020</u> | <u>April 2020</u> |
| 1 | True Up Amount [Line S7/2] | (\$6,805,274) | (\$6,805,274) |
| 2 | March 2020 and April 2020 Forecasted Sales (MWh) | 2,363,565 | 2,085,793 |
| 3 | True Up Factor per KWh [Line T1/Line T2/1000] | (\$0.00288) | (\$0.00326) |
| Class Ratio/TOD Ratio | | | |
| 4 | (i) Residential | 1.0177 | 1.0177 |
| 5 | (ii) C & I Non-Demand | 1.0305 | 1.0305 |
| 6 | (iii) C & I Demand Non-TOD | 0.9984 | 0.9984 |
| 7 | (iv) C & I Demand TOD On-Peak | 1.2486 | 1.2486 |
| 8 | (v) C & I Demand TOD Off-Peak | 0.8166 | 0.8166 |
| 9 | (vi) Outdoor Lighting | 0.7976 | 0.7976 |
| Class True Up Factors | | | |
| 10 | (i) Residential | (\$0.00293) | (\$0.00332) |
| 11 | (ii) C & I Non-Demand | (\$0.00297) | (\$0.00336) |
| 12 | (iii) C & I Demand Non-TOD | (\$0.00287) | (\$0.00326) |
| 13 | (iv) C & I Demand TOD On-Peak | (\$0.00360) | (\$0.00407) |
| 14 | (v) C & I Demand TOD Off-Peak | (\$0.00235) | (\$0.00267) |
| 15 | (vi) Outdoor Lighting | (\$0.00230) | (\$0.00260) |
| March 2020 and April 2020 Forecasted Fuel Cost Charges * | | | |
| 16 | (i) Residential | \$0.02801 | \$0.02919 |
| 17 | (ii) C & I Non-Demand | \$0.02836 | \$0.02956 |
| 18 | (iii) C & I Demand Non-TOD | \$0.02748 | \$0.02864 |
| 19 | (iv) C & I Demand TOD On-Peak | \$0.03436 | \$0.03579 |
| 20 | (v) C & I Demand TOD Off-Peak | \$0.02248 | \$0.02344 |
| 21 | (vi) Outdoor Lighting | \$0.02196 | \$0.02290 |
| Proposed March 2020 and April 2020 Forecasted Fuel Cost Charges with True Up | | | |
| 22 | (i) Residential | \$0.02508 | \$0.02587 |
| 23 | (ii) C & I Non-Demand | \$0.02539 | \$0.02620 |
| 24 | (iii) C & I Demand Non-TOD | \$0.02461 | \$0.02538 |
| 25 | (iv) C & I Demand TOD On-Peak | \$0.03076 | \$0.03172 |
| 26 | (v) C & I Demand TOD Off-Peak | \$0.02013 | \$0.02077 |
| 27 | (vi) Outdoor Lighting | \$0.01966 | \$0.02030 |

* Commission approved 2020 fuel cost charges under Docket No. E002/AA-19-293 dated November 14, 2019