

April 17, 2015

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, Minnesota 55101

RE: **Response Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E002/M-15-189

Dear Mr. Wolf:

This letter serves as the Response Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

Xcel Energy's Request for a One-Time Waiver of its Energy Rate Savings (ERS) Tariff.

On February 27, 2015, Northern States Power Company d/b/a Xcel Energy (Xcel or the Company) filed a Petition with the Minnesota Public Utilities Commission (Commission) requesting approval of a one-time waiver to the cancellation charges in the Company's Peak Controlled Services, Peak Controlled Time of Day Services and Energy Controlled Services tariffs.

Xcel seeks approval to begin the waiver process by June 1, 2015 to allow customers the opportunity to cancel their contract in whole, or in part, by reducing the amount of their controllable load, without incurring the cancellation charge through the end of 2015.

On March 30, 2015, the Department filed comments recommending that the Commission accept Xcel's Petition, pending the submission of additional information in Reply Comments. The Department requested that Xcel provide a more detailed discussion regarding its planned future proposals to its Peak Controlled Services tariff, and if the waiver is approved, recommended that the Commission require Xcel to file a compliance filing with the final results of the tariff waiver.

Xcel filed its Reply Comments on April 9, 2015. In response to the Department's request for additional information, the Company stated that it is premature to determine what future actions it may take regarding demand response programs. Xcel further stated that in addition to the opportunity to verify or adjust program participation levels, this waiver will provide additional information to review current resources and consider potential future program design enhancements. Finally, the Company stated that it does not intend to request additional tariff waivers for Peak Control Services, and any proposals for revised demand response programs will be addressed in future filings.

While Xcel was not able to provide more detail at this time, the Department appreciates the Company's response. The Department agrees with Xcel that any proposed revisions to demand response programs will be addressed in future filings and has no further concerns at this time.

Regarding the Department's recommended compliance filing if the waiver is approved, Xcel agreed to provide the information with some minor revisions. First, the Company requested the compliance timeline be extended from 60 days to 90 days. Xcel stated that since the Company completes its

Load Management Forecast in March/April each year, it would be much easier to provide the compliance data in 90 days rather than 60 days. The Department has no issues with extending the compliance deadline from 60 to 90 days.

Finally, if the waiver is approved, and the Commission requires Xcel to file a compliance filing, Xcel offered revisions to the Department's suggested compliance items two through five. Xcel stated that its revisions would isolate the impact of individual waiver adjustments in order to determine resulting changes in firm and controllable load. The Department agrees. The Department appreciates Xcel's efforts to ensure the quality of the information it would submit for this compliance filing and provides revised recommendations below.

The Department recommends that the Commission approve the one-time waiver of its ERS Tariff. Additionally, if Xcel's proposal is approved, the Department recommends that the Commission require that Xcel file a compliance filing with the final results of this tariff waiver within 90 days of the end of the waiver period (December 31, 2015). At a minimum, the Company should include the following:

- how many customers took advantage of the waiver;
- for customers that took advantage of the waiver, their annual and average monthly billed KW firm demand covered under the applicable or successor tariffs for years 2014, 2015, and estimated 2016;
- for customers that took advantage of the waiver, their annual and average monthly billed KW controllable demand covered under the applicable or successor tariffs for years 2014, 2015, and estimated 2016;
- the forecast MW of controllable demand for all customers covered under the applicable tariffs at the beginning of the waiver period (summer 2015);
- the forecast change in MW of controllable demand covered under the applicable tariffs following the waiver period (summer 2016) from customers that took advantage of the waiver;
- the final revenue impact of this tariff waiver; and
- a discussion on the overall results of this waiver and the Peak Controlled Services program reevaluation.

The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ ANGELA BYRNE  
Financial Analyst  
651-539-1820

AB/lt

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce  
Response Comments**

**Docket No. E002/M-15-189**

Dated this 20<sup>th</sup> day of April 2015

**/s/Sharon Ferguson**

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