

June 9, 2014

—VIA ELECTRONIC FILING—

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

RE: REPLY COMMENTS

RENEWAL OF VARIANCES TO THE FUEL CLAUSE ADJUSTMENT RULES

DOCKET NO. E002/M-14-364

Dear Dr. Haar:

Northern States Power Company, doing business as Xcel Energy has reviewed the May 30, 2014 Comments of the Department of Commerce – Division of Energy Resources (the "Department") in this proceeding and provides this brief Reply.

We appreciate the Department's thorough review of our Request to Renew Variances to the FCA and recommendation that the Minnesota Public Utilities Commission approve our FCA variances filing. We agree with the following requirements for our next forecasted FCA compliance report as recommended by Department:

- Continue to comply with all requirements of the July 16, 2008 Commission Order in Docket No. E002/M-08-451;
- Provide a comparison of the monthly and annual true-up methods in terms of their accuracy over the reporting period;
- Provide a comparison of the monthly and annual true-up methods in terms of impact on large interruptible customers over the reporting period;

As the Department indicated, the FCA design is among topics being examined by the stakeholders in Docket No. E999/AA-12-757. We agree any Commission action enacting a new or revised FCA mechanism would need to appropriately consider all aspects of the FCA operations.

Dr. Haar June 9, 2014 Page 2 of 2

Pursuant to Minn. Stat. § 216.17, subd. 3, we have electronically filed this document, and copies have been served on the parties on the attached service list.

Please contact Rebecca Eilers at <u>rebecca.d.eilers@xcelenergy.com</u> or 612-330-5570 or me at <u>paul.lehman@xcelenergy.com</u> or 612-330-7529 if you have any questions regarding this filing.

SINCERELY,

/s/

PAUL J. LEHMAN
MANAGER, COMPLIANCE AND FILINGS

c: Service List

CERTIFICATE OF SERVICE

I, Theresa Sarafolean, hereby	certify that I have this	day served copies	of the foregoing
document on the attached lis	t of persons.		

- <u>xx</u> by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota
- <u>xx</u> electronic filing

DOCKET No. E002/M-14-364

Dated this 9th day of June 2014

/s/

Theresa Sarafolean

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