

Minnesota Public Utilities Commission
Staff Briefing Papers

Meeting Date: December 4, 2014*Agenda Item #5

Company: Xcel Energy (Xcel)

Docket Nos. **E-002/M-14-814**

**In the Matter of a Petition by Xcel Energy for Approval of its RDF
Report, Tracker Account True-up, and 2015 Rate Rider Factor**

Issue: Should the Commission approve Xcel’s request for approval of its RDF report, tracker account true-up and 2015 rate rider factor?

Staff: Susan Mackenzie 651-201-2241

Relevant Documents

Xcel petition..... September 26, 2014
DOC comments.....October 27, 2014
Xcel reply commentsNovember 3, 2014

The attached materials are workpapers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

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Statement of the issue

Should the Commission approve Xcel's request for approval of its RDF report, tracker account true-up and 2015 rate rider factor?

Background

On September 26, 2014, Xcel filed a petition seeking approval of its RDF tracker account report as well as the level of the Company's 2015 RDF rate rider factor.¹ The 2015 RDF rate rider factor will apply to Minnesota retail customer usage beginning January 1, 2015.

On October 27, 2014, the DOC filed comments noting an error in the Company's calculation of the 2015 factor. The DOC proposed approval of a recalculated factor, unless the Company was able to explain the discrepancy between Xcel's proposed factor and the DOC's calculation. In addition, the DOC recommended that Xcel be required in its next RDF annual tracker report to provide additional information on its calculation of the administrative cost allocator.

On November 3, 2014, Xcel filed reply comments acknowledging an error and confirming the DOC recalculation of the factor.² Xcel also agreed to the other recommendations made by the DOC and listed below.

Staff discussion

The purpose of these briefing papers is simply to bring together and clarify for the Commission's convenience the decision options agreed to by the parties.

Decision options

1. Approve Xcel's 2015 RDF rate rider factor of \$0.000563 per kWh as recalculated by the DOC to be applied to bills beginning January 2015.
2. Require Xcel to file the revised tariff sheets and bill message containing the corrected factor within 30 days of the Commission's Order in this matter.
3. Require Xcel in its next RDF annual tracker report to provide: (1) the level of the administrative cost allocator to be used in determining Minnesota jurisdictional RDF expenses, and (2) a narrative and documentation in support of the proposed level for the administrative cost allocator.

Staff recommendation: Decision Options #1, #2 and #3.

¹ Xcel's RDF expenses are recovered through the RDF rate rider factor, which is part of the Company's Resource Adjustment charge on customer bills. The current rate rider factor is \$0.000750 per kWh.

² Xcel's error in calculating the rate rider for 2015 was to omit the refund associated with the AnAerobics project. The Company's refund plan did show the amount of \$811,518 subtracted from expenses Xcel would recover from its Minnesota ratepayers in setting the 2015 RDF rate. The refund plan was filed on January 28, 2014, in Docket No. 00-1583.