



March 31, 2020

VIA E-FILING

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

Re: In the Matter of the Petition of Northern States Power Company for Approval of a
Plan to Offer Generating Resources into the MISO Market on Seasonal Basis
Docket No. E002/M-19-809
Comments

Dear Mr. Seuffert:

Minnesota Power respectfully submits its comments in response to the Minnesota Public Utilities Commission's January 10, 2020 Notice of Comment Period regarding Xcel Energy's proposal to offer generating assets into the MISO Market on a seasonal basis.

Please contact me at (218) 355-3455 or hcreurer@allete.com if you have any questions regarding this compliance filing.

Yours truly,



Hillary A. Creurer
Regulatory Compliance Administrator

HAC:th
Attach.

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

In the Matter of the Petition of Northern States
Power Company for Approval of a Plan to Offer
Generating Resources into the MISO Market on
Seasonal Basis

Docket No. E002/M-19-809

**MINNESOTA POWER'S
COMMENTS**

I. INTRODUCTION

On January 10, 2020, the Minnesota Public Utilities Commission (“Commission”) issued a Notice of Comment Period regarding Xcel Energy’s (“Xcel”), proposal to offer generating assets into the Midcontinent Independent System Operator (“MISO”) Market on a seasonal basis.

II. COMMENTS

Minnesota Power (or the “Company”) offers the following comments on each of the Topics Open for Comment identified below.

A. Is Xcel’s plan to offer these generators on the MISO Market economic and in the public interest?

Minnesota Power does not have any comments on this topic.

B. How does Xcel’s plan relate to the self-commitment and self-scheduling of large baseload generation facilities investigation in Docket No. E999/CI-19-704?

Xcel’s request to operate certain generating assets within the MISO Market on a seasonal basis is a forward looking resource plan decision that does not relate to the historical analysis of the self-commitment and self-scheduling of large baseload generation facilities investigation (“Self-Commitment Investigation”). Minnesota Power believes the Self-Commitment Investigation is a tool to help understand and evaluate daily market operations for baseload generators rather than a platform to seek approval for resource operational changes.

C. Is Xcel’s request for preapproval to true-up 2020 fuel costs that differ from its initial 2020 fuel forecast as approved in Docket No. E002/AA-19-293 reasonable?

Based on the June 12, 2009 Order (“June Order”) in Docket No. E999/CI-03-802 regarding Fuel

Clause Adjustment (“FCA”) reform the Commission adopted a standard to address any significant events and the impact on forecasted rates. According to Order Point 3 in the June Order states,

“The Commission adopts a threshold of plus or minus 5 percent of all FCA costs and revenues to determine whether an event qualifies as a significant unforeseen impact that may justify an adjustment to the approved fuel rates. The Electric Utilities are permitted to implement revised rates following a 30-day notice period, subject to a full refund, if no party objects to the revised rates.”

In addition Order Point 4 in the June Order states,

“The Commission approves the use of a regulatory asset account to track under-recovered FCA funds and a regulatory liability account to track over-recovered FCA funds. Regulatory assets and liabilities shall be recorded in FERC account 182.3.”

Minnesota Power believes adjustments or true-ups to the approved fuel forecast should be handled in the related fuel forecast dockets, and the two Order Points above provide the avenue for possible adjustments and tracking of any over- or under-collection.

D. Are there other issues or concerns related to this matter?

This petition of seasonal offering submitted by Xcel should not set precedence for Minnesota Power or other utilities. Minnesota Power would request that all utilities be evaluated independently on any seasonal dispatch or baseload generation operational change.

Dated: March 31, 2020

Respectfully Submitted,



Hillary A. Creurer

*Regulatory Compliance Administrator
Minnesota Power
30 W. Superior Street
Duluth, MN 55802
(218) 355-3455
hcreurer@allete.com*

STATE OF MINNESOTA)
) ss
COUNTY OF ST. LOUIS)

AFFIDAVIT OF SERVICE VIA
ELECTRONIC FILING

Tiana Heger of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 31st day of March, 2020, she served Minnesota Power's Comments in **Docket No. E002/M-19-809** on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on E-Docket's Official Service List for this Docket were served as requested.



Tiana Heger