

May 1, 2015

Daniel P. Wolf
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. E,G002/M-15-194

Dear Mr. Wolf:

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

Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of a Modification to the Natural Gas State Energy Policy (SEP) Tariff Rate, 2015 Project Eligibility, 2015 SEP Adjustment Factor, and 2014 SEP Compliance Filing.

The Petition was filed on March 2, 2015 by:

Paul J. Lehman
Manager, Regulatory Compliance and Filings
Xcel Energy Service Inc.
414 Nicollet Mall – 7th Floor
Minneapolis, Minnesota 55401

The Department requests that Xcel provide additional information, and is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ JOHN KUNDERT
Financial Analyst

JK/lt
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET No. E,G002/M-15-194

BACKGROUND

In its April 6, 2004 *Order Approving State Policy Rate Rider, as Modified* in Docket No. E,G002/M-03-1544 (03-1544 Order), the Minnesota Public Utilities Commission (Commission) approved Northern States Power Company, d/b/a Xcel Energy's (Xcel Energy, Xcel, or the Company) State Energy Policy Rider (SEP Rider). The Commission also directed Xcel Energy to submit an annual filing by March 1 of each year detailing the following information:

- a) electric-related Reliability Administrator (RA) and State sustainable building guidelines (SBG) expenses, Xcel Energy-Prairie Island settlement expenses, and costs associated with the independent study of intermittent resources;
- b) revenues obtained from the approved electric SEP Rider adjustment;
- c) proposed revised electric SEP Rider rate, together with a listing and description of all assumptions used to calculate the proposed revised electric SEP Rider rate;
- d) natural gas related RA and SBG expenses;
- e) revenues obtained from the approved gas SEP Rider rate; and
- f) proposed revised gas SEP Rider rate, together with a listing and description of all assumptions used to calculate the proposed revised gas SEP Rider rate.

Since its 03-1544 Order, the Commission has issued determinations concerning the Company's SEP Rider in eleven separate proceedings.¹ Notable among those Orders is the

¹ The specific proceedings are:

- Docket No. E002/M-05-359;
- Docket No. E002/M-06-364;
- Docket No. E,G002/M-07-283;
- Docket No. E,G002/M-08-261;
- Docket No. E,G002/M-09-201;
- Docket No. E,G002/M-10-210;
- Docket No. E,G002/M-11-175;
- Docket No. E,G002/M-12-185;
- Docket No. E,G002/M-13-161;

order in Docket No. E,G002/M-08-261 dated November 25, 2008 in which the Commission allowed the Company to recover Greenhouse Gas Infrastructure costs through the natural gas SEP. Most recently, the Commission's June 3, 2014 Order in Docket No. E, G002/M-14-185 set Xcel Energy's Natural Gas SEP Rider adjustment factor to \$0.002238/therm. Further, the Commission's Order in that same docket discontinued the cast iron replacement project reporting, but required Xcel Energy to provide in its next SEP Rider filing:²

- a. A comparison by month for the past twelve months for which actual data is available of the actual electric and natural gas costs to the budgeted costs; and
- b. A discussion of reasons for deviations from budgeted amounts (both higher and lower).

Attachment A summarizes the information provided above.

On March 2, 2015, Xcel Energy filed its *Petition for Approval of a Modification to the Natural Gas SEP Tariff, 2015 Project Eligibility, 2015 SEP Rate Factor, and 2014 SEP Compliance Filing* (Petition) in the present docket to revise the Company's natural gas SEP Rider rates, with a proposed effective date of July 1, 2015. The Company's proposal would decrease the natural gas SEP Rider rate from \$0.002238 per therm to \$0.001898 per therm.

Xcel Energy proposed to continue to include the natural gas SEP Rider rate in a separate line item on customer bills entitled "Resource Adjustment."³ In addition, as discussed in Section II.C.6 below, Xcel Energy proposed to notify its customers of the updated Resource Adjustment with a message on customer bills.

II. DEPARTMENT ANALYSIS

A. COMPLIANCE WITH THE IMPLEMENTATION PROCESS APPROVED IN DOCKET NO. E,G002/M-03-1544

Xcel Energy is to submit a filing by each March 1 containing the actual and forecasted information needed to determine any true-up amount to be recovered from or returned to ratepayers as a result of the operation of the SEP Rider and information pertinent to establishing new electric and gas SEP Rider rates for the subsequent fiscal year, incorporating amounts anticipated to be incurred and including any true-up amounts from the operation of the SEP Rider during the current year.

The Department reviewed the Petition and concludes that Xcel Energy has submitted the information required by the implementation process approved in the 2003 proceeding.

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- Docket No. E,G002/M-13-959; and
 - Docket No. E, G002/M-14-185.

² The reporting requirements regarding actual vs. budgeted costs were first required in Docket No. E,G002/M-10-210.

³ The Resource Adjustment for natural gas customers is calculated as the sum of the Conservation Improvement Program and State Energy Program amounts.

B. COMPLIANCE WITH THE COMMISSION'S ORDER IN DOCKET NO. E,G002/M-14-185

Xcel Energy's Petition did provide the required comparison between actual and budgeted monthly costs.

C. REASONABLENESS OF THE PROPOSED NATURAL GAS SEP RIDER RATE

1. Energy-Related Mandates

Xcel Energy proposed to include costs associated with two legislative mandates:

- Reliability Administrator (RA), and
- Sustainable Building Guidelines (SBG).

The proposed budget includes RA and SBG costs of \$33,524 for 2015.

The Department recommends that the RA expenses not be included in the calculation of the proposed 2015 Natural Gas SEP rider rate. The rationale for this recommendation is that the legislative basis for the inclusion of those costs in the SEP rider is scheduled to lapse on June 30, 2015⁴. It is the Department's understanding that language that would extend the Department's authority to recover RA costs through the SEP is contained in proposed legislation currently before the Legislature. The 2015 Legislative session is scheduled to conclude on May 18, 2015. If that legislation becomes law and the Department's authority to assess those costs is extended, the SEP rate Xcel has included in its Petition would be correct. If the legislation is not passed, the Department will work with the Company to develop an estimate of the SBG-only costs that should be recovered through the SEP rider and develop rates based on those costs. The Department will also notify the Commission if its ability to recover RA-related costs is extended during the current legislative session and what the SEP rate for 2015-2016 should be in a subsequent set of response comments in this proceeding.

2. Cast Iron Replacement Project

In its November 25, 2008 *Order Accepting and Modifying Petition Regarding State Energy Policy Rider* in Docket No. E,G002/M-08-261 (November 25 Order), the Commission approved recovery of costs associated with Xcel Energy's replacement of the remaining cast iron gas pipe on the Company's system through the SEP Rider. Total revenue requirements for the Cast Iron Replacement Project are shown in Attachment D2 to Xcel Energy's Petition. As required by the November 25 Order, Xcel Energy included a corresponding operation and maintenance (O&M) credit for savings associated with the Cast Iron Replacement Project of \$72,310 for the 2015 SEP period. As required by the Commission's September 23 Order in Xcel Energy's 2010 SEP Rider filing,⁵ the Company's Attachment D3 details Xcel Energy's O&M credit, which reflects the outcome of the Company's last natural gas rate case (Docket No. G002/GR-09-1153).

⁴ See Minn. Stat §216B.62, subd. 3b.

⁵ Docket No. E,G002/M-10-210.

The Department concludes that method for calculating and the inclusion of the O&M credit for the Cast Iron Replacement Project in the natural gas SEP tracker account as proposed by Xcel are reasonable.

3. Carbon Offsets

In Xcel Energy's 2008 SEP Rider proceeding, the Commission required that the Company report, in all future SEP Rider filings, the sale of any carbon offset or credit for decreased greenhouse gas emissions associated with gas pipe replacement under the Project and credit the gas SEP tracker account with any proceeds received by the Company from the sale of each carbon offset or credit associated with the Project.

In its Petition, Xcel Energy stated that the Company has not sold any carbon offsets or credits for greenhouse gas emissions associated with natural gas cast iron pipe replacement under the SEP Rider to date; consequently, there are no carbon offsets and/or credits to report, or proceeds to credit to the SEP tracker account.

In Information Request No. 3 the Department asked the Company to provide an explanation of how the Company's carbon offset and greenhouse gas programs function.⁶ In addition, the Department asked the Company to identify:

- a) the current balance of carbon offset or greenhouse gas credits;
- b) the annual amount of carbon offsets or greenhouse gas credits the Company currently receives as a result of the Cast Iron Replacement program; and,
- c) the value of the current stock of carbon offsets or greenhouse gas credits the Company current had stockpiled.

Xcel explained in its response:

- a) NSPM does not have a "current balance" of carbon offsets or greenhouse gas credits registered on any external registry;
- b) We have reduced fugitive methane through cast iron replacement and other activities, but we have not received carbon offsets or greenhouse gas credits from those activities;
- c) We do not have a current stock of carbon offsets or greenhouse gas credits to which a value can be assigned, since this would require actually transacting those credits in a voluntary or regulatory carbon market where the carbon credit price would establish their value.

By way of explanation, at the time the Department forwarded this recommendation to the Commission (2008), the United States Congress was considering the possibility of implementing a carbon tax. The Department assumed that if the Congress implemented a carbon tax, the United States Environmental Protection Agency (EPA) would be tasked with implementing some sort of regulatory carbon market. By extension, one could assume that the EPA would award Xcel some level of carbon allowances or credits that would also have some nominal value if that proposed legislation had become law.

⁶ A copy of this information request and the Company's response is included as Attachment B.

The American Clean Energy and Security Act of 2009, the bill that included a carbon tax, did not become law. To the Department's knowledge, no other attempt has been made to implement a carbon tax since that effort.

As a result, the Department concludes that the Commission's requirements regarding carbon offsets are not consistent with the current regulatory reality. The simplest approach to removing this inconsistency would be for the Commission to rescind those reporting requirements. Another option would be for Xcel to register the project and the carbon reductions on an established carbon registry. The Department requests that Xcel discuss this option in its reply comments in this proceeding. The Department proposes that it review Xcel Energy's reply comments and provide subsequent response comments addressing whether the Commission's requirements on this issue, as established in the Company's 2008 SEP Rider proceeding, remain relevant.

As Xcel Energy noted in its previous SEP Rider filings, the Company began annual reporting to the U.S. Environmental Protection Agency (EPA) of greenhouse gas emissions for all types of natural gas pipe material in September 2012.⁷ Attachment H of Xcel Energy's Petition contains the summary of their EPA report.

4. Relationship to Rate Cases

Attachment F to Xcel Energy's Petition is the Bridge Schedule which shows that the Company did not include SEP revenues or expenses in its last natural gas rate case (Docket No. G002/GR-09-1153).

The Department confirmed Xcel Energy's assertion that the Company's proposed SEP rate factor includes only incremental costs not currently recovered elsewhere in rates.

5. Rate Calculation

Table 1 below summarizes Xcel Energy's calculation of its proposed natural gas SEP Rider rate assuming its RA costs are eligible for recovery through the SEP Rider.

⁷ 40 C.F.R. Part 98, Subparts A and W.

Table 1: Company Proposed Natural Gas SEP Rider Rate

	Approved 2014	Proposed 2015	\$ Change	% Change
RA/SBG Costs	\$20,621	\$33,524	\$12,903	62.6%
Cast Iron Pipe Costs	\$1,964,495	\$1,901,501	(\$62,994)	(3.21%)
Cast Iron O&M Credit ⁸	(\$72,310)	(\$72,310)	\$0	0%
Tracker True-up	\$114,973	(\$44,883)	(\$159,856)	(139%)
Total Costs	\$2,027,780	\$1,817,832	(\$210,190)	(10.4%)
Therm Sales Forecast	906,126,034	957,634,516	37,995,914	5.68%
Factor per therm	\$0.002238	\$0.001898	(.00034)	(15.2%)

As shown in Table 1, Xcel Energy proposed to decrease its natural gas SEP Rider rate by 15.2 percent.

During the course of the Department's review of the Company's rate calculation, the Department asked DOC Information Request No. 2⁹:

Beginning in July of 2014 and continuing through November 2014, why are your forecasts for monthly revenue so much higher than the actuals?

Xcel responded in part:

In early 2015, while in the process of implementing the new Gas Utility Infrastructure Cost (GUIC) Rider in the Company's billing system, we discovered that the natural gas SEP adjustment factor is applied to Interdepartmental Gas Sales through a manual billing process. The Interdepartmental Sales are included in the sales forecast to calculate the SEP adjustment factor; however, because of the manual nature of the billing process, the revenues collected under the SEP adjustment factor for Interdepartmental Sales have been inadvertently excluded from total actual revenues reported in the SEP tracker.

This inconsistency between what has been included in the forecast and the tracker accounts for approximately \$76,566 (44 percent) of the variance between forecasted natural gas revenues and actual natural gas revenues over the July to November 2014

⁸ Xcel Energy notes in footnote 2 of Attachment D3 of its Petition that the O&M credit approved for 2013 and beyond will not change going forward since all replacement work has been completed.

⁹ A copy of this information request and the Company's response is included as Attachment C.

time period. Generation Transportation costs (natural gas usages for our electric generation) account for the largest component of Interdepartmental Sales, and thus when omitted from actual revenues, Generation Transportation caused a larger variance for these months when compared to the forecasted revenue for those months.

Other factors contributing to the variance between forecasted and actuals during these months include that forecasted revenues are reported on a calendar month, whereas the actual revenues are reported on a billing month. In addition, Generation Transportation costs are subject to MISO-controlled dispatch of our natural gas-fired plants, and are therefore highly variable.

The Interdepartmental Sales discrepancy discussed above impacts all of our riders on a small level, though the discrepancy is exaggerated within the natural gas SEP tracker due to its inclusion of gas Generation Transport. We are currently in the process of quantifying the difference for the SEP Rider and all riders and will update the Department by the end of May.

This Department plans to provide additional comments once it has had an opportunity to review the information that Xcel has indicated that it would provide in this information request response. As noted earlier, the Department will also notify the Commission if its ability to recover RA-related costs is extended during the current legislative session.

6. Customer Notice

The Department notes that Xcel Energy proposed to include the following customer notice when the revised SEP rate takes effect:

We have updated the Resource Adjustment line item on your bill to reflect changes in the State Energy Policy (SEP) portion of the Resource Adjustment, which recovers the costs of State energy-related mandates and greenhouse gas emissions reductions. The natural gas SEP portion of the Resource Adjustment decreased to \$.001898 per therm.

Other than a correct adjustment factor, Xcel Energy's proposed customer notice is consistent with the notice approved by the Commission in the Company's previous SEP Rider proceedings. Therefore, the Department recommends that the Commission approve Xcel's proposed customer notice, with the understanding that it will reflect the final Commission-approved rate.

7. SEP Electric Tracker

The Commission's Order in Docket No. E,G002/M-13-959, issued December 11, 2013 reduced Xcel Energy's electric SEP Rider adjustment factor to \$0.000000, effective January 1, 2014, to facilitate the move of the electric SEP revenue requirement into base rates through the current rate case (Docket No. E002/GR-13-868). It has remained at that level since that date.

The Department had concerns as to the disposition of the electric SEP tracker balance during the development of these comments. In Department Information Request No. 1 the Department asked what the balance of that tracker was, now that no more revenue is being collected¹⁰. The Company responded that the balance as of March 1, 2015 was \$213,948 under-recovered. The Company explained that initially Xcel had proposed to recover this under-recovery as part of the process in Docket No. E002/GR-13-868. Due to the complexities associated with that proceeding, the Company decided not to pursue that proposal. Xcel's current thinking is that it will propose including this unrecovered tracker balance in its next electric rate case. The Department does not oppose this approach.

III. RECOMMENDATIONS

At this time, the Department doesn't have the information necessary to make a recommendation regarding the natural gas SEP rider rate at this time. Once Xcel has filed the additional information that it indicated, in its response to DOC information request No. 2, that it would provide, the Department will file additional comments that provide a recommendation.

The Department also requests that Xcel discuss its preferred approach for modifying the Commission's current reporting requirements regarding the tracking of carbon or greenhouse gas offsets in its Reply Comments. The Department requests that the Company develop an estimate of the costs related to voluntary registration of the offsets associated with the Cast Iron Replacement project.

The Department would also support a proposal to include the electric SEP tracker balance in the Company's next electric rate case if the Company elects to pursue this approach.

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¹⁰ A copy of this information request and the Company's response is included as Attachment D.

Attachment A -Reconciliation of Statutory or Commission Requirements for State Energy Policy Rider

Reference	Description	Status	Notes
Order in Docket No. E,G002/M-03-1544	Electric-related Reliability Administrator (RA) expenses	Costs for 2015-16 not included in current filing.	In Docket No. E002/M-13-959, Xcel proposed to recover these costs in base rates in current electric rate case.
Order in Docket No. E,G002/M-03-1544	Electric-related State sustainable building guidelines (SBG) expenses	Costs for 2015-16 not included in current filing.	In Docket No. E002/M-13-959, Xcel proposed to recover these costs in base rates in current electric rate case.
Order in Docket No. E,G002/M-03-1544	Xcel Energy-Prairie Island settlement expenses	Costs for 2015-16 not included in current filing.	In Docket No. E002/M-13-959, Xcel proposed to recover these costs in base rates in current electric rate case.
Order in Docket No. E,G002/M-03-1544	Costs related to independent study of electric intermittent resources	Study completed in 2006, costs are no longer relevant.	
Order in Docket No. E,G002/M-03-1544	Revenues obtained from SEP Electric Rider Adjustment	Electric SEP Rider rate set to \$0.000 per kWh in December 11, 2013 Order in Docket No. E002/M-13-959.	In Docket No. E002/M-13-959, Xcel proposed to discontinue recovery through the rider and to recover those costs through base rates in the most recent electric rate case.
Order in Docket No. E,G002/M-03-1544	Proposed revised electric SEP rider rate and supporting assumptions	Calculation for 2015-16 SEP Electric Rider rate not included in current filing.	Approach is consistent with Commission-approved rate in E002/M-13-959.
Order in Docket No. E,G002/M-03-1544	Natural gas-related RA expenses	Included in current filing.	
Order in Docket No. E,G002/M-03-1544	Natural gas-related SBG expenses	Included in current filing.	
Order in Docket No. E,G002/M-08-261, dated November 25, 2008)	Allowed for recovery of costs related to the replacement of cast-iron pipe which are classified as "greenhouse gas infrastructure costs" through natural gas SEP Rider.	Included in current filing.	
Order in Docket No. E,G002/M-14-185	Comparison of monthly variances for electric and natural gas costs	Included in current filing.	
Order in Docket No. E,G002/M-14-185	Discussion of the reasons for any variances from budgeted amounts	Included in current filing.	

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 Public Document

Xcel Energy

Docket No.: E,G002/M-15-194

Response To: Department of Commerce Information Request No. 3

Requestor: John Kundert

Date Received: March 18, 2015

Question:

Reference: Carbon Offset and Greenhouse Gas Credits

Please provide a narrative that explains how Xcel's carbon offset and greenhouse gas credit programs work.

- a. Please include the current balance of carbon offsets or greenhouse gas credits.
- b. Please identify the annual amount of carbon offsets or greenhouse gas credits that Xcel receives as a result of the Cast Iron Replacement program.
- c. Please identify the value of the current stock of carbon offsets or greenhouse gas credits.

Response:

NSPM does not have a carbon offset and greenhouse gas credit program. We do implement ongoing activities to reduce fugitive methane from our gas distribution operations. These activities include cast iron pipe replacement, bare steel and PVC pipe replacement, changing out high-bleed (greater than 6 cubic feet per hour) controllers from our distribution systems, best practices to reduce methane released when working on the distribution system, and an earlier program to conduct spot surveys of our large meter and regulator stations to detect methane leaks.

We report the results of these activities as a partner in the voluntary EPA Natural GasStar program. We also report our CO₂-equivalent emissions from the natural gas system annually to EPA under Subpart W of the EPA's greenhouse gas reporting program (see <http://www.epa.gov/ghgreporting/reporters/subpart/w.html>), including fugitive methane (CH₄) emissions, combustion emissions of CO₂, and very small N₂O emissions. We provide a copy of that report as Attachment H to our annual SEP Rider Petitions. The latest report shows total CO₂-equivalent emissions

of 48,393.8 metric tons, of which about 99 percent is methane from the distribution system.

However, neither Subpart W reporting to the EPA nor participation in the EPA's Natural GasStar program create carbon offsets or greenhouse gas credits. Registering and transacting such credits generally requires quantification according to an adopted protocol, third-party verification, and listing the project on an established carbon offset registry. We have not taken those steps, nor have we sold any carbon offsets or greenhouse gas credits derived from our fugitive methane reduction activities.

Therefore, in response to the specific questions noted in this data request:

- a. NSPM does not have a "current balance" of carbon offsets or greenhouse gas credits registered on any external registry.
- b. We have reduced fugitive methane through cast iron replacement and other activities, but we have not received carbon offsets or greenhouse gas credits from those activities.
- c. We do not have a "current stock" of carbon offsets or greenhouse gas credits to which a value can be assigned, since this would require actually transacting those credits in a voluntary or regulatory carbon market where the carbon credit price would establish their value.

NSPM has not to-date sold any carbon offsets or greenhouse gas credits derived from our fugitive methane reduction activities. We may consider such actions in the future, should evolving policy and regulatory frameworks make creating and/or transacting carbon offsets or greenhouse gas credits beneficial to our customers.

Preparer: Nicholas Martin
Title: Manager
Department: Environmental Policy
Telephone: (612) 330-6255
Date: April 1, 2015

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 Public Document

Xcel Energy

Docket No.: E,G002/M-15-194

Response To: Department of Commerce Information Request No. 2

Requestor: John Kundert

Date Received: March 18, 2015

Question:

Reference: Attachment C of petition

Beginning in July of 2014 and continuing through November 2014, why are your forecasts for monthly revenue so much higher than the actuals?

Response:

There are a variety of reasons that a forecast of monthly revenue may be different from the actual revenue collected under the gas SEP Rider. Inherent in the forecasting process is the need to make assumptions on the usage of natural gas. This includes weather conditions as well as customer usage patterns. In addition, since our natural gas usage forecasts also include gas for electric generation, variations in conditions within the MISO electric energy market will impact how frequently the Company's natural gas fired generation is utilized to serve electric load.

For the time period specified in this information request, there is no single item that fully explains the lower actual revenues compared to the forecast.

In early 2015, while in the process of implementing the new Gas Utility Infrastructure Cost (GUIC) Rider in the Company's billing system, we discovered that the natural gas SEP adjustment factor is applied to Interdepartmental Gas Sales through a manual billing process. The Interdepartmental Sales are included in the sales forecast to calculate the SEP adjustment factor; however, because of the manual nature of the billing process, the revenues collected under the SEP adjustment factor for Interdepartmental Sales have been inadvertently excluded from total actual revenues reported in the SEP tracker.

This inconsistency between what has been included in the forecast and the tracker accounts for approximately \$76,566 (44 percent) of the variance between forecasted natural gas revenues and actual natural gas revenues over the July to November 2014

time period. Generation Transportation costs (natural gas usages for our electric generation) account for the largest component of Interdepartmental Sales, and thus when omitted from actual revenues, Generation Transportation caused a larger variance for these months when compared to the forecasted revenue for those months.

Other factors contributing to the variance between forecasted and actuals during these months include that forecasted revenues are reported on a calendar month, whereas the actual revenues are reported on a billing month. In addition, Generation Transportation costs are subject to MISO-controlled dispatch of our natural gas-fired plants, and are therefore highly variable.

The Interdepartmental Sales discrepancy discussed above impacts all of our riders on a small level, though the discrepancy is exaggerated within the natural gas SEP tracker due to its inclusion of gas Generation Transport. We are currently in the process of quantifying the difference for the SEP Rider and all riders and will update the Department by the end of May.

Preparer:	Jim Schroeder	Tom Kramer
Title:	Accounting/Financial Consultant	Principal Rate Analyst
Department:	NSP Utility Accounting	Revenue Requirements North
Telephone:	612-330-6208	612-330-5866
Date:	April 29, 2015	

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Xcel Energy

Docket No.: E,G002/M-15-194

Response To: Department of Commerce Information Request No. 1

Requestor: John Kundert

Date Received: March 18, 2015

Question:

What was the balance of the SEP Electric Tracker as of March 1, 2015?

Response:

The balance of the Electric SEP Tracker as of March 1, 2015 was \$213,948. The current balance has changed only slightly since we last reported the Electric SEP Tracker balance in Attachment B1 of our initial Petition in Docket No. E,G002/M-14-185. As reflected in Attachment B1, the Electric SEP Tracker balance on December 31, 2013 was \$226,858. On January 1, 2014, the SEP Electric rate was set to \$0.00. The slight difference between the December 31, 2013 balance and the March 1, 2015 balance is due to cancel-rebills that have occurred in the intervening months.

Preparer: Tom Kramer

Title: Principal Rate Analyst

Department: Revenue Requirements North

Telephone: 612-330-5866

Date: April 1, 2015

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
Comments**

Docket No. E,G002/M-15-194

Dated this 1st day of May 2015

/s/Sharon Ferguson

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