



414 Nicollet Mall
Minneapolis, MN 55401

April 9, 2015

—Via Electronic Filing—

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: REPLY COMMENTS
XCEL ENERGY ENERGY RATE SAVINGS (ERS) TARIFF WAIVER
DOCKET NO. E002/M-15-189

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits the attached Reply to the March 30, 2015 Comments of the Department of Commerce, Division of Energy Resources.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact Jessica Peterson at jessica.k.peterson@xcelenergy.com or 612-330-6850 if you have any questions regarding this filing.

Sincerely,

/s/

PAUL J LEHMAN
MANAGER, REGULATORY COMPLIANCE AND FILINGS

Enclosures
c: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF THE PETITION OF
NORTHERN STATES POWER COMPANY
FOR APPROVAL OF A ONE-TIME
CANCELLATION CHARGE WAIVER OF THE
COMPANY TARIFF REQUIREMENTS FOR
PEAK CONTROLLED SERVICES

DOCKET No. E002/M-15-189

REPLY COMMENTS

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Reply to the March 30, 2015 Comments of the Minnesota Department of Commerce – Division of Energy Resources on our February 27, 2015 Petition in the above-referenced Docket.

We appreciate the Department's recommendation that the Commission accept our Petition pending the submission of additional information in Reply Comments. We provide our Reply to the Department's recommendation below.

REPLY

A. Planned Future Proposals

The Department recommended that we provide a more detailed discussion regarding our planned future proposals. Specifically, but not limited to, what Midcontinent Independent System Operator (MISO) requirements Xcel Energy plans to align with, and whether future program design changes would result in additional requests for tariff waivers.

At this time, it is premature to determine what future actions the Company may take regarding demand response programs. The requested waiver will permit the Company and customers the opportunity to verify or adjust program participation

levels in a timely manner in order to right-size the amount of controllable load registered as emergency resources within MISO. Not only will this one-time waiver lead to more accurate current information, but we expect to obtain the additional details needed to begin further review of the portfolio of resources we offer and consider potential future program design enhancements.

The Company must follow MISO requirements as outlined in the MISO Tariff and the associated Resource Adequacy Business Practice Manual. The manual details all requirements for registration of demand response resources for emergency purposes. We will continue to comply with these requirements as well as adjust to MISO business practice changes as they may occur.

We do not intend to request for additional tariff waivers for Peak Control Services. Any additional proposals for revised demand response programs will be addressed following further development and through future formal tariff modifications.

B. Compliance Filing

If our proposal is approved, the Department recommends that the Commission require us to file a compliance filing with the final results of this tariff waiver within 60 days of the end of the waiver period (December 31, 2015), including at a minimum:

- 1. how many customers took advantage of the waiver;*
- 2. how many megawatts (MW) of firm demand were covered under the applicable tariffs at the beginning of the waiver period (June 1, 2015);*
- 3. how many MW of controllable demand were covered under the applicable tariffs at the beginning of the waiver period (June 1, 2015);*
- 4. how many MW of firm demand were covered under the applicable tariffs at the end of the waiver period (December 31, 2015);*
- 5. how many MW of controllable demand were covered under the applicable tariffs at the end of the waiver period (December 31, 2015);*
- 6. the final revenue impact of this tariff waiver; and*
- 7. a discussion on the overall results of this waiver and the Peak Controlled Service program reevaluation.*

The Company is pleased to provide the type of information noted by the Department; however, we recommend a timing adjustment and some minor revisions on the above items. Xcel Energy completes an ongoing analysis of future control seasons through our Load Management Forecast in the March/April timeframe. Until this detail is completed, comparisons between 2015 load projections and 2016 load projections will be difficult to obtain. Therefore, the Company respectfully

requests the timeline for submitting final results be extended from 60 days to 90 days after the end of the waiver period (December 31, 2015).

In addition, if Xcel Energy's proposal is approved, we request that some components of the compliance filing be adjusted to isolate the impact of individual waiver adjustments in order to determine resulting changes in firm and controllable loads. This additional focus will provide the billing quantity and charge impacts in isolation as well as the corresponding influence on overall demand response load availability. As such, we would like to adjust compliance points 2-5 to reflect this focus. Suggested wording for this adjustment is noted below.

2. 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;
3. 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;
4. the forecast MW of controllable demand for all customers covered under the applicable tariffs at the beginning of the waiver period (summer 2015);
5. 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;

We will work with the Department to ensure they are provided the information needed for their review of the results of this waiver. With the adjustments discussed above, we will submit a compliance filing on or before April 1, 2016.

CONCLUSION

We appreciate the Department's review of our Petition. We respectfully request that the Commission approve our Petition with the additional information submitted in this Reply.

Dated: April 9, 2015

Northern States Power Company

CERTIFICATE OF SERVICE

I, Tiffany Hughes, hereby certify that I have this day served copies or summaries of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

Docket No. E002/M-15-189

Dated this 9th day of April 2015

/s/

Tiffany Hughes
Records Analyst

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