



414 Nicollet Mall
Minneapolis, Minnesota 55401

**PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED**

January 4, 2013

—Via Electronic Filing—

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

RE: PETITION-SUPPLEMENT
CHANGES IN CONTRACT DEMAND ENTITLEMENTS
DOCKET NO. G002/M-12-862

Dear Dr. Haar:

Enclosed is a Supplement to the Petition we submitted on August 1, 2012 for approval of changes in Contract Demand Entitlements of Northern States Power Company, doing business as Xcel Energy, pursuant to Minn. Rule 7825.2910, Subd. 2.

We are submitting this new schedule as a result of an informal request from the Minnesota Department of Commerce, Energy Regulation and Planning Section. The schedule details the cost changes between the 2011 and 2012 Contract Demand filings. Furthermore, the schedule ascribes those cost changes to services for Minnesota or North Dakota or apportions the costs to upstream/system supply serving the entire system. Consequently, the schedule illustrates that the cost changes incurred this year primarily benefit the entire system rather than just one jurisdiction.

A portion of this schedule contains trade secret information as defined under Minn. Stat. § 13.37. As such, this data is protected from public disclosure and has been marked accordingly. Xcel Energy makes extensive efforts to maintain the secrecy of this information. This information is not available outside the Company except to other parties involved in contracts and to regulatory agencies under the confidentiality provisions of state or federal law, as evidenced by the non-disclosure provisions in the contracts. Xcel Energy also provides this information to state regulatory agencies in the Annual Automatic Adjustment of Charges Reports and in the monthly purchased gas adjustment (PGA) filings in the confidential trade secret versions of these reports.

The supply information has economic value to Xcel Energy, its customers, suppliers, and competitors in at least three ways. If suppliers know the terms of Xcel Energy's

supply and transportation contracts, they may be able to use this knowledge to fashion bids to Xcel Energy. Suppliers will be reluctant to offer special favorable terms to Xcel Energy if they know other competitors or customers will gain knowledge of the terms and demand similar terms in the future. Competitors of Xcel Energy such as other LDCs also purchase their services. These competitors may be able to leverage knowledge of Xcel Energy's costs to gain similar terms or may offer slightly better prices to suppliers, denying Xcel Energy's access to this gas or other services.

Any of these results would harm Xcel Energy and its natural gas customers. Because Xcel Energy competes for supplies, transportation, storage, and other services in the wholesale market, disclosure would directly harm Xcel Energy by making its delivered supply cost less competitive. To the extent that Xcel Energy supply costs rise, Xcel Energy's regulated sales customers would have to pay higher natural gas rates. This result would not serve the public interest.

We have electronically filed this document with the Commission, and copies have been served on the parties on the attached service lists.

Please contact me at (612) 330-7529 or paul.lehman@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

PAUL J LEHMAN
MANAGER, REGULATORY COMPLIANCE AND FILINGS

Enclosure
c: Service Lists

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**Comparison of Cost Changes from the 2011 to the 2012 Contract Demand Entitlement Filings
Supplement to Petition for Changes in Contract Demand Entitlements, Docket No. G002/M-12-862**

Docket No. G002/M-12-862
Attachment 1

<u>Contract Demand Entitlement Changes</u>	<u>Volume</u>	<u>Rate</u>	<u>Months</u>	2011	Annual Cost	Winter Cost	Total Cost	Minnesota	North Dakota	Upstream/System	<u>Footnote</u>
					\$29,202,065.20	\$27,276,383.14	\$56,478,448.34	<u>Deliverable</u>	<u>Deliverable</u>	<u>Supply</u>	
NNG TFX (Nov-Mar)	4,603	\$ 15.1530	5	\$ 348,746.30		\$ 348,746.30	\$ 348,746.30	\$ 348,746.30			1
NNG TFX (Nov-Mar)	(4,359)	\$ 15.1530	5	\$ (330,259.64)		\$ (330,259.64)	\$ (330,259.64)	\$ (330,259.64)			1
NNG TFX (Apr-Oct)	4,603	\$ 5.6830	7	\$ 183,111.94	\$ 183,111.94		\$ 183,111.94	\$ 183,111.94			1
NNG TFX (Apr-Oct)	(4,359)	\$ 5.6830	7	\$ (173,405.38)	\$ (173,405.38)		\$ (173,405.38)	\$ (173,405.38)			1
VGTF-A (Dec-Feb)	14,287	\$ 4.8871	3	\$ 209,465.99		\$ 209,465.99	\$ 209,465.99		\$ 37,254.73	\$ 172,211.27	2
GLGT FT (Nov - Mar)	15,266	\$ 3.6240	5	\$ 276,619.92		\$ 276,619.92	\$ 276,619.92	\$ 276,619.92			3
ANR FTS (Jan - Dec)	9,000	\$ 5.3660	12	\$ 579,528.00	\$ 579,528.00		\$ 579,528.00			\$ 579,528.00	4
ANR FTS (Jan - Dec)	(19)	\$ 4.1700	7	\$ (898.59)		\$ (898.59)	\$ (898.59)	\$ (898.59)			5
ANR FSS (Jan - Dec)	(87)	\$ 2.0400	12	\$ (2,129.76)		\$ (2,129.76)	\$ (2,129.76)	\$ (2,129.76)			5
ANR FSS (Jan - Dec)	(450)	\$ 0.4000	12	\$ (2,157.60)		\$ (2,157.60)	\$ (2,157.60)	\$ (2,157.60)			5
Capacity Release				\$ 95,421.04	\$ 95,421.04		\$ 95,421.04	\$ 95,421.04			6
Miscellaneous Rate Changes				\$ 50,606.13	\$ 30,710.28	\$ 19,895.85	\$ 50,606.13	\$ 50,606.13			7
NNG Seasonal Split Contract #112185				\$ -	\$ (268,680.00)	\$ 268,680.00	\$ -	\$ -			8
Total				\$ 1,234,648.36	\$ 446,685.88	\$ 787,962.47	\$ 1,234,648.36	\$ 304,813.14	\$ 37,254.73	\$ 892,580.49	

Supplier Entitlement Changes

[TRADE SECRET BEGINS]

VGJ - J Aron	(10,000)										9
GLT - J Aron	(7,649)										10
GLT - Macquarie	(7,648)										11
VGJ - United Energy	(15,000)										12
Total											
				\$ 641,021.30	\$ 446,685.88	\$ 194,335.41	\$ 641,021.30	\$ 179,836.08	\$ 37,254.73	\$ 423,930.49	

TRADE SECRET ENDS]

2012 Annual Cost Winter Cost Total Cost
\$29,648,751.08 \$27,470,718.55 \$57,119,469.64

Percentage of System Resources: 28% 6% 66% 13

Footnote

- Firm transport capacity serving Brainerd, MN starting November 1, 2012.
- Incremental Viking backhaul capacity starting December 1, 2012. **[TRADE SECRET DATA BEGINS]** 2,541 Dth/day or 17% of 14,287 Dth/day is allocated to ND, although this capacity may be used to serve any demand on the system. 2,541 Dth/day is the increased in ND design day. (2,541 Dth/day * \$4.8871 * 3 = 37,254.73). **TRADE SECRET DATA ENDS]**
- Backhaul capacity on Great Lakes upstream of Northern. Used to transport ANR Storage withdrawals to Carlton, MN for eventual delivery off Northern.
- Incremental capacity on ANR upstream of Viking. Used to transport Chicago gas purchases to Marshfield, WI, the interconnect between ANR and Viking. Gas purchases may serve MN or ND.
- Volume reductions on ANR transport agreement. Upstream capacity serves demand in either MN or ND.
- Capacity release 2011 revenue included in Attachment 2, Schedule 2, Page 2 of 2 in Docket No. G002/M-11-1076. Included here to provide an equivalent comparison between 2011 and 2012 costs. Upstream capacity serves both MN and ND.
- Miscellaneous demand rate changes on ANR contracts. These rate changes did not impact transport capacity volumes.
- Northern contract #112185 discount capacity serving Lake Elmo TBS's was split between summer and winter so fuel trigger adder would not raise summer rates above maximum rates in Northern's tariff.
- Expired J-Aron supply entitlement on Viking. Could serve any delivery point on Viking in MN or ND.
- Expired J-Aron supply displacement on Great Lakes that traded gas supplies at Carlton, MN for ANR Storage withdrawals in MI.
- Expired Macquarie supply displacement on Great Lakes that traded gas supplies at Carlton, MN for ANR Storage withdrawals in MI.
- Expired United Energy supply entitlement. Could serve any delivery point on Viking in MN or ND.
- Upstream/system supply refers to costs that are incurred to serve all customers on the system across MN and ND. For purposes of this schedule, it is reasonable to split these costs between MN and ND using the overall system jurisdictional factors.

CERTIFICATE OF SERVICE

I, SaGonna Thompson, hereby certify that I have this day served copies 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. G002/M-12-862

Dated this 4th day of January 2013

/s/

SaGonna Thompson
Records Analyst

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Tamie A.	Aberle	tamie.aberle@mdu.com	Great Plains Natural Gas Co.	400 North Fourth Street Bismarck, ND 585014092	Paper Service	No	OFF_SL_12-862_12-862
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_12-862_12-862
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