



414 Nicollet Mall
Minneapolis, MN 55401

June 25, 2020

—Via Electronic Filing—

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

RE: REPLY COMMENTS
ONE-TIME WAIVER TO THE COMPANY TARIFF REQUIREMENTS FOR PEAK
CONTROLLED SERVICES
DOCKET NO. E002/M-20-503

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission these Reply Comments in response to the Comments received by the Department of Commerce on June 11, 2020 in response to our Petition for a one-time waiver to our Peak Controlled Service Tariffs.

We appreciate the Comments of the Minnesota Department of Commerce (Department) recommendation of approval of our Petition. The one-time request would allow customers to: (1) Adjust their Predetermined Demand Level for firm service without being subject to the mandatory charges required by the tariffed Agreement; (2) Change their Predetermined Demand Level without the requirement of maintaining a minimum Controllable Demand of 50 kW as required by tariff; or (3) Transfer to our new load management program, Peak Partner Rewards, without the required notice or cancellation charge contemplated by the tariffed Agreement. If approved, the waiver would be in effect from the date of the Commission's approval until December 31, 2020.

The Department recommends the Company submit revised tariff pages describing the waiver requirements and specifying the termination date for the waiver as a

compliance filing. The temporary waivers would apply to existing customers and include the tariff and contractual language revisions identified in Table 1 below.

Table 1: Revisions for Temporary Waivers

| Requested Waiver # | Tariff/Electric Service Agreement | Section | Language to be Waived through December 31, 2020 |
|--------------------|---|--|--|
| 1 | Electric Service Agreement (ESA) for Peak Controlled Services | Section 7, 2 nd Revised Sheet No. 7 | If the revision of the PDL occurs AFTER THE TRIAL PERIOD, the [Customer pays the demand charge differential] for the most recent months up to but not to exceed 18. In this case, however, the Customer is responsible for the greater of the following: (a) the amount determined by multiplying the demand charge differential by the PDL increase, as described above, or (b) the total amount of any penalties paid/owed for failure to control load to the previous PDL. |
| 2 | Peak Controlled Rate Tariffs | Section 5, 22 nd Revised Sheet 40, 7 th Revised Sheet No. 48, 13 th Revised Sheet No. 115 | Availability is restricted to customers with a minimum Controllable demand of 50 kW. |
| 3 | Peak Controlled Rate Tariffs & ESA for Peak Controlled Services | Section 7, 2 nd Revised Section 8 | Customer will pay a cancellation charge after the twelve month trial period if Customer terminates this Agreement and elects to receive service from NSP on a non-interruptible basis or this Agreement is terminated as a result of any default of Customer....The cancellation charge will be the difference between the billing amounts described above, for the most recent 18 months for Tier 2 or 36 months for Tier 1 of Peak Controlled Service or Peak Controlled Time of Day Service. Customer will not receive a refund for any additional charges which were assessed during this 18 or 36 month period due to Customer failure to control load. |

| | | | |
|--|--|---|---|
| | | Section 5, 6 th Revised Sheet 49 | Customer must execute an Electric Service Agreement with Company which will include: Peak Controlled Service - Tier 1 a. A minimum initial 10 year term of service which includes a one year trial period and a three year cancellation notice effective after the initial term of service, . . . d. Cancellation charge terms Peak Controlled Service - Tier 2 a. A minimum initial five-year term of service which includes a one-year trial period and a six-month cancellation notice effective after the initial term of service, . . . d. Cancellation charge terms |
| | | Section 5, 13 th Revised Sheet 115 | . . . Company reserves the right to . . . remove customer from Tier 1 Energy Controlled Service Rider and apply the cancellation charge specified in customer's Electric Service Agreement. |

We are willing to submit revised tariff pages describing the waiver requirements and specifying the termination date for the waiver if the Commission directs. However, we prefer not to have temporary tariff changes because it could result in customer confusion. In 2015, the Company requested, and the Commission granted, a similar short-term waiver for Peak-Controlled Services to cancel or reduce controllable loads (Docket No. E002/M-15-189). The Commission approved this short-term waiver without the requirement of revised tariff language and thus eliminated this potential confusion.

In addition, the tariff waivers we have proposed here will be applicable to existing customers for less than six months. Since new customers would not qualify for the waivers, we are concerned that revised tariff sheets describing the waiver might have the unintended consequence of confusing new customers, for example, leading them to believe that if they join these programs while the waiver is in effect, the agreement they reached with the Company has different terms than those contemplated by the currently effective tariffs.

In their Comments, the Department requested the Company explain why Peak Partner Rewards is not included in its tariff, and the criteria we use to determine when programs are tariffed. Generally, customer programs that provide energy conservation and provide customers with a performance incentive or rebate are approved by the Department as part of our Conservation Improvement Program (CIP). Rebates and administration of the programs is then funded by the CIP

Adjustment Rider under the conditions set in Minn. Stat. §216B.241 and approved by the Commission. Peak Partner Rewards, like our other CIP programs, are not part of the Company's tariff.

In this instance, we filed this waiver request because the Peak-Controlled Services program and the accompanying Energy Services Agreement are tariffed. Peak-Controlled Services includes both rate discounts and energy conservation benefits. Even though Peak-Controlled Services qualifies under CIP for recovery of administrative expenses, it is part of our tariff because of the rate discounts offered to prospective customers. By contrast, the new Peak Partner Rewards program has performance incentives (as opposed to rate discounts) and energy conservation benefits. Peak Partner Rewards has been approved by the Department as a CIP program and is fully eligible for cost recovery as part of the Company's CIP Adjustment Rider.

While the CIP Adjustment Rider is approved by the Commission, most CIP funded programs—especially those that provide performance incentives, like Peak Partner Rewards or rebates for replacing inefficient appliances—are not included in our tariff. As the Peak Partner Reward program grows, it is possible that the Company may turn it into a tariffed offering if a disproportionate amount of rider recovery falls to load management versus conservation opportunities or if the Company otherwise determines that it is reasonable to structure the program more similarly to the Peak-Controlled Services program.

We again thank the Department for their recommended approval of proposed temporary waivers to allow customers to manage their program participation for unanticipated impacts of the ongoing pandemic.

Pursuant to Minn. Stat. § 21617, subd. 3, 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 (612) 330-6850 or jessica.k.peterson@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

SHAWN WHITE

MANAGER, DSM & RENEWABLE REGULATORY STRATEGY AND PLANNING

c: Service List

CERTIFICATE OF SERVICE

I, Paget Pengelly, 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; or

xx by electronic filing.

Docket No.: E002/M-20-503

Dated this 25th day of June 2020.

/s/

Paget Pengelly
Regulatory Administrator

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