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November 21, 2014

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VIA E-FILING

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

Re: In the Matter of a Request for Approval of the Asset Purchase & Sale Agreement
Between Interstate Power and Light Company and Southern Minnesota Energy
Cooperative
**MPUC Docket Nos. E-001, E-115, E-140, E-105, E-139, E-124, E-126, E-145,
E-132, E-114, E-6521, E-142, E-135/PA-14-322**
Our File No. 2021-14

Dear Dr. Haar:

Attached for filing in the above-referenced docket, please find the Minnesota Chamber of Commerce's Information Request Nos. 43 - 58. Also attached is the Chamber's Certificate of Service.

We recognize there is a holiday over this request period. If additional response time is needed for any of the responses, please feel free to contact me.

Sincerely,

/e/ Richard J. Savelkoul
Richard J. Savelkoul

RJS:wsl

cc: Service List
Larry Schedin (via email)
Kavita Maini (via email)

CERTIFICATE OF SERVICE

I, Wendy S. Latuff, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

**Minnesota Chamber of Commerce
INFORMATION REQUEST NOS. 47 - 60**

MPUC Docket Nos. E-001, E-115, E-140, E-105, E-139, E-124, E-126, E-145,
E-132, E-114, E-6521, E-142, E-135/PA-14-322

Dated this 21st day of November, 2014

/s/ Wendy S. Latuff

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Minnesota Chamber of Commerce
Information Request

Attn: Benjamin L. Gerber
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&

Richard J. Savelkoul
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444 Cedar St., Suite 2050
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Docket Number:

E-001, E-115, E-140, E-105, E-139, E-124, E-126, E-145, E-132, E-114, E-6521, E-142, E-135/PA-14-322

Date of Request: November 21, 2014

Response Due: December 5, 2014

In the Matter of a Request for Approval of the Asset Purchase and Sale Agreement Between Interstate Power and Light Company and Southern Minnesota Energy Cooperative

Requested From: Interstate Power & Light and SMEC members

Analyst Requesting Information: Kavita Maini

If you feel your responses are trade secret or privileged, please indicate this on your response.

Request No. 43.

Please provide analysis done on fair market value of IPL retained generation assets compared to current book value of those same assets.

Request No. 44.

Please provide amortization on SMEC's financing or individual member financing, how and when financing will be paid back and impact on rates when this occurs.

Request No. 45.

Please provide a simulation of the following for a 3 MW customer with a 80% load factor on the LPL, LPL time of use and LPL interruptible (assume 100% interruptible) please provide the rate impacts for the next five years under SMEC's arrangement. Please provide workpapers with your response. Please provide in Excel spreadsheet format with formulae intact.

1. Annual costs using current rate
2. Projected costs for each of the following five years

Request No. 46.

The Chamber is unclear on how the bill will be comprised after closing in light of the understanding that SMEC will simply pay the IPL existing wholesale rates and that current

customers will continue to get allocated the same way they have in the past (same energy allocation, same interruptible rates, same time of day rates, etc.). Please provide:

1. Correction, if necessary to the above understanding;
2. Please Explain of how increases in the wholesale rates will be handled;
3. An example of what an industrial time of day rate invoice will look;

Request No. 47.

Please provide a copy of all responses, including trade secret responses, to information requests in this proceeding.

Request No. 48.

Will IPL recover the full costs of whispering willows using its RES 5 wholesale rate instead of using the amount that was approved by the MN Commission? Please explain. If so, please provide the impact on rates comparing what the rates would be assuming MN Commission approved costs for Whispering Willows as opposed to the full costs.

Request No. 49.

Will IPL recover the full costs of Duane Arnold PPA using its RES 5 wholesale rate instead of using the amount that was approved by the MN Commission? Please explain. If so, please provide the impact on rates comparing what the rates would be assuming MN Commission approved costs for Duane Arnold as opposed to the full costs.

Request No. 50.

Please provide a comparison of how asset based and non-asset based margins are being treated at present v. the treatment in the RES – 5 rate.

Request No. 51.

Please explain how current and future production tax credits will flow to customers?

Request No. 52.

Please explain how current and future renewable energy credits will flow to customers and explain the status of IPL's compliance with MN's RES standard? Please provide the relevant data by year.

Request No. 53.

Regarding the comparison of the forecasted revenue requirements in Attachment I to the original application, please fill the table in the below spreadsheet and provide a separate table for each year 2015-2019;

| 2015 | Regarding Attachment I, systemwide comparison IPL Revenue Requirements Forecast | | 2015 | SMEC Revenue Requirements Forecast | |
|------|--|--------|------|------------------------------------|--------|
| | \$ Millions | \$/MWh | | \$ Millions | \$/MWh |
| a | Transmission | | | | |
| b | Distribution | | | | |
| | 1 Capital | | | | |
| | 2 O&M | | | | |
| c | Generation | | | | |
| | 1 Capital | | | | |
| | 2 O&M | | | | |
| | 3 Fuel | | | | |
| | Total | | | | |

Request No. 54.

Please provide IPL's transaction costs associated with this transaction?

Request No. 55.

The response to DOC 17 showed simulations of RES 5 rate for 2014-2017 – Using the MWhs by year in that response (Excel attachments 17A, 17B, 17C, we calculated the \$/MWh production cost as shown below. It was our understanding based on Attachment H that the calculated PCA for 2014 was \$71.10/MWh of which \$13.10 is transmission and \$58/MWh is Production – Please reconcile this with the 2014 number below of \$47.36/MWh. Please also reconcile the 2015 increase identified in the application of \$0.00632/kWh with \$0.00565/kWh below.

| DOC 17 | 2014 | 2015 | 2016 |
|-----------------|---------|---------|---------|
| Production | | | |
| Demand (\$/MWh) | \$22.45 | \$23.19 | \$24.03 |
| Energy (\$/MWh) | \$24.91 | \$29.82 | \$31.97 |
| Total | \$47.36 | \$53.01 | \$56.00 |
| change | | \$5.65 | \$2.98 |

Request No. 56.

In response to DOC-12 and DOC-18, the following information about projected production related revenue requirements. Please explain why IPL's and SMEC's production related revenue requirements are not the same since IPL is passing through these costs.

| | IPL Forecasted Gen Costs - Attachments to DOC IR 12 (\$ Millions) | Change | SMEC Purchased Power - Response to DOC IR 18 |
|------|---|--------|--|
| 2014 | \$41.70 | | |
| 2015 | \$46.60 | \$4.90 | \$0.20 |
| 2016 | \$48.20 | \$1.60 | \$2.30 |
| 2017 | \$52.50 | \$4.30 | \$2.80 |

Request No. 57.

Regarding the table below (from page 37 of the Application), SMEC's proposed increase appears to be \$4.4 million (\$81.4 million - \$77 million in 2013) or a 5.7% increase. Please reconcile this with the number in the application which shows a rate increase of 7% or \$6.32/MWh (from page 24). Using the 2015 MWhs of 842,000 MWhs, the revenue requirement would be \$5.3 million (\$6.32*842,000 MWhs). Please explain this difference and provide the quantitative justification with your response.

Comparison of Projected Revenue Increases--Total System
(\$ Millions)

| Description | 2013 | 2014 | 2015 | 2016 | 2017 |
|----------------------------|----------|-----------|---------|-----------|-------|
| Base = 2013 Customer Cost | \$ 77.00 | | | | |
| | | Rate Case | | Rate Case | |
| IPL Rates | \$ 80.5 | \$ 88.2 | \$ 92.4 | \$ 100.2 | |
| % Change from Prior Year | | 4.5% | 9.6% | 4.8% | 8.5% |
| SMEC proposal | | \$ 81.4 | \$ 85.1 | \$ 89.5 | |
| % Change | | 5.7% | 4.5% | 5.2% | |
| Annual Benefit (Detriment) | \$ 3.5 | \$ 6.8 | \$ 7.3 | \$ 10.7 | |
| % Benefit | | 4.5% | 8.8% | 9.5% | 13.9% |
| Cumulative Benefit | \$ 3.5 | \$ 10.3 | \$ 17.6 | \$ 28.3 | |

Request No. 58.

It is our understanding that the proposed approach to recover RES 5 wholesale power and transmission rate costs is as follows:

1. For the first three years, the current rates tariffs will be adopted by SMEC members and applied to former IPL ratepayers; any increases the PCA (both RES 5 and transmission) will be a flat \$/MWh charge applied to all MWHs sold and will recover transmission and wholesale power costs through this mechanism – So SMEC member responsibility will be determined based on IPL ratepayers' usage;
2. Starting the fourth year and through the remainder of the ten year term, RES 5 demand charges and transmission cost will be charged SMEC Members, based on each SMEC member's contribution to IPL's monthly peak (i.e., 12 CP). The RES 5 energy charges will be based on energy share of each member cooperative – so the member cooperative relative responsibility of the wholesale costs will change.

Please confirm our understanding and also confirm that all member cooperatives have formally agreed to such an arrangement.

Please provide:

- a) the energy and 12CP demand allocators by member cooperative post transaction (for IPL customers they will serve).
- b) Please also provide 2015 total dollar contributions to SMEC from each cooperative in total (see #1 above) and associated with the \$6.32/MWh increase.
- c) For SMEC in 2015 please provide the expected RES 5 and transmission charges separated by energy components and demand components.

Please provide in Excel spreadsheet format.