

June 17, 2014

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: **Addendum to Comments of the Minnesota Department of Commerce,  
Division of Energy Resources**  
Docket No. T6133/RP-13-1165

Dear Dr. Haar:

On April 21, 2014, the Minnesota Department of Commerce, Division of Energy Resources (DOC or the Department) submitted its initial comments on Minnesota Municipal Power Agency's (MMPA or the Agency) 2014 Integrated Resource Plan (IRP).

In discussions with the Department since then, MMPA raised concerns about the rate comparison on pages 19-21 of the Department's comments. MMPA correctly noted that the Department's analysis was based on information from the Minnesota Utility Data Book and that information includes the distribution rates that MMPA's members charge to their residents/ratepayers and as such reflects more than MMPA's generation and transmission costs. The Department's intention was to focus on rate impacts for retail ratepayers, but acknowledges that, since MMPA does not control the rates that its municipal members charge, including that component of the rates charged to retail ratepayers reflects more than the issues in the current proceeding.

Further, as noted in our comments, the Commission's role relative to MMPA's IRP is advisory; MMPA and its members retain the authority to determine rate levels and select generation options. The Department's discussion about current rates and the impact that the Agency's proposed expansion plan may have on those rates was intended to be advisory only, for MMPA to use or not use as may be appropriate.

In our discussions, MMPA also asked for clarification of our recommendation that in the future the Agency "analyze a range of possible fuel and capital costs, along with a range of environmental costs." To be more specific, the Department recommends that MMPA analyze the nine scenarios it lists on page 41 of its initial filing under three forecasts—low, base, and high. This improvement will result in the analysis of 27 different scenarios.

The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ CHRISTOPHER T. DAVIS  
Rates Analyst

CTD/lt

## **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  
Addendum to Comments**

**Docket No. ET6133/RP-13-1165**

**Dated this 17<sup>th</sup> day of June 2014**

**/s/Sharon Ferguson**

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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	SPL_SL_13-1165_Special list
Ed	Ehlinger	Ed.Ehlinger@state.mn.us	Minnesota Department of Health	P.O. Box 64975  St. Paul, MN 55164-0975	Electronic Service	No	SPL_SL_13-1165_Special list
Oncu	Er	oncu.er@avantenergy.com	Avant Energy, Agent for MMPA	220 S. Sixth St. Ste. 1300  Minneapolis, MN 55402	Electronic Service	Yes	SPL_SL_13-1165_Special list
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	SPL_SL_13-1165_Special list
Dave	Frederickson	Dave.Frederickson@state.mn.us	MN Department of Agriculture	625 North Robert Street  St. Paul, MN 551552538	Electronic Service	No	SPL_SL_13-1165_Special list
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	Yes	SPL_SL_13-1165_Special list
Thomas	Landwehr	tom.landwehr@state.mn.us	Department of Natural Resources	Box 37, 500 Lafayette Rd  St. Paul, Minnesota 55155	Electronic Service	No	SPL_SL_13-1165_Special list
James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300  Minneapolis, MN 55402	Electronic Service	Yes	SPL_SL_13-1165_Special list
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	SPL_SL_13-1165_Special list
Brian	Napstad	bnapstad@yahoo.com	Board of Water and Soil Resources	51227 Long Point Place  McGregor, MN 55780	Paper Service	No	SPL_SL_13-1165_Special list
Charles	Zelle	charlie.zelle@state.mn.us	Department of Transportation	MN Dept of Transportation 395 John Ireland Blvd St. Paul, MN 55155	Electronic Service	No	SPL_SL_13-1165_Special list