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December 16, 2024

—Via Electronic Filing—

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

RE: ANSWER TO PETITION FOR CLARIFICATION
2023 ANNUAL FUEL FORECAST AND MONTHLY FUEL COST CHARGES
DOCKET NO. E002/AA-22-179

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission the enclosed Answer to the Request for Clarification filed by the Minnesota Department of Commerce in the above-referenced matter.

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 Rebecca Eilers at (612) 330-5570 or Rebecca.D.Eilers@xcelenergy.com or me at Ian.m.dobson@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

IAN M. DOBSON
LEAD ASSISTANT GENERAL COUNSEL

Enclosure
cc: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Hwikwon Ham	Commissioner
Valerie Means	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

IN THE MATTER OF XCEL ENERGY'S
PETITION FOR APPROVAL OF ITS 2023
ANNUAL FUEL FORECAST AND
MONTHLY FUEL COST CHARGES

DOCKET NO. E002/AA-22-179

**ANSWER TO PETITION FOR
CLARIFICATION**

INTRODUCTION

Pursuant to Minn. R. 7829.3000, Northern States Power Company, doing business as Xcel Energy, submits this Answer to the Minnesota Public Utilities Commission in response to the Request for Clarification¹ (Request) filed by the Minnesota Department of Commerce (Department) in the above-titled matter. The Request “asks that the November 15 Order^[2] be amended to state the contested case is limited to the refund owed to ratepayers for costs that flow through the fuel-clause adjustment [(FCA)] report...[to] allow the parties to focus on developing the appropriate factual record.”³ Notwithstanding its own Petition for Reconsideration,⁴ Xcel Energy is generally supportive of the Department’s Request and offers minor clarifications below.

¹ REQUEST FOR CLARIFICATION by the Department (Dec. 5, 2024) (eDocket No. 202412-212749-01).

² ORDER APPROVING 2023 FUEL-CLAUSE TRUE-UP REPORT, REQUIRING ADDITIONAL FILINGS, FINDING IMPRUDENCE, AND NOTICE OF AND ORDER FOR HEARING (Nov. 15, 2024) (eDocket No. 202411-211999-01) (November 15 Order).

³ Request at 2.

⁴ See PETITION FOR RECONSIDERATION by Xcel Energy (Dec. 5, 2024) (eDocket No. 202412-212755-01) (Xcel Energy Petition).

ANALYSIS

I. Standard for Reconsideration.

Xcel Energy agrees the Commission has the authority to amend the November 15 Order. Petitions for reconsideration are governed by Minn. Stat. § 216B.27 and Minn. R. 7829.3000. Pursuant to Minn. R. 7829.3000, “[a] petition for rehearing, amendment, vacation, reconsideration, or reargument must set forth specifically the grounds relied upon or errors claimed.”⁵ Upon review of a petition for rehearing and reconsideration, “[i]f in the Commission’s judgment ... it shall appear that the original decision, order, or determination is in any respect unlawful or unreasonable, the Commission may reverse, change, modify, or suspend the original action accordingly.”⁶ In making that determination, the Commission typically reviews petitions to determine whether they (1) raise new issues, (2) point to new and relevant evidence, (3) expose errors or ambiguities in the underlying order, or (4) otherwise persuade the Commission that it should rethink its previous order.⁷

II. Xcel Energy’s Response to the Department’s Request for Amendment

Xcel Energy is supportive of the Department’s Request to address the cost-related issues “in the dockets in which they arise” and avoid disputes over piecemeal and retroactive ratemaking. In this matter, that means that the contested case ordering points will focus on the appropriate refund, if any, that the Company should provide for replacement power costs associated with the October 2023 outage. The contested case would not include costs, such as replacement capacity or insurance impacts, if any, that are more appropriately addressed in the Company’s rate case.

⁵ Minn. R. 7829.3000, subd. 2.

⁶ Minn. Stat. § 216B.27, subd. 3.

⁷ See, e.g., *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E002/GR-13-868, ORDER DENYING PETITIONS FOR RECONSIDERATION at 1 (July 13, 2015).

While it agrees with the Department on this concept, the Company notes that the language proposed by the Department could be read to limit the contested case to a simple calculation of replacement power costs, and to prohibit the Company from providing evidence of customer benefits or other offsets that should be considered. Determining the appropriate refund, if any, for replacement power costs must consider these customer benefits or offsets—the majority of which cannot be appropriately considered in another proceeding, like a rate case. As just one example, if opportunistic work done during the outage had the impact of reducing future planned outage time, that is a benefit that accrues to customers, but which could not be accounted for in setting base rates.

Allowing parties to present this evidence in the contested case will ensure that the record accurately reflects the appropriate amount for a refund, if any is warranted. Therefore, Xcel Energy offers a revision to Section V of the November 15 Order and Order Point 6 below. The Company also offers a revision to the Department's proposed Order Point 7 to clarify that the Commission has not pre-determined that cost adjustments will be made for this event in the Company's rate case.

Xcel Energy provides the following proposed revisions to the Department's suggested redlines of the November 15 Order. For ease of review, the revisions below are organized to differentiate between (1) the Department's proposed revisions (red text); (2) Xcel Energy's revisions to the November 15 Order and Department's revisions, excluding revisions associated with the Commission's prudence determination (blue text); and (3) Xcel Energy's incorporation of the relief sought in the Xcel Energy Petition requesting reconsideration of the Commission's finding of imprudence (black underlined text).

V. Issues to be Addressed

Over the course of this case, the Commission expects the parties will thoroughly develop a full record, addressing: ~~at~~

~~a minimum;~~ (1) whether Xcel Energy acted prudently in its operation and maintenance of the Prairie Island Nuclear Generating Plant prior to an outage which began in October 2023; and (2) if any imprudence is found, the appropriate refund amount due to ratepayers ~~for replacement power costs in 2023 and 2024~~ stemming from ~~the~~ any lack of prudence determination regarding the October 2023 outage at PINGP.

...

ORDER

...

6. The Commission refers this matter to the Minnesota Office of Administrative Hearings for a contested case to determine: (1) whether Xcel Energy acted prudently in its operation and maintenance of the Prairie Island Nuclear Generating Plant prior to an outage which began in October 2023; (2) if not, whether the Company's lack of prudence resulted in customers paying more for power the appropriate refund amount due to customers for replacement power costs than they otherwise would have paid, such that a refund of power costs is appropriate; and (3) the appropriate amount of any such refund. ~~;~~ ~~due to Xcel's lack of prudence regarding the October 2023 outage at Prairie Island.~~

7. ~~The Commission will address whether any other appropriate cost adjustments related to the October 2023 outage at Prairie Island are appropriate, such as the impact of de-rating on capacity costs and insurance costs, in Xcel's currently pending general rate case for electric service, Docket 24-320.~~

CONCLUSION

Pursuant to Minn. R. 7829.3000, Xcel Energy requests the Commission adopt its proposed language, which modifies the Department's proposed amendments to the November 15 Order and incorporates the Company's previous Petition for Reconsideration.

Dated: December 16, 2024

Northern States Power Company

CERTIFICATE OF SERVICE

I, Joshua DePauw, 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. E002/AA-22-179

Dated this 16th day of December, 2024.

/s/

Joshua DePauw
Regulatory Administrator

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