

December 5, 2024

Will Seuffert
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Supplemental Comments of the Minnesota Department of Commerce
Docket No. G002/M-24-271

Dear Mr. Seuffert:

Attached are the comments of the Minnesota Department of Commerce (Department) in the following matter:

In the Matter of Northern States Power Company, doing business as Xcel Energy's (Xcel or the Company) Petition for Approval of Changes in Contract Demand Entitlements.

The Petition was filed by Xcel on August 1, 2024. Xcel filed supplemental comments on November 1, 2024.

The Department recommends approve **Xcel's Petition** and is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ Peter Wyckoff, Ph.D.
Deputy Commissioner, Division of Energy Resources

MZ/ar
Attachment



Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce

Docket No. G002/M-24-271

I. INTRODUCTION

Pursuant to Minnesota Rules 7825.2910, subpart 2,¹ Northern States Power Company, doing business as Xcel Energy (Xcel, or the Company) filed a demand entitlement petition (*Petition*) on August 1, 2024, with the Minnesota Public Utilities Commission (Commission), to change the levels of demand for natural gas pipeline capacity for its customers.² On November 1, 2024, Xcel filed supplemental comments providing an update to its *Petition*.³ On November 26, 2024, Xcel filed a letter providing an update on their Maplewood peaking plant.⁴

On October 3rd, the Department filed comments with the Commission on the portion of the Company's filing related to Xcel's forecast of its design day.⁵ The Department recommended that the Commission approve the Company's design day forecast and jurisdictional allocators. In its Supplemental Comments, the Company proposed no changes to its costs from those proposed in the *Petition*. The Company also provided updates on the status of the Company's Maplewood Propane Air peak shaving plant and the Company's hedging transactions.

The Department provides comments on the Company's proposals, including discussion on the following areas:

- proposed overall demand entitlement levels;
- reserve margins;
- supplier reservation fees;
- the PGA cost recovery proposals;

¹ "Filing upon a change in demand. Gas utilities shall file for a change in demand to increase or decrease demand, to redistribute demand percentages among classes, or to exchange one form of demand for another."

² *In the Matter of the Petition of Northern States Power Company for Approval of Changes in Contract Demand Entitlements*, Xcel Energy, *Petition Changes in Contract Demand Entitlements*, August 1, 2024, Docket No. G-002/M-24-271, (eDockets) [20248-209190-01](#), (hereinafter "*Petition*").

³ *In the Matter of the Petition of Northern States Power Company for Approval of Changes in Contract Demand Entitlements*, Xcel Energy, *Supplemental Filing*, November 1, 2024, Docket No. G-002/M-24-271, (eDockets) [202411-211510-01](#), (hereinafter "*Supplemental Filing*").

⁴ *In the Matter of the Petition of Northern States Power Company for Approval of Changes in Contract Demand Entitlements*, Xcel Energy, *Changes in Contract Demand Entitlements*, November 26, 2024, Docket No. G-002/M-24-271, (eDockets) [202411-212421-01](#), (hereinafter "*Supplemental Letter*").

⁵ *In the Matter of the Petition of Northern States Power Company for Approval of Changes in Contract Demand Entitlements*, Department, *Comments*, October 3, 2024, Docket No. G-002/M-24-271, (eDockets) [202140-210686-01](#), (hereinafter "*Department Comments*").

- Xcel's ANR Storage;
- Xcel's compliance with Ordering Paragraph 9 of the Commission's February 17, 2023 Order in Docket G999/CI-21-135;
- Rate Cases at the Federal Energy Regulatory Commission (FERC); and
- Status of Xcel's Peaking Plant.

II. PROCEDURAL BACKGROUND

August 1, 2024	Xcel Energy filed a Petition for changes in contract demand entitlements. ⁶
October 3, 2024	The Department filed initial comments reviewing the Company's proposed design day forecast and withholding recommendations on the Company's proposed changes to its demand entitlements until after the Company submitted a supplemental filing. ⁷
November 1, 2024	Xcel Energy filed supplemental comments including updates to its hedging transactions and the status of the Company's Maplewood Propane Air peak shaving plant. ⁸
November 26, 2024	Xcel filed an update letter on the state of its Maplewood Propane Air peak shaving plant. ⁹

III. DEPARTMENT ANALYSIS

A. OVERVIEW OF THE COMPANY'S PETITION

In its *Petition*, Xcel requests approval from the Commission to implement its proposed interstate pipeline transportation, storage entitlement, and other demand-related contracts for 2024-2025 effective November 1, 2024. The Company requested that the adjustments be made through the PGA to reflect changes in its firm pipeline demand entitlement levels¹⁰ as follows:

- increase its Minnesota jurisdictional design-day (DD) requirement by 5,775 dekatherms per day (Dth/day), about 0.74% (5,775 Dth/778,606 Dth);

⁶ Petition.

⁷ Department Comments.

⁸ Supplemental Filing.

⁹ Supplemental Letter

¹⁰ The entitlement levels discussed in Xcel's filing are for the total Minnesota Company which encompasses the combined entitlements for Xcel's Minnesota and North Dakota jurisdictions. Minnesota's portion of the entitlements is the total combined entitlements times the Minnesota allocation factor discussed below. The Department has included Department Attachment 1, which shows the effect of the demand entitlement changes in the Minnesota jurisdiction.

- change the capacity resources used to meet the design-day requirements and decrease the amount of capacity resources (total entitlements) for Minnesota by 7,978Dth/day or 0.97% (7,978 Dth/822,688 Dth);
- a decrease in the reserve margin from 5.7% to 3.9% for Minnesota;
- slightly decrease the jurisdictional allocation to Minnesota (rather than North Dakota) to 86.42% from 86.80% to reflect customer growth and usage patterns; and,
- change its recovery of Supply Reservation fees.¹¹

The Company has supply entitlements with five companies: Northern Natural Gas (NNG or Northern), Viking Gas Transmission Company (VGT), ANR Pipeline (ANR), Great Lakes Gas Transmission Company (GLGT), and Williston Basin (WBI). Xcel requested approval of renewals and consolidation of existing contract entitlements for ANR (and some minor changes), Viking, and Northern. Xcel also requested approval of its capacity acquisitions on Northern, and Viking.

Tables 1 provides a summary by pipeline. The full detail by contract is located in Attachment 1, Schedule 2 and Attachment 2, Schedule 1 of the *Petition*.

Table 1: Proposed Changes in Entitlements by Pipeline 2024-2025

Pipeline	Proposed Dth/day Change	Proposed Annual Cost Change Effective 11/1/2024
NNG	-1,152	-\$337,038.05
VGT	0	-\$1,253,042.68
ANR	-58	\$599,989.53
GLT		
WBI		
Supplier Entitlements	-4,000	\$399.56

As indicated in Attachments 1 *Petition*, Xcel proposed several changes in its demand entitlements that, in total, would decrease costs from all source systems by approximately \$989,961.64 effective November 1, 2024. These amounts are for Minnesota and North Dakota customers. As discussed below, the capacity changes are related to reliability needs across the Xcel system. The cost changes are due not only to capacity renewals, but also due to a settlement being reached in a FERC rate case on Viking Gas Transmission (VGT or Viking) offset by a scheduled rate increase on ANR Pipeline Company (ANR) and newly acquired entitlements.

The Company proposed no overall changes to be made to GLGT and WBI Pipeline capacity and entitlements. The net change to the design-day capacity is a decrease of 7,978 Dth/day on a Minnesota

¹¹ Petition at 2-4.

jurisdictional basis. Xcel stated that because of this large decrease due in part to a delay in an additional project coming online there is a decrease in the reserve margin from 5.7% to 3.9% for Minnesota. Xcel explained that this decrease was due to projected customer growth and expiration of seasonal capacity acquired in the previous year. The Company noted that if it continues to have future customer growth, then it may need to acquire additional capacity in future years.

Xcel continued to treat storage-capacity demand charges as commodity costs instead of demand costs beginning with the Company's July 2014 PGA as ordered in Xcel's grouped 2007-2013 Contract Demand Entitlement Filings.¹² Xcel provided a summary of hedging transactions for the heating season in response to reporting requirements established in the Commission's May 27, 2008, April 22, 2016, and February 12, 2020 *Orders* in Docket Nos. G002/M-08-46, G002/M-16-88, and G002/M-19-703, respectively. Xcel filed a Petition in Docket No. G002/M-23-521 requesting for approval of a four-year extension of variances to the PGA rules to allow continued use of hedging transactions, and the Commission issued its Order on May 21, 2024.

B. DEMAND ENTITLEMENT LEVELS

Xcel's *Petition* proposed changes in the resources used to meet its design-day customer requirements. Overall, the Company's system firm supply entitlements, which include entitlements for Minnesota and North Dakota, fell, from 947,836 Dth/day to 942,684 Dth/day, or -0.54%.¹³

B.1. Northern Natural Gas

Most of Xcel's firm pipeline transportation contracts are with NNG and were put in place in 2007 and ran through October 2017. As described in 2016-2017 filing, Xcel already renewed the long-term contacts for another 10-year term through October 2027 due to a required one-year advance notice for extension. As part of the extension, the renewal included a \$0.01/Dth rate increase beginning November 1, 2017.

As described in the 2017 filing, the Company added three new entitlements for the 2017-2018 heating season that serve peak demand. According to the Company, 918 Dth/day of incremental capacity at St. Cloud, Minnesota, 3,333 Dth/day in the Lake Elmo, Minnesota area, and 8,486 Dth/day in the Twin Cities were added, effective November 1, 2017.¹⁴ In the Company's 2019 filing Xcel contracted with

¹² Docket Nos. G002/M-07-1395, G002/M-08-1315, G002/M-09-1287, G002/M-10-1163, G002/M-11-1076, G002/M-12-862, and G002/M-13-663, Order dated June 9, 2014.

¹³ In Petition, Attachment 1 Schedule 5 at page 1, the Company erroneously shows an increase of 7,605 Dth to an amount of 955,441 Dth/day. In addition, the Company erroneously labeled the columns as currently effective Nov-24 when it should have been labeled as "currently effective Nov-23". In addition, the proposed quantity is erroneously labeled "effective Nov-25" when it should be correctly labeled "effective Nov-24".

¹⁴ *In the Matter of the Petition of Northern States Power Company for Approval of Changes in Contract Demand Entitlements*, Xcel Energy, Petition, August 1, 2017, Docket No. G-002/M-17-586, (eDockets) [20178-134428-02](#), Attachment 1, page 4.

NNG for incremental capacity on its system as part of the Northern Lights 2019 project effective November 1, 2019. This expansion added 10,482 Dth/day on a year-round basis.¹⁵

Xcel continued expanding its entitlements with NNG in future filings, adding 9,459 Dth/Day effective November 1, 2021,¹⁶ and proposing to add 9,263 Dth/day effective November 1, 2023.¹⁷ In the 2023 filing Xcel noted that the Northern Lights 2023 expansion project was delayed at FERC and so would not be in service until November 1, 2024, although Xcel received partial capacity through other means from NNG.¹⁸ Thus, in the 2023 filing Xcel has gotten (TFX) Northern firm capacity entitlement of 9,263 Dth/day through the NL 2023 project and 1,152 Dth/day for a total incremental capacity of 10,415 Dth/day. Some of this additional capacity expired on October 31, 2024 with the remainder of the NL 2023 project capacity expected to be in service November 1, 2024. This expiration led to a small net decrease in NNG entitlements but completes previously approved and planned expansion of entitlements.¹⁹

B.2. Viking Gas Transmission

The Company also made several adjustments to demand entitlements needed to serve peak demand on its VGT pipeline. Xcel stated that it renewed three Viking firm capacity entitlements totaling 97,213 Dth/day for 5 years, through October 31, 2029, in order to take advantage of lower rates offered by VGT for longer term contracts. Additionally, 4,000 Dth/day of delivered supply expired on November 1, 2024, but Xcel chose not to renew this as the Company had acquired sufficient capacity in the previous heating season. Over the past several years, Xcel has purchased short-term capacity on Viking. The expiration of this contract resulted in an approximately \$255,709 decrease in demand costs for customers.²⁰

Xcel also explained that that VGT rates further decreased due to a settlement in VGT's FERC rate case resulting in an additional decrease of in demand costs of approximately \$997,334, for a total decrease of \$1,253,043.²¹

¹⁵ *In the Matter of the Petition of Northern States Power Company for Approval of Changes in Contract Demand Entitlements*, Xcel Energy, Petition, August 2, 2019, Docket No. G-002/M-19-498, (eDockets) [20198-154913-02](#), Attachment 1, page 5.

¹⁶ *In the Matter of the Petition of Northern States Power Company for Approval of Changes in Contract Demand Entitlements*, Xcel Energy, Petition, July 30, 2021, Docket No. G-002/M-21-589, (eDockets) [20217-176647-01](#), Attachment 1, page 6.

¹⁷ *In the Matter of the Petition of Northern States Power Company for Approval of Changes in Contract Demand Entitlements*, Xcel Energy, Petition, August 1, 2022, Docket No. G-002/M-22-429, (eDockets) [20228-188028-01](#), Attachment 1, page 7.

¹⁸ *In the Matter of the Petition of Northern States Power Company for Approval of Changes in Contract Demand Entitlements*, Xcel Energy, Supplemental Filing, November 1, 2023, Docket No. G-002/M-23-361, (eDockets) [202311-200116-01](#), Hereinafter "2023 Supplemental Filing" page 2.

¹⁹ Petition Attachment 1, page 5-6.

²⁰ Petition Attachment 1, page 5.

²¹ Petition Attachment 1, page 5.

B.3. Great Lakes Gas Transmission

Xcel stated that the Company renewed two Firm Transportation Agreements with GLGT through March 31, 2037 at the same rates as the previous contracts, resulting in no change in demand costs for customers. The Company stated that the GLT capacity supports withdrawal and summer injection of ANR storage quantities in addition to supporting its Northern capacity.²²

B.4. ANR Pipeline

Xcel renewed or extended several entitlements with ANR. Specifically, Xcel renewed a firm transportation entitlement with ANR through March 31, 2027 for 4,800 Dth/day, renewed a Firm transportation agreement and one firm storage agreement for 3 years to allow access to a storage facility, and also extended a 66,500 Dth/day firm transportation capacity agreement providing access to the Chicago hub for 5 years, though October 31, 2029. Other small adjustments occurred to several entitlements, resulting in an overall net decrease in ANR entitlements of 58 Dth/day. However, due to a scheduled rate increase on the ANR pipeline overall demand costs increased by approximately \$599,990 due to these entitlements.²³

B.5. ANR Storage Company Entitlement

Xcel renewed 1,165,000 Dth of storage capacity for 5 years though March 31, 2030 to provide balancing services and physical price hedging. The rate for this contract is subject to change as ANR Storage Company has received market-based rate authority from FERC. Xcel surveyed other options and concluded that ANR Storage's rates were competitive.²⁴

B.6. WBI Pipeline

The Company had no changes to its WBI capacity entitlements. As also explained further below, WBI has filed a rate case at FERC proposing to increase its maximum tariffed rates by approximately 49%, with those rates effective August 1, 2023.²⁵ This rate case was ultimately settled and resulted in savings to Xcel ratepayers of approximately \$338,918 per year, which was reflected in the Company's 2023 supplemental filing.²⁶

B.7. Conclusion

The Department analyzed the above changes in design-day entitlement resources, and each change appears to be reasonable to serve firm customers on a peak day. Overall, Xcel's entitlements

²² Petition Attachment 1, page 7.

²³ Petition Attachment 1, page 6.

²⁴ Petition Attachment 1, page 7.

²⁵ Petition Attachment 1, page 12.

²⁶ 2023 Supplemental Filing.

decreased, but the Company still has enough entitlements to meet design day requirements. The Department recommends the Commission approve the Company's proposed entitlements.

C. *PROPOSED RESERVE MARGIN*

Xcel's proposed design-day reserve margin in Minnesota is 3.9% for 2024-2025,²⁷ which is a decrease from the 5.7% figure in 2023-2024.²⁸ The reserve margin serves to protect against the loss of a firm gas-supply source and the risk of actual consumer demand exceeding the design day. Xcel states that its proposed reserve margin of 30,329 Dth/day, as shown in further detail in Department Attachment 1, is appropriate to meet its design-day needs.

Xcel's reserve margin is slightly below the Commission's generally accepted 5 to 7 percent. Xcel stated that the decrease in the reserve margin is due to projected customer growth and the expiration of seasonal capacity acquired last year. Xcel states that it believes this is an adequate reserve margin, but that the Company will need to explore obtaining additional resources in coming years if customer and demand growth continue.²⁹

The Department is not overly concerned by the Company's proposed 3.9 percent reserve margin, but notes it is a drop from previous year and is below the margin the Commission generally finds to be reasonable. The Department provided an in-depth review of reserve margins in supplemental comments to Xcel's 2018 demand entitlement filing, at which time the Department reviewed the rate of non-compliant interruptible customers.³⁰ Based on that review the Department notes that the Company's proposed reserve margin would be sufficient to account for recent trends for the Company. The Department will continue to monitor the reserve margin in future demand entitlement filings. Therefore, the Department recommends that the Commission approve Xcel's proposed 3.9 percent reserve margin.

D. *SUPPLIER RESERVATION FEES*

Xcel states that its Supplier Reservation fees have changed. The resulting net change is an increase of \$400 annually based on the proposed decrease of 4000 Dth/day year-over-year due to increased rates. Each of the supplier contracts is listed in the Trade Secret version of the Company's *Petition*.

The Department will not comment on each individual contract, but has reviewed the filings and can confirm that Xcel's proposal is not unreasonable.³¹

²⁷ Petition Attachment 1, page 13-14.

²⁸ This reserve margin is inclusive of the Company's peaking plants. See Xcel's *Petition* at Attachment 1, pages 13-14 and Attachment 2 Schedule 1.

²⁹ Petition Attachment 1, page 13-14.

³⁰ *In the Matter of the Petition of Northern States Power Company for Approval of Changes in Contract Demand Entitlements*, Department, Supplemental Comments, August 1, 2019, Docket No. G-002/M-18-528, (eDockets) [20198-154885-01](#).

³¹ Petition page 4, Attachment 1, page 13, and Attachment 1, Schedule 2, page 1.

E. XCEL'S PGA COST RECOVERY PROPOSAL

Xcel proposes to reflect the costs associated with the demand entitlements identified in the *Petition* in the PGA effective November 1, 2024. The demand entitlements in Xcel's Attachment 2, Schedule 2,³² and Xcel's November 1, 2024 Revised Attachment 2, Schedule 2³³ represent the demand entitlements for which the Company's firm customers will pay.

Xcel's Attachment 2 Schedule 2 of the Supplemental Filing compares the October 2024 PGA costs to the currently proposed November 2024 PGA costs for several customer classes. The resulting per-Dth cost changes related strictly to changes in demand costs have the following annual rate effects.

- Annual demand costs decrease by \$0.0035/Dth, or approximately \$0.31 less annually, for the average Residential customer consuming 88 Dth annually;
- Annual demand costs decrease by \$0.0115/Dth, or approximately \$2.74 less annually, for the average Small Commercial customer consuming 238 Dth annually;
- Annual demand costs decrease of \$0.0039/Dth, or approximately \$6.29 less annually, for the average Large Commercial customer consuming 1,613 Dth annually; and
- No Change in annual demand costs for the average Small Interruptible, Medium Interruptible, and Large Interruptible customers. These customer classes are not allocated demand costs under the current cost allocation plan.

The bill impacts described above relate solely to changes in demand cost, and are based on the demand data provided by the Company. Based on its review, the Department concludes that the Company's proposal appears to be reasonable and recommends Commission Approval.

F. XCEL'S INFORMATION ON ITS STORAGE CONTRACTS

In the Department's February 21, 2024, Comments in Docket No. G002/M-24-80 in Xcel's Petition for Approval of a three-year variance to the PGA to allow recovery of storage-related *ad valorem* taxes through the PGA, the Department recommended that Xcel provide an updated analysis in its future demand entitlement filings regarding the discussion and analysis of storage alternatives.³⁴ The Company provided its discussion and analysis in its *Petition* as requested by the Department.³⁵

Xcel does not have any NNG storage contracts up for renewal until May 2026, and as such there are no alternatives to NNG storage contracts under consideration at this time. The Company states that it will evaluate all market conditions and options again at the appropriate time prior to renewal of any agreements.³⁶ The Department appreciates the Company's discussion and analysis regarding the storage alternatives and concludes that the Company's proposal appears to be reasonable.

³² Petition Attachment 2, Schedule 2, at 1.

³³ Supplemental Petition Revised Attachment 2, Schedule 2.

³⁴ *In the Matter of the Petition of Northern States Power Company for Approval of a Rule Variance to Include the 2025-2027 State of Kansas Storage Tax in the Purchased Gas Adjustment*, Department, Comments, February 21, 2024, Docket No. G-002/M-24-80, (eDockets) [20242-203679-01](#).

³⁵ Petition Attachment 1, page 8.

³⁶ Petition Attachment 1, page 8.

G. COMPLIANCE WITH THE COMMISSION'S FEBRUARY 17, 2023 ORDER IN DOCKET NO. G999/CI-21-135

The Commission in its February 17, 2023 Order paragraph 9 stated the following:³⁷

In future contract demand entitlement filings, the gas utilities in this docket shall discuss how changes to their pipeline capacity affect their supply diversity and, if pipeline capacity comes at a cost premium but increases supply diversity, provide a meaningful cost/benefit discussion of the tradeoff, including a comparison with the least-cost capacity option.

The Company provides a lengthy discussion in its *Petition* regarding the steps it undertakes to evaluate and build its gas transportation, storage and supply and interstate pipeline sources.³⁸ The Company discusses how it transports natural gas supply and provides an illustration showing its main supply and pipeline sources with a table showing its various receipt points.³⁹

The Company has entitlements with all interstate pipelines directly connected to the Company's distribution system. The Company explained how it has a geographically diverse access to supply with storage accounting for approximately 31%, NNG Ventura at 18%, Emerson at 17%, Chicago at 13%, and the remainder at various other locations such as NNG Demarc, GLGT/NNG Carlton, *et cetera*.

The Department appreciates the Company's discussion and concludes that Xcel *Petition* complies with Ordering paragraph 9 of the Commission's Order in Docket 21-135 et al.

H. RATE CASES AT FERC

H.1. ANR Pipeline

ANR Pipeline filed a rate case at FERC in Docket RP22-501 on January 28, 2022 and had proposed a 73 percent increase in its rates.⁴⁰ This case was ultimately settled amongst the various parties on April 11, 2023, resulting in a 15 percent rate increase pending ANR's completion of certain modernization projects.⁴¹ These rate increases were ultimately implemented on July 1, 2024 and are reflected in the Company's *Petition*. This increase contributed to the above discussed increase of the ANR demand rate of \$599,990.

³⁷ *In the Matter of a Commission Investigation into the Impact of Severe Weather in February 2021 on Impacted Minnesota Natural Gas Utilities and Customers*, Commission, *Order Requiring Actions to Mitigate Impacts From Future Natural Gas Price Spikes, Setting Filing Requirements, and Initiating A Proceeding to Establish Gas Resource Planning Requirements*, February 17, 2023, Nos. G999/CI-21-135, G008/CI-21-138, G002/CI-21-610, G004/CI-21-235 and G011/CI-21-611 (Docket 21-135 et al), (eDockets) [20232-193249-05](#).

³⁸ *Petition Attachment 1*, at 9-11.

³⁹ *Petition Attachment 1*, at 9-11.

⁴⁰ *Petition Attachment 1*, at 12.

⁴¹ *Petition Attachment 1*, at 12.

H.2. VGT Pipeline

VGT Pipeline has filed a rate case at FERC in Docket RP23-917 and had proposed an increase of 81 percent in its rates. The rates were effective February 1, 2024 subject to refund.⁴² Xcel states that the Company, FERC, other parties, and VGT participated in several settlement conferences and reached a settlement in principle on February 26, 2024.⁴³ The settlement resulted in a rate increase of 48 percent, and VGT agreed to withdraw other provisions. The final settlement was filed with FERC on April 30, 2024, and is awaiting final approval.⁴⁴ This settlement is reflected in the Petition and contributed to reduced demand rates as discussed above.

The Department appreciates the Company's provision of the information related to the above interstate pipelines rate cases at FERC, and the Company's participation to reduce the cost increases for its Minnesota customers.

I. PEAKING PLANTS

In the Company's supplemental filing Xcel provides a discussion of the state of its Maplewood Propane Air peak shaving plant. The Company states that the Company began an upgrade of the facility in spring of 2024, consisting of the replacement of all tank bank gas piping, valves, electrical systems, fire and gas detection and suppression systems, and instrumentation and measurement devices for each of the 37 propane tanks at the facility. As part of this upgrade, the facility needed to be de-inventoried, and thus due to project delays, the plant is not available to start the 2024 heating season. The Company initially projected the plant to begin to be operated in a limited capacity by late December.⁴⁵

However, the Company's November 26 Supplemental Letter Xcel indicates that the project is further delayed due to material quality issues, and the Company now expects to begin being able to build inventory in late January.⁴⁶ The Company indicates in its Supplemental filing that it was unlikely for a design day to occur during December, and that in the event of such an event the Company has options to address it, including use of a transportation capacity reserve margin, interruptible capacity service through NNG, and finally a Capacity Sharing agreement which allows the Company to borrow transportation capacity from NSP Generation. Xcel indicates that using these options the Company could cover the missing capacity from the Maplewood facility being offline.⁴⁷

The Department has reviewed Xcel's calculations and confirms that, assuming the numbers presented by the Company are correct, Xcel has options to cover the missing capacity in the event of a design day prior to the facility coming online in January or at some later date. However, if a design day were to

⁴² Petition Attachment 1, pages 12-13.

⁴³ Petition Attachment 1, pages 12-13.

⁴⁴ Petition Attachment 1, pages 12-13.

⁴⁵ Supplemental Filing, pages 1-4.

⁴⁶ Supplemental Letter, Page 1.

⁴⁷ Supplemental Filing, Page 3.

occur, then the exercise of these options would lead to additional costs for rate payers and could make it necessary to review the reasonableness of the Maplewood project delays. The Department will monitor the situation, and recommends the Commission require Xcel to provide monthly updates on the status of the facility until it returns to operation.

IV. DEPARTMENT RECOMMENDATIONS

Based on the Department's analysis of the Company's Petition and Supplemental Filing, the Department recommends that the Commission approve Xcel's Petition including its proposed entitlements and rate recovery through the PGA effective November 1, 2024. Additionally, the Department recommends that the Commission require Xcel to provide monthly updates on the status of the Maplewood Propane Air peak shaving plant until it returns to operation.

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
Supplemental Comments**

Docket No. G002/M-24-271

Dated this 5th day of **December 2024**

/s/Sharon Ferguson

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
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2	Katherine	Arnold	katherine.arnold@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		No	24-271M-24-271
3	Mara	Ascheman	mara.k.ascheman@xcelenergy.com	Xcel Energy		414 Nicollet Mall Fl 5 Minneapolis MN, 55401 United States	Electronic Service		No	24-271M-24-271
4	Gail	Baranko	gail.baranko@xcelenergy.com	Xcel Energy		414 Nicollet Mall 7th Floor Minneapolis MN, 55401 United States	Electronic Service		No	24-271M-24-271
5	Elizabeth	Brama	ebrama@taftlaw.com	Taft Stettinius & Hollister LLP		2200 IDS Center 80 South 8th Street Minneapolis MN, 55402 United States	Electronic Service		No	24-271M-24-271
6	Matthew	Brodin	mbrodin@allte.com	Minnesota Power		30 West Superior Street Duluth MN, 55802 United States	Electronic Service		No	24-271M-24-271
7	Robert S.	Carney, Jr.				4232 Colfax Ave. S. Minneapolis MN, 55409 United States	Paper Service		No	24-271M-24-271
8	Olivia	Carroll	oliviac@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota St W1360 St. Paul MN, 55101 United States	Electronic Service		No	24-271M-24-271
9	Joey	Cherney	joey.cherney@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	445 Minnesota Street STE 1800 Saint Paul MN, 55101 United States	Electronic Service		No	24-271M-24-271
10	John	Coffman	john@johncoffman.net	AARP		871 Tuxedo Blvd. St. Louis MO, 63119-2044 United States	Electronic Service		No	24-271M-24-271
11	Generic	Commerce Attorneys	commerce.attorneys@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		Yes	24-271M-24-271
12	Riley	Conlin	riley.conlin@xcelenergy.com	Northern States Power Company dba Xcel Energy-Elec		414 Nicollet Mall, 401 8th Floor Minneapolis MN, 55401 United States	Electronic Service		No	24-271M-24-271
13	Brandon	Crawford	brandonc@cubminnesota.org	Citizens Utility Board of		332 Minnesota St	Electronic Service		No	24-271M-24-271

#	First Name	Last Name	Email	Organization	Agency	Address	Delivery Method	Alternate Delivery Method	View Trade Secret	Service List Name
				Minnesota		Ste W1360 St. Paul MN, 55101 United States				
14	George	Crocker	gwillc@nawo.org	North American Water Office		5093 Keats Avenue Lake Elmo MN, 55042 United States	Electronic Service		No	24-271M-24-271
15	Brian	Edstrom	briane@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota St Ste W1360 Saint Paul MN, 55101 United States	Electronic Service		No	24-271M-24-271
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17	Sharon	Ferguson	sharon.ferguson@state.mn.us		Department of Commerce	85 7th Place E Ste 280 Saint Paul MN, 55101-2198 United States	Electronic Service		No	24-271M-24-271
18	Edward	Garvey	garveyed@aol.com	Residence		32 Lawton St Saint Paul MN, 55102 United States	Electronic Service		No	24-271M-24-271
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21	Annete	Henkel	mui@mnutilityinvestors.org	Minnesota Utility Investors		413 Wacouta Street #230 St.Paul MN, 55101 United States	Electronic Service		No	24-271M-24-271
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27	Nicolle	Kupser	nkupser@greatermngas.com	Greater Minnesota Gas, Inc.		1900 Cardinal Ln PO Box 798 Faribault MN, 55021 United States	Electronic Service		No	24-271M-24-271
28	Peder	Larson	plarson@larkinhoffman.com	Larkin Hoffman Daly & Lindgren, Ltd.		8300 Norman Center Drive Suite 1000 Bloomington MN, 55437 United States	Electronic Service		No	24-271M-24-271
29	Annie	Levenson Falk	annielf@cubminnesota.org	Citizens Utility Board of Minnesota		332 Minnesota Street, Suite W1360 St. Paul MN, 55101 United States	Electronic Service		No	24-271M-24-271
30	Eric	Lipman	eric.lipman@state.mn.us		Office of Administrative Hearings	PO Box 64620 St. Paul MN, 55164-0620 United States	Electronic Service		No	24-271M-24-271
31	Mary	Martinka	mary.a.martinka@xcelenergy.com	Xcel Energy Inc		414 Nicollet Mall 7th Floor Minneapolis MN, 55401 United States	Electronic Service		No	24-271M-24-271
32	Stephen	Melchionne	stephen.melchionne@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street, Ste. 1400 St. Paul MN, 55101 United States	Electronic Service		No	24-271M-24-271
33	Greg	Merz	greg.merz@ag.state.mn.us		Office of the Attorney General - Department of Commerce	445 Minnesota Street Suite 1400 St. Paul MN, 55101 United States	Electronic Service		No	24-271M-24-271
34	Joseph	Meyer	joseph.meyer@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	Bremer Tower, Suite 1400 445 Minnesota Street St Paul MN, 55101-2131 United States	Electronic Service		No	24-271M-24-271
35	Kimberly	Middendorf	kimberly.middendorf@state.mn.us		Office of Administrative Hearings	PO Box 64620 600 Robert St N Saint Paul MN, 55164-0620 United States	Electronic Service		No	24-271M-24-271
36	David	Moeller	dmoeller@allte.com	Minnesota Power			Electronic Service		No	24-271M-24-271
37	Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP		33 South Sixth St Ste 4200 Minneapolis MN, 55402 United States	Electronic Service		No	24-271M-24-271
38	Travis	Murray	travis.murray@ag.state.mn.us		Office of the Attorney General -	445 Minnesota St Ste 1400	Electronic Service		No	24-271M-24-271

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40	Samantha	Norris	samanthanorris@alliantenergy.com	Interstate Power and Light Company		200 1st Street SE PO Box 351 Cedar Rapids IA, 52406-0351 United States	Electronic Service		No	24-271M-24-271
41	Greg	Palmer	gpalmer@greatermngas.com	Greater Minnesota Gas, Inc.		1900 Cardinal Ln PO Box 798 Faribault MN, 55021 United States	Electronic Service		No	24-271M-24-271
42	Kevin	Pranis	kpranis@liunagro.com	Laborers' District Council of MN and ND		81 E Little Canada Road St. Paul MN, 55117 United States	Electronic Service		No	24-271M-24-271
43	Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us		Office of the Attorney General - Residential Utilities Division	1400 BRM Tower 445 Minnesota St St. Paul MN, 55101-2131 United States	Electronic Service		Yes	24-271M-24-271
44	Joseph L	Sathe	jsathe@kennedy-graven.com	Kennedy & Graven, Chartered		150 S 5th St Ste 700 Minneapolis MN, 55402 United States	Electronic Service		No	24-271M-24-271
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48	Will	Seuffert	will.seuffert@state.mn.us		Public Utilities Commission	121 7th PI E Ste 350 Saint Paul MN, 55101 United States	Electronic Service		Yes	24-271M-24-271
49	Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates		7400 Lyndale Ave S Ste 190 Richfield MN, 55423 United States	Electronic Service		No	24-271M-24-271
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53	Amelia	Vohs	avohs@mncenter.org	Minnesota Center for Environmental Advocacy		1919 University Avenue West Suite 515 St. Paul MN, 55104 United States	Electronic Service		No	24-271M-24-271
54	Joseph	Windler	jwindler@winthrop.com	Winthrop & Weinstine		225 South Sixth Street, Suite 3500 Minneapolis MN, 55402 United States	Electronic Service		No	24-271M-24-271