

August 28, 2019

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, Minnesota 55101-2147

RE: **Letter of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E002/GR-12-961

Dear Mr. Wolf:

On July 29, 2019, Northern States Power Company, doing business as Xcel Energy (Xcel or the Company), filed with the Minnesota Public Utilities Commission (Commission) two new electric service agreements (ESAs) with RMS Company (RMS), executed on July 19, 2019 pursuant to the Company's Business Incentive and Sustainability (BIS) Rider.

As described in its filing, the Company's BIS Rider tariff and the Commission's April 8, 2016 Order in the above-referenced docket impose a number of reporting requirements related to ESAs executed pursuant to Xcel's BIS Rider tariff. The Minnesota Department of Commerce (Department) reviewed the Company's filing and concludes that Xcel has satisfied all relevant reporting requirements.

Pursuant to the Company's BIS Rider tariff, BIS ESAs are deemed approved if no party objects to the ESA within 30 days of the filing date. Based on its review, the Department does not object to Xcel's BIS ESA with RMS. If no other party objects by August 28, 2019, the ESA will be deemed approved with no further Commission action necessary.

The Department does, however, note for the Commission one minor concern related to whether a customer with multiple delivery points, as RMS has, is eligible to receive the BIS discount for load at each delivery point. For new customers, Xcel's BIS Rider defines qualified billing demand as follows:

For new Customers, the Qualified Billing Demand under this Rider must be a minimum of 350 kW at a single delivery point.

With respect to existing customers, the BIS Rider states:

For existing customers, Qualified Billing Demand is the new load of 350 kW or greater at a single delivery point incremental to that existing prior to approval for service under this Rider.

The Department notes that RSM's load at each delivery point individually meets the criteria to receive the BIS discount. However, the BIS Rider does not explicitly address the possibility of customers with multiple delivery points, and because RMS takes services at two delivery points, Xcel's application of its BIS Rider may be different than what was intended or expected by the Commission. Xcel also has one other existing customer, Advanced Extrusion, Inc., receiving the BIS discount on load at two separate delivery points. However, because both of RMS's delivery points and both of Advanced Extrusion's delivery points individually meet the requirements to receive the BIS discount, including the requirement that incremental revenues exceed incremental costs, the Department concludes that the addition of their new loads are beneficial to Xcel's entire system and its other ratepayers, which is the intention of the BIS.

The same issue recently came before the Commission in Docket E015/GR-16-664, in the context of Minnesota Power's Business Development Incentive Rider (BDIR). The Commission's August 21, 2019 Order in that Docket required Minnesota Power to clarify its BDIR tariff language regarding delivery points and also to provide the rationale for using a single delivery point.

Thus, similarly, the Department recommends that the Commission:

- effectively approve RMS's ESAs by taking no action on them;
- require Xcel to clarify the BIS tariff language regarding delivery points; and
- require Xcel to provide the rationale for using a single delivery point.

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

Sincerely,

/s/ Craig Addonizio

/ar

CERTIFICATE OF SERVICE

I, Linda Chavez, hereby certify that I have this day served copies of the following document on the attached list of persons by electronic filing, 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 – LETTER

Docket Nos. **E002/GR-12-961**

Dated this **28th** day of **August, 2019**.

/s/Linda Chavez

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