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March 20, 2015

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VIA E-FILING

Dan Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

Re: In the Matter of the Application of Northern States Power Company, d/b/a
Xcel Energy for Authority to Increase Rates for Electric Service in Minnesota
PUC Docket No. E002/GR-13-868
OAH Docket No. 68-2500-31182
Our File No. 2021-13

Dear Mr. Wolf:

Attached for filing and served upon the parties is the Minnesota Chamber of Commerce's Preferred Decision Alternatives in the Xcel rate case.

If you have any questions or comments, please do not hesitate to contact me.

Very truly yours,

/e/ Richard J. Savelkoul
Richard J. Savelkoul

RJS:wsl

Attachments

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

**BEFORE THE PUBLIC UTILITIES COMMISSION
121 7th PLACE E., SUITE 350
SAINT PAUL, MN 55101-2147**

**IN THE MATTER OF THE
APPLICATION OF NORTHERN STATES
POWER COMPANY, A MINNESOTA
CORPORATION, FOR AUTHORITY TO
INCREASE RATES FOR ELECTRIC
UTILITY SERVICE IN MINNESOTA**

**MPUC DOCKET NO. E-002/GR-13-868
OAH DOCKET NO. 68-2500-31182**

**PREFERRED DECISION ALTERNATIVES OF
THE MINNESOTA CHAMBER OF COMMERCE**

MARCH 20, 2015

Pursuant to the request of the Commission at Oral Argument, the Minnesota Chamber of Commerce (“Chamber”) offers the preferred decision alternatives contained herein, on issues the Chamber participated in developing. The Chamber would also prefer the Commission approve a path which avoids a 2016 rate case, provided it adequately balances customer interests. In each case, the alternative proposed is as drafted by Commission Staff, unless edited with ~~striketrough~~ or underline.

Volume I. ALJ Report

Option 2. Adopt with modification.

Volume II. Financial

E. Pleasant Valley and Border Winds – 2015 Step

1. Recovery Approach

Option 2. Rider Recovery with edits to ALJ Finding 586.

H. Transmission Business Area – Cost Controls

Option 1. Limit recovery to CON approval.

and

Option 3. Xcel to propose KPI in next rate case.

Volume III. Cost of Capital

The Chamber did not provide testimony

Volume IV. Sales Forecast & Class Cost of Service Study

B. Class Cost of Service Study

1. Classification of Fixed Production Plant

Option b. Use Plant Straight Fixed Variable.

3. Classification of Nobles and Grand Meadow Wind

Option c. Use Percent of Base Revenue.

6. Allocation of Other Production Operation and Maintenance Costs

Option d or e. Use Predominant Nature Method.

Volume V. Revenue Decoupling

The Chamber did not provide testimony

Volume VI. Rate Design

A. Class Revenue Apportionment

Option 8. Rerun Xcel's CCOSS according to Commission Order and follow CCOSS.

B. Revenue Apportionment Adjustment Calculation

Option 1. Use Xcel method to capture Sales *and* Expense adjustments.

D. Interruptible Service Discount

Option 6. Use Chamber calculated value.

or

Option 6a (offered at Oral Argument). Use a method that puts participants in an equivalent position as prior to 2012 rate case. Increase credit by 8%, plus percentage of final adjustments to demand charge in this case. Below:

6a Reject the ALJ's recommendation and increase interruptible service discounts by: 8% (2012 demand charge increase), plus the final demand charge increase percentage for this case in tier 1SN and a relative adjustment for each other tier.

F. Coincident Peak Billing

Options 2 & 3. Require Coincident Peak billing and charge participants for additional costs. Also make consistent modifications to findings 953 and 958.

G. Definition of Contiguous Property

Option 2. Require definition to match State law and use consistently throughout Xcel Electric Rate Book.

Volume VII. Financial

A. Recovery of Prairie Island EPU Costs

Option 1. Recover at cost of debt over life of the plant.

N. Fuel Cost Recovery Reform

Options 3. Require Xcel proposal in next rate case if not resolved prior.

O. Sherco 3 Outage – Replacement Fuel Costs

Option 3 (offered at Oral Argument). Require Xcel to calculate and file proposal in AAA docket, consistent with Monticello EPU decision. Below:

3. Determine that there exists an increased cost of fuel and purchase power due to the Sherco 3 facility outage following construction. The amount of the increase cost, return to current ratepayers and recovery from ratepayers benefiting from the future Sherco 3 output shall be determined in Xcel's Annual Automatic Adjustment filing.

Respectfully submitted,

MARTIN & SQUIRES, P.A.

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**ATTORNEYS FOR MINNESOTA CHAMBER OF
COMMERCE**

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
PREFERRED DECISION ALTERNATIVES

Docket Number **E-002/GR-13-868**
Dated this **20th** day of **March, 2015**

/s/ Wendy S. Latuff

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