



85 7th Place East, Suite 500
St. Paul, Minnesota 55101-2198
mn.gov/commerce/
651.539.1500 FAX 651.539.1547
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April 9, 2014

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

RE: Response of the Minnesota Department of Commerce, Division of Energy Resources to Northern States Power Company, doing business as Xcel Energy's Reply Comments
Docket No. E002/AI-14-165

Dear Dr. Haar:

In its March 27, 2014 comments in the above-referenced matter, the Minnesota Department of Commerce, Division of Energy Resources (Department) asked that Northern States Power Company, doing business as Xcel Energy (Xcel or the Company) provide the following information:

1. an explanation of the nature and size of non-incident costs;
2. the anticipated difference in magnitude between non-incident transaction costs and incident transaction costs;
3. a summary of the company's assessment that determined the need for an additional Administrative Services Agreement (ASA) to be filed; and
4. a description of the relationship between non-incident costs and the reasoning that a competitive bidding process is not appropriate in the case of this ASA.

Xcel provided this information in its April 4, 2014 reply comments. Based on our review of Xcel's reply comments, the Department has no further concerns regarding Xcel's characterization of non-incident costs and the related provisions included in the proposed ASA; therefore, the Department recommends that the Minnesota Public Utilities Commission (Commission) approve the Company's Administrative Services Agreement with Northern States Power Company-Wisconsin. The Department is available to answer any questions that the Commission may have.

Sincerely,

/s/ ZAC RUZYCKI
Public Utilities Rates Analyst

ZR/lt