

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
Matthew Schuerger	Commissioner
John Tuma	Commissioner

Bria E. Shea
Regulatory Manager
Xcel Energy
414 Nicollet Mall
Minneapolis, MN 55401

SERVICE DATE: April 8, 2016

DOCKET NO. E-002/GR-12-961

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

The above entitled matter has been considered by the Commission and the following disposition made:

- 1. Accepted Xcel's annual compliance report on new Electric Service Agreements executed under its Business Incentive and Sustainability (BIS) Rider, *Minnesota Electric Rate Book, Section 5, 1st Revised Sheet No. 141*, authorized in *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. E-002/GR-12-961, Findings of Fact, Conclusions, and Order (September 3, 2013) at 51*. The new agreements involve four customers: Advanced Extrusion, Inc., LeafLine Labs LLC, New Plastics Plus, Inc., and Grede, LLC.**
- 2. Required Xcel to provide the information in items 1 – 6, below, in both its annual December 1 compliance report on all BIS electric service agreements and in its compliance filings on new BIS electric-service agreements, as agreed to by Xcel and the Office of the Attorney General (OAG) at hearing on March 31, 2016.**
 - 1) Xcel will provide information about the cumulative generation capacity that is necessary to serve the new load incentivized by the BIS Rider and its relationship to, and impacts on, (a) the Company's overall generation requirements; and (b) the Company's efforts to reduce the system peak through load management and demand response. The OAG noted that although Xcel has stated that it currently has excess generation capacity, it would be helpful for the Commission to understand the impact that the new consumption incentivized by the BIS Rider discounts has on the Company's future generation requirements;**
 - 2) Xcel will provide information about the relationship between customers added to the BIS Rider and any sales forecasts provided for pending rate cases or other dockets involving sales forecasting. The OAG argued that it is possible that**

customers increasing consumption in response to BIS Rider incentives could have a material impact on the Company's sales forecasting;

3) Xcel will provide more information about the energy audit and other sustainability efforts required by the language of the BIS Rider tariff. The BIS Rider, while offering discounts aimed at increasing usage, requires customers to participate in sustainability and conservation programs. The OAG noted that providing more information about this process (e.g., where each customer is in the process and any conservation action taken by the BIS customers) would be beneficial in judging the overall success of the BIS Rider;

4) Xcel will provide more information about the impact of the BIS Rider discount on incentivizing new energy consumption by business customers. The OAG is seeking more information on how customers responded to the BIS Rider discount and how Xcel determined it was not offering unnecessary discounts;

5) Xcel will provide information about the "Revenue Recovery" provision (noted above) of the BIS Rider Tariff – whether and how Xcel has sought, or intends to seek, recovery of the shortfall related to the BIS discount from other customer classes; and

6) Xcel will provide information about the amount of BIS Rider discounts and their financial impact on other classes. The OAG notes its concern that, in light of the increasing number of customers that appear to be interested in the BIS Rider, the application of the discount, over time, could result in a measurable shift in cost from business customers to residential customers.

- 3. Required Xcel to develop a format to provide the information in items 1 – 6 above on customers taking service under the BIS Rider within 30 days of the date of this order, as agreed to by Xcel and the Office of the Attorney General at hearing on March 31, 2016.**

This Order shall become effective immediately.

BY ORDER OF THE COMMISSION



Daniel P. Wolf
Executive Secretary

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