

October 16, 2014

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

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. G002/M-14-336

Dear Dr. Haar:

Attached are the Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

Northern State's Power Company, d/b/a Xcel Energy's (Xcel or the Company), Request for Approval of a Gas Utility Infrastructure Cost Rider.

The Petition was filed on August 1, 2014 by:

Amy Liberkowski  
Manager, Regulatory Analysis  
Xcel Energy  
414 Nicollet Mall, 7<sup>th</sup> Floor  
Minneapolis, Minnesota 55401

The Department recommends **approval** of Xcel's proposed Gas Utility Infrastructure Cost Rider and is available to answer any questions the Commission may have.

Sincerely,

/s/MICHELLE ST. PIERRE  
Financial Analyst  
Energy Planning & Advocacy

/s/SUSAN PEIRCE  
Rates Analyst  
Energy Planning & Advocacy

MS/SP/ja  
Attachment

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BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE  
MINNESOTA DEPARTMENT OF COMMERCE  
DIVISION OF ENERGY RESOURCES

DOCKET No. G002/M-14-336

**I. SUMMARY OF PROPOSAL**

On August 1, 2014, Northern State's Power Company, d/b/a Xcel Energy's (Xcel, Xcel Energy, or the Company) filed its Petition to the Minnesota Public Utilities Commission (Commission) for approval of a Gas Utility Infrastructure Cost (GUIC) Rider (the Rider or tracker), on a recurring basis, effective January 1, 2015 and to recover \$14.9 million of costs in 2015 through the Rider. This filing was made pursuant to Minn. Stat. § 216B.1635 (*Recovery of Gas Utility Infrastructure Costs*). Approval of Xcel's proposed GUIC Rider would allow the Company to begin rate recovery of deferred and projected natural gas infrastructure investments and associated Operating and Maintenance (O&M) costs for the:

- Transmission Integrity Management Program (TIMP);
- Distribution Integrity Management Program (DIMP); and
- Sewer Conflict Plan Work.

Xcel stated that it seeks recovery of costs outside of a general rate case for the following reasons:

The GUIC Rider is in the public interest, as it will enable the Company to continue efforts to improve the safety and reliability of gas utility assets. Furthermore, the GUIC enables the Commission and the Company to use resources efficiently to complete critical work. Approval of the Rider allows the Company to take advantage of improved economies of scale, to engage in better regional planning, to minimize inconvenience to impacted communities, and to efficiently deploy human and capital resources.<sup>1</sup>

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<sup>1</sup> Filing, page 11.

Xcel specifically requested approval of:

- an ongoing GUIC Rider;
- 2015 GUIC revenue requirements of \$14.94 million for the projected transmission and distribution natural gas infrastructure investments and associated O&M costs, which includes costs for which the Commission previously granted deferred accounting;
- 2015 GUIC rate factors by class to be included in the Resource Adjustment on bills for gas customers in Minnesota beginning January 1, 2015;<sup>2</sup> and
- the proposed GUIC tariff sheets and customer notice.<sup>3</sup>

Xcel estimated that the average bill impact for a typical residential customer would be \$2.22 per month or about 3 percent of the total bill.<sup>4</sup>

## II. BACKGROUND

In Xcel's last general rate case, the Company was allowed to increase its Minnesota jurisdictional revenues by \$7,291,000 to produce jurisdictional total retail related revenue of \$592,872,000 for the test year ending December 31, 2010.<sup>5</sup> According to Xcel:

Since Xcel Energy's last natural gas rate case in 2010, the natural gas industry has continued to undergo a major regulatory transformation. Due to concerns over the age of the country's natural gas infrastructure, federal and state regulators are requiring natural gas companies, including Xcel Energy, to implement integrity management programs to assess and improve the safety, reliability, and integrity of their natural gas infrastructure.

To comply, the Company developed the Transmission Integrity Management Program (TIMP) and Distribution Integrity Management Program (DIMP). TIMP complies with federal regulations that set standards for how operators validate the integrity of gas transmission assets by identifying risks, systematically performing health and condition assessments,

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<sup>2</sup> The Department notes that Xcel's filing meets the 150-day review provided for in the GUIC statute.

<sup>3</sup> Filing, cover letter.

<sup>4</sup> Filing, page 2.

<sup>5</sup> Findings of Fact, Conclusions of Law, and Order, Docket No. G002/GR-09-1153 (Docket No. 09-1153), page 38.

and evaluating and prioritizing repairs to mitigate the risks and threats. Like TIMP, our DIMP helps us identify, prioritize, and evaluate risks; identify and implement measures to address risk, and validate the integrity of our gas distribution system. In conjunction with our TIMP and DIMP efforts, the Company also initiated a required state-wide project to identify and remediate situations where its natural gas distribution infrastructure intersected with sewer lines.

Xcel Energy has incurred, and continues to accumulate, substantial expenses in connection with these transmission and distribution safety-related initiatives.<sup>6</sup>

Xcel believes that Minn. Stat. § 216.1635 allows the Company to recover the capital and related O&M costs associated with natural gas infrastructure projects it is required to undertake, the request meets the applicable standard of review, and that using the GUIC Rider to recover these significant costs is in the public interest, as it will ease administrative burdens by allowing the Company an opportunity to avoid a general rate case if granted.<sup>7</sup>

The Company's TIMP and DIMP activities were initiated at the behest of federal<sup>8</sup> and state<sup>9</sup> regulators. In 2011 and 2013, the Commission authorized Xcel to use deferred accounting treatment in its:

- January 12, 2011 *Order Granting Deferred Accounting Treatment*, Docket No. G002/M-10-422 (Docket No. 10-422); and
- January 28, 2013 *Order Approving Deferred Accounting for Costs to Comply with Gas Pipeline Safety Programs*, Docket No. G002/M-12-248 (Docket No. 12-248).

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<sup>6</sup> Filing, pages 1-2.

<sup>7</sup> Filing, page 2.

<sup>8</sup> The pipeline integrity management programs were introduced pursuant to the Pipeline Safety Improvement Act, passed by the U.S. Congress in 2002. The law directed the U.S. Department of Transportation, through the Pipeline and Hazardous Materials Safety Administration (PHMSA), to promulgate rules to address integrity programs for gas transmission lines. The rulemaking and subsequent addition to the Code of Federal Regulations required operators of gas transmission systems to implement a TIMP. Filing, page 5. The PHMSA published the final DIMP rule establishing integrity management requirements for gas distribution pipeline systems in 2009 (74 FR 63906) and pipeline operators, like the Company, were required to establish and file their plans in 2011. Filing, page 7.

<sup>9</sup> In response to a Minnesota Office of Pipeline Safety (MNOPS) Notice of Probable Violation related to a natural gas-fueled fire in St. Paul on February 1, 2010, Xcel proposed a remediation plan that MNOPS accepted, as part of "a comprehensive plan that addresses potential sewer/gas line conflicts" meant to address the conditions that led up this natural gas incident. Filing, page 5.

In each of these dockets, the Commission required an annual compliance filing summarizing costs incurred and deferred under the order. Department Attachment 1 summarizes the annual deferred costs and cumulative balances, as well as the 2014 projected costs from the annual compliance filings.

In Docket Nos. 10-422 and 12-248, the Commission required that Xcel file a summary (Prefiling Summary) of deferred costs 60 days in advance of a filing requesting recovery of TIMP and DIMP costs. On April 24, 2014, the Company submitted the advance filing providing summary information related to the Company's deferred gas utility infrastructure costs in anticipation of submitting the current Petition.<sup>10</sup> As discussed in the annual reports and pre-filing, Xcel outsourced the TIMP and DIMP activities. The Company stated that "While execution of these projects is performed utilizing a combination of Company and contract employees, only the costs associated with the outsourced tools, equipment and services are deferred."<sup>11</sup>

### III. DEPARTMENT ANALYSIS

The Department notes that Xcel's Petition is the first gas utility request for recovery under the Minnesota GUIC statute. The Company proposed to recover total estimated costs of \$14.94 million<sup>12</sup> for TIMP and DIMP related activities. Incremental capital-related revenue requirements and O&M expenses total \$5.64 million and \$4.54 million, respectively. Additionally, costs associated with the amortization of deferred accounting treatment total \$4.76 million. Table 1 breaks out the 2015 revenue requirements between TIMP and DIMP for capital, O&M expenses, and deferred costs.

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<sup>10</sup> The filing was submitted under the current docket number.

<sup>11</sup> Prefiling Summary, Attachment B, page 3 for TIMP and Attachment C, page 5 for DIMP.

<sup>12</sup> The projected 2015 revenue collection is 9.39 percent of retail revenue approved in Xcel's last rate case. Xcel's Attachment L.

**Table 1<sup>13</sup>**  
**2015 GUIC**  
(In Millions - \$M)

|   |                |
|---|----------------|
| <b>Capital-Related Revenue Requirements</b>               |                |
| TIMP  | \$4.96         |
| DIMP  | <u>\$0.69</u>  |
| Total   | \$5.64         |
| <b>Operations &amp; Maintenance Expenses</b>              |                |
| TIMP  | \$0.22         |
| DIMP  | <u>\$4.32</u>  |
| Total   | \$4.54         |
| <b>5-Year Amortization of Deferred Costs<sup>14</sup></b> |                |
| TIMP (corrected)  | \$0.92         |
| DIMP (corrected)  | <u>\$3.84</u>  |
| Total   | <u>\$4.76</u>  |
| 2015 GUIC - Grand Total                                   | <u>\$14.94</u> |

Below, the Department discusses the statutory requirements, Xcel's GUIC Rider proposals, and when deferred accounting and the GUIC tracker would end. The Department concludes that Xcel's proposed GUIC Rider is reasonable and recommends that the Commission approve recovery beginning January 1, 2015.

#### A. STATUTORY REQUIREMENTS

##### 1) Eligibility for GUIC Rider Recovery

Under Minn. Stat. § 216B.1635, subd. 1, "Gas utility infrastructure costs" means costs incurred in certain "gas utility projects." As amended by the legislature in 2013, "gas utility projects" means:

- (1) replacement of natural gas facilities located in the public right-of-way required by the construction or improvement of a highway, road, street, public building, or other public work by or on behalf of the United States, the state of Minnesota, or a political subdivision; and

<sup>13</sup> Filing, page 16.

<sup>14</sup> The Department noticed an error on Attachment I in the January to December 2014 TIMP and DIMP costs compared to the 2014 compliance filings in Docket Nos. 10-422 and 12-248. The Company transposed the forecasted safety related portion of the TIMP and DIMP. However, the total deferred amount of \$23,812,573, as well as the annual amount of \$4,762,515 were unaffected. See Department Attachment 3 for Xcel's corrected Attachment I.

(2) replacement or modification of existing natural gas facilities, including surveys, assessments, reassessment, and other work necessary to determine the need for replacement or modification of existing infrastructure that is required by a federal or state agency.

For 2015, there are three projects proposed under the TIMP with an estimated total cost of \$23.95 million in capital expenditures and \$0.22 million in O&M expenditures.<sup>15</sup> Table 2 provides the estimated 2015 project capital expenditures, O&M costs, and revenue requirements:

**Table 2<sup>16</sup>**  
**2015 Estimated TIMP Project Costs**

| \$ Millions                             | Estimated Capital | Estimated O&M        |
|---|-------------------|----------------------|
| Replace East Metro Pipeline             | \$23.10           | \$0.04               |
| Pipeline Assessments                    | \$0.35            | \$0.75               |
| ASV/RCV (Automatic valves)              | \$0.50            | \$0.00               |
| TOTAL TIMP Capital Expenditures and O&M | \$23.95           | \$0.79               |
| TOTAL MN TIMP Revenue Requirements      | \$4.96            | \$0.22 <sup>17</sup> |

For 2015, there are six projects proposed under the DIMP with an estimated total cost of \$9.12 million in capital expenditures and \$4.32 million in O&M expenditures.<sup>18</sup> Table 3 provides the estimated 2015 project capital expenditures, O&M costs, and revenue requirements:

<sup>15</sup> See Filing, pages 19-20 and Xcel's Attachment B for further details on future TIMP projects.

<sup>16</sup> Filing, Attachment B, page 3.

<sup>17</sup> Excludes TIMP O&M recovered in base rates.

<sup>18</sup> See Filing, pages 20-21 and Xcel's Attachment E for further details on future DIMP projects.



**Table 3<sup>19</sup>**  
**2015 Estimated DIMP Project Costs**

| \$ Millions                                 | Estimated Capital | Estimated O&M |
|---|-------------------|---------------|
| Poor Performing Main Replacements           | \$4.50            | \$0.27        |
| Poor Performing Service Replacements        | \$2.10            | \$0.13        |
| Intermediate Pressure (IP) Line Assessments | \$0.00            | \$0.43        |
| Distribution Valve Replacement Project      | \$0.77            | \$0.00        |
| Pipeline Data Project (PDP) – Distribution  | \$1.75            | \$0.00        |
| Sewer & Gas Line Conflict Investigation     | \$0.00            | \$3.50        |
| TOTAL DIMP Capital Expenditures and O&M     | \$9.12            | \$4.32        |
| TOTAL MN DIMP Revenue Requirements          | \$0.69            | \$4.32        |

The O&M costs in Table 3 include \$3.5 million for Sewer & Gas Line Conflict Investigation. In Docket No. 10-422, Xcel was required to file a compliance filing to update the Commission if at any point deferred sewer conflict program costs exceeded \$3.5 million on an annual basis. At the time, the Company did not have a program timeline. Currently, Xcel anticipates that the inspection program will be a 10-year program.<sup>20</sup> The Department considers the \$3.5 million a reasonable estimate of the annual level of costs for sewer conflict work.

Xcel's actual and projected capital expenditures for TIMP and DIMP through 2015 are included in the 2015 GUIC revenue requirement of \$14.94 million. The year-end plant additions and cumulative balances are as follows:

**Table 4<sup>21</sup>**  
**Capital Additions 2012-2015**

|      | Additions                  | Balance                    |
|------|----------------------------|----------------------------|
| 2012 | \$232,229                  | \$232,229                  |
| 2013 | \$10,317,189               | \$10,549,418               |
| 2014 | \$15,959,969               | \$26,509,387               |
| 2015 | \$31,896,400 <sup>22</sup> | \$58,405,787 <sup>23</sup> |

<sup>19</sup> Filing, Attachment E, page 3.

<sup>20</sup> Filing, Attachment E, page 8.

<sup>21</sup> Filing, Attachment C.

<sup>22</sup> The projected 2015 capital expenditures are 107 percent of the capital expenditures approved in Xcel's last rate case. Xcel's Attachment L.

<sup>23</sup> The Department notes that Xcel's TIMP and DIMP plant in service at December 31, 2015 shown in the Company's Attachment D of \$47,909,384 and Attachment F of \$9,758,195 total \$57,667,579 or \$738,208

The Department requested further detail on the accumulated plant balances. See Department Attachment 2 for Xcel's discussion of the types of projects included in the above plant balances and a list of the actual and forecasted capital expenditures by month.

The Department reviewed the projects in Xcel's annual compliance filings, as well as in the Petition. Based on its analysis, the Department concludes that the pipeline safety program and the sewer conflict program are eligible for the rate rider described under Minn. Stat. §216B.1635.

## 2) *Filing Requirements*

Minnesota Statute § 216B.1635, subd. 4 (2) requires that a gas utility file sufficient information to satisfy the Commission regarding the proposed GUIC. The information includes, but is not limited to:

- (i) the information required to be included in the gas infrastructure project plan report under subdivision 3;
- (ii) the government entity ordering or requiring the gas utility project and the purpose for which the project is undertaken;
- (iii) a description of the estimated costs and salvage value, if any, associated with the existing infrastructure replaced or modified as a result of the project;
- (iv) a comparison of the utility's estimated costs included in the gas infrastructure project plan and the actual costs incurred, including a description of the utility's efforts to ensure the costs of the facilities are reasonable and prudently incurred;
- (v) calculations to establish that the rate adjustment is consistent with the terms of the rate schedule, including the proposed rate design and an explanation of why the proposed rate design is in the public interest;
- (vi) the magnitude and timing of any known future gas utility projects that the utility may seek to recover under this section;
- (vii) the magnitude of GUIC in relation to the gas utility's base revenue as approved by the commission in the gas utility's most recent general rate case, exclusive of gas purchase costs and transportation charges;
- (viii) the magnitude of GUIC in relation to the gas utility's capital expenditures since its most recent general rate case; and

(ix) the amount of time since the utility last filed a general rate case and the utility's reasons for seeking recovery outside of a general rate case.

Xcel has included a Compliance Matrix in its Attachment H for the filing requirements in Minn. Stat. § 216B.1635, as well as in Docket Nos. 10-422 and 12-248. The Department appreciates the Company's Compliance Matrix. Upon review of the filing, the Department concludes that the Company has sufficiently complied with the filing requirements.

### 3) *Prudently Incurred Costs*

Minnesota Statute § 216B.1635 subd. 5 states that the Commission may approve the annual GUIC rate adjustments provided that the costs included for recovery through the rate schedule are prudently incurred and achieve gas facility improvements at the lowest reasonable and prudent cost to ratepayers. In its Petition, Xcel reasons that the GUIC activities are prudent based on its cost controls and oversight methods. Further, the Company asserted that its cost controls achieve the improvements at the lowest reasonable and prudent cost to ratepayers. Regarding cost controls, Xcel stated that:<sup>24</sup>

- projects in the proposed GUIC Rider have gone through the Company's capital and O&M budgeting process, which is approved by Company officers and the Board of Directors;
- the Gas Engineering and Operations business unit includes a project controls department that monitors all capital dollars to ensure that authorized projects align with the established budget to achieve the lowest reasonable and prudent cost to ratepayers;
- the Company leverages past experience with assessments and repairs to assist in developing budgets for future assessment work; and
- the Company has formed a dedicated Gas Project Management Department to handle large gas projects and programs and provides centralized project management to address overall scope, scheduling, and budgeting for major capital projects.<sup>25</sup>

According to Xcel, it employs a variety of oversight methods including monthly evaluation and approval of the status of the capital budget by Company executives. The Company stated that:

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<sup>24</sup> Filing, page 14.

<sup>25</sup> *Id.*

The Company is in the process of establishing a Rider Review Committee (RRC) tasked with ensuring that any future modifications to GUIC projects meet the intent of the Company's DIMP and TIMP Rider. The committee will be led by the Director of Gas System Strategy and will include the relevant integrity management personnel, as well as senior managers and executives.

Finally, Xcel Energy employs standard practices for all master contracts and change orders. We also use competitive bidding to select project partners. All of these efforts aim to ensure prudent management and ratepayer value.<sup>26</sup>

Xcel also noted in its filing that Xcel performed the sewer line conflict remediation work in a transparent manner and provided the MNOPS with updates.<sup>27</sup> Additionally, the Company stated the following on Xcel's assessment of risk for the ranking of projects:

Xcel Energy uses computerized risk modeling software to evaluate relative risk based on variables including pipe material, pipe size, prior failures (leaks), and failure causes. The Company also considers historical incidents, industry trends, Pipeline Hazardous Materials Safety Administration (PHMSA) advisory bulletins, regulatory commitments, and knowledge from other distribution operators and industry members. A calculated "relative risk" value is assigned and is used as guidance by Company [subject matter experts], enabling stratification or ranking of projects based on predetermined pipe characteristics and forecasted pipe failures.<sup>28</sup>

The Department notes that Xcel's incurrence of a cost does not mean that the cost will necessarily be recovered, even if the cost was allowed in a deferred accounting request. On October 6, 2014, the Department reviewed a random sample of TIMP and DIMP deferred cost invoices at the Company's office. The Department found no reason for the Commission to deny any deferred cost. Further, the Department reviewed the actual and forecasted capital expenditures related to TIMP and DIMP. Based on its analysis, the Department concludes that the actual costs included for recovery through the Rider are prudently incurred and the forecasted costs proposed to go into the GUIG Rider are supported by budgeted projects.

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<sup>26</sup> *Id.*

<sup>27</sup> Filing, page 5.

<sup>28</sup> Xcel's Attachment E, page 2.

*B. XCEL'S GUIC RIDER PROPOSALS*

*1) GUIC Revenue Requirements and Tracker Recovery Mechanism*

Minnesota Statute § 216B.1635, subd. 4, *Cost recovery petition for utility's facilities*, states:

Notwithstanding any other provision of this chapter, the commission may approve a rate schedule for the automatic annual adjustment of charges for gas utility infrastructure costs net of revenues under this section, including a rate of return, income taxes on the rate of return, incremental property taxes, incremental depreciation expense, and any incremental operation and maintenance costs.

Regarding “costs net of revenues,” the Company stated that “[a]t this time, Xcel does not believe third-party recovery is feasible.”<sup>29</sup> According to the Company, “Xcel Energy carefully considered and assessed whether a viable third-party claim would exist to recover some of the costs of the [sewer conflict] plan, but for several reasons the Company concluded there was no viable third-party claim.”<sup>30</sup>

Xcel would calculate the revenue requirement for the tracker as follows:<sup>31</sup>

Plant in Service  
Less: Accumulated Depreciation  
Less: Accumulated Deferred Taxes  
Equals: Rate Base  
Times: Debt and Equity Return on Rate Base  
Equals Rate Base Revenue Requirement

Rate Base Revenue Requirement  
Plus: Property Tax<sup>32</sup>  
Plus: Book Depreciation<sup>33</sup>

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<sup>29</sup> Filing, page 17.

<sup>30</sup> *Id.*

<sup>31</sup> See Xcel's Attachment P for detailed revenue requirement category descriptions.

<sup>32</sup> In a September 18, 2014 e-mail, Xcel told the Department that the property tax rate of 1.945 percent was developed through the ratio of tax to taxable investment.

<sup>33</sup> The Company's calculations assume an average depreciable life of 45.82 years and a negative net salvage rate of 15.7 percent for distribution mains and average depreciable life of 75 years and negative net salvage rate of 15 percent for transmission mains approved in Docket No. E,G002/D-12-858 depreciation filing, Schedule B, page 5. Filing, page 19.

Plus: Deferred Tax  
Plus: Gross up for Income Tax  
Plus: Deferred O&M Costs  
Plus: GUIC Rider True-up  
Equals Total Revenue Requirement

The revenue requirements are shown in the Company's Attachment D for TIMP and Attachment F for DIMP activities for 2015, as well as 2016 through 2019.<sup>34</sup> Xcel's Attachment I shows the proposed amortization of the deferred<sup>35</sup> O&M. Xcel provided the summary of the GUIC revenue requirements by year in its Attachment M. Xcel stated that the calculations assume that proposed GUIC projects are approved for eligibility, and the GUIC adjustment factors are effective January 1, 2015.<sup>36</sup>

Regarding the GUIC tracker accounting mechanism, the Company explained:

To ensure that customers are not under- or overcharged, we will record the actual GUIC revenue recovery and requirements in a tracker account as the accounting mechanism for eligible GUIC project costs. As revenues are collected from retail customers each month, the Company tracks the amount of recovery under the GUIC rate factor and compares that amount with the monthly revenue requirements. The difference is recorded in the tracker account as the amount of over- or under recovery. The tracker also records differences in revenue requirements from forecasted to actual. Any over- or under-recovery balance at the end of the year is used in the calculation of the rate factor for the next year's forecasted revenue requirement. In other words, over-recovery is taken into account by reducing the subsequent year's rate factor calculation. Under-recovery is similarly taken into account by increasing the subsequent year's rate factor calculation.<sup>37</sup>

To provide further assurance of the accuracy of the revenue requirements and tracker calculations, Xcel stated that:

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<sup>34</sup> Minnesota Statute § 216B.1635, subd. 2 requires only that the report must be for a forecast period of one year. According to Xcel, some of the TIMP sub-projects will span multiple years. Thus, the Company has formulated a multi-year plan for those that will expand beyond 2015. Attachment B, pages 6-7.

<sup>35</sup> In Xcel's Attachment I, the Company told the Department that January and February are actual amounts and March through December are forecasted amounts. September 18, 2014 e-mail.

<sup>36</sup> Filing, page 22.

<sup>37</sup> Filing, page 25.

...external consultants under contract with the Company reviewed the GUIC revenue requirement and factor calculation model. This third-party review consisted of the following steps: (1) review of our revenue requirements and tracker calculations; (2) review of compliance of these calculations with the intent of statutes, orders, and previous filings, and (3) verify that costs proposed to be recovered through the 2015 GUIC Rider adjustment factors are not being recovered under any other mechanism. In addition to verifying the accuracy of the Company's calculations, the review also confirmed that the revenue requirement calculations include no double recovery [of] costs.<sup>38</sup>

The Department appreciates the consultant's review, as well as the Company's thorough Petition.

Xcel also explained the specific FERC accounts that would be used in the tracker:

We will calculate the monthly Minnesota jurisdictional revenue requirements (including appropriate overall return, income taxes, property taxes, and depreciation), compare them with monthly GUIC Rider recoveries from customers, and place the under-recovered amounts in FERC Account 182.3, Other Regulatory Assets and over-recovered amounts in FERC Account 254, Other Regulatory Liabilities (the Tracker Accounts).<sup>39</sup>

The Department concludes that FERC Accounts 182.3 and 254 are appropriate for the true-up of costs in the GUIC tracker.

Xcel assured that "[t]he revenue requirements included in the tracker are only those related to Minnesota's jurisdictional share of eligible GUIC projects."<sup>40</sup> The Company informally told the Department that in the deferral of pipeline safety costs, TIMP expenses are allocated to Minnesota using the design day demand allocator which is normally used by Xcel to allocate O&M costs. However, the costs in the deferral of DIMP are allocated 100 percent to Minnesota since the costs are related to Minnesota's distribution system.<sup>41</sup> The Department considers the jurisdictional allocation appropriate.

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<sup>38</sup> Filing, page 24.

<sup>39</sup> Filing, page 25.

<sup>40</sup> *Id.*

<sup>41</sup> From an October 1, 2014 e-mail.

The Department reviewed the 2015 GUIC Rider revenue requirements and tracker recovery mechanism by reviewing Xcel's filing and electronic spreadsheets provided in response to an informal Department request. Based on its review, the Department considers Xcel's calculation of its 2015 GUIC Rider revenue requirements to be reasonable. Further, the Department considers Xcel's proposed tracker recovery method, including a rate of return (discussed below) charged on any under or over recovery balance, to be reasonable.

2) *Rate of Return Used in the Tracker*

Minnesota Statute § 216B.1635, subd. 6, *Rate of Return*, requires that:

The return on investment for the rate adjustment shall be at the level approved by the commission in the public utility's last general rate case, unless the commission determines that a different rate of return is in the public interest.

Xcel proposed to use the pre-tax rate of return of 8.28<sup>42</sup> percent and capital structure approved in its 2010 rate case, Docket No. 09-1153.<sup>43</sup> Even so, Xcel stated that "the Commission can establish a different rate of return if it is in the public interest and that our cost of debt has decreased since the time our 2010 gas rate case was before the Commission."<sup>44</sup>

In Xcel's *Petition for Approval of New Area Surcharge Riders*, Docket No. G002/M-14-583<sup>45</sup> (Docket No. 14-583), the Company proposed using an alternate cost of capital in the revenue requirement calculation in acknowledgement of changes to the economy since 2010. Specifically, Xcel proposed using the debt rates and capital structure proposed in its current electric rate case, with a pre-tax weighted cost of capital of 7.56<sup>46</sup> rather than 8.28 percent.<sup>47</sup> The Department observed the following about that proposal:

- 1) The Company's proposal of using the cost of capital proposed in the 2014 electric rate case would result in lower surcharges for ratepayers than reliance on the cost of capital set in the company's most recent natural gas general rate case.
- 2) In general, it may not be appropriate to use a cost of capital that was calculated for Xcel's electric service in a natural gas

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<sup>42</sup> The Department notes that Xcel's Attachment J shows 8.27 percent for the rate of return input.

<sup>43</sup> Filing, pages 10 and 23.

<sup>44</sup> Filing, page 10.

<sup>45</sup> Docket No. E002/GR-13-868 is pending the Commission's decision.

<sup>46</sup> The updated debt cost rates and the capitalization ratios were for 2014, the first year of the multi-year rate case. The updates were from the Company's initial general rate case filing and did not reflect updates from Xcel's July 7, 2014 Rebuttal Testimony, which reflect a slightly lower cost of debt.

<sup>47</sup> Xcel's July 9, 2014 initial Filing, page 4, Docket No. 13-583.



proceeding; however, Xcel updated only the debt component of its capital structure. The debt component of Xcel's capital structure is more likely to be similar between the gas and electric sectors of Xcel's company.

3) Another reason why it was appropriate that Xcel updated only the debt portion of its cost of capital is because that is the only aspect of Xcel's cost of capital that has not been disputed in Xcel's current rate case.

4) Generally, the Department does not support updating one cost without updating others; however, in this case, the Department concludes that Xcel's proposal is reasonable.

Minnesota Statutes § 216B.03 requires the Commission to set rates in a manner in which "[a]ny doubt as to reasonableness should be resolved in favor of the consumer." As a result, the Department would support *in this case* use of the updated cost of capital proposed by Xcel in Table 2 of the petition because Xcel's proposal would benefit ratepayers since the proposed electric pre-tax weighted cost of capital is lower than the same figure in the most recent natural gas general rate case. However, the Department notes that we would not necessarily support such a proposal in the future due to the concerns noted in items 2 and 4 above.<sup>48</sup>

On September 24, 2014, the Commission heard Docket No. 14-583 and approved, for that case only, the update to the Company's proposed cost of capital.<sup>49</sup>

Because there is no substantial difference between the use of an adjusted weighted cost of capital reflecting an updated weight and cost of debt in Docket No. 14-583 and in the instant docket, *i.e.*, points 1 through 4 quoted above from the Department's Comments in Docket 14-583 pertain to the instant docket as well, the Department recommends that the Commission approve a lower rate of return of 7.56 percent in the GUIC Rider.

### 3) *Five-Year Amortization of Deferred Costs*

For the \$23.8 million of deferred costs, Xcel proposed to amortize the costs over five years (\$4.76 million per year).<sup>50</sup> Regarding the length of the amortization period, the Company informally told the Department that:

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<sup>48</sup> Department's August 8, 2014 Comments, page 5, Docket No. 14-583.

<sup>49</sup> The Commission's Order in Docket No. 14-583 is pending at the time of this Comment.

<sup>50</sup> Filing, page 3.

Generally, we set the amortization periods to recover the amortized costs over the period between rate cases. That said, the size of the deferred balance supported a slightly longer amortization period than we would normally recommend (period between rate cases) – in other words, a rate case may be necessary prior to 2020. The longer time period also provides a more moderate rate impact to customers, which is consistent with one of our rate design goals.<sup>51</sup>

Xcel's last general rate case was filed in Docket No. 09-1153 and the Commission approved a four-year amortization period based on the number of years between the Company's rate cases since 1986 excluding a seven-year rate freeze period.<sup>52</sup> Further, by the end of 2014, five years will have passed since the beginning of the 2010 test year. Additionally, the deferred O&M costs are high since costs have been deferred since May 10, 2010.<sup>53</sup> The Department concludes that a five-year amortization period is reasonable for the deferred costs. Therefore, the Department recommends that the Commission approve a five-year amortization period for the deferred costs.

#### 4) *Timing of GUIC Factors*

Xcel proposed to implement the GUIC factors January 1, 2015. Further, Xcel stated that “[i]f implementation of the 2015 GUIC adjustment factors occurs after January 1, 2015, the Company proposes to calculate the final rate adjustment factors to recover the 2015 revenue requirements over the remaining months of 2015, which would be provided as part of a compliance filing after the Commission's Order approving the Petition.”<sup>54</sup> The Department concludes that recovering the 2015 revenue requirements over the remaining months is a reasonable proposal if implementation is delayed. Therefore, the Department recommends that the Commission require a compliance filing showing the final rate adjustment factors and all related tariff changes, 10 days after its Order if implementation of the 2015 GUIC factors occurs after January 1, 2015.

#### 5) *Future Filings*

Minnesota Statute § 216B.1635, subd. 2, *Gas infrastructure filing*, states:

A public utility submitting a petition to recover gas infrastructure costs under this section must submit to the commission, the department, and interested parties a gas infrastructure project

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<sup>51</sup> From a September 18, 2014 e-mail.

<sup>52</sup> Findings of Fact, Conclusions of Law, and Order, Docket No. 09-1153 (Dec. 6, 2010), Page 22.

<sup>53</sup> Order Granting Deferred Accounting Treatment Subject to Conditions and Reporting Requirements, Docket No. 10-422 (January 12, 2011), page 2.

<sup>54</sup> Filing, page 22.

plan report and a petition for rate recovery of only incremental costs associated with projects under subdivision 1, paragraph (c). The report and petition must be made at least 150 days in advance of implementation of the rate schedule, provided that the rate schedule will not be implemented until the petition is approved by the commission pursuant to subdivision 5. The report must be for a forecast period of one year.

Xcel expects that within the category of DIMP projects, the Poor Performing Main and Service Replacement Projects are expected to be multi-year initiatives, likely spanning a decade<sup>55</sup> and its TIMP category of projects, transmission pipeline assessment and remediation work will be on-going.<sup>56</sup> Xcel stated that “[i]n subsequent years, we will file a request for approval of changes to the GUIC factors by November 1st, with rates proposed to be effective April 1st of the following year upon Commission approval. This timeframe allows for the 150-day review provided for in statute.”<sup>57</sup> Xcel reasoned that this approach is consistent with the Legislature’s intent to provide timely cost recovery and it allows parties the time required to audit and review costs sought for recovery.<sup>58</sup>

The Department concludes that Xcel’s proposal to file on November 1 its proposed changes to the GUIC factors for the subsequent year is reasonable.

#### 6) *Rate Design*

Minnesota Statute § 216B.1635, subd. 5 (v) requires that the filing include calculations to establish that the rate adjustment is consistent with the terms of the rate schedule, including the proposed rate design and an explanation of why the proposed rate design is in the public interest. Xcel proposed the following GUIC adjustment factors by class:<sup>59</sup>

Table 5  
Proposed GUIC Rate Adjustment Factors

| Class                    | Rate per therm |
|--------------------------|----------------|
| Residential              | \$0.031253     |
| Commercial Firm          | \$0.012901     |
| Commercial Demand Billed | \$0.005367     |
| Interruptible            | \$0.004111     |
| Transportation           | \$0.003933     |

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<sup>55</sup> Filing, page 21.

<sup>56</sup> Xcel’s Attachment B, page 5.

<sup>57</sup> Filing, page 24.

<sup>58</sup> Filing, page 25.

<sup>59</sup> Filing, page 24.

Xcel apportioned the revenue requirement among its classes using the rate base allocated from the Class Cost of Service Study in its most recent natural gas rate case, Docket No. 09-1153. The rates were calculated using forecasted Minnesota sales for each class. The Department reviewed Xcel's rate design methodology and concludes that it reasonable. The Department recommends that the Commission approve Xcel's proposed GUIC Rate adjustment factors if implemented on January 1, 2015

The Department also reviewed the proposed tariff sheets in Xcel's Attachment Q and concludes that the Company's revisions to the tariff sheets are consistent with the Company's GUIC Rider proposals. Therefore, the Department recommends that the Commission approve Xcel's proposed tariff sheets if implemented on January 1, 2015.

#### 7) *Customer Notice*

Xcel noted on page 26 of its filing that it plans to provide notice to customers regarding the 2015 GUIC Rider to be reflected in their monthly gas bills. The following is Xcel's proposed language to be included as a notice on customers' bills the month that the 2015 Rider is implemented:

This month's Resource Adjustment includes the addition of the Gas Utility Infrastructure Cost Adjustment (GUIC), which recovers the costs of assessments, modifications and replacement of natural gas facilities as required by state and federal safety programs. The GUIC portion of the Resource Adjustment is \$x.xxxx per therm for Residential customers; \$x.xxxx per therm for Commercial Firm customers; \$x.xxxx per therm for Commercial Demand Billed customers; and \$x.xxxx per therm for Interruptible customers. Questions? Contact us at 1-800-895-4999.

Xcel noted in its filing that the Company will work with the Department of Commerce and Commission Staff if there are any suggestions to modify this notice. The Department concludes that Xcel's customer notice is reasonable and appreciates the Company's offer to work with the Commission Staff and Department in refining the notice if necessary.

#### C. *DEFERRED ACCOUNTING AND RIDER RECOVERY ENDS*

In its Petition, Xcel stated that "[t]he Company believes that this subsequently enacted law can fairly stand as a substitute for the 'next general rate case' requirement *governing the term of the deferred regulatory asset* contained in the Orders in Docket Nos. G002/M-10-422 and G002/M-12-248."<sup>60</sup> (Emphasis added.) The Department notes that the Order in

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<sup>60</sup> Filing, page 9.

Docket No. 12-248 limited the deferral of costs to the earlier of the time of the utility's next rate case, or March 20, 2015. No such limitation was included in the Order in Docket No. 10-422. Thus, the deferral of pipeline safety costs in Docket No. 12-248 would end at the earlier of March 20, 2015 or when rate recovery begins.<sup>61</sup> In Docket No. 10-422, when rate recovery begins, whether under a general rate case or the GUIC Rider, deferred accounting ends.

Furthermore, when Xcel gas files its next rate case, the GUIC plant in service would be included in rate base and the GUIC O&M would be included in expenses in the test year. The GUIC Rider recovery could end either 1) when the amortization of deferred costs are fully amortized or 2) at the time of the Company's next general rate case. For efficiency and ease, the Department recommends that the Commission require that the GUIC Rider recovery end at the time of the Company's next rate case. If a high balance in the deferred accounts remains, the costs could be levelized for ratemaking purposes in the test year.

#### IV. CONCLUSIONS AND RECOMMENDATIONS

##### 1) *Conclusions*

The Department concludes that:

- the pipeline safety program and the sewer conflict program are eligible for the rate Rider described under Minn. Stat. §216B.1635;
- the Company has sufficiently complied with the filing requirements;
- the actual costs included for recovery through the Rider are prudently incurred and the forecasted costs proposed to go into the GUIC Rider are supported by budgeted projects;
- FERC Accounts 182.3 and 254 are appropriate for the true-up of costs in the GUIC tracker;
- a five-year amortization period is reasonable for the deferred costs;
- recovering the 2015 revenue requirements over the remaining months is a reasonable proposal should implementation be delayed beyond January 1, 2015;
- Xcel's proposal to annually file on November 1 its proposed changes to the GUIC factors for the subsequent year is reasonable;
- Xcel's rate design methodology is reasonable;
- the Company's revisions to the tariff sheets are consistent with the Company's GUIC Rider proposals;

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<sup>61</sup> The Department notes that the filing requirements included in the Orders for the next general rate case would be fulfilled in the Petition if the GUIC Rider is approved.

- Xcel's customer notice is reasonable;
- Deferred accounting should end in Docket 12-248 at the earlier of March 20, 2015 or when recovery begins and in Docket 10-422 when recovery begins, and
- The GUIC Rider should end at the time of Xcel's next general rate case.

2) *Recommendations*

Based on its analysis, the Department recommends that the Commission approve Xcel's Gas Utility Infrastructure Cost Rider including:

- a rate of return of 7.56 percent in the GUIC Rider;
- a five-year amortization period for the deferred costs;
- Xcel's proposed GUIC Rate adjustment factors if implemented on January 1, 2015; and
- Xcel's proposed tariff sheets if implemented on January 1, 2015.

The Department also recommends that the Commission require that the GUIC Rider recovery end at the time of the Company's next rate case. Additionally, the Department recommends that the Commissioner require a compliance filing showing the final rate adjustment factors and all related tariff changes, 10 days after its Order if implementation of the 2015 GUIC factors occurs after January 1, 2015.

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| <b>ACTUAL COSTS</b>            | <b>Deferred</b>     | <b>10-422</b>     |                      |
|--------------------------------|---------------------|-------------------|----------------------|
| <b>sewer mitigation 10-422</b> | <b>Costs</b>        | <b>Cumulative</b> |                      |
| <u>Cost category</u>           | <u>2010</u>         | <u>Balance</u>    |                      |
| Mainline Scoping               | \$ 2,810,717        | \$ 2,810,717      |                      |
| Scoping from Premise           | \$ 1,083,159        | \$ 3,893,876      |                      |
| Facilities Locating            | \$ -                | \$ 3,893,876      |                      |
| Excavation & Restoration       | \$ 86,863           | \$ 3,980,739      |                      |
| Sewer Repair                   | \$ 21,662           | \$ 4,002,401      |                      |
| GIS Data Analysis              | \$ 60,130           | \$ 4,062,531      |                      |
| Work Mgmt. System              | \$ 112,655          | \$ 4,175,186      |                      |
| <b>Total</b>                   | <b>\$ 4,175,186</b> |                   |                      |
|                                | <u>2011</u>         |                   |                      |
| Mainline Scoping               | \$ 2,751,164        | \$ 6,926,350      |                      |
| Scoping from Premise           | \$ 564,114          | \$ 7,490,464      |                      |
| Facilities Locating            | \$ -                | \$ 7,490,464      |                      |
| Excavation & Restoration       | \$ 121,374          | \$ 7,611,838      |                      |
| Sewer Repair                   | \$ 68,486           | \$ 7,680,324      |                      |
| GIS Data Analysis              | \$ 77,115           | \$ 7,757,439      |                      |
| Work Mgmt. System              | \$ 56,895           | \$ 7,814,334      |                      |
| <b>Total</b>                   | <b>\$ 3,639,148</b> |                   |                      |
|                                | <u>2012</u>         |                   |                      |
| Mainline Scoping               | \$ 1,868,360        | \$ 9,682,694      |                      |
| Scoping from Premise           | \$ 1,392,523        | \$ 11,075,217     |                      |
| Facilities Locating            | \$ -                | \$ 11,075,217     |                      |
| Excavation & Restoration       | \$ 106,621          | \$ 11,181,838     |                      |
| Sewer Repair                   | \$ 41,542           | \$ 11,223,380     |                      |
| GIS Data Analysis              | \$ -                | \$ 11,223,380     |                      |
| Work Mgmt. System              | \$ 53,541           | \$ 11,276,921     |                      |
| <b>Total</b>                   | <b>\$ 3,462,587</b> |                   |                      |
|                                | <u>2013</u>         |                   |                      |
| Mainline Scoping               | \$ 1,830,520        | \$ 13,107,441     |                      |
| Scoping from Premise           | \$ 1,464,294        | \$ 14,571,735     |                      |
| Facilities Locating            | \$ -                | \$ 14,571,735     |                      |
| Excavation & Restoration       | \$ 66,979           | \$ 14,638,714     |                      |
| Sewer Repair                   | \$ 17,226           | \$ 14,655,940     |                      |
| GIS Data Analysis              | \$ 24,615           | \$ 14,680,555     |                      |
| Work Mgmt. System              | \$ 61,098           | \$ 14,741,653     | <b>actual</b>        |
| <b>Total</b>                   | <b>\$ 3,464,732</b> |                   |                      |
| <b>PROJECTED</b>               | <u>2014</u>         |                   |                      |
| Mainline Scoping               | \$ 1,800,000        | \$ 16,541,653     |                      |
| Scoping from Premise           | \$ 1,500,000        | \$ 18,041,653     |                      |
| Excavation & Restoration       | \$ 100,000          | \$ 18,141,653     |                      |
| Sewer Repair                   | \$ 40,000           | \$ 18,181,653     |                      |
| GIS Data Analysis              | \$ -                | \$ 18,181,653     |                      |
| Work Mgmt. System              | \$ 60,000           | \$ 18,241,653     | <b>\$ 18,241,653</b> |
|                                | <b>\$ 3,500,000</b> |                   |                      |

Xcel Energy  
Deferred and Projected GUIC costs through 2014  
G002/M-14-336

| pipeline safety 12-248                        | Project        | 2012         | 12-248<br>Cumulative<br>Balance |
|---|----------------|--------------|---------------------------------|
| <b>Cost category TIMP O&amp;M</b>             |                |              |                                 |
| Egan Victoria Rd & I35E                       | Pressure test  | \$ -         |                                 |
| Egan 494 & 55                                 | Pressure test  | \$ 138,339   |                                 |
| Montreal N. (incl lateral)                    | ECDA           | \$ 228,263   |                                 |
| Montreal S.                                   | Pressure test  | \$ 201,434   |                                 |
| Montreal S. TH13                              | ECDA           | \$ 82,369    |                                 |
| Island S.                                     | ECDA           | \$ 101,700   |                                 |
| Island S. Hwy 13                              | ECDA           | \$ 29,821    |                                 |
| Crossover                                     | ILI & pressure | \$ -         |                                 |
| Park St                                       | ECDA           | \$ 121,635   |                                 |
| E County (W of Miss. River)                   | ECDA           | \$ 38,600    |                                 |
| Lake Elmo Ave                                 | ECDA           | \$ 115,239   |                                 |
| Park St Line (remove casing)                  | ECDA           | \$ 29,044    |                                 |
| IMP/ILI/TL0246 blue Lake Line inspect.        |                | \$ 89,661    |                                 |
| IMP/Montreal Line N. repair                   |                | \$ 9,148     |                                 |
| Total   |                | \$ 1,185,253 |                                 |
| Cost Allocated to MN                          | 89.51%         | \$ 1,060,929 |                                 |
| Less base rate recovery                       |                | \$ (480,000) |                                 |
| TIMP 2013                                     |                | \$ 580,929   | \$ 580,929                      |
| <b>Cost category DIMP O&amp;M</b>             |                |              |                                 |
| Residential Meter Barricades                  |                | \$ -         | \$ 580,929                      |
| Programmatic Replacement 65,800 ft.           |                | \$ 76,048    | \$ 656,977                      |
| DIMP 2013                                     |                | \$ 76,048    |                                 |
| <b>Cost category TIMP O&amp;M</b>             |                |              |                                 |
| <b>2013</b>                                   |                |              |                                 |
| Cedar Line                                    | ILI            | \$ 778,859   |                                 |
| Eagan Line                                    | Pressure test  | \$ 780,373   |                                 |
| Island Line North                             | ECDA           | \$ 51,770    |                                 |
| Park Street Line                              | ECDA           | \$ 128,806   |                                 |
| 20" Highbridge Line                           | ILI            | \$ 880,803   |                                 |
| Wescott 8"                                    | Pressure test  | \$ 265,291   |                                 |
| Crossover Line                                | Pressure test  | \$ 1,185,179 |                                 |
| 2012 Projects processed in '13                |                | \$ 39,485    |                                 |
| Total   |                | \$ 4,110,566 |                                 |
| Cost Allocated to MN                          | 89.04%         | \$ 3,660,143 |                                 |
| Less base rate recovery                       |                | \$ (480,000) |                                 |
| TIMP 2013                                     |                | \$ 3,180,143 | \$ 3,837,120                    |
| <b>Cost category DIMP O&amp;M</b>             |                |              |                                 |
| Residential Meter Barricades                  |                | \$ 61,718    | \$ 3,898,838                    |
| Programmatic Replacement                      |                | \$ 103,570   | \$ 4,002,408 actual             |
| DIMP 2013                                     |                | \$ 165,288   |                                 |
| <b>Cost category TIMP O&amp;M</b>             |                |              |                                 |
| <b>2014</b>                                   |                |              |                                 |
| Island South Line (20" only)                  | ECDA           | \$ 300,000   |                                 |
| E. County Line (Lake Rd to Brookview)         | ECDA           | \$ 90,000    |                                 |
| E. County Line (N. of RR Xng to Lake Rd)      | ECDA           | \$ 170,000   |                                 |
| E. County Line (N. of Brookview)              | ECDA           | \$ 370,000   |                                 |
| 20" Highbridge Line                           | spec. assess.  | \$ 170,000   |                                 |
| NSP BulkSystem                                | corrosion      | \$ 290,000   |                                 |
| Liquid Propane Line                           | Pressure test  | \$ 100,000   |                                 |
| Total   |                | \$ 1,490,000 |                                 |
| Cost Allocated to MN                          | 89.04%         | \$ 1,326,730 |                                 |
| Less base rate recovery                       |                | \$ (480,000) |                                 |
| TIMP 2014                                     |                | \$ 846,730   | \$ 4,849,138                    |
| <b>Cost category DIMP O&amp;M</b>             |                |              |                                 |
| Residential Meter Barricades                  |                | \$ 415,000   | \$ 5,264,138                    |
| Programmatic Replacement                      |                | \$ 300,000   | \$ 5,564,138                    |
| DIMP 2014                                     |                | \$ 715,000   | \$ 5,564,138                    |
| Grand Total                                   |                |              | \$ 23,805,791                   |
| Total per Xcel's Attachment I                 |                |              | \$ 23,812,573                   |
| DIFFERENCE = 2013 costs paid in 2014 per Xcel |                |              | \$ 6,782                        |



| Additions to Plant                          | 12/31/2012 | 12/31/2013    | 12/31/2014    | 12/31/2015    | Cumulative    |
|---|------------|---------------|---------------|---------------|---------------|
| TIMP infrastructure Atth. C                 | \$ 98,902  | \$ 9,715,602  | \$ 15,352,927 | \$ 23,229,650 | \$ 48,397,081 |
| DIMP infrastructure Atth. C                 | \$ 133,327 | \$ 601,587    | \$ 607,043    | \$ 8,756,750  | \$ 10,098,707 |
| Total                                       | \$ 232,229 | \$ 10,317,189 | \$ 15,959,970 | \$ 31,986,400 | \$ 58,495,788 |
| Plant Balance 12/31/15                      |            |               |               |               |               |
| Attachment D                                |            |               |               |               | \$ 47,909,384 |
| Attachment F                                |            |               |               |               | \$ 9,758,195  |
| Total Plant 12/31/15                        |            |               |               |               | \$ 57,667,579 |
| DIFFERENCE = overhead, labor adder per Xcel |            |               |               |               | \$ 828,209    |

Both TIMP and DIMP programs had plant in service balances as of January 2015 that are included in the 2015 GUIC revenue requirement. The capital expenditures for these projects are included in the Pre-2013, 2013 and 2014 columns on Attachment C. The TIMP Plant in Service balance as of January 2015 is shown on Attachment D, Page 1 of 5 and the DIMP Plant in Service balance is shown on Attachment F, page 1 of 5. The expenditures on these projects began in 2012, so none of the plant was included in our 2010 Test Year gas rate case. The plant in service balances on Schedules D and F include book plant closings and closings associated with AFUDC debt and equity overhead costs.

The attached table shows capital expenditures and plant in service dollars by parent number for TIMP and DIMP projects through the forecasted year 2015. All of these projects have occurred since our last gas rate case (2010 TY). Additional information about these ongoing projects (as well as any projects beginning in 2015 or later) can be found in our GUIC petition, in attachments B (TIMP) and E (DIMP).

#### East Metro Replacement Project (TIMP)

The East Metro Pipeline replacement Project is a four year construction project that will replace 11.5 miles of varying diameter transmission pipeline with a standard 20" all welded steel pipeline in St. Paul, MN. The East Metro project is high priority because the pipeline operates at elevated pressures, runs through the heart of residential neighborhoods in St. Paul, and the original installation was constructed with compression couplings. Pipelines constructed with compression couplings have a higher priority following recent industry events. The project began in 2012 with planning, engineering and design work to prepare for the construction start in 2013. The construction began in the spring of 2013, with 2.5 miles of existing pipeline replaced the first year. Along with that, 2 remote controlled valves were added for emergency shut off on either end of the project. In 2014 the second year of construction will be completed by replacing another 2.5 miles of pipeline with new 20" pipe. In 2014 a total of 3 remote controlled valves have been added. Approximately 95% of the engineering and design work for the 2015 and 2016 has been completed.

Replacement of aging high pressure transmission pipeline that run through heavily populated urban corridors are considered high priority projects in a TIMP. Under the required TIMP, an operator must conduct prescribed assessments of its assets and mitigate risks to the pipeline identified through the assessments. More information about the TIMP legislation can be found on pages 5 and 6 of our petition.

#### ASC/RCV Project (TIMP)

The ASV/RCV project is a longer term project to install automatic valves on our high pressure pipelines to reduce the time necessary to isolate a segment of the line following a pipeline breach or 3<sup>rd</sup> party contact. We use a risk algorithm to prioritize which pipelines should be addressed first. The Blue Lake pipeline was risk ranked high largely due to its operating pressure and distance from a service center.

Two remote control valve actuators were installed on the Blue Lake Line in 2013 and 2014.

Distribution Valves (DIMP)

An engineering study was performed in 2012 that identified the need to install an additional 356 new emergency distribution valves in order manage the number of customer outages experienced during leak events or incidents. Installation began in 2012 and is expected to be complete at year end 2015. Valves installed and in serviced by year are:

|      |               |
|------|---------------|
| 2012 | 35 valves     |
| 2013 | 122 valves    |
| 2014 | 90 valves YTD |

Installation in 2014 is on-going and expected to continue until winter conditions prohibit construction. The remaining valves will be installed in 2015 with project completion forecasted for year end.

As noted in our petition, DIMP rules are intended to help gas utilities identify, prioritize, and evaluate risks; identify and implement measures to address risk, and validate the integrity of the gas distribution system. Distribution valves provide the ability to isolate sections in the event of an incident or emergency on the system. The Company identified a need to add, replace, or otherwise rehabilitate existing distribution valves in order to minimize customer impacts during these events, as part of addressing risks on the system.

| Project | Parent   | Sub-project                 | year | charge type       | january        | february       | march          | april            | may              | June             | July             | August           | September        | October          | November         | December         | Total             |                  |
|---------|----------|-----------------------------|------|-------------------|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|
| DIMP    | 11649520 | New Mains                   | 2012 | CWIP Expenditures | -              | -              | -              | -                | -                | 11,280           | 22,674           | 9,380            | 27,137           | 84,350           | 9,091            | 3,368            | 133,327           |                  |
| TIMP    | 11615874 | Gas Trans Renewal           | 2012 | CWIP Expenditures | -              | -              | 3,462          | 733              | 2,817            | 11,280           | 22,674           | 12,069           | 13,003           | 6,935            | 10,387           | 14,015           | 97,376            |                  |
| TIMP    | 11676981 | Main Renewal                | 2012 | CWIP Expenditures | -              | -              | -              | -                | -                | -                | -                | -                | -                | -                | 470              | 1,056            | 1,526             |                  |
|         |          |                             |      | <b>Total</b>      |                |                | <b>3,462</b>   | <b>733</b>       | <b>2,817</b>     | <b>11,280</b>    | <b>22,674</b>    | <b>21,449</b>    | <b>40,141</b>    | <b>91,285</b>    | <b>10,948</b>    | <b>18,438</b>    | <b>232,229</b>    |                  |
| DIMP    | 11649520 | New Mains                   | 2013 | CWIP Expenditures | 12,190         | -              | -              | 80,430           | 47,657           | 37,710           | 73,768           | 56,821           | 26,619           | 108,817          | 47,458           | 38,443           | 601,587           |                  |
| TIMP    | 11615874 | Gas Trans Renewal           | 2013 | CWIP Expenditures | -              | -              | -              | -                | 2,861            | 8,807            | 73,768           | 1,755            | 39,614           | 2,374            | 9,829            | 3,378            | 66,722            |                  |
| TIMP    | 11676981 | Main Renewal                | 2013 | CWIP Expenditures | 1,745          | (1,004)        | 8,678          | 311,629          | 1,191,639        | 910,378          | 157,979          | 276,247          | (275,698)        | 417              | -                | -                | 4,648             |                  |
|         |          |                             |      | <b>Total</b>      | <b>13,935</b>  | <b>31,927</b>  | <b>47,420</b>  | <b>392,060</b>   | <b>1,242,157</b> | <b>958,642</b>   | <b>232,711</b>   | <b>4,482,240</b> | <b>971,903</b>   | <b>1,428,398</b> | <b>1,540,007</b> | <b>279,994</b>   | <b>124,193</b>    | <b>9,644,232</b> |
| DIMP    | 11813698 | General Tools and Equipment | 2014 | CWIP Expenditures | -              | -              | -              | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |                  |
| DIMP    | 11649522 | Main Renewal                | 2014 | CWIP Expenditures | -              | -              | -              | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |                  |
| DIMP    | 11980562 | Main Renewal                | 2014 | CWIP Expenditures | -              | -              | (3,237)        | 25,000           | 75,000           | 85,000           | 85,000           | 75,000           | 75,000           | 75,000           | 50,000           | 49,100           | 607,043           |                  |
| DIMP    | 11649520 | New Mains                   | 2014 | CWIP Expenditures | 11,921         | 4,259          | -              | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |                  |
| DIMP    | 11649766 | Services Renw/Cutoff        | 2014 | CWIP Expenditures | -              | -              | (102,025)      | -                | 95,100           | 190,200          | 190,200          | 190,200          | 190,200          | 190,200          | 841,645          | 698,030          | 944,075           |                  |
| TIMP    | 11615874 | Gas Transmission Main       | 2014 | CWIP Expenditures | (7,201)        | 262,629        | 237,388        | 1,196,790        | 1,595,720        | 2,043,300        | 1,863,295        | 2,043,300        | 1,960,595        | 1,187,060        | 1,187,060        | 841,645          | 13,922,551        |                  |
| TIMP    | 11676981 | New Mains                   | 2014 | CWIP Expenditures | 3,500          | 3,687          | -              | 23,775           | 23,775           | 9,510            | 9,510            | 28,530           | 294,810          | 68,472           | 14,550           | 6,182            | 486,301           |                  |
| TIMP    | 11509515 | Gas Transmission Main       | 2014 | CWIP Expenditures | -              | -              | -              | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |                  |
| TIMP    | 11649521 | Gas Transmission Main       | 2014 | CWIP Expenditures | -              | -              | -              | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |                  |
|         |          |                             |      | <b>Total</b>      | <b>8,220</b>   | <b>270,574</b> | <b>132,126</b> | <b>1,245,565</b> | <b>1,789,595</b> | <b>2,328,010</b> | <b>2,148,005</b> | <b>2,337,030</b> | <b>2,520,605</b> | <b>1,520,732</b> | <b>906,195</b>   | <b>759,312</b>   | <b>15,959,969</b> |                  |
| DIMP    | 11813698 | General Tools and Equipment | 2015 | CWIP Expenditures | 43,785         | 43,785         | 43,785         | 131,355          | 350,280          | 437,850          | 394,065          | 919,485          | 656,775          | 744,345          | 481,635          | 131,355          | 4,378,500         |                  |
| DIMP    | 11649522 | Main Renewal                | 2015 | CWIP Expenditures | -              | -              | -              | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |                  |
| DIMP    | 11980562 | Main Renewal                | 2015 | CWIP Expenditures | -              | -              | -              | -                | -                | -                | -                | -                | -                | -                | -                | -                | -                 |                  |
| DIMP    | 11649520 | New Mains                   | 2015 | CWIP Expenditures | 15,000         | 8,000          | 8,000          | 15,000           | 46,000           | 61,000           | 69,000           | 123,000          | 100,000          | 131,000          | 123,000          | 69,000           | 768,000           |                  |
| DIMP    | 11649766 | Services Renw/Cutoff        | 2015 | CWIP Expenditures | 37,380         | 56,070         | 56,070         | 93,450           | 205,590          | 261,660          | 242,970          | 242,970          | 205,590          | 205,590          | 205,590          | 56,070           | 1,869,000         |                  |
| TIMP    | 11615874 | Gas Transmission Main       | 2015 | CWIP Expenditures | -              | -              | -              | -                | -                | 118,875          | 23,775           | 1,236,300        | 213,975          | 213,975          | 142,650          | 427,950          | 2,377,500         |                  |
| TIMP    | 11676981 | New Mains                   | 2015 | CWIP Expenditures | 200,438        | 200,438        | 200,438        | 601,314          | 1,603,504        | 2,004,380        | 1,803,942        | 4,209,198        | 3,006,570        | 3,407,446        | 2,204,818        | 601,314          | 20,043,800        |                  |
| TIMP    | 11509515 | Gas Transmission Main       | 2015 | CWIP Expenditures | -              | -              | -              | -                | -                | 23,775           | 4,755            | 247,260          | 42,795           | 42,795           | 28,530           | 85,590           | 475,500           |                  |
| TIMP    | 11649521 | Gas Transmission Main       | 2015 | CWIP Expenditures | -              | -              | -              | -                | -                | 17,118           | 3,804            | 173,082          | 30,432           | 30,432           | 19,971           | 58,011           | 392,850           |                  |
|         |          |                             |      | <b>Total</b>      | <b>296,603</b> | <b>308,293</b> | <b>308,293</b> | <b>945,594</b>   | <b>2,414,324</b> | <b>3,133,608</b> | <b>2,751,261</b> | <b>7,360,245</b> | <b>4,517,822</b> | <b>5,037,268</b> | <b>3,310,669</b> | <b>1,607,420</b> | <b>31,986,400</b> |                  |

Petition Attachment C

**MN GUIC RIDER - O&M BUDGET ESTIMATES**

**DEFERRED ITEMS (Actual O&M Expense Only)**

11990774 - MN Rider Amortization

|      | 2010         | 2011         | 2012         | 2013         | Jan-Dec 2014 | Total             |
|------|--------------|--------------|--------------|--------------|--------------|-------------------|
| TIMP | \$ -         | \$ -         | \$ 580,929   | \$ 3,180,143 | \$ 849,678   | \$ 4,610,750 [A]  |
| DIMP | \$ 4,175,186 | \$ 3,639,148 | \$ 3,538,635 | \$ 3,630,020 | \$ 4,218,834 | \$ 19,201,823 [B] |

**Subledger Full Desc**

5 Year Amortization

TIMP Annual Amt. Equals [A] / 5

DIMP Annual Amt. Equals [B] / 5

Grand Total

|              | 2015 YE Budget      | 2016 YE Budget      | 2017 YE Budget      | 2018 YE Budget      | 2019 YE Budget      | Total                |
|--------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|
| TIMP         | \$ 922,150          | \$ 922,150          | \$ 922,150          | \$ 922,150          | \$ 922,150          | \$ 4,610,750         |
| DIMP         | \$ 3,840,365        | \$ 3,840,365        | \$ 3,840,365        | \$ 3,840,365        | \$ 3,840,365        | \$ 19,201,823        |
| <b>Total</b> | <b>\$ 4,762,515</b> | <b>\$ 4,762,515</b> | <b>\$ 4,762,515</b> | <b>\$ 4,762,515</b> | <b>\$ 4,762,515</b> | <b>\$ 23,812,573</b> |

**MN GUIC RIDER - INCREMENTAL O&M BUDGET ESTIMATES**

**Subledger Full Desc**

**TIMP**

11984286 - MN Transmission Pipeline Assessments

11984282 - MN East Metro Pipeline Replacement

713050 Contract LT Outside Vendor

713050 Contract LT Outside Vendor

Total TIMP

MN Allocator (2015-2019 Load Dispatch)

Estimated MN TIMP O&M

less TIMP incl in MN base rates

**MN TIMP not in base rates**

|      | 2015 YE Budget | 2016 YE Budget | 2017 YE Budget | 2018 YE Budget | 2019 YE Budget | Total          |
|------|----------------|----------------|----------------|----------------|----------------|----------------|
| TIMP | \$ 750,000     | \$ -           | \$ 1,600,000   | \$ 1,140,000   | \$ 1,700,000   | \$ 5,190,000   |
|      | \$ 40,000      | \$ 20,000      | \$ -           | \$ -           | \$ -           | \$ 60,000      |
|      | \$ 790,000     | \$ 20,000      | \$ 1,600,000   | \$ 1,140,000   | \$ 1,700,000   | \$ 5,250,000   |
|      | 88.654%        | 88.3903%       | 88.3187%       | 88.1727%       | 88.1781%       |                |
|      | \$ 700,220     | \$ 17,678      | \$ 1,413,100   | \$ 1,005,169   | \$ 1,499,028   | \$ 4,635,195   |
|      | \$ (480,000)   | \$ (480,000)   | \$ (480,000)   | \$ (480,000)   | \$ (480,000)   | \$ (2,400,000) |
|      | \$ 220,220     | \$ (462,322)   | \$ 933,100     | \$ 525,169     | \$ 1,019,028   | \$ 2,235,195   |

**DIMP**

11984278 - MN IP Line Assessments

11984282 - MN Sewer Conflict Investigation

11984265 - MN Poor Performing Mains

11984268 - MN Poor Performing Services

713050 Contract LT Outside Vendor

713050 Contract LT Outside Vendor

713050 Contract LT Outside Vendor

713050 Contract LT Outside Vendor

**MN DIMP not in base rates**

Incremental TIMP + DIMP O&M

|                                  | 2015 YE Budget      | 2016 YE Budget      | 2017 YE Budget       | 2018 YE Budget      | 2019 YE Budget       | Total                |
|----------------------------------|---------------------|---------------------|----------------------|---------------------|----------------------|----------------------|
| DIMP                             | \$ 425,000          | \$ 750,000          | \$ -                 | \$ -                | \$ 200,000           | \$ 1,375,000         |
|                                  | \$ 3,500,000        | \$ 3,500,000        | \$ 3,500,000         | \$ 3,500,000        | \$ 3,500,000         | \$ 17,500,000        |
|                                  | \$ 270,000          | \$ 402,000          | \$ 670,000           | \$ 670,000          | \$ 670,000           | \$ 2,682,000         |
|                                  | \$ 126,000          | \$ 243,000          | \$ 420,000           | \$ 420,000          | \$ 420,000           | \$ 1,629,000         |
|                                  | \$ 4,321,000        | \$ 4,895,000        | \$ 4,590,000         | \$ 4,590,000        | \$ 4,790,000         | \$ 23,186,000        |
| <b>Total</b>                     | <b>\$ 4,541,220</b> | <b>\$ 4,432,678</b> | <b>\$ 5,523,100</b>  | <b>\$ 5,115,169</b> | <b>\$ 5,809,028</b>  | <b>\$ 25,421,195</b> |
| <b>Total TIMP + DIMP O&amp;M</b> | <b>\$ 9,303,734</b> | <b>\$ 9,195,193</b> | <b>\$ 10,285,614</b> | <b>\$ 9,877,683</b> | <b>\$ 10,571,543</b> | <b>\$ 49,233,768</b> |

## **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  
Comments**

**Docket No. G002/M-14-336**

**Dated this 16<sup>th</sup> day of October 2014**

**/s/Sharon Ferguson**

| First Name  | Last Name | Email                                   | Company Name                       | Address   | Delivery Method    | View Trade Secret | Service List Name      |
|-------------|-----------|---|------------------------------------|---|--------------------|-------------------|------------------------|
| Julia       | Anderson  | Julia.Anderson@ag.state.mn.us           | Office of the Attorney General-DOC | 1800 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012134                                      | Electronic Service | Yes               | OFF_SL_14-336_M-14-336 |
| Christopher | Anderson  | canderson@allete.com                    | Minnesota Power                    | 30 W Superior St<br><br>Duluth,<br>MN<br>558022191  | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Alison C    | Archer    | alison.c.archer@xcelenergy.com          | Xcel Energy                        | 414 Nicollet Mall FL 5<br><br>Minneapolis,<br>MN<br>55401   | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Gail        | Baranko   | gail.baranko@xcelenergy.com             | Xcel Energy                        | 414 Nicollet Mall7th Floor<br><br>Minneapolis,<br>MN<br>55401   | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| William A.  | Blazar    | bblazar@mnchamber.com                   | Minnesota Chamber Of Commerce      | Suite 1500<br>400 Robert Street North<br>St. Paul,<br>MN<br>55101                                       | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Michael     | Bradley   | mike.bradley@lawmoss.com                | Moss & Barnett                     | 150 S. 5th Street, #1200<br><br>Minneapolis,<br>MN<br>55402   | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| George      | Crocker   | gwillc@nawo.org                         | North American Water Office        | PO Box 174<br><br>Lake Elmo,<br>MN<br>55042   | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Jeffrey A.  | Daugherty | jeffrey.daugherty@centerpointenergy.com | CenterPoint Energy                 | 800 LaSalle Ave<br><br>Minneapolis,<br>MN<br>55402  | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Ian         | Dobson    | ian.dobson@ag.state.mn.us               | Office of the Attorney General-RUD | Antitrust and Utilities Division<br>445 Minnesota Street, 1400<br>BRM Tower<br>St. Paul,<br>MN<br>55101 | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Rebecca     | Eilers    | rebecca.d.eilers@xcelenergy.com         | Xcel Energy                        | 414 Nicollet Mall, 7th Floor<br><br>Minneapolis,<br>MN<br>55401   | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
|             |           |   |                                    |   |                    |                   |                        |

| First Name | Last Name  | Email                       | Company Name                         | Address  | Delivery Method    | View Trade Secret | Service List Name      |
|------------|------------|-----------------------------|--------------------------------------|--|--------------------|-------------------|------------------------|
| Sharon     | Ferguson   | sharon.ferguson@state.mn.us | Department of Commerce               | 85 7th Place E Ste 500<br><br>Saint Paul,<br>MN<br>551012198             | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Edward     | Garvey     | garveyed@aol.com            | Residence                            | 32 Lawton St<br><br>Saint Paul,<br>MN<br>55102                           | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Benjamin   | Gerber     | bgerber@mnychamber.com      | Minnesota Chamber of Commerce        | 400 Robert Street North<br>Suite 1500<br>St. Paul,<br>Minnesota<br>55101 | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Elizabeth  | Goodpaster | bgoodpaster@mncenter.org    | MN Center for Environmental Advocacy | Suite 206<br>26 East Exchange Street<br>St. Paul,<br>MN<br>551011667     | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Todd J.    | Guerrero   | todd.guerrero@kutakrock.com | Kutak Rock LLP                       | Suite 1750<br>220 South Sixth Street<br>Minneapolis,<br>MN<br>554021425  | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Burl W.    | Haar       | burl.haar@state.mn.us       | Public Utilities Commission          | Suite 350<br>121 7th Place East<br>St. Paul,<br>MN<br>551012147          | Electronic Service | Yes               | OFF_SL_14-336_M-14-336 |
| Annete     | Henkel     | mui@mutilityinvestors.org   | Minnesota Utility Investors          | 413 Wacouta Street<br>#230<br>St. Paul,<br>MN<br>55101                   | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Sandra     | Hofstetter | N/A                         | MN Chamber of Commerce               | 7261 County Road H<br><br>Fremont,<br>WI<br>54940-9317                   | Paper Service      | No                | OFF_SL_14-336_M-14-336 |
| Michael    | Hoppe      | il23@mtn.org                | Local Union 23, I.B.E.W.             | 932 Payne Avenue<br><br>St. Paul,<br>MN<br>55130                         | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Eric       | Jensen     | ejensen@iwla.org            | Izaak Walton League of America       | Suite 202<br>1619 Dayton Avenue<br>St. Paul,<br>MN<br>55104              | Electronic Service | No                | OFF_SL_14-336_M-14-336 |



| First Name | Last Name   | Email                            | Company Name                          | Address  | Delivery Method    | View Trade Secret | Service List Name      |
|------------|-------------|----------------------------------|---------------------------------------|--|--------------------|-------------------|------------------------|
| Richard    | Johnson     | Rick.Johnson@lawmoss.com         | Moss & Barnett                        | 150 S. 5th Street<br>Suite 1200<br>Minneapolis,<br>MN<br>55402     | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Michael    | Krikava     | mkrikava@briggs.com              | Briggs And Morgan, P.A.               | 2200 IDS Center<br>80 S 8th St<br>Minneapolis,<br>MN<br>55402      | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Amy        | Liberkowski | amy.a.liberkowski@xcelenergy.com | Xcel Energy                           | 414 Nicollet Mall<br>7th Floor<br>Minneapolis,<br>MN<br>554011993  | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| John       | Lindell     | agorud.ecf@ag.state.mn.us        | Office of the Attorney<br>General-RUD | 1400 BRM Tower<br>445 Minnesota St<br>St. Paul,<br>MN<br>551012130 | Electronic Service | Yes               | OFF_SL_14-336_M-14-336 |
| Eric       | Lipman      | eric.lipman@state.mn.us          | Office of Administrative<br>Hearings  | PO Box 64620<br><br>St. Paul,<br>MN<br>551640620                   | Electronic Service | Yes               | OFF_SL_14-336_M-14-336 |
| Matthew P  | Loftus      | matthew.p.loftus@xcelenergy.com  | Xcel Energy                           | 414 Nicollet Mall FL 5<br><br>Minneapolis,<br>MN<br>55401          | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Pam        | Marshall    | pam@energycents.org              | Energy CENTS Coalition                | 823 7th St E<br><br>St. Paul,<br>MN<br>55106                       | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Mary       | Martinka    | mary.a.martinka@xcelenergy.com   | Xcel Energy Inc                       | 414 Nicollet Mall<br>7th Floor<br>Minneapolis,<br>MN<br>55401      | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| David      | Moeller     | dmoeller@allete.com              | Minnesota Power                       | 30 W Superior St<br><br>Duluth,<br>MN<br>558022093                 | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Andrew     | Moratzka    | apmoratzka@stoel.com             | Stoel Rives LLP                       | 33 South Sixth Street<br>Suite 4200<br>Minneapolis,<br>MN<br>55402 | Electronic Service | No                | OFF_SL_14-336_M-14-336 |

| First Name | Last Name | Email                             | Company Name                     | Address  | Delivery Method    | View Trade Secret | Service List Name      |
|------------|-----------|-----------------------------------|----------------------------------|--|--------------------|-------------------|------------------------|
| David W.   | Niles     | david.niles@avantenergy.com       | Minnesota Municipal Power Agency | Suite 300<br>200 South Sixth Street<br>Minneapolis,<br>MN<br>55402           | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| Richard    | Savelkoul | rsavelkoul@martinsquires.com      | Martin & Squires, P.A.           | 332 Minnesota Street Ste<br>W2750<br><br>St. Paul,<br>MN<br>55101            | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| James M.   | Strommen  | jstrommen@kennedy-graven.com      | Kennedy & Graven,<br>Chartered   | 470 U.S. Bank Plaza<br>200 South Sixth Street<br>Minneapolis,<br>MN<br>55402 | Electronic Service | No                | OFF_SL_14-336_M-14-336 |
| SaGonna    | Thompson  | Regulatory.Records@xcelenergy.com | Xcel Energy                      | 414 Nicollet Mall FL 7<br><br>Minneapolis,<br>MN<br>554011993                | Electronic Service | No                | OFF_SL_14-336_M-14-336 |