## STATE OF MINNESOTA BEFORE THE PUBLIC UTILITIES COMMISSION

Katie Sieben Joseph K. Sullivan Valerie Means Matthew Schuerger John Tuma Chair Vice-Chair Commissioner Commissioner

In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of Deferrals Related to Depreciation, Distribution O&M, and Property Tax for 2022 MPUC DOCKET NO. G-002/M-21-750

# **REPLY COMMENTS OF THE SUBURBAN RATE AUTHORITY**

### REPLY

The Suburban Rate Authority ("SRA") reviewed with interest the comments of the Department of Commerce ("DOC") and Office of the Attorney General ("OAG"), as well as the Citizens Utilities Board ("CUB") and Energy Cents Coalition ("ECC"). The appeal to the SRA of the Xcel Gas proposal to maintain base rates at current levels for 2022 is significant considering the identified additional pressures on ratepayers from the February 2021 gas cost spike, Xcel Electric rate case and predicted higher gas costs for this coming heating season. Further, Xcel employs the use of deferred accounting, unlike the more novel CenterPoint Energy ("CPE") request for an approved increase in base rates of \$39.7 million for 2022 subject only to a later prudence review.<sup>1</sup>

The DOC notes in its comments, however, that in its September 2, 2021 Order in Docket no. E,G002/M-19-723 the Commission denied Xcel's request to extend the remaining life of the Westcott LNG Plant until the status and prudence of the plant can be reviewed in the anticipated 2022 rate case.<sup>2</sup> The SRA has been aware of the Xcel Gas peaking plant prudence issue arising out

<sup>&</sup>lt;sup>1</sup> In the Matter of the Petition by CenterPoint Energy for Approval of a Rate Stabilization Plan, MPUC Docket No. G-008/M-21-755.

<sup>&</sup>lt;sup>2</sup> MPUC Docket No. G-008/M-21-755, DOC Comments at 6 (Nov. 10, 2021).

of the February 2021 gas cost spike contested case hearing and commented on it here, but was not aware of the Commission's M-21-723 Order. It appears that Xcel's request for the extension of remaining peaking plant lives in this Deferral request would require that the Commission to reverse or significantly modify its Order only three months after it was issued. The assumption in the Order was that the Westcott plant, the largest of the three peaking plants at issue in the February 2021 contested case, was to be reviewed in the rate case that Xcel now seeks to delay one year. Xcel's Deferral request not only moves review of the Wescott plant one year back but also seeks prereview extension of its depreciation schedule before that review.

In light of these and other points made by the DOC and OAG, the SRA is unclear how Xcel's proposal is consistent with the M-21-723 Order and can remain a part of the Deferral offer. With Commission's expressed need to maintain the status quo with the Westcott, Sibley and Maplewood peaking plants pending the outcome of the contested case and the M-21-723 Order, extending their remaining lives now appears contrary to a recent, relevant Commission Order. The SRA remains hopeful that a modified Deferral proposal can be approved maintaining base rates for Xcel Gas customers for 2022.

#### [*Remainder of page intentionally left blank*]

Respectfully submitted,

Dated: November 15, 2021. KENNEDY & GRAVEN, CHARTERED

By: <u>/s/ James M. Strommen</u> James M. Strommen (#0152614) Joseph L. Sathe (#0401073) 150 South Fifth Street, Suite 700 Minneapolis, MN 55402 (612) 337-9300 jstrommen@kennedy-graven.com jsathe@kennedy-graven.com

ATTORNEYS FOR THE SUBURBAN RATE AUTHORITY

and

Dated: November 15, 2021.

ENERGY TARIFF EXPERTS, LLC

By: <u>/s/ James Bride</u> James Bride, Its President



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November 15, 2021

# VIA ELECTRONIC FILING

Mr. Will Seuffert Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 Saint Paul, MN 55101

## Re: In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of Deferrals Related to Depreciation, Distribution O&M, and Property Tax for 2022 MPUC Docket No. G-002/M-21-750

Dear Mr. Seuffert:

On behalf of the Suburban Rate Authority, attached for filing in the above-referenced docket please find the Reply Comments of the Suburban Rate Authority. This document has been served on the parties on the attached Service List. A Certificate of Service is also attached.

Very truly yours,

KENNEDY & GRAVEN, CHARTERED

/s/ James M. Strommen

James M. Strommen

Attachment

cc: Service List

# Re: In the Matter of Northern States Power Company d/b/a Xcel Energy's Petition for Approval of Deferrals Related to Depreciation, Distribution O&M, and Property Tax for 2022 MPUC Docket No. G-002/M-21-750

# **CERTIFICATE OF SERVICE**

I, Lisa Larson, hereby certify that I have this day served copies of the following document:

## **Reply Comments of the Suburban Rate Authority**

on:

the list of persons on the attached Service List

by electronic filing and serving in the e-Dockets system, and/or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at Minneapolis, Minnesota.

Dated this 15th day of November, 2021.

/s/Lisa Larson

Lisa Larson

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