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November 19, 2014

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VIA E-FILING

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

Re:

In the Matter of a Request for Approval of the Asset Purchase & Sale Agreement Between Interstate Power and Light Company and Southern Minnesota Energy Cooperative

MPUC Docket Nos. E-001, E-115, E-140, E-105, E-139, E-124, E-126, E-145, E-132, E-114, E-6521, E-142, E-135/PA-14-322

Our File No. 2021-14

Dear Dr. Haar:

Attached for filing in the above-referenced docket, please find the Minnesota Chamber of Commerce's Response to Joint Petitioners' Objection. Also attached is the Chamber's Certificate of Service.

Sincerely,

/e/ Richard J. Savelkoul Richard J. Savelkoul

RJS:wsl

cc:

Service List

Larry Schedin (via email) Kavita Maini (via email)

CERTIFICATE OF SERVICE

I, Wendy S. Latuff, hereby certify that I have this day, served a true and correct copy of the following document to all persons at the addresses on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

Minnesota Chamber of Commerce RESPONSE TO JOINT PETITIONERS' OBJECTION

MPUC Docket Nos. E-001, E-115, E-140, E-105, E-139, E-124, E-126, E-145, E-132, E-114, E-6521, E-142, E-135/PA-14-322

Dated this 19th day of November, 2014

/s/ Wendy S. Latuff

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

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Commissioner Commissioner

Commissioner

Commissioner

IN THE MATTER OF A REQUEST FOR APPROVAL OF THE ASSET PURCHASE & SALE AGREEMENT BETWEEN INTERSTATE POWER AND LIGHT COMPANY AND SOUTHERN MINNESOTA ENERGY COOPERATIVE

MPUC Docket Nos. E-001, E-115, E-140, E-105, E-139, E-124, E-126, E-145, E-132, E-114, E-6521, E-142, E-135/PA-14-322

THE MINNESOTA CHAMBER OF COMMERCE RESPONSE TO OBJECTION OF INTERSTATE POWER AND LIGHT AND SOUTHERN MINNESOTA ENERGY COOPERATIVE REGARDING DISCOVERY

I. INTRODUCTION

The Minnesota Chamber of Commerce ("Chamber") respectfully provides this response to Interstate Power and Light ("IPL") and Southern Minnesota Energy Cooperative ("SMEC", and together with IPL "Joint Petitioners") objection to the Chamber's information requests filed on November 18, 2014 ("Objection"). Prior to responding to points raised in the Objection, it is important to recognize the impact and magnitude of this proceeding.

This proceeding, at its core, is really about three issues: 1) a substantial rate increase; 2) the sale or transfer of all IPL assets used and regulated for the benefit of IPL ratepayers; and 3) a loss of IPL ratepayers' right to participate in front of the Public Utilities Commission ("Commission") and relinquishment of jurisdiction by the Commission. The proceeding has

an enormous impact on IPL ratepayers and for the rate increase alone, under ordinary Minnesota regulatory process would include at least a ten month contested case proceeding. The 2nd and 3rd issues are of greater magnitude which would arguably support an even more thorough proceeding. While the Commission has not yet provided a decision on sending the proceeding to a contested case, at this point the Chamber does not believe it is necessary. But, in no event should limitations be placed on discovery at this time.

The Chamber's discovery is intended to remove unknown impacts or narrow issues where ratepayers currently have concern and which could lead to objection to the transaction or a need for a more formal contested case proceeding and more thorough record. In fact, immediately upon making the decision to participate more formally, the Chamber reached out to SMEC and IPL to seek conference in order to narrow issues and the need for additional discovery. The Chamber will continue to make such efforts.

II. ISSUES RAISED IN THE OBJECTION

The Chamber will respond to the issues raised in the Objection to the extent necessary and in more broad terms, as the Objection raised concerns that in many cases are redundant or overlapping.

A. Timing

IPL and SMEC discuss a concern on timing and impact of possible delays on the transaction. The Chamber believes these concerns are largely a result of their own actions or inactions. Furthermore, any delay caused by the Chamber will be minimal.

In the Objection IPL and SMEC provide a chronology of the proceeding and contacts with the Chamber, but it is not complete. What is missing are the events leading up the April 15, 2014 Petition filing, which illustrate delays due to IPL and SMEC's own actions. IPL and

SMEC executed the sale agreements on or about September 3, 2013, and discussed that the sale filing would be made as early as November, 2013. Yet, as stated in the Objection, the Joint Petitioners chose not to make the filing until April 15, 2014. This delay of over five months demonstrates two important points; the Joint Petitioners know that this is a very complicated transaction, and if it was desired that the proceeding be concluded sooner a delay of over five months in the initial filing was within their own control.

The Joint Petitioners knew the transaction intimately and the initial filing still took well over 5 months longer than anticipated and 7 month after the announced sale, which was likely preceded by a year of negotiation. They should expect the affected customers and/or the PUC to need even more time to understand, analyze and comment. After all, none of us (especially the customers) are running the utility day-to-day. If timing on the filing were a substantive concern, the Joint Petitioners would have filed sooner and perhaps even recommended a contested case hearing which schedule would have been set and enforced by an administrative law judge.

B. Purported Deadline for Discovery

IPL and SMEC claim the information requests as late according to the Commission's July 7, 2014 Order. The Chamber believes that there was not an attempt by the Commission to limit discovery or the record with respect to the overall proceeding, rather provide guidance for discovery so that all parties focused on the most immediate issue at hand, i.e. questions stemming from the informal meeting. In fact, subsequent to the purported deadline, the Commission itself on October 10, 2014 issued an additional list of issues to be addressed by the parties and clearly it was not the intent that parties not be allowed further discovery in

preparing those comments. Throughout the proceeding and after the purported deadline, other parties have issued additional IRs as noted in the Objection.

The Chamber is unaware of any limitations on timing of discovery in other proceedings with issues similar in magnitude to those addressed here. In this case it certainly would not be appropriate to impose any such limitation.

C. Inconvenience with Respect to Number of Information Requests

IPL and SMEC raise objection to the number of IR's issued on November 14, 2014. Again, given the magnitude and the long-term impact of the proceeding, the Chamber believes its questions are minimal, and overall, the Joint Petitioners have received relatively few requests for information. As discussed above, this proceeding, in addition to the other significant impacts, will result in a rate increase for IPL ratepayers. For perspective, consider IPL's last rate case, wherein hundreds of information requests were issued and Xcel's current rate case, which has had approximately 1,000 information requests. This proceeding has a larger and longer term impact on IPL ratepayers than either of those proceedings and has had a fraction of the discovery.

III. OTHER ISSUES

A. Justification for Timing of Chamber's Participation

While the Chamber would have preferred to be more materially at an earlier point, limited resources of the Chamber and business ratepayers in IPL's territory prohibited earlier action. Unlike the Joint Petitioners, the Chamber must raise resources specifically to finance this type of intervention, as work on transactions of this complexity are not entirely within the Chamber's regular budget. While it would have been preferable to stay actively involved for the thirteen months since the Joint Petitioners announced the transaction, it is cost prohibitive

to hire professionals for extended periods of time. After reviewing the record and hearing from more Chamber members about their concerns, the Chamber became active as soon as possible.

B. <u>Joint Petitioners' Alternative Proposals</u>

The Joint Petitioners make three alternate proposals if the Chamber is not outright denied the ability to pursue discovery.

First, to limit the Chamber's IRs to 10. As stated above, the Chamber objects to this limitation and believes the discovery period should remain open up until the date of the hearing on approval for the proposed transaction. As we have said, this is generally the practice in matters before the PUC.

Second, require response to the Chamber's discovery on December 2, 2014 rather than November 28. The Chamber does not object to this adjustment to the extent that it is necessary and commits to work with the Joint Petitioners to make other scheduling accommodations throughout the proceeding as possible. Although, we do request that responses be provided to the Chamber as soon as available, if completed by the Joint Intervenors prior to December 2, in order to expedite the proceeding.

Third, allow parties an additional reply opportunity 14 days after the December 8 reply comments. The Chamber supports this proposal and efforts to provide a more fully developed record.

IV. CONCLUSIONS

The Chamber appreciates this opportunity to address this important issue and the Commission's consideration of the Chamber's concerns.

Respectfully submitted,

MARTIN & SQUIRES, P.A.

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