



August 7, 2015

Daniel P. Wolf Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, Minnesota 55101-2147

RE: Comments of the Minnesota Department of Commerce, Division of Energy Resources
Docket No. E,G002/AI-15-536

Dear Mr. Wolf:

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

Petition of Northern States Power Company for Approval of its Annual Cost Allocation Modifications to its Service Agreement with Xcel Energy Services, Inc.

The filing was submitted on June 1, 2015 by:

Bria E. Shea Manager, Regulatory Document Content Xcel Energy 414 Nicollet Mall, 7th Floor Minneapolis, MN 55401

The Department recommends **approval in part and denial in part** of the Petition. The Department is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ JOHN KUNDERT Financial Analyst

JK/It Attachment



BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE MINNESOTA DEPARTMENT OF COMMERCE DIVISION OF ENERGY RESOURCES

DOCKET NO. E,G002/AI-15-536

I. SUMMARY OF PROPOSAL

On June 1, 2015, Northern States Power Company d/b/a Xcel Energy (Xcel, NSPM, or the Company) submitted a petition to the Minnesota Public Utilities Commission (Commission) pursuant to Minnesota Statute section216B.48¹ seeking approval of revisions to its Service Agreement with Xcel Energy Services Inc.² (XES, the Service Company). Procedurally, the Company identified the filing as representing the Annual Filing required in the Commission's Order in Docket No. E,G-002/Al-14-234. It also identified the proposed changes as the Third Amendment to the Service Agreement.

The Company proposed two changes to the Service Agreement. The first is the introduction of a new allocation factor, a Composite Allocation Method for the Company's Personal Account Representative (PAR) team. The second is the removal of the Labor Dollars Ratio from three remaining service functions. The incremental effect of the two changes would be to allocate an additional \$112,340 to NSPM of which approximately \$98,000 would be allocated to Xcel's Minnesota jurisdiction in 2015.³

¹ 216B.48 RELATIONS WITH AFFILIATED INTEREST. History: 1974 c 429 s 48; 1993 c 327 s 11-13.

² The Service Agreement covers cost allocation and assignment for services provided to Northern States Power Company by Xcel Energy Services, Inc. (the Service Company). These services include management and administrative services such as accounting, finance, human resources and legal services.

³ The Service Company implemented these changes to the Service Agreement in 2014. The incremental effect in 2014 was estimated to be an increase of \$83,186 in expenses billed to NSPM from XES of which approximately \$73,000 would be allocated to Xcel's Minnesota jurisdiction.

Page 3

II. BACKGROUND

On April 27, 2001, the initial Service Agreement between Xcel and the Service Company was approved by the Minnesota Public Utilities Commission (Commission) in Docket No. E,G002/AI-00-1251.

The Company filed a petition on January 30, 2004 for approval of a change to the three-factor formula⁴ used in Appendix A of the Service Agreement to distribute costs related to corporate governance activities from the Service Company to the affiliated companies in Docket No. E,G002/Al-04-181. On August 20, 2004, the Commission approved the recommendation of the Minnesota Department of Commerce (Department or DOC), in the 04-181 docket, to require Xcel to file the Securities and Exchange Commission (SEC) Form U-13-60 annually and identify the Investor Relations Costs, in addition to requiring Xcel to provide calculations showing the allocation of the costs between ratepayers and shareholders in the next rate case filed by Xcel.

On April 29, 2004, Xcel filed a petition⁵ to further amend Appendix A in the Service Agreement in response to approval by the SEC of new allocation ratios to allocate Information Technology costs. The changes approved by the Commission in the January 30, 2004 filing were incorporated into the petition, and the Commission issued its Order approving the Company's petition in this proceeding on October 22, 2004.

Xcel filed a petition for an updated Service Agreement with Xcel Energy Services Inc. on October 13, 2008 in which the Company proposed to incorporate the changes made by the amendments to the Public Utilities Holding Company Act (PUHCA) of 2005. Xcel noted other minor changes including changes to billing, payment dates, and the addition of a dispute resolution provision. The Commission approved the petition as recommended by the Department, which included several changes to the Company's proposed service agreement. Language was included in these changes that required Xcel to obtain state regulatory approval upon changing or modifying the assignment or allocation of costs.

On March 24, 2014 Xcel filed a petition requesting approval of a Second Amendment to the Service Agreement in Docket No. E, G-002/Al-14-234. The Commission issued its Order approving the Company's petition in this proceeding on November 20, 2014. The Commission required Xcel to submit an annual filing for review and approval of any proposed revisions for the Service Agreement language. In addition, the Commission required Xcel to file changes to the Service Agreement within 30 days of the amendment if the change in the Service Agreement language would result in a large and material change.

The Department provides its analysis of Xcel's proposal below.

⁴ The three-factor formula uses the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio to allocate costs from Service Company to affiliated companies.

⁵ In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of a Modification to the Service Agreement with Xcel Energy Services, Inc., Docket No. E,G002/Al-04-666.

Page 4

III. DEPARTMENT ANALYSIS

A. STATUTORY REQUIREMENTS FOR AFFILIATED-INTEREST AGREEMENTS

Minnesota Statutes dictate the requirements necessary to be met for affiliated service agreements at Minnesota Statute section 216B.48, subd. 3 as follows:

No contract or arrangement, including any general or continuing arrangement, providing for the furnishing of management. supervisory, construction, engineering. accounting, legal, financial, or similar services, and no contract or arrangement for the purchase, sale, lease, or exchange of any property, right, or thing, or for the furnishing of any service. property, right, or thing, other than those above enumerated, made or entered into after January 1, 1975 between a public utility and any affiliated interested as defined in subdivision 1, clauses (1) to (8), or any arrangement between a public utility and an affiliated interest as defined in subdivision 1, clause (9). made or entered into after August 1, 1993, is valid or effective unless and until the contract or arrangement has received the written approval of the commission. (Emphasis added)

Minnesota Statute section 216B.48, subd. 3 additionally provides two tests to be applied by the Commission in cases of affiliated-interest contracts; the burden of proof for satisfying these tests rests with the Company:

The commission shall approve the contract or arrangement made or entered into after that date only if it clearly appears and is established upon investigation that it is reasonable and consistent with the public interest. No contract or arrangement may receive the Commission's approval unless satisfactory proof is submitted to the commission of the cost to the affiliated interest of rendering the services or of furnishing the property or service to each public utility. Proof is satisfactory only if it includes the original or verified copies of the relevant cost records and other relevant accounts of the affiliated interest, or an abstract or summary as the commission may deem adequate, properly identified and duly authenticated, provided. however, that the commission may, reasonable. approve disapprove or the contracts arrangements without the submission of cost records or accounts. The burden of proof to establish the reasonableness of the contract or arrangement is on the public utility. (Emphasis added)

Page 5

The burden of proof is on the Company to show that the service agreement is both reasonable and consistent with the public interest; if the Commission determines that Xcel has met its burden of proof, the Commission shall approve the agreement. Finally, Minnesota Statute section 216B.48, subd. 6 is clear that the Commission has continuing authority over the affiliated-interest agreement if actual experience under the agreement results in rates that are unreasonable:

Subd. 6.Commission retains continuing authority over contract.

The commission shall have continuing supervisory control over the terms and conditions of the contracts and arrangements as are herein described so far as necessary to protect and promote the public interest. The commission shall have the same jurisdiction over the modifications or amendment of contracts or arrangements as are herein described as it has over such original contracts or arrangements. The fact that the commission shall have approved entry into such contracts or arrangements as described herein shall not preclude disallowance or disapproval of payments made pursuant thereto, if upon actual experience under such contract or arrangement it appears that the payments provided for or made were or are unreasonable.

B. FILING REQUIREMENTS

In Docket No. E, G-999/CI-98-651 the Commission provided minimum filing requirements that must be satisfied within 30 days of executing a contract or arrangement with an affiliate.⁶ These filing requirements are detailed in Minn. Rules pt. 7825.2200(B) and are included in Attachment 1.

C. ANALYSIS OF PROPOSAL

In its review of an agreement between a utility and its affiliate, the Department addresses the merits of the agreement, and also the ability of the Department to verify, after provision or acquisition of goods or services, that the utility's ratepayers do not subsidize operations of the affiliate. In this evaluation, the Department considers whether:

- the agreement would affect operating costs and rate levels;
- the proposed price or cost is reasonable;
- the agreement would affect the competitive situation; and,
- the agreement would impair effective regulation.

The Department addresses the topics in order.

⁶ In the Matter of a Commission Investigation into Procedures for Reviewing Public Utility Affiliated Interest Contracts and Arrangements, ORDER INITIATING REPEAL OF RULE, GRANTING GENERIC VARIANCE, AND CLARIFYING INTERNAL OPERATING PROCEDURES (September 14, 1998).

Page 6

1. Effect on Operating Costs and Rate Levels

The Company's proposed changes to its existing service agreement with XES would increase costs to Xcel's Minnesota ratepayers by approximately \$98,380 in 2015 compared with maintaining the current allocation factors included in the Service Agreement. According to information provided in the Company's most recent rate case, (Docket No. E002/GR-13-868) Xcel's budgeted costs from XES in 2014 were \$104,468,403.7 Assuming a similar level of expenses in 2015, these proposed changes would result in an increase of slightly less than 0.1 percent (0.094%) in Xcel's operating costs. It is expected that Xcel will propose to reflect these costs in its proposed rates in the Company's next rate case, currently forecasted for fourth quarter 2015. The Department examines each of the proposed changes below.

2. Reasonableness of Proposed Cost Increase

The Department evaluated this criterion from several perspectives. The first is whether Xcel met its burden of proof to show that the proposed change in reasonable; that is, whether the Service Company's proposed changes are sufficiently documented to support that the change is reasonable and in the public interest. In Attachment C to its Petition, the Company provided a redlined version of the proposed changes to Appendix A of the Service Agreement. Specifically, Xcel proposes these changes:

- Claims Services category: "Claims Services costs will be direct charged, and administrative support functions that cannot be direct charged will be allocated using the Labor Dollars Ratio." 8
- 2. **Supply Chain category**: "Supply Chain will be direct charged, and administrative support functions that cannot be direct charged will be allocated using the Labor Dollars Invoice Transaction Ratio." 9
- 3. Rates and Regulation category: "Rates and Regulation indirect costs will be allocated to the Operating Companies based on the Revenue Ratio or the Labor Dollars Ratio 10
- 4. Customer Service category: "Customer Service indirect costs will be allocated based on the Customers Ratio. Indirect costs associated with administering low income and certified medical customer assistance programs will be allocated based on a composite of the Average of the Special Needs Customer Contacts Ratio and the Residential Customers Ratio." 11

⁷ Schedule 8(b) page 1 of 2 included in the direct testimony of Amy Stitt in Docket No. E002/GR-13-868.

⁸ Attachment C of the Petition, page 2 of 22.

⁹ Attachment C of the Petition, page 4 of 22.

¹⁰ Attachment C of the Petition, page 6 of 22.

¹¹ Attachment C of the Petition, page 8 of 22.

Page 7

5. The definition of the **Labor Dollars Ratio** has been removed. 12

6. The Customer Contacts Ratio:

"Based on the total annual number of customer contacts at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes. If the costs being allocated are directly related only to the support of special needs customers, such as those receiving low income energy assistance and those having certified medical conditions, the ratio shall be based on the number of contacts received by the special needs customer department at the end of the prior year ending December 31 (Special Needs Customer Department Ratio). The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes. 13

The Company's proposed changes in (1), (2), (3) and (5) would remove the Labor Dollars Ratio as an allocator for administrative costs that cannot be direct assigned in the Claims Services, Supply Chain, and Rates and Regulation departments. For Claims Services, Xcel proposes no allocation method for Claims Services that cannot be direct charged. For the Supply Chain department, Xcel proposes to allocate such costs based on the number of invoice transactions.

a. Claims Services Department

Xcel explained its reasoning for the proposed change in the Claims Services department on page 11-12 of its Petition as follows:

Claims Services provides services related to casualty, public and Company damage claims. When the Company causes damages in the course of doing business, or an individual or other business damages Company property, the Claims organization investigates the incidents to determine responsibility and resolve the dispute. All budgeted costs and the vast majority of the actual costs incurred by this Service Function are directly-charged to the Operating Companies, as

¹² Attachment C of the Petition, page 12 of 22.

¹³ Attachment C of the Petition, page 13 of 22.

Page 8

the workflow is structured around individual claims that are Operating Company-specific.

Therefore, we have eliminated the Labor Dollars Allocation Method for this Service Function in the Service Agreement, which means that all Claims Services costs are being directly-charged to the Operating Companies.

The Department agrees that Xcel's proposal for allocating the costs of the Claims Services department is reasonable.

b. Supply Chain Department

Xcel explained its reasoning for the proposed change in allocation of the Supply Chain costs on pages 12 and 13 its Petition as follows:

The Supply Chain Service Function is responsible for purchasing and warehousing services. Purchasing services include developing requisitions, contracts, and purchase orders to procure materials and services and manage supplier relationships; negotiating complex procurement agreements/contracts for strategic supplier partnerships and service contracts; monitoring supplier performance; and managing purchase records, supplier qualifications records, and the supplier diversity program. Warehousing services include receiving, storing, issuing, shipping, returns, and distribution of material and parts.

The only costs being allocated are for management and oversight of the payment and reporting services that include processing payments to vendors, providing audit research and reconciliation support for Accounts Payable transactions, preparing statistical and 1099 reporting, and administering the purchase card programs. [fn omitted] These activities and their oversight are driven by the total number of invoices processed for each individual Operating Company. Therefore, the most cost-causative Allocation Method is the Invoice Transaction Ratio, which is what we have replaced the Labor Dollars Ratio with in the Service Agreement.

In terms of impact of this change on the Company, as we explained in our Reply in Docket 14-234, we are unable to specifically quantify the impact of changing from the Labor Dollars ratio to a different Allocation Method. In summary, because we previously discontinued use of the Labor Dollars ratio, we do not have records or the process to perform a

Page 9

detailed, exact cost estimate. However, as we did in that Reply for certain Service Functions, we have reasonably approximated the impact to NSPM for this change to the Supply Chain Service Function, which we estimate is an approximate increase to NSPM of \$51,000 and \$57,000 for 2014 and 2015, respectively.

Given that the amounts allocated to Xcel under the current allocator are \$67,384 and \$76,374, respectively, for 2014 and 2015, Xcel's proposal would increase the amount allocated to NSPM by 75 percent in each of these years for this category.

In DOC Information Request 13 (IR 13), ¹⁴ the Department requested the analysis that provided the support for the Company's proposed change to the allocation factor for its Supply Chain. In its response, Xcel explained: "Considering that the main activity of the personnel is processing invoices, this allocation method was selected as the most cost-causative method out of the all existing approved methods."

However, Xcel's description of the function of this department indicates the labor-intensiveness of the work. For example, "negotiating complex procurement agreements/contracts" can be labor-intensive, and likely some contracts would require more work than others. As a result, it is not reasonable to assume that all transactions are the same, as under Xcel's proposal.

Thus, the Department concludes that Xcel has not met its burden of proof to show that this proposed change is reasonable. Instead, the Department recommends that the Commission require Xcel to use the Labor Dollars Ratio to allocate the costs of the Supply Chain department.

c. Rates and Regulation Department

Xcel describes the function of the Rates and Regulation department as follows:

Determines the Operating Companies' regulatory strategy, revenue requirements and rates for electric and gas customers. Coordinates the regulatory compliance requirements and maintains relationships with the regulatory bodies.

Xcel states that the Company has been using the Revenue Ratio to allocate costs of this department, and thus proposes to eliminate the option of using the Labor Dollars ratio. In the 14-234 Docket, the Department didn't support giving XES or Xcel optionality for choosing allocation factors. The Department was concerned that such an approach would give the Company too much discretion regarding which allocator to use, and would substantially decrease transparency for the Department or any party attempting to review and understand the Company cost allocations in use at that time. Thus, the issue for the

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¹⁴ DOC Attachment 3.

Page 10

Commission in this proceeding is which allocation factor to use: Labor Dollars Ratio or Revenue Ratio.

As with the Supply Chain department, Xcel's description of the Rate and Regulation department indicates significant labor-intensiveness of the work. Moreover, the cost of this department is largely labor. Consequently, it appears that the appropriate allocator for the Rates and Regulation department is the Labor Dollars Ratio.

It is particularly important to allocate the costs of Rates and Regulation using the Labor Dollars Ratio rather than the Revenue Ratio since the Rates and Regulation department must spend time to establish a new affiliate (such as the recent affiliated transmission companies discussed in Docket E002/Al-14-759). Prior to any revenues existing for the new affiliate, it would not be fair to allocate all costs of establishing a new affiliate to the regulated operations.

The Department requests that Xcel provide in its reply comments the estimated allocation of Rates and Regulation costs to the Minnesota jurisdiction for 2014 and 2015 under the Labor Dollar Ratio and Revenue Ratio.

d. Customer Contacts Ratio

The Company's proposed language in (6) attempts to define the Defined Term "Special Needs Customer Contacts Ratio", while the proposed language change in (4) attempts to codify the protocol for its use.

The Department asked several information requests in order to determine the level of supporting documentation for these proposed changes and by extension, their reasonableness.

In DOC Information Request 1 (IR 1), 15 the Department requested the analysis that provided the support for the Company's proposed new Special Needs Customer Contacts ratio. In its response, Xcel provided three tables – Personal Account Representative Department's incoming calls, the Average Number of Residential Customers and Low-Income Customer Counts Ratio. The Company's position is that the use of an allocation method that used only one input would not "sufficiently reflect the team's workflow on a stand-alone basis".

The Department reviewed the Company's analysis and largely agrees that the development of this new allocation factor is reasonable. The Department generally supports the use of "subsets" of broader allocation methods to the extent that this refinement enables better accuracy.

¹⁵ DOC Attachment 2.

Page 11

3. Competitive Situation

Minn. Rules pt. 7825.2200(B) (5) states:

- a. if invitations for sealed written public proposals for the furnishing of the service sought under the contract or agreement have been made, a summary of the terms of the proposals received, including the name of each bidder or representative of a bidding group; and as an exhibit to the petition, a copy of each proposal received;
- b. if invitations for sealed written proposals have not been made, an explanation of the decisions to that effect will be submitted.

This criterion does not appear to be relevant in this instance.

4. Impairment of Effective Regulation

The Department cannot identify any changes proposed in the instant docket to the Service Agreement that would impair effective regulation in the near term. However, as noted above, the Department concludes that Xcel has not met its burden of proof to show that the proposed changes in allocations for either the Supply Chain department or the Rates and Regulation department are reasonable.

Further, the Department reiterates that the Commission has continuing authority to determine the reasonableness of Xcel's proposed allocation of costs between regulated and non-regulated entities, in practice, for ratemaking purposes:

The fact that the commission shall have approved entry into such contracts or arrangements as described herein shall not preclude disallowance or disapproval of payments made pursuant thereto, if upon actual experience under such contract or arrangement it appears that the payments provided for or made were or are unreasonable.

In that light, the Department notes that further examination of the appropriateness of Xcel's Service Agreement is likely to occur in Xcel's expected upcoming rate case, particularly in light of concerns expressed by Commissioners as to how services and other matters regarding Xcel's recently established transmission affiliates in Docket No. E,G002/Al-14-759 will affect regulated services.

Page 12

IV. RECOMMENDATIONS

At this time, the Department recommends that the Commission:

- approve the Company's requested changes to cost allocations for the Claims Services department and Customer Contact department, and
- deny the proposed change to allocating the costs of the Supply Chain department.

The Department also concludes that Xcel has not met its burden of proof to show that its proposal to allocate costs for the Rates and Regulation department based on the Revenues Ratio is reasonable. The Department requests that the Company provide in reply comments the costs allocated to the Minnesota jurisdiction under the Labor Dollars Ratio and the Revenue Ratio for 2014 and 2015.

Attachment 1 – Filing Requirements for an Affiliated Interest Agreement included in in Minn. Rules pt. 7825.2200(B).

- 1. A heading that identifies the type of transaction;
- 2. The identity of the affiliated parties in the first sentence;
- A general description of the nature and terms of the agreement, including the effective date of the contract or arrangement and the length of the contract or arrangement;
- 4. A list and the past history of all current contracts or agreements between the utility and the affiliate, the consideration received by the affiliate for such contracts or agreements, and a summary of the relevant cost records related to these ongoing transactions;
- 5. A descriptive summary of the pertinent facts and reasons why such contract or agreement is in the public interest;
- 6. The amount of compensation and, if applicable, a brief description of the cost allocation methodology or market information used to determine cost or price;
- 7. If the service or good acquired from an affiliate is competitively available, an explanation must be included stating whether competitive bidding was used and, if it was used, a copy of the proposal or a summary must be included. If it is not competitively bid, an explanation must be included stating why bidding was not used;
- 8. If the arrangement is in writing, a copy of that document must be attached;
- 9. Whether, as a result of the affiliate transaction, the affiliate would have access to customer information, such as customer name, address, usage or demographic information;
- 10. The filing must be verified.

DOC Attachment 2 Docket No. E,G002/AI-15-536 Page 1 of 2

	Non Public Document - Contains Trade Secret Data
	Public Document - Trade Secret Data Excised
\boxtimes	Public Document

Xcel Energy

Docket No.:

E,G002/AI-15-536

Response To:

Department of Commerce

Information Request No.

1

Requestor:

John Kundert

Date Received:

July 2, 2015

Question:

Please provide a copy of the cost causation analysis conducted for the Personal Account Representative (PARS) team discussed on page 8 of the filing.

Response:

The cost causation analysis as discussed on page 8 of the Company's June 1, 2015 Annual Report filing for the Personal Account Representative team included the analyses provided in the tables below. In our analysis, we considered using the following individual ratios to allocate the team's costs. This analysis was performed in spring 2014 using the 2013 statistics.

Low Income Customer Ratio (subset of Customers Ratio):

PAR department incoming calls								
PSCO	65,624	39.4899%						
SPS	13,314	8.0118%						
NSPM	75,888	45.6664%						
NSPW	11,353	6.8318%						
	166,179	100.0000%						

Customers Ratio

	Average Number of Residential Customers									
	Electric	Gas		Total	Percent					
PSCO	1,182,093		1,223,710	2,405,803	51.5797%					
SPS	300,439		-	300,439	6.4413%					
NSPM	1,200,415		448,271	1,648,686	35.3473%					
NSPW	213,134		96,183	309,317	6.6317%					
		•	•	4,664,245	100.0000%					

Composite Residential Customers / PAR Department's Incoming Calls

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	Calls	Customers	
PSCO	39.4899%	51.5797%	45.5348%
SPS	8.0118%	6.4413%	7.2266%
NSPM	45.6664%	35.3473%	40.5069%
NSPW	6.8318%	6.6317%	6.7317%
			100.0000%

Low Income Customer Counts Ratio

	Average	Percentage
PSCO	94,543	42.8215%
SPS	11,374	5.1518%
NSPM	89,137	40.3726%
NSPW	25,731	11.6541%
	220,785	100.0000%

The use of any single Allocation Method would not sufficiently reflect the team's workflow on a stand-alone basis. As a result, the most cost-causative Allocation Method would be a combination of the average of a Special Needs Customer Department Contacts Ratio and a Customers Ratio.

Preparer:

Fady Hanna

Title:

Senior Accounting Analyst

Department:

Service Company Accounting

Telephone:

(303) 294-2516

Date:

July 17, 2015

DOC Attachment 3 Docket No. E,G002/AI-15-536 Page 1 of 1

Non Public Document - Contains Trade Secret Data
Public Document - Trade Secret Data Excised
Public Document

Xcel Energy

Docket No.:

E,G002/AI-15-536

Response To:

Department of Commerce

Information Request No.

13

Requestor:

John Kundert

Date Received:

July 2, 2015

Question:

Please provide a copy of any and all cost causation analyses conducted for the Supply Chain discussed on pages 12 through 14 of the filing.

Response:

Based on the research of the charges in the allocation pool conducted in conjunction with the Company's June 1, 2015 Annual Report filing, it was determined that the charges are related to the managerial oversight of the Supply Chain personnel. Considering that the main activity of the personnel is processing invoices, this allocation method was selected as the most cost-causative method out of all existing approved methods.

Preparer:

Olga Odell

Title:

Principal Financial Consultant

Department:

XES Accounting

Telephone:

(303) 294-2367

Date:

July 17, 2015

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. E,G002/AI-15-536

Dated this 7th day of August 2015

/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.m n.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_15-536_AI-15- 536
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	OFF_SL_15-536_AI-15-536
Alison C	Archer	alison.c.archer@xcelenerg y.com	Xcel Energy	414 Nicollet Mall FL 5 Minneapolis, MN 55401	Electronic Service	Yes	OFF_SL_15-536_AI-15-536
Mara K	Ascheman	mara.k.ascheman@xcelen ergy.com	Xcel Energy	414 Nicollet Mall FL 5 Minneapolis, MN 55401	Electronic Service	No	OFF_SL_15-536_AI-15-536
Ryan	Barlow	Ryan.Barlow@ag.state.mn. us	Office of the Attorney General-RUD	445 Minnesota Street Bremer Tower, Suite of St. Paul, Minnesota 55101	Electronic Service 400	Yes	OFF_SL_15-536_AI-15-536
James J.	Bertrand	james.bertrand@leonard.c om	Leonard Street & Deinard	150 South Fifth Street, Suite 2300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-536_AI-15-536
William A.	Blazar	bblazar@mnchamber.com	Minnesota Chamber Of Commerce	Suite 1500 400 Robert Street Nor St. Paul, MN 55101	Electronic Service th	No	OFF_SL_15-536_AI-15-536
Michael	Bradley	mike.bradley@lawmoss.co m	Moss & Barnett	150 S. 5th Street, #1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-536_AI-15- 536
James	Canaday	james.canaday@ag.state. mn.us	Office of the Attorney General-RUD	Suite 1400 445 Minnesota St. St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_15-536_AI-15- 536
Jeanne	Cochran	Jeanne.Cochran@state.mn .us	Office of Administrative Hearings	P.O. Box 64620 St. Paul, MN 55164-0620	Electronic Service	Yes	OFF_SL_15-536_AI-15- 536

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
lohn	Coffman	john@johncoffman.net	AARP	871 Tuxedo Blvd. St, Louis, MO 63119-2044	Electronic Service	No	OFF_SL_15-536_Al-15 536
effrey A.	Daugherty	jeffrey.daugherty@centerp ointenergy.com	CenterPoint Energy	800 LaSalle Ave Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-536_AI-15 536
ames	Denniston	james.r.denniston@xcelen ergy.com	Xcel Energy Services, Inc.	414 Nicollet Mall, Fifth Floor Minneapolis, MN 55401	Electronic Service	Yes	OFF_SL_15-536_AI-15 536
an	Dobson	ian.dobson@ag.state.mn.u s	Office of the Attorney General-RUD	Antitrust and Utilities Division 445 Minnesota Street, BRM Tower St. Paul, MN 55101	Electronic Service 1400	No	OFF_SL_15-536_AI-15-536
sharon	Ferguson	sharon.ferguson@state.mn .us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_15-536_AI-15-536
itephen	Fogel	Stephen.E.Fogel@XcelEne rgy.com	Xcel Energy Services, Inc.	816 Congress Ave, Suite 1650 Austin, TX 78701	Electronic Service	No	OFF_SL_15-536_AI-15-536
lenjamin	Gerber	bgerber@mnchamber.com	Minnesota Chamber of Commerce	400 Robert Street North Suite 1500 St. Paul, Minnesota 55101	Electronic Service	Yes	OFF_SL_15-536_AI-15-536
odd J.	Guerrero	todd.guerrero@kutakrock.c om	Kutak Rock LLP	Suite 1750 220 South Sixth Stree Minneapolis, MN 554021425	Electronic Service	No	OFF_SL_15-536_AI-15- 536
andra	Hofstetter	N/A	MN Chamber of Commerce	7261 County Road H Fremont, WI 54940-9317	Paper Service	No	OFF_SL_15-536_AI-15- 536

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Michael	Норре	il23@mtn.org	Local Union 23, I.B.E.W.	932 Payne Avenue St. Paul, MN 55130	Electronic Service	No	OFF_SL_15-536_AI-15- 536
Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law	2265 Roswell Road Suite 100 Marietta, GA 30062	Electronic Service	No	OFF_SL_15-536_AI-15- 536
Linda	Jensen	linda.s.jensen@ag.state.m n.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota Street St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_15-536_AI-15- 536
Richard	Johnson	Rick.Johnson@lawmoss.co m	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-536_AI-15- 536
Sarah	Johnson Phillips	sjphillips@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-536_AI-15- 536
Mark J.	Kaufman	mkaufman@ibewlocal949.o rg	IBEW Local Union 949	12908 Nicollet Avenue South Burnsville, MN 55337	Electronic Service	No	OFF_SL_15-536_AI-15- 536
Thomas	Koehler	TGK@IBEW160.org	Local Union #160, IBEW	2909 Anthony Ln St Anthony Village, MN 55418-3238	Electronic Service	No	OFF_SL_15-536_AI-15- 536
Mara	Koeller	mara.n.koeller@xcelenergy .com	Xcel Energy	414 Nicollet Mall 5th Floor Minneapolis, MN 55401	Electronic Service	No	OFF_SL_15-536_AI-15- 536
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-536_AI-15- 536

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Ganesh	Krishnan	ganesh.krishnan@state.mn .us	Public Utilities Commission	Suite 350121 7th Place East St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_15-536_Al-15-536
Peder	Larson	plarson@larkinhoffman.co m	Larkin Hoffman Daly & Lindgren, Ltd.	8300 Norman Center Drive Suite 1000 Bloomington, MN 55437	Electronic Service	No	OFF_SL_15-536_Al-15-536
Douglas	Larson	dlarson@dakotaelectric.co m	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_15-536_Al-15-536
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_15-536_Al-15-536
Paula	Maccabee	Pmaccabee@justchangela w.com	Just Change Law Offices	1961 Selby Ave Saint Paul, MN 55104	Electronic Service	No	OFF_SL_15-536_Al-15-536
Peter	Madsen	peter.madsen@ag.state.m n.us	Office of the Attorney General-DOC	Bremer Tower, Suite 1800 445 Minnesota Street St. Paul, Minnesota 55101	Electronic Service	Yes	OFF_SL_15-536_Al-15-536
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	OFF_SL_15-536_Al-15-536
Mary	Martinka	mary.a.martinka@xcelener gy.com	Xcel Energy Inc	414 Nicollet Mall 7th Floor Minneapolis, MN 55401	Electronic Service	Yes	OFF_SL_15-536_AI-15-536
Connor	McNellis	cmcnellis@larkinhoffman.c om	Larkin Hoffman Daly & Lindgren Ltd.	8300 Norman Center Drive Suite 1000 Minneapolis, MN 55437	Electronic Service	No	OFF_SL_15-536_Al-15-536
Brian	Meloy	brian.meloy@stinsonleonar d.com	Stinson,Leonard, Street LLP	150 S 5th St Ste 2300 Minneapolis, MN 55402	Electronic Service	Yes	OFF_SL_15-536_Al-15-536

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_15-536_AI-15- 536
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-536_AI-15-536
David W.	Niles	david.niles@avantenergy.c om	Minnesota Municipal Power Agency	Suite 300 200 South Sixth Stree Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-536_AI-15-536
Kevin	Reuther	kreuther@mncenter.org	MN Center for Environmental Advocacy	26 E Exchange St, Ste 206 St. Paul, MN 551011667	Electronic Service	Yes	OFF_SL_15-536_AI-15-536
Richard	Savelkoul	rsavelkoul@martinsquires.c om	Martin & Squires, P.A.	332 Minnesota Street Ste W2750 St. Paul, MN 55101	Electronic Service	No	OFF_SL_15-536_AI-15- 536
Janet	Shaddix Elling	jshaddix@janetshaddix.co m	Shaddix And Associates	Ste 122 9100 W Bloomington I Bloomington, MN 55431	Electronic Service Frwy	Yes	OFF_SL_15-536_AI-15-536
Ken	Smith	ken.smith@districtenergy.c om	District Energy St. Paul Inc.	76 W Kellogg Blvd St. Paul, MN 55102	Electronic Service	No	OFF_SL_15-536_AI-15-536
Ron	Spangler, Jr.	rlspangler@otpco.com	Otter Tail Power Company	215 So. Cascade St. PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_15-536_AI-15-536
Byron E.	Starns	byron.starns@leonard.com	Leonard Street and Deinard	150 South 5th Street Suite 2300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-536_AI-15-536
James M.	Strommen	jstrommen@kennedy- graven.com	Kennedy & Graven, Chartered	470 U.S. Bank Plaza 200 South Sixth Stree Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-536_AI-15-536

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_15-536_AI-15- 536
SaGonna	Thompson	Regulatory.records@xcele nergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_15-536_AI-15- 536
Lisa	Veith	lisa.veith@ci.stpaul.mn.us	City of St. Paul	400 City Hall and Courthouse 15 West Kellogg Blvd St. Paul, MN 55102	Electronic Service	No	OFF_SL_15-536_AI-15- 536
Samantha	Williams	swilliams@nrdc.org	Natural Resources Defense Council	20 N. Wacker Drive Ste 1600 Chicago, IL 60606	Electronic Service	No	OFF_SL_15-536_AI-15- 536
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_15-536_AI-15- 536
Patrick	Zomer	Patrick.Zomer@lawmoss.c om	Moss & Barnett a Professional Association	150 S. 5th Street, #1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_15-536_AI-15- 536