



414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993

October 9, 2018

– VIA ELECTRONIC FILING –

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101

RE: SUPPLEMENT TO ANNUAL REPORT  
2017 ANNUAL AUTOMATIC ADJUSTMENT OF CHARGES REPORT - ELECTRIC  
DOCKET NO. E999/AA-17-492

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits the enclosed supplement to our Electric Annual Automatic Adjustment of Charges Report originally filed in the above-noted docket on September 1, 2017. At the request of Department of Commerce – Division of Energy Resources staff, we provide a revised Part F, Schedule 2, the auditor's report, to comply with the Commission's March 20, 2002 Order in Docket No. E002/M-01-1953.

The March 20 Order requires the Company's external auditors to include in their audit report a statement certifying the following:

- The accounting separation of retail and wholesale financial instruments is implemented appropriately; and
- An audit has been performed to ensure no wholesale electric financial instrument gains or losses are recorded in Account 555 or in Account 804.

As part of their process, the auditors examined the wholesale electric transactions that use gas financial instruments to hedge the price risk associated with those transactions; however, the issued report did not confirm that this examination had been done. The revised Part F, Schedule 2 attached to this supplement includes the above-required statements confirming the examination.

Pursuant to Minn. Stat. § 216.17, subd. 3, we have electronically filed this document with the Minnesota Public Utilities Commission. Please contact Rebecca Eilers at 612- 330-5570 or [rebecca.d.eilers@xcelenergy.com](mailto:rebecca.d.eilers@xcelenergy.com) or me at 612-330-7681 or [lisa.r.peterson@xcelenergy.com](mailto:lisa.r.peterson@xcelenergy.com) if you have any questions regarding this filing.

Sincerely,

/s/

LISA R. PETERSON  
MANAGER, REGULATORY ANALYSIS

Enclosures  
c Service List

## Northern States Power Company, a Minnesota corporation

Schedule of Fuel Adjustment Clause Factors of Northern States Power  
Company, a Minnesota corporation, for the period from July 1, 2016 to  
June 30, 2017, and Independent Accountants' Report on Applying  
Agreed-Upon Procedures



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## **INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of  
Northern States Power Company, a Minnesota corporation

We have performed the procedures enumerated below, which were agreed to by Northern States Power Company, a Minnesota Corporation (the "Company") and the Minnesota Public Utilities Commission (the "Commission") (the specified parties), solely to assist you with the compliance of Rules 7825.2700 to 7825.2820 governing automatic adjustment of energy charges, and with the Fuel Clause Riders and Dockets as defined on Sheet Nos. 5-91, 5-91.1, 5-91.2, and 5-91.3 of the electric rates filed by the Company with the Commission, as well as with Docket No. E002/M-01-1953. The Company's management is responsible for maintaining compliance with those requirements. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

- a. On a sample basis, we compared documentation supporting payments and invoices received from the energy provider and found them to be in agreement.
- b. We obtained the Commission Approved Bases Costs of Power, Docket No. E-002/MR-15-827 and compared the base costs of power to the bases in use and found them to be in agreement.
- c. We recalculated the billing adjustment charge (credit) per kWh charged to customers for purchased power for the period from July 1, 2016 to June 30, 2017, by customer class, and noted no exceptions between our recalculation and the Company's reported adjustment.
- d. We obtained the accounting records for the revenues billed to customers for energy delivered for the period from July 1, 2016 to June 30, 2017. We compared the total sales of electric energy to the Company's general ledger and found them to be in agreement.
- e. On a sample basis, we examined individual billings for each class of service, recalculated the automatic adjustment charges and credits used by the Company and traced these amounts to the individual customer's subsidiary records to ensure that the calculated credit or charge was recorded, noting no exceptions.
- f. We did not identify any corrections to FCA charges or other billing errors for the period from July 1, 2016 to June 30, 2017.
- g. We have reconciled the total revenue and the cost of power to the Company's general ledger and found them to be in agreement with FCA calculation underlying detail.
- h. We have recalculated the true-up calculation and have traced the related revenue and expense amounts to the Company's general ledger and found them to be in agreement with the amounts used in the true-up calculation, with the exception of the following:
  - The asset based margin sharing true-up calculation for the months of July and August 2016 incorrectly utilized billing month sales as compared to calendar month sales. As a result, the fuel adjustment clause factor for September 1, 2016 was understated by 0.001 cent per kWh for each customer class, totaling approximately \$22,000.

- i. Through inspection of a sample of nine accounting records, we identified no exceptions with the accounting separation of retail and wholesale financial instruments.
- j. On a sample basis, we inspected vendor invoices and traced gains and losses to the accounting records for 2 selections. We did not identify any wholesale electric financial instrument gains or losses recorded in Account 555 or Account 804.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to, and did not, conduct an examination or review, the objective of which would be to express an opinion or conclusion, respectively, on management's assertions. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Board of Directors of the Company and the Commission, and is not intended to be, and should not be, used by anyone other than the specified parties.

*Deloitte + Touche LLP*

August 28, 2017

## NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION

**STATE OF MINNESOTA RETAIL ELECTRIC CUSTOMERS  
SCHEDULE OF FUEL ADJUSTMENT CLAUSE FACTORS  
FOR THE PERIOD FROM JULY 1, 2016 TO JUNE 30, 2017  
(CENTS PER KWH)**

	<b>Residential</b>	<b>C&amp;I Non-Demand</b>	<b>C&amp;I Demand Non-TOD</b>	<b>C&amp;I Demand On-Peak</b>	<b>C&amp;I Demand Off-Peak</b>	<b>Outdoor Lighting</b>
July 1, 2016	2.281	2.349	2.246	2.851	1.789	1.668
August 1, 2016	2.390	2.461	2.353	2.986	1.874	1.747
September 1, 2016	2.429	2.502	2.391	3.036	1.905	1.776
October 1, 2016	2.476	2.551	2.438	3.095	1.942	1.811
November 1, 2016	2.622	2.700	2.581	3.277	2.056	1.917
December 1, 2016	2.430	2.503	2.393	3.037	1.906	1.777
January 1, 2017	2.565	2.642	2.526	3.206	2.012	1.876
February 1, 2017	2.384	2.455	2.347	2.979	1.869	1.743
March 1, 2017	2.261	2.329	2.226	2.826	1.773	1.653
April 1, 2017	2.734	2.816	2.692	3.417	2.144	1.999
May 1, 2017	2.852	2.938	2.808	3.564	2.237	2.085
June 1, 2017	2.745	2.827	2.703	3.431	2.153	2.007

This Schedule of Fuel Adjustment Clause Factors is based on the requirements of the Minnesota Public Utilities Commission (the "Commission") Rules 7825.2700 to 7825.2820 governing automatic adjustment of energy charges, and with the Fuel Clause Riders and Dockets as defined on Sheet Nos. 5-91, 5-91.1, 5-91.2, and 5-91.3 of the electric rates filed by the Company with the Commission, including Commission revisions.

## CERTIFICATE OF SERVICE

I, Lynnette Sweet, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped  
with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

**DOCKET No. E999/AA-17-492**

Dated this 9<sup>th</sup> day of October 2018

/s/

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Lynnette Sweet

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022191	Electronic Service	No	OFF_SL_17-492_AA-17-492
Derek	Bertsch	derek.bertsch@mrenergy.com	Missouri River Energy Services	3724 West Avera Drive PO Box 88920 Sioux Falls, SD 57109-8920	Electronic Service	No	OFF_SL_17-492_AA-17-492
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_17-492_AA-17-492
Carl	Cronin	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7  Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_17-492_AA-17-492
Seth	DeMerritt	ssdemerritt@integrysgroup.com	MERC (Holding)	700 North Adams P.O. Box 19001 Green Bay, WI 543079001	Electronic Service	No	OFF_SL_17-492_AA-17-492
Ian	Dobson	residential.utilities@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_17-492_AA-17-492
Marie	Doyle	marie.doyle@centerpointenergy.com	CenterPoint Energy	505 Nicollet Mall P O Box 59038 Minneapolis, MN 554590038	Electronic Service	No	OFF_SL_17-492_AA-17-492
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Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_17-492_AA-17-492
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	OFF_SL_17-492_AA-17-492



First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Samantha	Norris	samanthanorris@alliantenergy.com	Interstate Power and Light Company	200 1st Street SE PO Box 351  Cedar Rapids, IA 524060351	Electronic Service	No	OFF_SL_17-492_AA-17-492
Leann	Oehlerking Boes	lboes@mnpower.com	Minnesota Power	30 W Superior St  Duluth, MN 55802	Electronic Service	No	OFF_SL_17-492_AA-17-492
Randy	Olson	rolson@dakotaelectric.com	Dakota Electric Association	4300 220th Street W.  Farmington, MN 55024-9583	Electronic Service	No	OFF_SL_17-492_AA-17-492
Catherine	Phillips	catherine.phillips@we-energies.com	We Energies	231 West Michigan St  Milwaukee, WI 53203	Electronic Service	No	OFF_SL_17-492_AA-17-492
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_17-492_AA-17-492
Robyn	Woeste	robynwoeste@alliantenergy.com	Interstate Power and Light Company	200 First St SE  Cedar Rapids, IA 52401	Electronic Service	No	OFF_SL_17-492_AA-17-492
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_17-492_AA-17-492
Mary	Wolter	mary.wolter@wecenergygroup.com	Minnesota Energy Resources Corporation (HOLDING)	231 West Michigan St  Milwaukee, WI 53203	Electronic Service	No	OFF_SL_17-492_AA-17-492