

414 Nicollet Mall Minneapolis, MN 55401

November 18, 2019

-Via Electronic Filing-

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

Re: IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY FOR AUTHORITY TO INCREASE RATES FOR ELECTRIC SERVICE IN THE STATE OF MINNESOTA MPUC DOCKET NO. E002/GR-19-564

Dear Mr. Wolf:

On November 1, 2019, Northern States Power Company, doing business as Xcel Energy (Company), filed a request for authority to increase its rates for electric service through implementation of a multi-year rate plan (MYRP) in the above-referenced proceeding (the Application). On November 6, 2019, the Commission issued its Notice of Comment Period on Completeness and Procedures (Notice) setting out two topics for comment, whether the Company's Application was complete and what process should be used during the remainder of this proceeding. On November 12, 2019, three parties filed comments in this docket. The Minnesota Department of Commerce, Division of Energy Resources (Department) filed comments addressing the two issues specified in the Notice. The Minnesota Office of the Attorney General-Residential Utilities and Antitrust Division (OAG) also filed comments, but failed to address the issues set forth in the Notice. Instead, the OAG addressed issues related to interim rates and issues related to any potential future settlement. Finally, the Xcel Large Industrials (XLI) filed comments addressing the process to be used, as requested in the Notice, and also commenting on the potential withdrawal of the Application. The Company replies to these comments, in turn.

The Company appreciates the Department's thorough review of the Company's filing. We agree with the Department's conclusion that this matter should be accepted, and that it should be referred to the Office of Administrative Hearings for further proceedings. However, the Company would like to provide some additional discussion related to the Department's conclusion that the Application should not be found complete until November 8, 2019. The Department correctly notes that two items that were provided by paper copy on November 1, 2019 were not also filed in eDockets that same day – Schedules to the Direct Testimony of Company witness Mr. Schrubbe, filed to eDockets on November 7, 2018, and certain "Supplemental Budget Information," filed to eDockets on November 8, 2019.

Regarding the Direct Schedules to Mr. Schrubbe's testimony, as the Company noted in its cover letter of November 7, "while included in paper copies, Schedules to the Direct Testimony of Company witness Mr. Richard R. Schrubbe, Exhibit___(RRS-1), were inadvertently omitted from the Company's November 1, 2019 electronic submission of the Application."¹ The Company believes that this inadvertent failure to upload a handful of schedules to eDockets did not hinder parties' review of our filed case, and it should not be used as a basis to render the Application incomplete as of November 1.

As for the "Supplemental Budget Information," the Company noted in its November 8, 2019 cover letter that it was efiling this information at the request of the Department. The Company further noted that, "[c]onsistent with Company practice and Commission findings of completeness in the Company's past several rate cases, the Company did not electronically file the Supplemental Budget Information with its Application, but provided it to Commission Staff, the Department and the Office of the Attorney General informally." In these past cases, the fact that the Company has not e-filed the Supplemental Budget information has not been viewed as a completeness issue, nor has it been seen as a bar to parties' ability to review the Company's applications. Given that, the Company respectfully suggests that its subsequent e-filing of this information at the request of the Department did not hinder parties' review of our filed case and should not alter the date on which the Application is found to have been complete.

Consistent with past Commission practice, the Company respectfully requests that the Commission find the Application complete, or substantially complete, as of November 1, 2019. Neither the inadvertent omission from eDockets of certain schedules nor the initial provision of paper copies of the Supplemental Budget Information have impacted the processing of this filing in any way, and the Company promptly filed both of these documents in eDockets.²

¹ The Company would note that, while certain of these Schedules are referenced in the Completeness Checklist included with Company witness Mr. Greg P. Chamberlain's Direct Testimony, Mr. Schrubbe's Direct Testimony itself also addressed each and every completeness item.

² Should the Commission instead determine that the Application was not complete until November 8, 2019, the Company continues to request that interim rates be approved as of January 1, 2020. Minnesota Statutes provide that "the Commission shall order the interim rate schedule into effect <u>not later than</u> 60 days after the initial filing date." Minn. Stat. § 216B.16, subd. 3 (emphasis added). A January 1, 2020 effective date simplifies customer communications, billing and other matters associated with implementation of interim rates.

The OAG failed to address either of the issues noticed for comment and instead discussed interim rates and made recommendations on how the Commission should consider future settlements. Regarding interim rates, the Notice properly did not invite comments on this issue, as the legislature has placed the authority over interim rate setting exclusively with the Commission.³

If the Commission nonetheless considers the OAG comments on interim rate setting, the concerns raised by OAG should be dismissed. The OAG argues that due to the settlement of all financial issues in the Company's last rate case, the Commission cannot determine that items included in the Company's request for interim rates are of the "same nature and kind" as those approved in that case. The OAG errs in multiple respects. First, the Company has fully described its interim rate request and the several rate base and income statement adjustments it has made to that request, in order to exclude items not previously approved by the Commission. Second, the OAG fails to identify any item it believes the Company failed to capture in these adjustments. Third, the OAG comments, if accepted, would undermine the legislative encouragement of settlements, expressed in Minnesota Statutes.⁴

The Commission properly approved the settlement in the Company's last rate case, consistent with Minnesota law and public policy. While the OAG did not join that settlement, neither did it challenge the Commission's approval of it through appeal. Four years later, the OAG should not be allowed to use the parties' work in achieving that settlement and the Commission Order approving it as part of an attack on the Commission's interim rate setting process.⁵

Finally, the Company concurs with the XLI recommendation to refer this matter to the Office of Administrative Hearings for contested case proceedings.⁶

A copy of this filing has been served on the Minnesota Department of Commerce, Division of Energy Resources, the Office of Attorney General– Residential Utilities and Antitrust Division, and parties on the attached service list.

³ Minn. Stat. § 216B.16, subd. 3(a) provides that, "The Commission *shall* order the interim rate schedule *ex parte* without a public hearing." (emphasis added).

⁴ See Minn. Stat. § 216B.16, subd. 1a.

⁵ Regarding the OAG comments asking the Commission to impose specific requirements on any future settlements, the Company suggests that the Commission and the public interest are best served by continuing to allow parties to present settlements, in full or in part, as they may reach them. The Commission will always review and approve any such settlement to determine if it is consistent with the law, the record and the public interest.

⁶ XLI also comments on the potential withdrawal of the Application, a matter not currently before the Commission and requiring no response.

Please contact me at <u>Greg.P.Chamberlain@xcelenergy.com</u> or (612) 337-2158 or Gail Baranko at <u>Gail.Baranko@xcelenergy.com</u> or (612) 330-6935 if you have questions about this submission.

Sincerely,

/s/

GREG P. CHAMBERLAIN REGIONAL V.P., RATES AND REGULATORY AFFAIRS NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION

Enclosures cc: Service List

CERTIFICATE OF SERVICE

I, Paget Pengelly, hereby certify that I have this day served copies or summaries of the foregoing documents on the attached list(s) 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. E002/GR-19-564

Dated this 18th day of November 2019

/s/

Paget Pengelly Regulatory Administrator

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