





EL 02-021

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SEP 20 2002

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SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

September 24, 2002

Ms. Deb Elofson, Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, South Dakota 57501-5070

**CONFIDENTIAL TREATMENT REQUESTED**

Dear Ms. Elofson:

RE: Filing Pursuant to SDPUC Cogeneration and Small Power Production Order, Docket No. F-3365

Pursuant to the above referenced docket, Xcel Energy hereby submits for Commission approval the revised rate sheets for the Occasional Delivery Energy Service and Time of Delivery Energy Service. The enclosed tariffs are consistent with those the Commission approved in its September 19, 2000, Order (Docket No. EL00-019).

The proposed Occasional Delivery Energy Service rate sheet is revised to reflect a forty Cents per month higher metering charge and 0.15 Cents per kWh increased energy payment. The energy payment is based on the Company's 2002 avoided energy cost estimate.

The proposed Time of Delivery Energy Service rate sheet is revised to reflect a comparable ninety cents per month decrease in metering charge. Similarly, energy and capacity payments are also revised to reflect the Company's 2002 avoided costs projection.

In Attachment 1 are the supporting work papers to illustrate the derivation of these proposed rates. Since a portion of the work papers contains proprietary business information, therefore the Company requests that certain data be treated as confidential information. The Company, however, has also included for public review a non-proprietary version of this filing for which the specific proprietary information has been deleted.

The Company respectfully requests the Commission approve the proposed rate sheets.

If anyone has any questions, please call me at 339-8350.

Sincerely,

Jim Wilcox  
c. Kent Larson

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SEP 26 2002



Northern States Power Company  
Minneapolis, Minnesota 55401

SOUTH DAKOTA ELECTRIC RATE BOOK - SDPUC NO. 2

PROPOSED SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

OCCASIONAL DELIVERY ENERGY SERVICE  
RATE CODE E50

Section No. 9

3rd Revised Sheet No. 2

Canceling 2nd Revised Sheet No. 2

**AVAILABILITY**

Available to any small qualifying facility (SQF) for the delivery of small amounts of energy.

**RATE**

Metering Charge for Single Phase Service per Month	\$3.00	I
Payment Schedule for Energy Delivered to Company		
Energy Payment per kWh	\$0.0247	I

**TERMS AND CONDITIONS OF SERVICE**

1. Electric service provided by Company to customer at the same site shall be billed in accordance with the appropriate retail electric tariff.
2. Compensation for energy delivered to Company is limited to payment for a maximum 2,000 kWh delivered per month. Delivery of energy to Company in excess of this limit will be uncompensated.
3. The minimum contracted term of service is 12 months.
4. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the SQF. The monthly metering charge recovers the cost of the additional metering equipment and the associated billing, operating, and maintenance expenses. The net interconnection charge recovers those costs incurred for equipment and expenses in excess of metering equipment and expenses. At the option of the SQF, the net interconnection charge will be a single payment or will be a monthly payment. The calculations of such charges are described in Subdivision 1, DEFINITIONS, in this section.
5. Payments are subject to the adjustment provided in Fuel Clause Rider.

Date Filed:

By: Kent T. Larson

Effective Date:

State Vice President, Minnesota & Dakotas

Docket No.

Order Date:



**TIME OF DELIVERY ENERGY SERVICE  
 RATE CODE E52**

Section No. 9  
 3rd Revised Sheet No. 3  
 Canceling 2nd Revised Sheet No. 3

**AVAILABILITY**

Available to any small qualifying facility (SQF).

**RATE**

Metering Charge for Single Phase Service per Month	\$4.00	R
Payment Schedule for Energy Delivered to Company		
On Peak Energy Payment per kWh	\$0.0360	R
Off Peak Energy Payment per kWh	\$0.0188	I
Capacity Payment for Firm Power per On Peak kWh	\$0.0038	

**FUEL CLAUSE**

Payments subject to the adjustment provided for in Fuel Clause Rider.

**DETERMINATION OF FIRM POWER**

The SQF will have supplied firm power if during the billing period an on peak capacity factor of at least 65% was achieved. The calculation of the on peak capacity factor will be as follows:

The average on peak period metered capacity delivered to the Company for the on peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

**TERMS AND CONDITIONS OF SERVICE**

1. Electric service provided by Company to customer at the same site shall be billed in accordance with the appropriate retail electric tariff.
2. The minimum contracted term of service is 12 months.
3. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the SQF. The monthly metering charge recovers the cost of the additional metering equipment and the associated billing, operating, and maintenance expenses. The net interconnection charge recovers those costs incurred for equipment and expenses in excess of metering equipment and expenses. At the option of the SQF, the net interconnection charge will be a single payment or will be a monthly payment. The calculations of such charges are described in Subdivision 1, DEFINITIONS, in this section.

Date Filed:

By: Kent T. Larson  
 State Vice President, Minnesota & Dakotas

Effective Date:

Docket No.

Order Date:

Derivation of Metering Costs - State of South Dakota

**OCCASIONAL DELIVERY ENERGY SERVICE**

STANDARD KWH METER	Single Phase
(1) Installed Cost	\$92.03
(2) L.A.R.R.	12.05%
(3) Levelized Cost (1)*(2)	\$11.09
(4) Accounting Expenses \$/Cust/Yr	\$25.03
(5) Total Annual (3) + (4)	\$36.11
(6) Total Monthly (5)/12	\$3.01
Rounded To	\$3.00

**TIME OF DELIVERY ENERGY SERVICE**

TOD KW/KWH METER	Single Phase
(7) Installed Cost	\$187.05
(8) Levelized Cost (7)*(2)	\$22.54
(9) Total Annual (8) + (4)	\$47.57
(10) Total Monthly	\$3.96
Rounded To	\$4.00

Source:

(1)(7) Data provided by NSP Metering Dept.

(2) See page 6A.

(4) Based on NSP ECCOSS Workpapers (Docket No. EL92-016) escalated to 2002 level.

Derivation of Energy Payments - State of South Dakota

<b>OCCASIONAL DELIVERY ENERGY SERVICE</b>	
	<b>Annual Average</b>
(1) Estimated System Average Incremental Energy Costs for 2002 (¢/kWh)	2.29
(2) Energy Loss Factors	0.9241
(3) Estimated System Average Incremental Energy Costs Adjusted for Losses (1)/(2)	2.47

<b>TIME OF DAY PURCHASE SERVICE</b>		
	<b>Annual On Peak</b>	<b>Annual Off Peak</b>
(1) Estimated System Average Incremental Energy Costs for 2002 (¢/kWh)	3.30	1.74
(2) Energy Loss Factors	0.9170	0.9279
(3) Estimated System Average Incremental Energy Costs Adjusted for Losses(1)/(2)	3.60	1.88

Sources:  
 Incremental Energy Cost Data provided by NSP Resource Planning Dept.  
 Incremental Energy Cost Data for 2002 from,.. \MN\ SCH-G01NP.xls

**NON-PROPRIETARY**

- (1) Completed Cost of Planned C.T. Unit (\*\*\*\* \$) \$\*\*\*\*/kW
- (2) Inflation Net of Technical Progress 3.25%
- (3) Average Service Life 30 Years
- (4) Discount Rate (After Tax) \*\*\*\*%

Calculation of Marginal Capital Carry Charge Rate

- (5) Present Value of Revenue Requirements \$\*\*\*\*/kW
- (6) Annuity Factor Adjustment for Inflation \*\* \*\*\*\*
- (7) Present Value of Revenue Requirements Adjusted for Inflation (5)\*(6) \$\*\*\*\*
- (8) Marginal Capital Carrying Charge Rate (7)/(1) \*\*\*\*
- (9) First Year Revenue Requirement (1)\*(8) \$\*\*\*\*/kW
- (10) Present Value at \*\*\*\*% \$\*\*\*\*/kW
- (11) Present Value of Average Annual Fuel Savings \$\*\*\*\*/kW
- (12) Annual Avoided Capacity Cost (10)-(11) \$\*\*\*\*/kW
- (13) Adjusted for 15% Reserve Margin (12)\*1.15 \$\*\*\*\*/kW
- (14) Plus \$\*\*\*\*/kW Fixed O & M (2002 \$) (13)+ \*\*\*\* \$\*\*\*\*/kW
- (15) Adjusted for Losses (14)/0.9041 \$\*\*\*\*/kW
- (16) NET ANNUAL AVOIDED CAPACITY CO \$\*\*\*\*/kW
- (17) Net Annual Avoided Capacity Cost Average Over All Hours 0.38 cents/kWh  
 (16)\*100/8760

\*\*  $AC = K \cdot (r-j) \cdot (1+j)^{(t-1)} \cdot [1 / (1-(1+j)^n / (1+r)^n)]$   
 Where AC = Annual Charge in year t  
 t = Year (=1)  
 K = Total Present Value Cost of Original Investment  
 r = Discount Rate (Overall Marginal Cost of Capital) (7.62%)  
 j = Inflation Rate Net of Technology Progress (3.25%)  
 n = Expected Service Life of Investment (30 Years)

O & M = \$\*\*\*\*

Northern States Power d/b/a Xcel Energy  
 State of South Dakota  
 Marginal Cost of Capital

<i>(Before Tax)</i>	Capitalization Ratio (%)	Cost (%)	Weighted (%)
Debt	51.85%	6.34%	3.290%
Preferred Equity	0.00%	0.00%	0.000%
Common Equity	48.16%	11.40% *	5.490%
<b>Weighted Average</b>	100.00%		<b>8.780%</b>

\* Common Equity is Commission approved return in case no. EL92-016

<i>(After Tax)</i>	Capitalization Ratio (%)	Cost (%)	Weighted (%)
Debt	51.85%	6.34%	2.132%
Preferred Equity	0.00%	0.00%	0.000%
Common Equity	48.16%	11.40% *	5.490%
<b>Weighted Average</b>	100.00%		<b>7.622%</b>

\* Common Equity is Commission settled return in case no. EL92-016

Source:

Information provided by Revenue Analysis (Julie Rushton)



**South Dakota Public Utilities Commission**

**WEEKLY FILINGS**

**For the Period of September 26, 2002 through October 2, 2002**

**If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact  
Delaine Kolbo within five business days of this report. Phone: 605-773-3705 Fax: 605-773-3809**

**CONSUMER COMPLAINTS**

**CT02-038 In the Matter of the Complaint filed by Krista Heeren-Graber on behalf of S.D. Network Against Family Violence & Sexual Assault, Sioux Falls, South Dakota, against McLeodUSA Telecommunications Services, Inc. Regarding a Contract Dispute.**

Complainant's representative states that in September 1999, Complainant began receiving service from McLeod. Over a three year period two additional lines and internet service were added. Since 1999, different disputes arose including assessing the Complainant for Iowa sales tax which took months to get credit for; voice mail not working properly; and due to an upgrade by McLeod, the Complainant was without toll-free access service for many weeks. Complainant ended service with McLeod in June 2002. The final billing included a term liability charge for over \$2000. Complainant's representative disputes that there was a five year contract entered into with McLeod, that the original of the contract does not list any terms and conditions, and the copy sent by McLeod to the Complainant showing the terms and conditions is dated March 2002.

Staff Analyst: Amy Kayser  
Staff Attorney: Karen Cremer  
Date Docketed: 09/27/02  
Intervention Deadline: N/A

**ELECTRIC**

**EL02-019 In the Matter of the Filing by Xcel Energy for Approval of its 2001 Economic Development Annual Report and 2002 Economic Development Plan.**

On September 30, 2002, the Commission received a filing from Xcel Energy in accordance with Docket EL91-004 requesting: (1) approval of its 2001 economic development report; and (2) approval of its 2002 economic development budget.

Staff Analyst: Heather Forney  
Staff Attorney: Kelly Frazier  
Date Docketed: 09/30/02  
Intervention Deadline: 10/18/02

**EL02-020 In the Matter of the Filing by Otter Tail Power Company for Approval of a Contract with Deviations with the City of Eden.**

Otter Tail Power Company has filed for approval a Municipal Contract with the City of Eden and a Summary List of Contracts with Deviations. The Municipal Contract for the City of Eden was updated because the old Contract will expire on October 26, 2002. The new Contract does not include any new rates that would be considered a deviation.

Staff Analyst: Michele Farris  
Staff Attorney: Kelly Frazier  
Date Docketed: 09/30/02  
Intervention Deadline: 10/16/02

**EL02-021 In the Matter of the Filing by Xcel Energy for Approval of its Revised Rate Sheets for its Occasional Delivery Energy Service and Time of Delivery Energy Service.**

On September 27, 2002, the Commission received for approval a filing of revised rate sheets for the Occasional Delivery Energy Service and Time of Delivery Energy Service. According to the filing, the proposed Occasional Delivery Energy Service rate sheet is revised to reflect an increased metering charge and energy payment. The proposed Time of Delivery Energy Service rate sheet is revised to reflect a decrease in metering charge. Similarly, energy and capacity payments are also revised to reflect the Company's 2002 avoided costs estimate, as illustrated in attachment 1 to the filing.

Staff Attorney: Kelly Frazier  
Staff Analyst: David Jacobson  
Date Docketed: 10/01/02  
Intervention Deadline: 10/18/02

**TELECOMMUNICATIONS**

**TC02-166 In the Matter of S&S Communications/Alterna-Cell's Compliance with Commission Order.**

On September 27, 2002, the Commission received a Motion from staff requesting that the Commission issue an Order To Show Cause to S&S Communications/Alterna-Cell (S&S) as to why S&S should not be found in violation of the Order Granting Certificate of Authority in TC00-114 (Order) and of the laws of the State of South Dakota, including but not limited to SDCL 49-31-7.1 and ARSD 20:10:01:28, 20:10:06:05 and 20:10:24:05.05. According to the Motion, staff has sent numerous data requests to S&S in order to determine the proper amount of bond which S&S must post pursuant to the Order. On September 24, 2002, staff received a letter from S&S objecting to providing this information. The Motion alleges that this denial is in violation of state law and alleges that S&S is not properly bonded. Staff seeks an Order, inter alia, compelling S&S to produce the information requested by staff, compelling S&S to meet the bond requirements of the Order or suspending or revoking S&S' certificate of authority. Any party wishing to comment on the Motion may do so by filing written comments with the Commission and the parties to the agreement no later than October 16, 2002. Written responses to the comments may be filed no later than twenty days after the service of the initial comments.

Staff Attorney: Kelly Frazier  
Date Docketed: 09/27/02  
Initial Comments Due: 10/16/02

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You may subscribe or unsubscribe to the PUC mailing lists at <http://www.state.sd.us/puc>**

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE FILING BY XCEL ) ENERGY FOR APPROVAL OF ITS REVISED ) RATE SHEETS FOR ITS OCCASIONAL ) DELIVERY ENERGY SERVICE AND TIME OF ) DELIVERY ENERGY SERVICE ) )	ORDER APPROVING TARIFF ) REVISIONS )  EL02-021 )  )
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On September 27, 2002, the Public Utilities Commission (Commission) received an application from Xcel Energy (Excel) requesting approval to revise its rate sheets for the Occasional Delivery Energy Service and Time of Delivery Energy Service. Xcel asked for approval of the following revised tariff sheets of its Electric Rate Schedule:

Occasional Delivery Energy Service Rate Code E50, Section No. 9, 3rd Revised Sheet No. 2, Cancelling 2nd Revised Sheet No. 2

Time of Delivery Energy Service Rate Code E52, Section No. 9, 3rd Revised Sheet No. 3, Cancelling 2nd Revised Sheet No. 3

According to the application, the proposed Occasional Delivery Energy Service Rate Code E50 rate sheet is revised to reflect a higher metering charge and increased energy payment. The energy payment is based on the Company's 2002 avoided energy cost estimate. The proposed Time of Delivery Energy Service Rate Code E52 rate sheet is revised to reflect a decrease in metering charge. Similarly, energy and capacity payments are also revised to reflect the Company's 2002 avoided costs projection.

At its regularly scheduled December 19, 2002, meeting, the Commission discussed final approval of the application. Commission Staff recommended approval of the tariff revisions.

The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10 and 49-34A-12. The Commission found the rate changes are just and reasonable and approved the revised tariffs. As the Commission's final decision in this matter, it is therefore

ORDERED, that Xcel's aforementioned revised tariffs are approved and shall be effective for service rendered on and after the date of this Order.

Dated at Pierre, South Dakota, this 3<sup>rd</sup> day of January, 2003.

<b>CERTIFICATE OF SERVICE</b>
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.
By: <u>Melaine Kalbo</u>
Date: <u>1/6/03</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg  
JAMES A. BURG, Chairman

Pam Nelson  
PAM NELSON, Commissioner

Robert K. Sahr  
ROBERT K. SAHR, Commissioner



414 Nicollet Mall  
Minneapolis, Minnesota 55401-1993

January 17, 2003

Ms. Deb. Elofson, Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, South Dakota 57501-5070

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**JAN 21 2003**

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

RE: COMPLIANCE FOR COGEN & SMALL POWER PRODUCERS TARIFFS  
DOCKET NO. EL02-021

Dear Ms. Elofson,

Enclosed for your South Dakota Electric Rate Book – SDPUC No. 2 are two copies of the Cogeneration and Small Power Producers Tariffs.

**South Dakota Electric Rates:  
Sheet No. 9-2, revision 3  
Sheet No. 9-3, revision 3**

Xcel Energy filed for revisions to these tariffs on September 27, 2002. At the Commission's December 19, 2002 meeting these changes were authorized and an Order issued January 3, 2003.

The Order authorized a higher metering charge and increased energy payment for the Occasional Delivery Energy Service. The Time of Delivery Energy is authorized to decrease the metering charge. The effective date for this tariff is the date of that order.

If you have any questions about this filing, please call me at (612) 330-7774.

Sincerely,

A handwritten signature in cursive script that reads 'Eileen Lund-Johnson'.

EILEEN LUND-JOHNSON  
REGULATORY ADMINISTRATION

enclosure

**RECEIVED**

**JAN 21 2003**



Northern States Power Company  
Minneapolis, Minnesota 55401

**SOUTH DAKOTA ELECTRIC RATE BOOK - SDPUC NO. 2**

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

**OCCASIONAL DELIVERY ENERGY SERVICE  
RATE CODE E50**

Section No. 9  
3rd Revised Sheet No. 2  
Canceling 2nd Revised Sheet No. 2

**AVAILABILITY**

Available to any small qualifying facility (SQF) for the delivery of small amounts of energy.

**RATE**

Metering Charge for Single Phase Service per Month	\$3.00	I
Payment Schedule for Energy Delivered to Company		
Energy Payment per kWh	\$0.0247	I

**TERMS AND CONDITIONS OF SERVICE**

1. Electric service provided by Company to customer at the same site shall be billed in accordance with the appropriate retail electric tariff.
2. Compensation for energy delivered to Company is limited to payment for a maximum 2,000 kWh delivered per month. Delivery of energy to Company in excess of this limit will be uncompensated.
3. The minimum contracted term of service is 12 months.
4. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the SQF. The monthly metering charge recovers the cost of the additional metering equipment and the associated billing, operating, and maintenance expenses. The net interconnection charge recovers those costs incurred for equipment and expenses in excess of metering equipment and expenses. At the option of the SQF, the net interconnection charge will be a single payment or will be a monthly payment. The calculations of such charges are described in Subdivision 1, DEFINITIONS, in this section.
5. Payments are subject to the adjustment provided in Fuel Clause Rider.

Date Filed: 09-27-02

By: Kent T. Larson  
State Vice President, Minnesota & Dakotas

Effective Date: 01-03-03

Docket No. EI02-021

Order Date: 01-03-03



Northern States Power Company  
 Minneapolis, Minnesota 55401

**SOUTH DAKOTA ELECTRIC RATE BOOK - SDPUC NO. 2**

**TIME OF DELIVERY ENERGY SERVICE**  
**RATE CODE E52**

Section No. 9  
 3rd Revised Sheet No. 3  
 Canceling 2nd Revised Sheet No. 3

**AVAILABILITY**

Available to any small qualifying facility (SQF).

**RATE**

Metering Charge for Single Phase Service per Month	\$4.00	R
Payment Schedule for Energy Delivered to Company		
On Peak Energy Payment per kWh	\$0.0360	R
Off Peak Energy Payment per kWh	\$0.0188	I
Capacity Payment for Firm Power per On Peak kWh	\$0.0038	

**FUEL CLAUSE**

Payments subject to the adjustment provided for in Fuel Clause Rider.

**DETERMINATION OF FIRM POWER**

The SQF will have supplied firm power if during the billing period an on peak capacity factor of at least 65% was achieved. The calculation of the on peak capacity factor will be as follows:

The average on peak period metered capacity delivered to the Company for the on peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

**TERMS AND CONDITIONS OF SERVICE**

1. Electric service provided by Company to customer at the same site shall be billed in accordance with the appropriate retail electric tariff.
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3. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the SQF. The monthly metering charge recovers the cost of the additional metering equipment and the associated billing, operating, and maintenance expenses. The net interconnection charge recovers those costs incurred for equipment and expenses in excess of metering equipment and expenses. At the option of the SQF, the net interconnection charge will be a single payment or will be a monthly payment. The calculations of such charges are described in Subdivision 1, DEFINITIONS, in this section.

Date Filed: 09-27-02	By: Kent T. Larson State Vice President, Minnesota & Dakotas	Effective Date: 01-03-03
Docket No. EL02-021		Order Date: 01-03-03