



Dustin Johnson, Chair  
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## **SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

500 East Capitol Avenue  
Pierre, South Dakota 57501-5070  
[www.puc.sd.gov](http://www.puc.sd.gov)

Capitol Office  
(605) 773-3201  
1-866-757-6031 fax

Warehouse  
(605) 773-5280  
(605) 773-3225 fax

Consumer Hotline  
1-800-332-1782

November 8, 2010

Patricia Van Gerpen  
Executive Director  
SD Public Utilities Commission  
500 E. Capitol Ave.  
Pierre, SD 57501

**Re: EL10-012 – In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy Regarding the 2011 Environmental Cost Recovery Rider and 2010 ECR Tracker Report**

Dear Ms. Van Gerpen:

On September 3, 2010, the Public Utilities Commission ("Commission") received a petition from Northern States Power Company d/b/a Xcel Energy ("Xcel") for approval of its proposed Environmental Cost Recovery ("ECR") Rider for 2011. Xcel also seeks Commission approval of its tracker account report for expenditures and revenues realized since implementation of the first adjustment factor. For 2011, Xcel seeks to recover a South Dakota jurisdictional share of expenses related to two environmental improvement projects. These projects include the installation of a mercury control system at Xcel's Sherburne County generating facility and a similar system to be installed at the Allen S. King facility. The total amount Xcel plans to collect from their South Dakota ratepayers is \$325,349 for 2011. The petitioner estimates the average bill impact on the typical residential electric customer will be \$0.11 per month.

Pursuant to state statute, Commission Staff ("Staff") requests the Commission take the following action on this petition: 1) assess a filing fee of \$50,000 pursuant to SDCL 49-1A-8, and 2) provide the Executive Director with authority to enter contracts for expert consultation services, with a total allowable contract amount of \$40,000.

### ***Regulatory Assessment Fee***

Pursuant to SDCL 49-1A-8, Staff asks the Commission to assess a regulatory assessment fee with respect to this filing. The statutory amount designated as the filing fee in a review of this type is \$50,000. The filing fee will account for costs associated in Staff's general review of the petition and any amounts expended on outside expert services. In addition, Staff asks that the filing fee relate back to the initial filing date to account for Staff time already dedicated to this docket filing.

### ***Consultant Contracting Authority***

During the review of this petition, Staff may require the services of outside expert consultants. As such, it may become necessary to enter various contracts to obtain these services. In order to promote efficiency in this process, Staff requests the Commission grant the Executive Director authority to enter contracts on part of Staff if expert services are needed. Staff suggests \$40,000 as the amount permitted for expert contracts under this docket filing.

In accordance with South Dakota Codified Law, Staff seeks Commission approval of the forgoing actions on Commission Docket EL10-012. For the reasons stated above, it is proper for the Commission to grant an order in favor of these requests.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Soye", with a long horizontal flourish extending to the right.

Ryan Soye

cc     Brett Koenecke  
         Attorney for Petitioner