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Xcel Energy

Docket No.: EL12-028

Response To: SDPUC

Data Request No.

Requestor: Patrick Steffensen

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Date Received: April 20, 2012

Question:

Please provide a description of the \$4,000 spent in 2011 entitled “Xcel Energy Administrative Expense” showing how it relates to Economic Development.

Response:

Based on our discussions with Staff over the last several years, it is our understanding that the Company would spend exactly \$100,000 on our economic development program each year. It was our intent to do so in 2011. However, through inadvertence it has come to our attention that the actual spend for 2011 was only \$96,000. The Commission’s original order indicates that in cases like this, half of the underspent amounts should be refunded to customers through a credit to bills or other efficient method the Commission determines to be appropriate.

In this case, a refund to customers of \$2,000 would be an impractical solution as the cost to administer a refund would exceed the amount of the refund. The Commission Staff and the Company discussed the issue and agreed that the Company should include a \$4,000 “plug” number in for administration to get actual economic development expenses to match \$100,000.

We have not historically charged expenses for employee time to this program. Our view is that the employees administering this program exist for other purposes and thus the small amounts of time they spend on this program are sunk costs. We also wish to maximize the actual expenditures we can make available to the various economic development organizations. However, we note that a portion of the Company’s employee time was attributed to economic development activities in our most recent rate case. These amounts exceed the \$4,000 plug in number referenced here.

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