

Reference Xcel Energy (Northern States Power Co.) 2014 Rate Increase Proposal

Docket # EL 14-058

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I am a current customer of Xcel in the rural Sioux Falls area and also have a PV (Solar) generation site with an inter-connection contract with Xcel that since June of 2013 has generated just over 23,000 KWH's.

I am on a Time of Day Usage / Time of Delivery Plan (9:00am to 9:00pm ON Peak) and (9:00pm to 9:00am OFF PK). This type of Plan for a Solar Generation Site has favorable features for both myself and Xcel in that over 90% of my purchased KWH's are on the back side of the clock, when they have excess capacity and over 75% of my exported KWH's are sold during their Peak usage period (9:00am to 9:00pm week days), when additional generation on the grid is a positive factor.

When I received my Dec 2013 Billing, I noticed that my payment for ON Peak KWH's Delivered / Sold was Reduced from \$0.0442 to \$0.037 a 16.3% decrease and OFF PK rate decreased from \$0.0256 to \$0.0219, a 14.5% reduction. Note also, this was after the PUC had signed off on the 9% Rate increase for Xcel in 2013.

I called Xcel and told them about this billing error and was told, No, the billing was correct, as they had lowered their payment rates for Solar KWH's exported. I was stunned at this response, as I had a considerable investment in this solar site and disappointed that Xcel would lower their payment rates just a few months into the Interconnection Agreement. Plus the fact that Xcel had just received this large Rate Increase resulting in higher costs for the KWH's that I purchase.

Incredibly, with the 14.5% reduction of the OFF PK rate for KWH's sold, now at \$0.0219 per KWH, this payment is actually LESS than just the current Fuel Cost Surcharge of \$0.0263 that Xcel charges my neighbor for this KWH I just exported. Where is the logic in that? Their fuel cost surcharge alone is 20% higher than the total cost Xcel paid me for that solar KWH. (August 2014 Rates)

After the 16.3% reduction in the sold ON Peak rate down to \$0.037 per KWH, when I need to purchase a KWH a few minutes later, I pay \$0.206 (with all the riders) per KWH or a 557% purchase to sell ratio --- A very high markup. (August 2014 Rates)

Ironically, in other states Xcel serves, like Minnesota, Xcel is not an unfriendly company to Residential Solar Energy and have given (as they proudly point out in their PR statements) Tens of Millions of dollars in direct subsidies to help individuals pay for their initial Solar installation costs. And they have a payment rate schedule for exported KWH's that makes it possible to recover the cost of the Solar installations in these states.

In South Dakota, we are not even close to ever recovering the Solar installation costs at Xcel's payment rates and the result is this state will continue to be dead last of all 50 states in Residential Solar Energy generation.

With Xcel's current ON PK purchase rate (with all the riders) already at over \$0.20 per KWH, another rate increase so soon after the large one the PUC signed off on last year is just not reasonable.

I strongly urge the PUC to reject this Rate Increase Proposal.