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Xcel Energy

Docket No.: EL16-037

Response To: South Dakota Public Utilities Commission Data Request No. 6-20

Requestor: Tina Douglas

Date Received: July 10, 2017

Question:

Refer to Page 2, lines 7 through 17 of the direct testimony of Mr. Chandarana.

- a. For each of the twenty six historical resources questioned in the Motion to Show Cause, provide the South Dakota commission order approving the cost recovery of each resource.
- b. If the commission has not previously approved the recovery of the twenty six historical resources through order, explain how these resources are beyond the scope of the FCR filing.
- c. Explain why Xcel Energy believes that the investigation into specific generation resources “foretells a change in the way South Dakota has historically valued the integrated system.”
- d. Explain how “South Dakota has historically valued the integrated system.”
- e. Provide any documentation submitted by Xcel Energy to notify the South Dakota commission that any of the twenty six resources questioned were included for recovery in the FCR.
- f. If Xcel Energy never notified the South Dakota commission regarding the inclusion of these resources in the FCR, was it the intention of Xcel Energy to recover the costs associated with these resources without review? Explain.

Response:

- a. Please see the response to Part e, below.
- b. The Company is not asserting that Staff is somehow precluded from reviewing the historical resources. Rather, the Company is concerned that Staff is choosing now as the time to review and challenge 26 generating resources of the NSP System that have been recovered from the Company’s South Dakota customers for years.

- c. Please see our response to Part b, above.
- d. South Dakota has historically valued the NSP System by recognizing the benefits of system resources and permitting cost recovery for those resources. For example, in its 2011 rate case order, the Commission reasoned:

[a]n integrated system can provide a utility's customers with significant benefits. These include reducing the total amount of generating resources needed to reliably serve customers, diversifying the fleet of generating resources required to meet customer needs, thus lowering costs and risks, and reducing costs by spreading costs over a substantially larger customer base.

In the Matter of the Application of N. States Power Co. DBA Xcel Energy for Authority to Increase its Electric Rates, Docket No. EL11-019, FINAL DECISION AND ORDER; NOTICE OF ENTRY at 7 (July 2, 2012).

- e. The Company submits monthly FCR compliance filings. Also, purchased power costs including energy production from C-BED project are booked in FERC Account 555 (Purchased Power) for recovery in the FCR. In its monthly FCR filing submitted to the South Dakota Commission, Purchased Power is a line item included in our calculation of monthly fuel cost charge factors. Going forward, we are open to discussing new FCR reporting measures.
- f. As noted in subpart e. above, the Company's historical practice has been to submit resources for review through our monthly FCR compliance filings.

Preparer: Chris Shaw (Parts a. – d.) / John Chow (Parts e.,f.)
Title: Principal Rate Analyst / Pricing Consultant
Department: NSPM Regulatory / NSPM Regulatory
Telephone: (612) 330-7974 / (612) 330-7588
Date: July 20, 2017