



500 West Russell St
Sioux Falls, SD 57104

March 1, 2016

—Via Electronic Filing—

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 E. Capitol Ave.
Pierre, SD 57501-5070

RE: RESPONSIVE COMMENTS
IN THE MATTER OF THE CONSIDERATION OF STANDARDS TO GOVERN
AVOIDED COST DETERMINATIONS
DOCKET NO. RM13-002

Dear Ms. Van Gerpen:

Pursuant to the South Dakota Public Utilities Commission's November 30, 2015 *Order Establishing Comment Deadlines*, Northern States Power Company, doing business as Xcel Energy, submits these Responsive Comments regarding Staff's November 5, 2015 draft rules for the framework for legally enforceable obligations (LEO) under the Public Utilities Regulatory Policy Act of 1978 (PURPA).

Comments submitted February 1, 2016 from all 5 utilities offer similar, like-in-kind suggestions, and promote a common goal of transparency. While there are different approaches proposed, suggestions made by each utility are identifying potential areas of ambiguity and offer solutions for consideration. Xcel Energy has made specific language suggestions, but for the most part, could accept suggestions of others as accomplishing the same purpose. We support modifying the draft language to clarify the various terms, conditions and requirements highlighted by all utilities in the way staff determines best suits understanding and future implementation.

In summary, general themes of the suggestions include:

- All costs incurred by the utility as a result of the interconnection of the qualifying facility's (QF) project should be recognized and recovered from the QF. *No other customers should be bearing this cost.*
- Each party to the QF arrangement relies on performance by the other party. *Commitments to purchase and deliver, term length of contracts, time to gather, evaluate and*

respond to the information needed for pricing and network studies, and security provisions assist in ensuring viable projects move ahead.

- Notice requirements are important for all size levels. *Application of each of the QF rules to all relevant QF project sizes (great than 100 kW), including the notices, avoids creating gaps in understanding about what steps must be followed for which projects.*

By necessity, rules are often developed in broad, general terms for the intent to reasonably capture circumstances existing today as well as into the future. We appreciate Staff's work on the draft rules and believe the addition of clarifications as suggested by the February 1, 2015 comments can keep the rules relevant into the future and helps provide a clear standard of when an LEO attaches.

The Company thanks the Commission for the opportunity to collaborate on draft rules and provide the comments listed above. Please contact me at (605) 339-8350 if you have any questions regarding this filing.

SINCERELY,

/s/

JIM WILCOX
PRINCIPAL MANAGER