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Xcel Energy

Case No.: EL15-014

Response To: South Dakota Public Utilities Commission      Data Request No.      1-7

Requestor: Karen Cremer

Date Received: May 11, 2015

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Question:

If the costs of MISO penalties identified in DR 1-6 will be recovered through the fuel adjustment clause, does Xcel plan to internalize these costs within the peak/energy controlled service rate codes? In other words, does Xcel plan to include such MISO penalties in the non-compliance charges for customers participating in the peak/energy controlled service tariffs so that firm service customers are not impacted?

Response:

Although our existing controllable service tariffs were developed before the development of MISO, we plan to review our non-compliance charges with the objective of better representing more recently developed MISO penalties and other cost factors. The appropriate objective of non-compliance charges is to represent the resulting cost impact and to introduce the necessary discipline to balance the rate discounts for interruptible service. In practice, it is challenging to precisely mirror all cost impacts, which can be both short-term in nature that significantly vary from day to day and longer-term in nature for capacity planning purposes.

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