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Xcel Energy		Data Request No.	1-1
Docket No.:	EL23-017		
Response To:	South Dakota Public Utilities Commission Staff		
Requestor:	Eric Paulson		
Date Received:	August 4, 2023		

Question:
Refer to Attachment B, Page 1 of 4:

a) Explain the significant decrease in Accounting Expenses from that include in EL21-019.

b) Explain why the proposed Time of Delivery Energy Service charge is not proposed to be lowered to match, or be closer to, the calculated energy charge.

Response:
a) The proposed Customer Accounting Expenses are based on Company's most recent Class Cost of Service in the 2022 rate case (EL22-017). Prior to the 2022 rate case the last rate case was EL14-058 in 2014. The Customer Accounting Expenses used in EL-019 were based on the 2014 rate case cost study accepted by the Commission with annual escalation ranged from 2 percent to 2.7 percent over time. With a long span between rate cases the escalation had overstated the Account Expenses in EL-019. The amount in 2022 rate case indicated a slight decrease as compared to 2014 rate case ($3.712 vs $3.789).

b) Currently there are only three customers on the Time of Delivery Energy Service and 30 customers on the Occasional Delivery Energy Service. With small customer base the meter expenses could vary according to meter stocks and installations in each update. Therefore, we proposed not to lower the Time of Delivery Energy Service or to increase the Occasional Delivery Energy Service Metering Charges. The aggregated cost difference of the two services would have increased the Company annual metering charge revenues by $35. Pursuant to PURPA the derivation of energy payments is based on marginal costs, unrelated to meter charges that are based on embedded costs.

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