

DISSENT OF COMMISSIONER NELSON

Xcel Energy (Xcel) first filed these economic development plans five years before I took office. I understand the economic development plan blueprint was developed during settlement between our staff and employees of Northern States Power Company, Xcel's predecessor. Ratepayers and utility would each contribute \$50,000 annually; the utility would develop a plan to spend the money; and this Commission would get its say through an approval process. The idea was that economic development would be a benefit for both customer and company. The Commission subsequently approved the settlement, and annual filings have been made.

I have approved past filings of these plans. I believe these plans can be a beneficial tool. The trick is to transform the money into an economic development tool. We have seen Xcel offer a variety of programs designed to do just that. I understand some may have yielded more immediate returns than others, and I understand how some projects require a longer-term view as benefits may be difficult to measure. One must keep an open, imaginative mind and one must exhibit a degree of patience with results.

Last year we approved a plan that gave Xcel wide spending latitude for the bulk of the money. Over 60% was in a "pot" dubbed the "Economic Assistance" Program. We relied on Xcel's discretion to appropriately ladle the cash out of the pot and into the hands of worthy economic causes.

My dissent arises because I think at least some of the cash was "ladled" to programs that have little, if any hope of economic development return. Specifically, I believe donating \$5,000 to the SD Tech Summit is more appropriately labeled as a political contribution than an economic development contribution. Yes, these types of events have been funded in the past, with approval. There was some hope of benefit. I no longer see the value. I have neither seen nor heard of any concrete positive results from past summits. We learn from the past, and then we must act. My dissent from the majority approval does just that. I further recommend the percentage of discretionary economic funds, because it has grown so large, be kept under closer scrutiny by this Commission. It appears the reporting and approval process should be expanded to require Commission approval before large amounts are doled out from the fund.