

## NOTICE OF COMMENT PERIOD

Issued: December 20, 2018

### In the Matter of the Petition by Northern States Power Company d.b.a. Xcel Energy for Approval of the Acquisition of the Mankato Energy Center (MEC)

**PUC Docket Number(s):** IP-6949, E-002/PA-18-702, IP-6949/GS-15-620

**Comment Period:** Initial comment period closes February 12, 2019 at 4:30pm  
Reply comment period closes February 22, 2019 at 4:30pm

*All comment periods in this notice may be varied by the Commission upon request for good cause, pursuant to Minnesota Rules, Chapter 7829.*

*Comments received after the close of the comment period may or may not be considered by the Commission.*

**Issues:** Should the Commission approve the purchase of the Mankato Energy Center and approve transfer of its site permit?

#### Topics Open for Comment:

- Is the purchase proposal prudent and in the public interest?
- What are all the assumptions/inputs used to develop the cost/benefit analysis? Are those assumptions/inputs consistent with Xcel's stated goals to be carbon-free by 2050? Are those assumptions/inputs reasonable?
- Should Xcel Energy (Xcel) be allowed to recover the difference between the 2019 revenue requirement resulting from the transaction and the revenues already in base rates for the capacity portions of the current Mankato Energy Center (MEC I) and Mankato Energy Center (MEC II) PPAs?
- If the transaction is approved, how should cost recovery be effected?
- If the transaction is approved, will it require any rule variances and, if so, which rules should be varied?
- If the transaction is approved, how will it impact the 2019 Capital True-Up filing?
- If the transaction is approved, how will it impact Xcel's capital structure?
- If the transaction is approved, how do the MEC I and MEC II useful lives fit with Xcel's stated goal to be carbon-free by 2050?
- If Xcel becomes carbon-free by 2050, should ratepayers be liable for any resulting MEC I and MEC II related stranded costs?

- Should approval be subject to any conditions and, if so, what should those conditions be?
- What action should the Commission take regarding the request to transfer the site permit in this docket?
- Are there other issues or concerns related to this matter?

**Background:** The Mankato Energy Center, currently owned by Southern Company (Southern), is comprised of two units – the 375 MW Mankato Energy Center (MEC I) that was completed in 2006 and the 345 MW Mankato Energy Center II (MEC II) scheduled to begin operations in June 2019. Both units are committed to Xcel’s system via power purchase agreements (PPAs).

After learning of Southern’s intention to sell the MEC, Xcel, through a Membership Interest Purchase Agreement (MIPA), was able to negotiate acquisition of the MEC. On November 6, 2018, Xcel Energy filed an informal letter informing the Commission of the Company’s intention to purchase the MEC.

On November 28, 2018, Xcel Energy filed its petition seeking approval of the Mankato Energy Center purchase. In its petition the Company requests the procedural schedule be completed in time to allow for a June 2019 closing.

**Filing Requirements:** Utilities, telecommunications carriers, official parties, and state agencies are **required** to file documents using the Commission’s electronic filing system (eFiling). All parties, participants and interested persons are encouraged to use eFiling: [mn.gov/puc](http://mn.gov/puc), select *eFiling*, and follow the prompts.

**Submit Public Comments:** Visit [mn.gov/puc](http://mn.gov/puc), select *Speak Up!* to find this docket, and add your comments to the discussion or email your comments to [consumer.puc@state.mn.us](mailto:consumer.puc@state.mn.us).

**Full Case Record:** See all documents filed in this docket via the Commission’s website at [mn.gov/puc](http://mn.gov/puc), for example, select *Search eDockets*, enter the year (18) and the docket number (702), select *Search*.

**Subscribe** to receive email notification when new documents are filed in this docket at [mn.gov/puc](http://mn.gov/puc), select *Subscribe*, or click [HERE](#) and follow the prompts.

**Questions about this docket or Commission process and procedure?** Contact Commission staff, Jorge Alonso, at [jorge.alonso@state.mn.us](mailto:jorge.alonso@state.mn.us) or 651-201-2258, Sean Stalpes, at [sean.stalpes@state.mn.us](mailto:sean.stalpes@state.mn.us) or 651-201-2252, or Tricia DeBleekere, at [tricia.debleeckere@state.mn.us](mailto:tricia.debleeckere@state.mn.us) or 651-201-2254.

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