

NOTICE OF COMMENT PERIOD

Issued: October 9, 2019

In the Matter of Northern States Power Company's Petition for Approval of Affiliated Interest Agreements for Purchased Power from Mankato Energy Center I and II

PUC Docket Number(s): E-002/AI-19-622

Comment Period: Initial comment period closes November 4, 2019 at 4:30pm
Reply comment period closes November 14, 2019 at 4:30pm

Pursuant to Minn. Rules, part 7829.1400, comments may be filed within 30 days of the date of this filing. The initial comment period may be extended for an additional 30 days at the request of the Department of Commerce. Reply comments may be filed 10 days after that.

Pursuant to Minn. Rules, part 7829.1275, the Commission may vary these time periods for good cause shown.

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

Issues: Should the Commission approve Xcel Energy's affiliated interest agreements with Mankato Energy Center I and II?

Topic(s) Open for Comment:

- Are the affiliated interest agreements reasonable and consistent with the public interest, pursuant to Minn. Stat. § 216B.48?
- Are there other issues or concerns related to this matter?

Background: On October 3, 2019, Northern States Power Company, doing business as Xcel Energy, (Xcel Energy or NSPM) submitted its petition for approval of affiliated interest agreements between the Company and Mankato Energy Center LLC (Mankato Energy Center I) and Mankato Energy Center II LLC (Mankato Energy Center II), which will become non-regulated affiliates and wholly-owned subsidiaries of Xcel Energy Inc. Xcel Energy requested approval of its affiliated interest agreements no later than January 20, 2020.

Previously, at the Commission's agenda meeting of September 27, 2019, the Commission denied Xcel Energy's request for permission to acquire Mankato Energy Center I and II, in Docket No. IP-6949, E-002/PA-18-702.

However, in a letter submitted by Xcel Energy on August 30, 2019, in the 18-702 docket, Xcel Energy indicated that in the event the Mankato Energy Center is acquired by an affiliate, it was "prepared to institute various customer protections to ensure the Company's FERC-regulated affiliate is not advantaged by its affiliation to NSPM. Specifically:

- the MEC entities will have employee separation vis-à-vis NSPM; (the power plant employees will be employed by one of the new entities);
- to the extent Xcel Energy Services employees support the affiliate, they will use direct charging as required;
- the affiliate will use the standard affiliate cost allocation from the most current Xcel Energy Cost Allocation Agreement;
- if either affiliate wishes to continue to sell power to NSPM after the expiration of the existing PPAs, they will do so only by bidding the units into a competitive bidding process that uses an independent evaluator and if selected, any new contract resulting from this process will require Commission approval."

In a related matter, on October 2, 2019, NSPM and Mankato Energy Center I and II submitted a request to the Federal Energy Regulatory Commission (FERC), in FERC Docket No. ER20-31-000, for authorization to make affiliate wholesale electric power sales under the two existing power purchase agreements.

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, select *eFiling*, and follow the prompts.

Submit Public Comments: Visit 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.

Full Case Record: See all documents filed in this docket via the Commission's website at mn.gov/puc, select *Search eDockets*, enter the year (19) and the docket number (622), select *Search*.

Subscribe to receive email notification when new documents are filed in this docket at 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 or 651-201-2258, or Robert Manning, at robert.manning@state.mn.us or 651-201-2197.

Change your mailing preferences: Email docketing.puc@state.mn.us or call Leesa Norton at 651-201-2246.

To request this document in another format such as large print or audio, call 651.296.0406 (voice). Consumers with a hearing or speech impairment may call using their preferred Telecommunications Relay Service or email consumer.puc@state.mn.us for assistance.