

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Gregory Scott	Chair
Edward A. Garvey	Commissioner
Marshall Johnson	Commissioner
LeRoy Koppendrayer	Commissioner
Phyllis A. Reha	Commissioner

**In the Matter of a Request by Northern States Power Company d/b/a Xcel Energy to Extend its Existing Experimental Real Time Pricing Pilot Service and for Approval of a New Real Time Pricing Service Tariff**

**ISSUE DATE: July 23, 2001**

**DOCKET NO. E-002/M-01-387**

**DOCKET NO. E-002/M-00-1513**

**In the Matter of a Petition of Northern States Power d/b/a Xcel Energy to Extend the Availability Period of its Experimental Real Time Pricing Service and Approval of a New Real Time Pricing Service Tariff**

**ORDER EXTENDING THE EXISTING REAL-TIME PRICING SERVICE UNTIL DECEMBER 31, 2001 AND CLOSING THE EXISTING SERVICE TO NEW CUSTOMERS**

**PROCEDURAL HISTORY**

**On October 30, 1996, Northern States Power Company now d/b/a Xcel Energy (Xcel or the Company) filed a petition for approval of an experimental Real-Time Pricing service (RTP) for two years.<sup>1</sup>**

**The Commission approved two extensions of the Company's RTP service; the first in its November 20, 1998 Order and the second in its January 8, 2001 ORDER GRANTING EXTENSION UNTIL JUNE 29, 2001 AND REQUIRING REPORTING BY FEBRUARY 28, 2001<sup>2</sup>**

**In its January 8, 2001 Order, in addition to extending Xcel's existing RTP Service until June 29, 2001, the Commission directed Xcel to work with the Department of Commerce**

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<sup>1</sup> *In the matter of a Request for Approval by Northern States Power Company of an Experimental Real-Time Pricing Service*, Docket No. E-002/M-96-1321. Summary Order issued December 26, 1996.

<sup>2</sup> *In the Matter of a Request by Northern States Power Company for an Extension of Experimental Real-Time Pricing Service*, Docket No. E-002/M-98-1431, summary Order issued November 20, 1998; *In the Matter of a Petition of Northern States Power Company d/b/a Xcel Energy to Extend the Availability Period of its Experimental Real-Time Pricing Service*, Docket No. E-002/M-00-1513, ORDER GRANTING EXTENSION UNTIL JUNE 29, 2001 AND REQUIRING REPORTING BY FEBRUARY 28, 2001, issued January 8, 2001.

**(DOC) and the Office of the Attorney General's Residential and Small Business Utilities Division (OAG-RUD) to file a report with the Commission on the existing RTP service by February 28, 2001. The compliance report was to analyze and address whether the RTP service has met the goals and objectives initially proposed by the Company as well as discuss potential revisions to the RTP service.**

**On February 28, 2001, Xcel filed its compliance report on existing RTP service. The report was jointly prepared and submitted by Xcel, the DOC, and the OAG-RUD. The report addressed the shortcomings of the existing RTP Service and Xcel described plans to file a proposal for a new RTP service.**

**On March 21, 2001, Xcel filed a petition to extend through the end of the year the availability period for the existing RTP service, and a request for approval of a new RTP service offering to be made available to customers beginning July 1, 2001.**

**On April 25, 2001, comments were filed by the DOC, OAG-RUD, International Paper and the Metropolitan Council.**

**On May 10, 2001, Xcel filed reply comments.**

**The matter, came before the Commission on June 21, 2001.**

## **FINDINGS AND CONCLUSIONS**

**The only issue addressed in this Order is whether Xcel's existing RTP Service should be extended an additional six months, until December 31, 2001.<sup>3</sup>**

### **I. The Positions of the Parties**

#### **A. Xcel**

**In order to ensure a reasonable transition to the new program proposed by Xcel in its March 21, 2001 petition, Xcel proposed extending the availability of its existing program through December 31, 2001. Xcel indicated that this would ensure that customers on the existing program would obtain the benefits expected for 2001.**

**Xcel intended to make a new offering available to customers on July 1, 2001 and would close the existing RTP service to new customers effective upon Commission approval of the new proposal. It planned to transition current RTP customers to the new plan by January 1, 2002.**

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<sup>3</sup> Xcel's request for approval of a new RTP service offering will be taken up by the Commission at a later date.

## **B. DOC**

The DOC supported allowing current RTP customers to continue to use the program until year-end 2001. Customers have made changes to their systems in response to the current program and these customers should be allowed to continue in the current plan until Xcel's new RTP proposal is implemented. However, the DOC did not support allowing any new customers into the current RTP program.

## **C. International Paper**

International Paper has been on the RTP Program since its inception and has spent significant time and money developing manufacturing strategies, training personnel, and setting up necessary energy monitoring and management systems. After reviewing Xcel's proposal for a new RTP program, International Paper requested that, at a minimum, the existing RTP rate be kept in place as an option to current RTP participants should the new proposal turn out to be undesirable for some customers.

## **D. Xcel's Reply Comments**

Xcel argued that the extension of the Experimental RTP Service until the end of 2001 was a reasonable approach to allowing the existing RTP customers time to evaluate their options under the new RTP proposal. Xcel indicated that it did not oppose closing the existing RTP service to new customers.

## **II. Commission Action**

The Commission will approve the request by Xcel to extend the existing RTP service through the end of the year. There were no objections to this extension and doing so is reasonable to allow current customers to remain on the service until a new RTP tariff is available.

The Commission further agrees that it is also reasonable to close the existing RTP Service to new customers while keeping it available for customers currently on the rate.

The Commission will so Order.

**ORDER**

1. Xcel's existing RTP Service shall be extended through the end of the 2001 year.
2. Xcel's existing RTP Service shall be closed to new customers but will remain available for customers currently on the rate.
3. This Order shall become effective immediately.

**BY ORDER OF THE COMMISSION**

**Burl W. Haar  
Executive Secretary**

**(S E A L)**

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