

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

In the Matter of a Request by Northern States
Power Company d/b/a/ Xcel Energy for
Approval of 2001 CIP Tracker Account, DSM
Financial Incentive and CIP Adjustment Factor

ISSUE DATE: July 18, 2002

DOCKET NO. G-002/M-02-470

ORDER APPROVING DSM INCENTIVES
AND CIP ADJUSTMENT FACTOR, AS
QUALIFIED, AND REQUIRING FILING

PROCEDURAL HISTORY

On April 1, 2002, Xcel filed a petition requesting Commission approval of 1) recovery of 2001 gas Conservation Improvement Program (CIP) expenditures of \$3,300,681, 2) recovery of a DSM financial incentive of \$970,832 for calendar year 2001, and 3) a CIP adjustment factor of \$0.00171 per therm for each class of customer.

On May 31, 2002, the Minnesota Department of Commerce (the Department) filed comments reviewing the Xcel's Demand Side Management (DSM) financial incentive and recommended that the Commission approve 1) a DSM financial incentive of \$970,832 as requested by the Company, 2) a CIP tracker balance, which includes recovery of \$3,291,163 in CIP expenditures along with a negative \$80,578 in carrying charges, and 3) a CIP adjustment factor of \$0.00175 per therm.

On June 19, 2002, Xcel filed reply comments agreed to the Department's proposed adjustment factor of \$0.00175 per therm, assuming a July 1, 2002 effective date.

On July 3, 2002, the Department's Commissioner issued a decision regarding Xcel's CIP program and, based on that decision, Xcel and the Department reached agreement regarding 2001 CIP expenditures and energy savings on July 11, 2002.

The Commission met on July 11, 2002 to consider this matter.

FINDINGS AND CONCLUSIONS

Xcel and the Department have agreed on the main items the Commission must determine in this matter, as follows:

DSM financial incentive for 2001	\$ 970,832
CIP expenditures for 2001	\$3,297,906
2001 year-end tracker balance	\$ (68,726)
CIP adjustment factor	\$0.00175 per therm

The Commission recognizes that the CIP adjustment factor was calculated assuming a July 1 effective date and that it will have to be adjusted to reflect implementation of the CIP adjustment factor in the August billing cycle. With that clarification, the Commission finds that the amounts appearing above are appropriate and will approve them.

Prior to implementing the new CIP adjustment factor, however, Xcel will be required to make a compliance filing with the Commission and the Department, reflecting any adjustments or recalculations of the level of CIP cost recovery, financial incentive, and CIP adjustment factor based on 1) the July 3, 2002 Decision by the Commissioner of Commerce regarding Xcel's 2001 CIP expenditures and savings and 2) the revised effective date for the adjustment factor. The compliance filing should also include the relevant tariff sheets to comply with the Commission's Order and the Commissioner's July 3, 2002 Decision.

ORDER

1. The following numbers regarding Xcel's 2001 CIP expenditures and energy savings are approved, as qualified in the text of this Order:

DSM financial incentive for 2001	\$ 970,832
CIP expenditures for 2001	\$3,297,906
2001 year-end tracker balance	\$ (68,726)
CIP adjustment factor	\$0.00175 per therm

2. Prior to implementing the new CIP adjustment factor, Xcel shall make a compliance filing reflecting any adjustments or recalculations of the level of CIP cost recovery, financial incentive, and CIP adjustment factor based on
 - a. the July 3, 2002 Decision by the Commissioner of Commerce regarding Xcel's 2001 CIP expenditures and savings and

b. the revised effective date for the adjustment factor.

The compliance filing shall also include the relevant tariff sheets to comply with the Commissioner's Decision and this Order.

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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