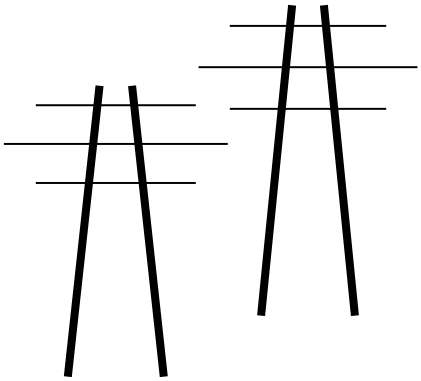
Legalectric, Inc.
Carol Overland **Attorney at Law, MN #254617**
Energy Consultant—Transmission, Power Plants, Nuclear Waste
overland@legalectric.org

1110 West Avenue
Red Wing, Minnesota 55066
612.227.8638



Comments on IRP – October 5, 2016

Forecasts based on 2016 "forecast" are grossly skewed.

Staff questions Xcel's forecasted load v. Strategist modeling, and whether need is overstated (Briefing Papers, p. 12). However, the starting point is off by nearly 800 MW.

The forecasts are skewed using Xcel's own SEC filings, and begin using a inflated 2016 projected peak demand. Xcel's demand is down, remains down. Look at Xcel's SEC filings. Compare historical peak demand with 2016 forecast!

Xcel Peak Demand

2000	**7,936**
2001	**8,344**
2002	**8,529**
2003	**8,868**
2004	**8,665**
2005	**9,212**
2006	**9,859**
2007	**9,427**
2008	**8,697**
2009	**8,615**
2010	**9,131**
2011	**9,792**
2012	**9,475**
2013	**9,524**
2014	**8,848**
2015	**8,621**
2016	**? 9,327 ?**

The Commission should base projections on actual peak demand, starting with 2015 actual peak demand of 8621 MW based on historic numbers as reported by Xcel.

What is the basis for Xcel's projected increase from 8,621 MW in 2015 to 9,327 MW for 2016? That's an enormous increase.

- Xcel's SEC filing projected 706 MW increase to 9,327 MW
- Xcel's IRP filing projected 788 MW increase to 9,409 MW

706 MW increase to 9,327 MW is ~ 8.4 % in one year!
788 MW increase to 9,409 MW is ~ 9.1 % in one year!

700-800 MW is roughly a large coal plant and more than a nuclear reactor. That extreme inflation is absurd.

Is there any basis for use of either Xcel 2016 forecast? NO!

Neither Xcel's SEC nor IRP forecast for 2016 are reasonable. Forecasting should start with 2015 actual.

Use of Xcel's inflated 2016 projection rather than 2015 actual peak demand as starting point results in 1,000 MW higher peak by 2030 – nearly the equivalent of the two Prairie Island reactors. Garbage in, garbage out – inflated numbers shouldn't be used.

If Xcel's actual 2015 peak demand is used as the starting point for the Xcel Median Peak Demand Forecast with DSM (see Staff Briefing Papers, p. 12), the chart would start with 2015 actual peak demand and then assuming a 0.3% increase annually, this is the result:

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
8621	8646	8672	8699	8725	8751	8777	8804	8830	8856	8883	8910	8937	8963	8990	9017

Is Xcel on track for an annual increase in peak demand of even 0.3%?

NO! DEMAND IS FLAT AT BEST.

From Xcel's SEC filings from 2nd Quarter 2016 (3rd Quarter Earnings Call 10/27 @ 9 a.m. CST)
http://investors.xcelenergy.com/Doc/Index?did=37322915 See p. 40-41, excerpted here:

Sales Growth (Decline) — The following tables summarize Xcel Energy and its subsidiaries' sales growth (decline) for actual and weather-normalized sales in 2016:

	Six Months Ended June 30				
	PSCo	NSP-Minnesota	SPS	NSP-Wisconsin	Xcel Energy
Actual					
Electric residential [a]	3.3 %	(0.1)%	(3.8)%	(2.2)%	0.5 %
Electric commercial and industrial	(1.1)	(1.0)	0.5	(0.5)	(0.6)
Total retail electric sales	0.3	(0.7)	(0.2)	(1.1)	(0.3)
Firm natural gas sales	3.2	(9.4)	N/A	(12.4)	(2.0)

	Six Months Ended June 30				
	PSCo	NSP-Minnesota	SPS	NSP-Wisconsin	Xcel Energy
Weather-normalized					
Electric residential [a]	2.5 %	(0.3)%	(2.6)%	(1.0)%	0.4 %
Electric commercial and industrial	(1.4)	(1.2)	(0.1)	(0.5)	(1.0)
Total retail electric sales	(0.1)	(1.0)	(0.5)	(0.7)	(0.6)
Firm natural gas sales	1.2	(0.2)	N/A	(3.6)	0.4

	Six Months Ended June 30 (Excluding Leap Day) [b]			
	PSCo	NSP-Minnesota	SPS	NSP-Wisconsin	Xcel Energy
Weather-normalized - adjusted for leap day					
Electric residential [a]	1.9 %	(0.9)%	(3.2)%	(1.6)%	(0.2)%
Electric commercial and industrial	(2.0)	(1.8)	(0.6)	(1.0)	(1.5)
Total retail electric sales	(0.7)	(1.5)	(1.1)	(1.3)	(1.1)
Firm natural gas sales	0.4	(1.0)	N/A	(4.5)	(0.4)