
From: John Purdy <jpmn0101@gmail.com>

Sent: Wednesday, October 30, 2024 2:14 PM

To: ryan.j.long@xcelenergy.com; Mitra Jalali <Mitra.Jalali@ci.stpaul.mn.us>; Melvin Carter <Melvin.Carter@ci.stpaul.mn.us>; Shari Moore <shari.moore@ci.stpaul.mn.us>

Cc: Rasmussen, Elisa <Elisa.Rasmussen@xcelenergy.com>; Paluck, Nick <nick.paluck@xcelenergy.com>

Subject: Public Hearing for ORD 24-32 Amending the gas and electric franchises granted by the City to NSPM

Think Before You Click: This email originated **outside** our organization.

Ladies and Gentlemen,

Please find my comments, one attachment and request for further review attached herewith. If you have any questions please contact me directly.

Respectfully,

John Purdy
10 W Delos St
St Paul, MN 55107
612-804-5019 (cell)
651-292-9651 (home)
Xcel Residential Account Number 51-4879712-6

Note to City Clerk, Shari Moore: Kindly post my comments and attachment to Legistar under ORD 24-32. Thank you.

Attachment 1 from John Purdy

Mr. Ryan Long, President - NSP Minnesota
414 Nicollet Mall
401 8th Floor
Minneapolis, MN 55401
Via email to: ryan.j.long@xcelenergy.com

October 30, 2024

Ms. Mitra Jalali, Council President
Saint Paul City Council
310-D City Hall
15 Kellogg Blvd. W.
Saint Paul, MN 55102
Via email to: Mitra.Jalali@ci.stpaul.mn.us

Mr. Melvin Carter, Mayor
City of Saint Paul
390 City Hall
15 Kellogg Blvd. W.
Saint Paul, MN 55102
Via email to: melvin.carter@ci.stpaul.mn.us

Ms. Shari Moore, MMC- City Clerk
City of Saint Paul
390 City Hall
15 Kellogg Blvd. W.
Saint Paul, MN 55102
Via email to: shari.moore@ci.stpaul.mn.us

RE: Saint Paul Ordinance [24-32](#) Amending the gas and electric franchises granted by the City to Northern States Power Company, a Minnesota corporation ("Company").

Ladies and Gentlemen,

The public hearing on this subject is November 6, 2024 at 3:30. These are my public comments.

NSPM has received, and concurred with the City's request to cancel franchise fee exemptions currently applicable to residential natural gas and electric sales during winter, starting with April and November, 2025. The subject ordinance would adopt the City's request, if approved.

Winter fee exemptions were approved by the Saint Paul City Council in 1980, pursuant to [Section 3](#) of Saint Paul's special law, now repealed under [Laws of Minn. 2024, chap. 121, art. 4, sec. 10](#). At the time, this was a reasonable way to buffer the high energy prices being paid by residents during the time of the 1979 energy crisis.

This 6-months on, 6-months off alternating fee structure remains in effect today and Saint Paul's residential franchise fees for natural gas and electricity are already the highest of all the municipalities within Xcel's Minnesota service territories as demonstrated in the below example.

By adding the most recent 12 months of franchise fees and energy costs as billed under my account at 10 W Delos St (Acct 51-4879712-6) I calculate the present franchise fees to be 5.9% of my yearly cost of gas. My electric franchise fees are 6.5% of electric cost. These current fees are already higher than any other municipal fee itemized in NSP Gas¹ and Electric² franchise fee tariff listings.

The proposal to cancel the April and November exemptions will jump the fees to 9.3% of the cost of gas and 8.2% of the cost of electricity.

The cancellation of all winter exemptions will result in franchise fees jumping to 20.3% of the cost of gas and 11.6% of the cost of electricity.

On a city-wide level, the City conservatively estimates that April and November exemption cancellations will raise \$1,500,000 in new yearly revenue.

But an examination of Xcel's Franchise Fee Detail Report for April, 2022 indicates that \$2,673,948 of new revenue might be raised in April, 2025 alone. November, 2025 would likely produce the same amount for a total estimate of \$5.4 million in new revenue.³

While there is a need to raise revenue at the municipal level, it is not appropriate to place the entire revenue burden onto the residential rate columns of the franchise.

I ask that Appendix B, Section 6 (f) *Annual cap for High Bridge plant* be amended as an additional source of future revenue.

This 644 MWH High Bridge station, running at capacity, burns 192 million therms of natural gas yearly. That volume, multiplied by the Large interruptible transportation volume factor of \$.0127/therm would contribute a total gross franchise fee revenue of \$2.4 million yearly, replacing the current \$150,000 in revenue if the cap were lifted.

And while those fees may get passed along to the electric customers served by Xcel, at least the distribution of cost would fall onto the entire customer base and not just its residential customers.

In conclusion, I ask for the City and NSPM to renegotiate this exorbitant proposal by making it more fair to residential customers.

Respectfully submitted,

John Purdy

John Purdy
10 W Delos St
St Paul, MN 55107

¹ Please see [NSP Gas Rate Book](#) Sect. 5 - Rate Schedules, pg.'s 44.1 - 44.6 (pdf pg.'s 48-53)

² Please see [NSP Electric Rate Book](#) Sect. 5 - Rate Schedules, pg.'s 93.1 - 93.13 (pdf pg.'s 148-160)

³ Please see Xcel Energy Franchise Fee Detail Report for April, 2022 attached to this letter

Attachment 2 from John Purdy

Xcel Energy						
City of St. Paul						
Franchise Fee Detail Report for 2022						
Apr-22						
Electric	Rate	L KWH or KW	L Meters	M Exempt	(N-O) Sales Write Offs (Net)	AB Franchise Fee
Large C&I, 2020-2024 rate	0.0015	92,546,294.00		-	2,880.00	138,815.12
Small C&I/ Small & Large Muni Pump Demand/ Fire & Civil Defense Siren Service, 2016-2020 rate	0.0019	-		-	18,494.74	(35.14)
Small C&I/ Small & Large Muni Pump Demand/ Fire & Civil Defense Siren Service, 2020-2022 rate	0.0020	22,669,616.00		31,560.00	7,580.00	45,260.95
Small C&I Non-Demand/ Small Muni Pumping Non-Demand/ Public St & Hwy Lights, 2016-2018 rate	0.0042	-		-	28.57	(0.12)
Small C&I Non-Demand/ Small Muni Pumping Non-Demand/ Public St & Hwy Lights, 2018-2020 rate	0.0043	-		-	20.93	(0.09)
Small C&I Non-Demand/ Small Muni Pumping Non-Demand/ Public St & Hwy Lights, 2020-2022 rate	0.0045	7,061,518.00		404,774.00	662.22	29,952.37
Residential, 2006-2008 (May - October) rate	0.0094	-		-	(529.79)	4.98
Residential, 2008-2010 (May - October) rate	0.0095	-		-	(29.47)	0.28
Residential, 2010-2012 (May - October) rate	0.0096	-		-	(541.67)	5.20
Residential, 2012-2014 (May - October) rate	0.0097	-		-	(3,528.86)	34.23
Residential, 2014-2016 (May - October) rate	0.0098	-		-	(6,906.12)	67.68
Residential, 2016-2018 (May - October) rate	0.0102	-		-	6,754.90	(68.90)
Residential, 2018-2020 (May - October) rate	0.0106	-		-	180,851.88	(1,917.03)
Residential, 2020-2022 (May - October) rate	0.0110	52,276,307.00		52,271,365.23	287,709.09	(3,110.44)
Large C&I Standby Service, 2020-2022 rate	0.47	1,000.00		-	-	470.00
Large C&I Interruptible Primary, 2006-2016 rate/ Large C&I Interruptible TT, 2020-2022 rate	0.71	16,820.00		-	-	11,942.20
Large C&I Interruptible Secondary, 2004-2006 rate/ Large C&I Interruptible Primary, 2020-2022 rate	0.80	35,924.00		-	-	28,739.20
Large C&I Interruptible Secondary, 2020-2022 rate	0.91	23,917.00		-	-	21,764.47
Small C&I Firm Secondary & Interruptible Secondary/ Large C&I Firm Secondary/ Small Muni Pumping Demand Secondary, 2018-2020 rate/ Small C&I Firm Primary & Interruptible Primary/ Large C&I Firm Primary & Firm TT/ Small & Large Muni Pumping Demand Primary/ Fire & Civil Defense Siren Service, 2020-2022 rate	1.19	32,324.00		-	51.36	38,404.44
Small C&I Firm Secondary & Interruptible Secondary/ Large C&I Firm Secondary/ Small Muni Pumping Demand Secondary, 2020-2022 rate/ Small C&I Firm Primary & Interruptible Primary/ Large C&I Firm Primary & Firm TT/ Small & Large Muni Pumping Demand Primary/ Fire & Civil Defense Siren Service, 2022-2024 rate	1.24	197,589.81		116.00	28.34	244,832.38
Residential, 2006-2008 (May - October) rate	2.63		-	-	(2.23)	5.86
Residential, 2008-2010 (May - October) rate	2.70		-	-	(0.08)	0.22
Residential, 2010-2012 (May - October) rate	2.77		-	-	(1.95)	5.40
Residential, 2012-2014 (May - October) rate	2.84		-	-	(1.58)	4.49
Residential, 2014-2016 (May - October) rate	2.91		-	-	(11.60)	33.76
Residential, 2016-2018 (May - October) rate	3.03		-	-	(32.25)	97.72
Residential, 2018-2020 (May - October) rate	3.15		(0.03)	(0.07)	283.68	(893.47)
Residential, 2020-2022 (May - October) rate	3.27		123,339.96	123,299.39	641.05	(1,963.57)
Small C&I/ Small & Large Muni Pumping/ Fire & Civil Defense Siren Service, 2016-2018 rate	3.62		-	-	6.55	(23.71)
Small C&I/ Small & Large Muni Pumping/ Fire & Civil Defense Siren Service, 2018-2020 rate	3.76		-	-	39.88	(149.95)
Small C&I/ Small & Large Muni Pumping/ Fire & Civil Defense Siren Service, 2020-2022 rate	3.91		12,873.66	1,895.87	25.97	42,821.62
Large C&I, 2020-2022 rate	5.98		875.04	-	8.00	5,184.90
Public Street & Highway Lighting, 2020-2022 rate	7.90		615.30	-	-	4,860.87
Electric Total		174,861,309.81	137,703.93	52,833,010.42	494,481.56	605,145.92

Xcel Energy						
City of St. Paul						
Franchise Fee Detail Report for 2022						
Apr-22						
		L	L	M	(N-O)	AB
		L	L	M	(N-O)	
Gas	Rate	Therms	Meters	Exempt	Write Offs (Net)	Franchise Fee
Medium and Large Interruptible/ Interruptible Transportation, Medium and Large, 2020-2022 rate	0.0117	5,111,705.00		2.00	-	59,806.93
Large Commercial Demand Billed/ Large Firm Transportation, 2020-2022 rate	0.0376	348,643.00		(1,099.00)	-	13,150.30
Small Interruptible/ Interruptible Transportation, Small, 2020-2022 rate	0.0399	523,914.00		-	-	20,904.17
Small and Large Commercial Firm/ Small Commercial Demand Billed, 2016-2018 rate	0.0592	-		-	(1,165.20)	68.98
Small and Large Commercial Firm/ Small Commercial Demand Billed, 2018-2020 rate	0.0615	-		-	2,453.50	(150.89)
Residential, 2008-2010 (May - October) rate	0.0635	-		-	(13.39)	0.85
Small and Large Commercial Firm/ Small Commercial Demand Billed, 2020-2022 rate	0.0640	6,428,404.00		17,405.00	140.78	410,294.93
Residential, 2010-2012 (May - October) rate	0.0806	-		-	(61.54)	4.96
Residential, 2012-2014 (May - October) rate	0.0977	-		-	(52.31)	5.11
Residential, 2014-2016 (May - October) rate	0.1148	-		-	(45.55)	5.23
Residential, 2016-2018 (May - October) rate	0.1194	-		-	(95.64)	11.42
Residential, 2018-2020 (May - October) rate	0.1242	-		-	5,913.44	(734.45)
Residential, 2020-2022 (May - October) rate	0.1291	8,708,529.99		8,708,201.33	5,139.81	(621.12)
Residential, 2006-2016 (May - October) rate	3.70	-	-	-	(7.41)	27.42
Residential, 2016-2018 (May - October) rate	3.85	-	-	-	(22.18)	85.39
Small and Large Commercial Firm/ Small Commercial Demand Billed, 2016-2018 rate	3.87	-	-	-	(8.93)	34.56
Residential, 2018-2020 (May - October) rate	4.00	-	(0.03)	(0.07)	184.50	(737.84)
Small and Large Commercial Firm/ Small Commercial Demand Billed, 2018-2020 rate	4.02	-	-	-	16.78	(67.46)
Residential, 2020-2022 (May - October) rate	4.16	-	88,590.01	88,568.08	363.58	(1,421.26)
Small and Large Commercial Firm/ Small Commercial Demand Billed, 2020-2022 rate	4.18	-	7,241.29	8.00	34.29	30,091.82
Small Interruptible/ Interruptible Transportation, Small, 2020-2022 rate	9.19	-	48.00	-	-	441.12
Large Commercial Demand Billed/ Medium and Large Interruptible/ Large Firm Transportation/ Interruptible Transportation, Medium and Large, 2020-2022 rate	12.56	-	55.00	-	-	690.80
Gas Total		21,121,195.99	95,879.27	8,813,085.34	12,774.53	531,890.96
					Subtotal	1,137,036.88
					Difference between calculated (figures above) & collected:	3.03
					Adjustments:	3.00
					Monthly Payment Amount	1,137,039.91