

# Memorandum

To: Commissioners Christmann, Haugen-Hoffart and Fedorchak

From: Chris Hanson, Public Utility Analyst  
CH.

Date: December 8, 2023

Re: Northern States Power Company (NSP), Service Reconnection Charge & Manual Meter Reading, Tariff and Rates, Case No. PU-23-307

On September 15, 2023, Northern States Power Company (NSP) filed an application to change its tariffs to modify the Service Reconnection Charge and the Manual Meter Reading Rider contained in its Electric Rate Book to reflect the cost of remote reconnection and remote meter reading related to its Advanced Meter Reading Infrastructure (AMI).

A motion issuing a Notice of Opportunity for Hearing was added to the Commission meeting on September 6, 2023, which expired on November 10, 2023, with no comments have been received.

The original NSP proposal was that reconnection rates would stay the same at \$50 through December 31, 2023. As of January 1, 2024, the rates for AMI customers decrease to \$13.50 while customers remaining on manual meter reading stay at \$50. As of January 1, 2026, when the AMI is expected to be fully implemented, the reconnection rate for customers opting for manual meter reading increases to \$100.

An informal meeting to discuss the case was held November 8, 2023, and the basis for the calculation of each of the rates was discussed. Subsequent to that the meeting, the portfolio holder expressed concern regarding the magnitude of the increase.

As noted on P.11 of the application for PU-23-307, the original \$50 reconnection fee was established in 2010. An increase to \$100 effective January 1, 2026, is thus approximately a 4.45% APR increase for the period from 2010-2026. Staff considers a rate of \$75, which is approximately 2.56% APR, to be a more just and reasonable rate and is consistent with a gradualist ratemaking policy.

Staff conferred with Alex Nesbitt from Xcel Energy regarding this change and they were amenable to the change with the understanding that this was diverging from what they considered to be the 'actual' cost of reconnection.

Cc Alex Nesbitt, Xcel Energy