

**PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**In the Matter of the Application of)
Northern States Power Company dba Xcel)
Energy for Authority to Increase its Electric)
Rates)**

Docket No. EL12-046

**PETITION TO INTERVENE
OF SHETEK WIND INC.**

On June 29, 2012, the Public Utilities Commission (“Commission”) received an Application for Authority to Increase Electric Rates in South Dakota (“Application”) filed by Northern States Power Company dba Xcel Energy (“Xcel”) for approval to increase rates for electric service to customers in its South Dakota service territory by approximately \$19.368 million annually or approximately 11.53% based on Xcel's 2011 test year. Xcel states that a typical residential electric customer using 750 kwh per month would see an increase of 12.7%, or \$9.82 per month. The proposed rates may potentially affect approximately 85,000 customers in Xcel's South Dakota service territory. On July 5, 2012, the Commission electronically transmitted notice of the filing and the intervention deadline of September 7, 2012, to interested individuals and entities.

Pursuant to A.R.S.D. Sec. 20:10:01:15.02 Shetek Wind Inc. (“Shetek”) respectfully petitions to intervene in the above-captioned proceedings.

I. BASIS FOR INTERVENTION

In 2011 Xcel transferred certain generation rights with respect to the Angus Anson plant to Prairie Rose Wind, LLC, the owner of a 200MW wind project located in Minnesota. NSP transferred those rights pursuant to what is generically referred to as a net-zero interconnection

arrangement. The transfer of those rights and the implementation of the net zero interconnection regime has been and is the subject of three proceedings before the Federal Energy Regulatory Commission (the “FERC”). Those proceedings were docketed as FERC Docket Nos. EL11-53-000, ER12-188-000 and ER12-309-000 (and all related subdockets).

From a ratemaking perspective, now that Xcel has disposed of its generation interconnection rights, the expenses and capital costs related to the Angus Anson plant should be removed from the rate base to the extent of the disposition. Moreover, the value of the rights disposed of should be reflected as income in the rate base accruing to the benefit of ratepayers. Failure to do so will result in ratepayers paying double for the same generation capacity.

Shetek is the owner of and party to a 150MW large generator interconnection agreement (“LGIA”) with Midwest Independent System Operator, Inc. (“MISO”) for an interconnection of wind energy facilities located in Southwestern Minnesota. Shetek’s LGIA is designated as MISO Project G520. Further, Shetek was a complainant in the FERC proceeding, *Shetek Wind Inc. v. Midwest Independent System Operator, Inc.*, Docket EL11-53-000¹, which involved net-zero generator interconnection arrangements with MISO and as such is familiar with the arrangements and economic impacts of the net-zero arrangement.

Shetek has a significant interest in these proceedings because as the owner of a 150MW LGIA with MISO for an interconnection located in Southwestern Minnesota, the consistent and appropriate treatment of the disposition of interconnection rights under a net-zero arrangement is necessary to avoid adverse impacts on Shetek and all generators with MISO. Further, the

¹ See also, *Shetek Wind Inc. v. Midwest Indep. Transmission Sys. Operator, Inc.*, 138 FERC ¶ 61,250 (2012) in which the FERC issued an Order on Complaint and Establishing Hearing and Settlement Judge Procedures in Docket No. EL11-53-000.

decision of the Commission may, directly or indirectly, affect the competitiveness of Shetek's facilities. No other party can adequately represent the interests of Shetek.

II. COMMUNICATIONS

Communications and correspondence regarding this filing should be directed to the following:

Thomas Melone
President
Shetek Wind Inc.
c/o Allco Renewable Energy Limited
14 Wall Street, 20th Floor
New York, NY 10005
Phone: (212) 681-1120
Email: Thomas.Melone@AllcoUS.com

III. CONCLUSION

For the reasons set forth above, Shetek requests that its petition to intervene as a full party be granted.

Respectfully submitted,

/s/ Thomas Melone
Thomas Melone
President
Shetek Wind Inc.
c/o Allco Renewable Energy Limited
14 Wall Street, 20th Floor
New York, NY 10005
Phone: (212) 681-1120
Email: Thomas.Melone@AllcoUS.com

Dated: September 6, 2012

Certificate of Service

I certify the attached Petition to Intervene of Shetek Wind Inc. has been served this day, September 6, 2012, on the following:

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
patty.vangerpen@state.sd.us
(605) 773-3201 - voice
(866) 757-6031 - fax

Mr. Matthew Tysdal
Staff Analyst
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
matthew.tysdal@state.sd.us
(605) 773-3201 - voice
(866) 757-6031 – fax

Ms. Karen E. Cremer
Staff Attorney
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
karen.cremer@state.sd.us
(605) 773-3201 - voice
(866) 757-6031 - fax

Mr. Patrick Steffensen
Staff Analyst
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
patrick.steffensen@state.sd.us
(605) 773-3201 - voice
(866) 757-6031 - fax

Mr. Jon Thurber
Staff Analyst
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
jon.thurber@state.sd.us
(605) 773-3201 - voice
(866) 757-6031 – fax

Ms. Kari Valley
Assistant General Counsel
Northern States Power Company dba Xcel Energy
414 Nicollet Mall
Minneapolis, MN 55401
kari.l.valley@xcelenergy.com
(612) 215-4526

Mr. Dave Jacobson
Staff Analyst
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
david.jacobson@state.sd.us
(605) 773-3201 - voice
(866) 757-6031 - fax

Ms. SaGonna Thompson
Records Analyst
Northern States Power Company dba Xcel Energy
414 Nicollet Mall
Minneapolis, MN 55401
REGULATORY.RECORDS@XCELENERGY.COM
(612) 330-5532

Ms. Brittany Mehlhaff
Staff Analyst
South Dakota Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501
brittany.mehlhaff@state.sd.us
(605) 773-3201 - voice
(866) 757-6031 - fax

Mr. Richard J. Johnson - Representing: Northern
States Power Company dba Xcel Energy
Attorney At Law
Moss & Barnett
4800 Wells Fargo Center
90 S. Seventh St.
Minneapolis, MN 55402
johnsonr@moss-barnett.com
(612) 347-0300 - voice
(612) 339-6686 - fax

/s/Thomas Melone

Thomas Melone