

To: NAESB Wholesale Gas Quadrant Executive Committee
From: Xcel Energy Services, Inc.
Date: 08/18/2014
Re: 2014 WGQ Annual Plan Item 11.c

Xcel Energy Services, Inc. (“Xcel Energy”), on behalf of its utility operating company affiliates Northern States Power Company, a Minnesota corporation (“NSPM”), Northern States Power Company, a Wisconsin corporation (“NSPW”), Public Service Company of Colorado (“PSCo”), and Southwestern Public Service (“SPS”) (collectively, the “Xcel Energy Operating Companies”), respectfully submits the following comments in response to the Wholesale Gas Quadrant Executive Committee’s July 18, 2014 request for comments.

The Xcel Energy Operating Companies are vertically integrated electric utilities engaged in the business of generating, transmitting, distributing, and selling electric power and energy and related services in an 8 state service territory. NSPM and NSPW are members of the Midcontinent Independent System Operator, Inc. (“MISO”) regional transmission organization (“RTO”) and are participants in the MISO day-ahead and real time energy and ancillary services market. SPS is a member of the Southwest Power Pool, Inc. (“SPP”) RTO and is a market participant in the recently launched SPP Integrated Marketplace day-ahead and real-time energy and ancillary services market.

The Xcel Energy Operating Companies all operate natural gas fired electric generation facilities that contract for natural gas transportation and storage services from interstate natural gas pipelines and storage providers and would be affected by changes to the Gas Day. NSPM, NSPW, and PSCo also operate retail natural gas local distribution company (“LDC”) facilities

that serve retail natural gas customers, gas transportation customers, and gas-fired electric generation facilities.

Xcel Energy supports the work that has been done by the Wholesale Gas Quadrant, and we believe that the draft standards published by NAESB pursuant to the 2014 WGQ Annual Plan Item 11.c on July 18 accomplish the goals set out by the NAESB Board of Directors. Xcel Energy supports the draft standards because the day-ahead and intra-day nomination cycles are compatible with FERC's proposed 4AM start to the Gas Day. These standards achieve FERC's goal of promoting closer alignment of the gas and electric day. While we support the draft timeline, we do continue to believe that a later deadline for the timely nomination cycle, such as 2PM Central Clock Time, will better promote FERC's harmonization goal by allowing RTOs more flexibility to issue instructions regarding which electric generation plants will operate before the deadline to fuel those plants in the timely nomination cycle.

While we agree that the draft standards will provide some benefit by increasing the flexibility of natural gas operations, we believe that creating a new pipeline service allowing firm transportation customers to reserve their unused capacity in the day-ahead nomination cycles is the best solution to many of the operational challenges that both the electric and natural gas industries face today. NAESB should strongly consider designing such a product to propose to FERC for implementation.

Respectfully,

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