Rebuttal Testimony and Schedules
Charles R. Burdick

Before the Minnesota Public Utilities Commission
State of Minnesota

In the Matter of the Application of Northern States Power Company
for Authority to Increase Rates for Electric Service in Minnesota

Docket No. E002/GR-15-826
Exhibit___(CRB-2)

Multi-Year Rate Plan

September 23, 2016

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Schedules

I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND OCCUPATION.

A. My name is Charles R. Burdick. I am Manager of Revenue Analysis in the Revenue Requirements – North department for Xcel Energy Services Inc. (Service Company).

Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY IN THIS PROCEEDING?

A. Yes. I filed Direct Testimony on behalf of Northern States Power Company (Xcel Energy or the Company) presenting the Company's three-year multi-year rate plan proposal in this proceeding.

Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?

A. I provide information supporting the Stipulation of Settlement (Settlement) entered into by the Company and nine other parties in this rate case (the Settling Parties) and described more fully in the Rebuttal Testimony of Company Witnesses Mr. Aakash Chandarana and Ms. Lisa Peterson. I also respond to several assertions made in the Direct Testimony of Mr. John Lindell of the Office of Attorney General and Ms. Nancy Brockway of the AARP.

Q. HOW IS YOUR REBUTTAL TESTIMONY ORGANIZED?

A. I present my testimony in the sections as outlined below.

- Support for the Settlement
- Response to OAG and AARP
- Conclusion

II. SUPPORT FOR THE SETTLEMENT

A. Description of the Settlement

Q. PLEASE SUMMARIZE THE SETTLEMENT FOR PURPOSES OF YOUR REBUTTAL TESTIMONY.

A. The Settlement provides for a four-year Multi-Year Rate Plan (MYRP) based on agreed upon revenue increases, subject to a sales true-up, and providing for a stated return on equity. There are other provisions of the Settlement that Company Witness Mr. Aakash Chandarana discusses further in his Rebuttal Testimony.

Q. WHAT DO YOU MEAN BY "AGREED UPON REVENUE INCREASES?"

A. I mean that the rate increases provided for in the Settlement were negotiated by the Settling Parties to establish overall revenue increases for each year of the MYRP. Table 1, below, provides the revenue amounts agreed to in the Settlement, which are based on the Department's sales forecast but are also subject to a sales true-up.

Table 1

Incremental $ millions

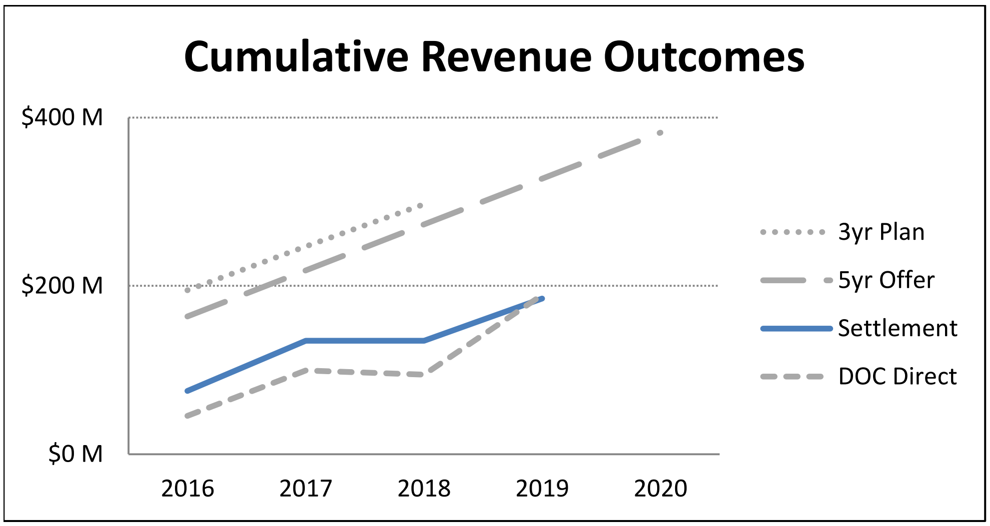
2016	2017	2018	2019	Total
74.99	59.86	-	50.12	184.97
2.47%	1.97%	0.00%	1.65%	6.10%

Q. HOW DOES THE SETTLEMENT REVENUE INCREASE RESOLUTION COMPARE TO THE COMPANY'S 3-YEAR MYRP REQUEST AND ITS 5-YEAR MYRP SETTLEMENT OFFER?

A. The rate increases provided for in the Settlement are significantly lower than both the Company's 3-year MYRP request and 5-year MYRP settlement offer.

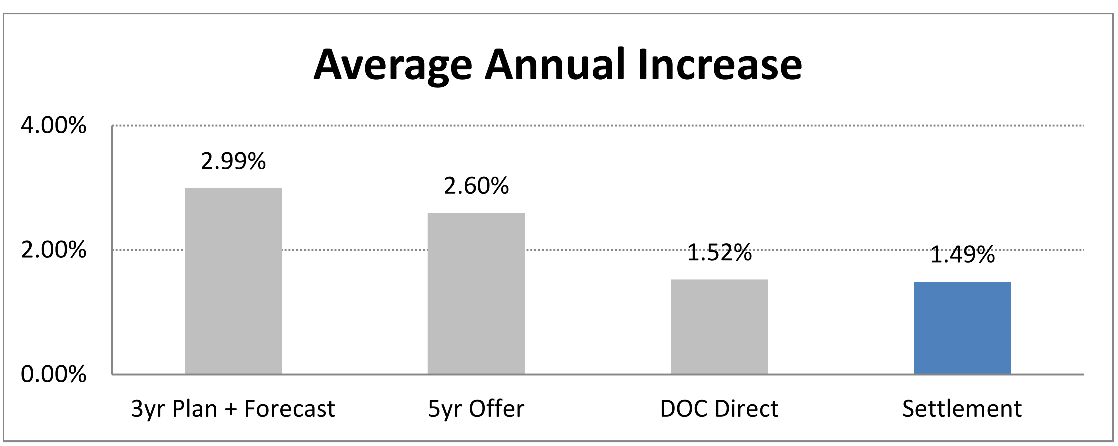
It also results in a cumulative rate increase over the four-year period that is slightly lower than the Department's recommendation in Direct Testimony. Figure 1, below, and Exhibit___(CRB-2), Schedule 1, provide illustrations.

Figure 1



Likewise, the average annual increase under the Settlement is approximately half of the increase indicated by our forecast through 2019 and is less than the Department's recommendation in Direct Testimony.

Figure 2



Q. WILL THE SALES TRUE-UP AGREED TO IN THE SETTLEMENT IMPACT THE NEGOTIATED REVENUE INCREASE IN 2016?

A. Yes. The sales true-up for 2016 will set the starting point for the rate increases provided for in the Settlement. Higher actual sales would create a lower revenue deficiency for 2016 and lower actual sales would create a higher revenue need.

For example, if actual sales are $10 million higher than the Department's forecast for 2016, then the 2016 increase would be -$10 million for sales true-up, plus $75 million from the Settlement result for a total increase of $65 million. The 2017 increase would continue to be an additional $60 million.

Similarly, if actual 2016 sales are $10 million lower than Department's forecast for 2016, the 2016 increase would be $85 million (+ $10 million for sales true-up plus $75 million for the Settlement result) and the 2017 increase would continue to be an additional $60 million.

Q. WHAT DO YOU MEAN WHEN YOU DESCRIBE THE SETTLEMENT AS HAVING A "STATED ROE"?

A. When I use the term stated ROE, I am referring to the fact that the Settlement recommends that the Commission "allow Xcel Energy to represent its authorized ROE as nine and two-tenths percent (9.20%) for settlement purposes in this rate case Proceeding." This provision means that the Settlement "states" the Company's ROE at 9.2 percent. Under the structure of the Settlement, however, the ROE is decoupled from the negotiated revenue increases. In other words, the 9.20 percent ROE is not used to calculate the rate increases agreed to in the Settlement. Rather, the stated

ROE is to be used for the other purposes for which the Company requires an ROE.

Q. FOR WHAT PURPOSES DOES THE COMPANY INTEND TO USE THE STATED ROE, SHOULD THE COMMISSION ADOPT THE SETTLEMENT?

A. In public references to the ROE authorized in this rate case including future dockets and riders, the Company would say 9.2 percent is the stated ROE from the Settlement. That said, the other Settling Parties may advocate for other positions and the Commission may review the ROE in each docket for setting rider rates.

Q. HOW WILL THE SETTLEMENT PROVIDE ADEQUATE CUSTOMER PROTECTIONS?

A. In the Settlement, the Company agreed to approximately half of its requested revenue increase. The Settlement also includes a sales true-up so that the customer is protected from the forecasting risk of increasing sales over the settlement term. In addition, the Company will continue to file jurisdictional annual reports with its actual recorded jurisdictional financials and earnings to provide transparency in its financial performance. The Settlement also notes on page 12, part VI. E. that the Commission has legal authority under Minn. Stat. § 216B.16, subd. 19(e) for rate setting oversight during the settlement term.

Q. IN YOUR DIRECT TESTIMONY, YOU NOTE THAT THE COMPANY WILL CONTINUE ITS PRACTICE OF AN ANNUAL COMPLIANCE FILING FOR INCENTIVE COMPENSATION AND THE NOL. WILL THE COMPANY CONTINUE TO DO SO IN LIGHT OF THE SETTLEMENT?

A. Yes. Attachment 5 of the Settlement anticipates the Company's need to make these and other required compliance filings.

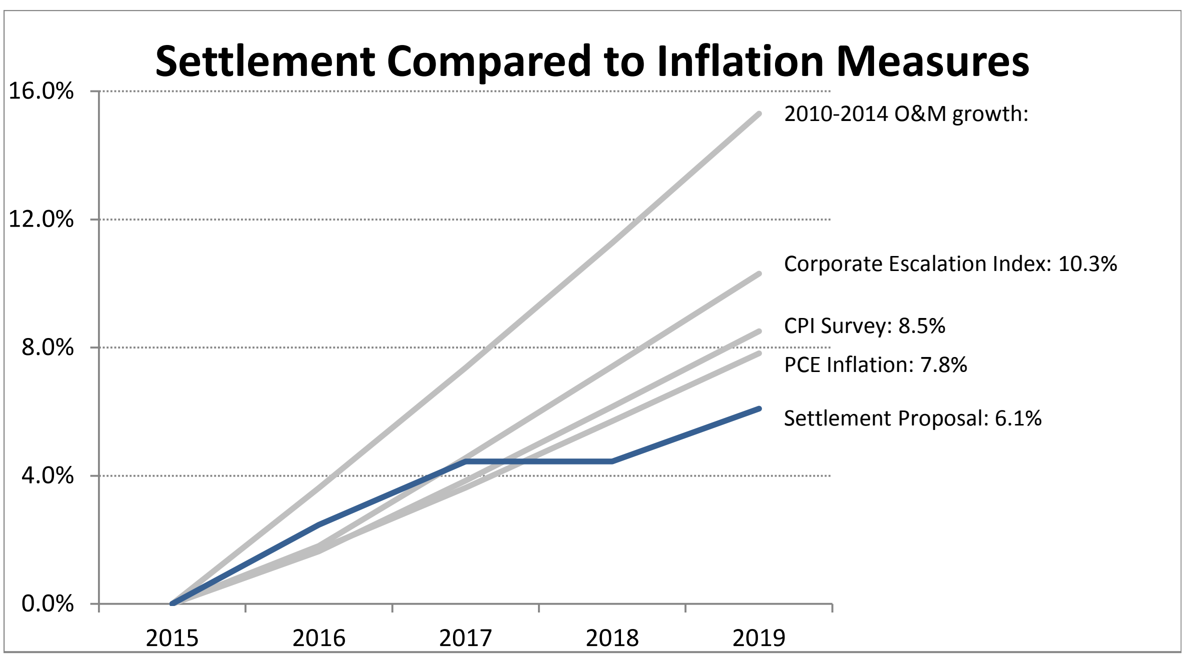
B. Settlement is Just and Reasonable

Q. DOES THE SETTLEMENT RESULT IN JUST AND REASONABLE RATES ON A COMPARATIVE BASIS?

A. Yes. In addition to the material decrease from the Company's 3-year request and 5-year offer I discussed above, the rate increases provided for in the Settlement are also lower than every economic index and measure of inflation provided in my Direct Testimony as Schedule 12, as well as the O&M and revenue requirement comparisons provided below in Figure 3.

Data supporting these comparisons are provided in Exhibit___(CRB-2), Schedule 2A, Exhibit___(CRB-2), Schedule 2B and Exhibit___(CRB-2), Schedule 3.

Figure 3



III. RESPONSE TO OAG AND AARP

Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

A. I respond to several assertions made by the OAG and AARP's witnesses regarding MYRPs generally and the Company's budgeting.

Q. OAG WITNESS MR. LINDELL MADE SEVERAL ASSERTIONS ABOUT THE OVERALL STRUCTURE AND FUNCTION OF THE COMPANY'S PROPOSED MYRP. FIRST, MR. LINDELL CLAIMS THAT YOUR DIRECT TESTIMONY INDICATED THAT THE COMPANY SEEKS RATE INCREASES IN ORDER TO OPTIMIZE SHAREHOLDER RETURNS. IS THAT AN ACCURATE CHARACTERIZATION?

A. No. To support his assertion, Mr. Lindell cites my Direct Testimony, which states that the Company is likely to modify its 2018 forecast and budget once the outcome of this case is known, and that optimizing returns would be one consideration as future budgets are modified. However, my testimony does not state that the Company's sole or primary objective in seeking a rate increase is to optimize returns.

The Company seeks rate increases when necessary to continue to provide safe and reliable service to our customers. The testimony of our business area witnesses provides information demonstrating that the costs included in our proposed MYRP are representative of costs that will be incurred based on specific operational needs, regulatory requirements, or other state policy considerations.

While the Company considers shareholder return when managing its budgets in response to rate case outcomes, returns are just one of many considerations at play. In fact, I point out in my Direct Testimony that the Company has not earned its authorized return in 10 years. I believe this demonstrates that the Company has not prioritized shareholder return over other considerations such as safety, reliability, environmental stewardship, and customer satisfaction.

Additionally, I note that the Direct Testimonies of Company witnesses Mr. Brian Van Abel and Mr. James M. Coyne explain that the Company's financial health—including its ability to generate reasonable shareholder returns—results in substantial benefits to our customers in the form of reasonable financing costs for capital investments that are necessary to continue providing safe and reliable service.

Q. REGARDING THE COMPANY'S EXPECTATION THAT IT WOULD LIKELY MODIFY BUDGETS FOR FUTURE YEARS BASED ON THE OUTCOME OF THIS CASE, DO YOU AGREE WITH MR. LINDELL'S STATEMENT THIS INDICATES THE PLAN YEAR BUDGETS ARE "FICTITIOUS"?

A. No. Those budgets represent the Company's real plans at the time of the application. As discussed in the Direct Testimony of Company witness Mr. Gregory J. Robinson, our budgeting process allows the Company to respond to changing circumstances and adjust budgets in future years accordingly. The fact that the Company may modify future year budgets based on the outcome of this case – or other factors and circumstances that might change – is a reasonable and desired behavior for the utility.

In light of the Settlement and the amount of revenues available to the Company under it, it is possible that the Company will modify its plans to efficiently utilize the lower amount of revenue provided.

Q. DO YOU AGREE WITH MR. LINDELL'S AND MS. BROCKWAY'S RECOMMENDATIONS THAT THE COMMISSION APPROVE A TWO-YEAR MYRP?

A. No. The Settlement provides for a four year MYRP that is supported by the majority of parties to this rate case. We do not believe a two-year plan would provide the benefits that could be realized under this longer-term MYRP as described in my Direct Testimony on page 5 as well as Mr. Chandarana's Direct Testimony on pages 28-29. Because the Commission decision in this case is not expected until 2017, establishing rates only through 2017 does not provide either the respite from serial rate cases or the longer-term certainty that a four year MYRP would afford.

Q. AARP WITNESS MS. BROCKWAY TESTIFIED THAT IT IS A MISCHARACTERIZATION TO REFER TO TRADITIONAL RATEMAKING AS REQUIRING A "LINE-ITEM" REVIEW OF COSTS. HOW DO YOU RESPOND?

A. I agree with Ms. Brockway in that a line-item review of costs, account by account, is not required to find just and reasonable rates. However, that type of review has been practiced in past Minnesota rate proceedings. Intervenors in the past have looked for increases in particular accounts that they view as anomalous and recommended adjustments in the test year to remove those identified amounts. This is in contrast to the structure of an MYRP, which includes representative levels of costs that are necessary to continue to provide service to customers.

The longer the MYRP period, the more the review can shift away from specific account ups-and-downs and towards an overall meeting of operational trends, policy needs, and customer interests.

Q. REGARDING COMPARISON OF AN MYRP TO TRADITIONAL RATEMAKING, OAG WITNESS MR. LINDELL SPECIFICALLY ASSERTS THAT THE COMPANY'S PROPOSED MYRP MAY BE UNLAWFUL BECAUSE IT APPEARS TO TREAT RATES IN A MANNER SIMILAR TO INTERIM RATES. DO YOU AGREE?

A. No. Approval of an MYRP with the sales true-up provided by the Settlement is not the same thing as approval of interim rates subject to later refund. As allowed under statute, interim rates are approved by the Commission prior to the comprehensive review of costs that occurs during the subsequent rate case proceeding. Interim rates are not deemed to be just and reasonable in themselves; they are simply set for an interim period while the Commission determines just and reasonable rates.

Q. DO YOU AGREE WITH MR. LINDELL'S COMMENTS THAT THE COMPANY OVER-ESTIMATED ITS CAPITAL PROJECT COSTS FOR THE 2015 STEP YEAR BY 21%?

A. No. Mr. Lindell claims that the Company fails to forecast costs accurately by referencing the 2015 Capital True-up refund. First, the 2015 step year examined a discrete set of capital projects, not the Company's overall capital costs.

Second, Mr. Lindell is inaccurately calculating the difference between actual results and what was included in the step. He ignores the offsetting tax calculations to calculate the percentage change. The correct percentage difference is 7.5% ($5.4 million/$71.6 million). These amounts are shown on

Attachment B of the 2015 Capital True-up Step Compliance filing in Docket No. E002/GR-13-868.

Third, the Company's expenditure forecast was reasonable and the cost difference was primarily due to timing of project completion, not actual spend levels compared to the forecast. When a project is completed later than forecasted, the revenue requirement decreases because the Company experiences less depreciation expense.

Lastly, the mechanism worked as intended. Customers received a refund plus interest due to timing differences of the projects that were completed later than forecasted. I note that the previous case also included a capital true-up for 2014. In that year, the Company's actual capital-related revenue requirements were more than what had been set in rates and the Company did not recover the difference. Again, the mechanism worked as intended for the purpose of that case.

Q. DO YOU AGREE WITH MR. LINDELL'S SUGGESTION THAT THE COMPANY'S JURISDICTIONAL ANNUAL REPORTS ARE UNRELIABLE?

A. No. Mr. Lindell points to changes in rate base from one year to the next. To calculate the jurisdictional balances, the Company applies actual allocation factors to its total company costs. The Company also applies currently relevant regulatory adjustments. Both of those factors will create year-to-year variations in jurisdictional rate base even while the total company rate base flows consistently from year ending balance to the next year beginning balance.

Mr. Lindell points to the difference between the 2014 ending balance for Minnesota electric utility and the 2015 starting balance as reported in the 2014 and 2015 annual reports. He notes that there is a difference of $300 million in the balances. This difference is due primarily to the Monticello EPU adjustments that were ordered by the Commission in March, 2014 compared to those ordered in May, 2015.

In March, 2014, in Docket E002/GR-12-961, the Commission ordered that $167 million of rate base be left as Construction Work in Progress (CWIP). However in May, 2015, the Commission ordered a different treatment and disallowed the return on approximately $335 million of rate base. This created the reporting discrepancy noted by Mr. Lindell.
Exhibit___(CRB-2), Schedule 4 provides an example reconciliation for Plant In Service differences between year-end 2014 and beginning of year 2015 with amounts for Total NSPM and allocated to Minnesota Electric Jurisdiction. The numbers match those presented on pages E-32 through E-34 of the jurisdictional annual report.

In 2014, the Monticello EPU adjustment was represented in Plant In Service as well as all capital-related items. In 2015, the new adjustment was represented as a revenue requirement offset. This reconciliation demonstrates that the annual reports are reliable.

IV. CONCLUSION

Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

A. Yes, it does.

REVENUE OUTCOMES

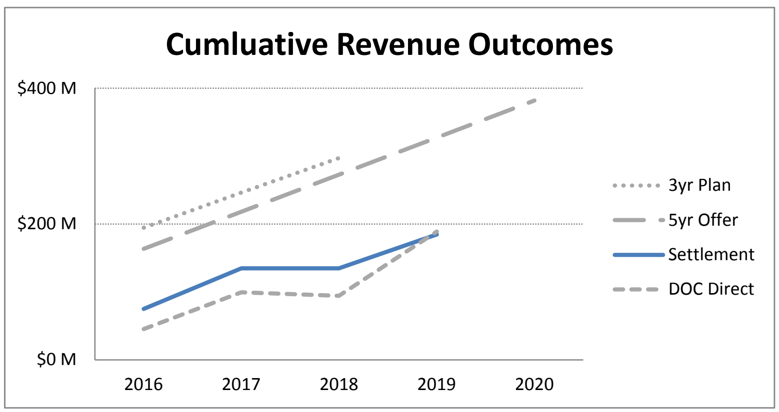
$ millions

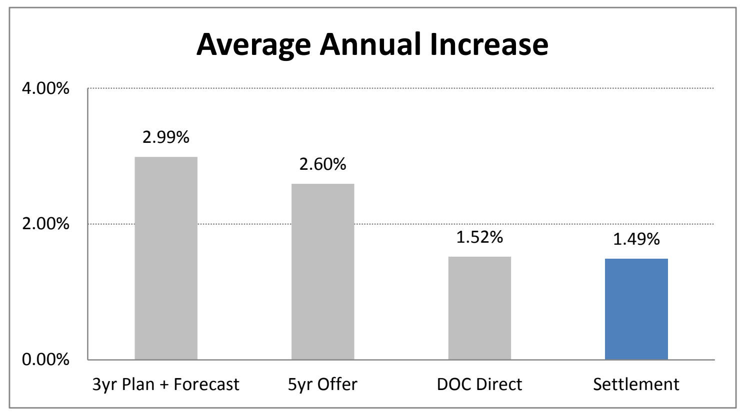
PERCENTAGE OUTCOMES

% change from 2016 present revenues as-filed of $3.034 B

		A	B	C	D	E	G	H	I	J	K	L
		CUMULATIVE					**CUMULATIVE**					% of 2019
		2016	2017	2018	2019	2020	2016	2017	2018	2019	2020	request
1	3yr Plan	194.6	246.7	297.1	N/A	N/A	6.4%	8.1%	9.8%	N/A	N/A	
2	Forecast	-	-	-	379.6	427.7	0.0%	0.0%	0.0%	12.5%	14.1%	
3	3yr Plan + Forecast	194.6	246.7	297.1	379.6	427.7	6.4%	8.1%	9.8%	12.5%	14.1%	100.0%
4	5yr Offer	163.7	218.3	272.9	327.5	382.1	5.4%	7.2%	9.0%	10.8%	12.6%	86.3%
5	DOC Direct	45.6	99.4	94.4	189.0	219.7	1.5%	3.3%	3.1%	6.2%	7.2%	49.8%
6	Settlement	75.0	134.9	134.9	185.0	N/A	2.5%	4.4%	4.4%	6.1%	N/A	48.7%

		A	B	C	D	E	F = sum(A to D)	G	H	I	J	K	L	M
		INCREMENTAL					2019	**INCREMENTAL**					**thru 2019**	
		2016	2017	2018	2019	2020	Total	2016	2017	2018	2019	2020	Total	CAGR
7	3yr Plan + Forecast	194.6	52.1	50.5	82.5	48.1	379.6	6.4%	1.7%	1.7%	2.7%	1.6%	12.5%	2.99%
8	5yr Offer	163.7	54.6	54.6	54.6	54.6	327.5	5.4%	1.8%	1.8%	1.8%	1.8%	10.8%	2.60%
9	DOC Direct	45.6	53.8	(5.0)	94.7	30.7	189.0	1.5%	1.8%	-0.2%	3.1%	1.0%	6.2%	1.52%
10	Settlement	75.0	59.9	-	50.1	N/A	185.0	2.5%	2.0%	0.0%	1.7%	N/A	6.1%	1.49%





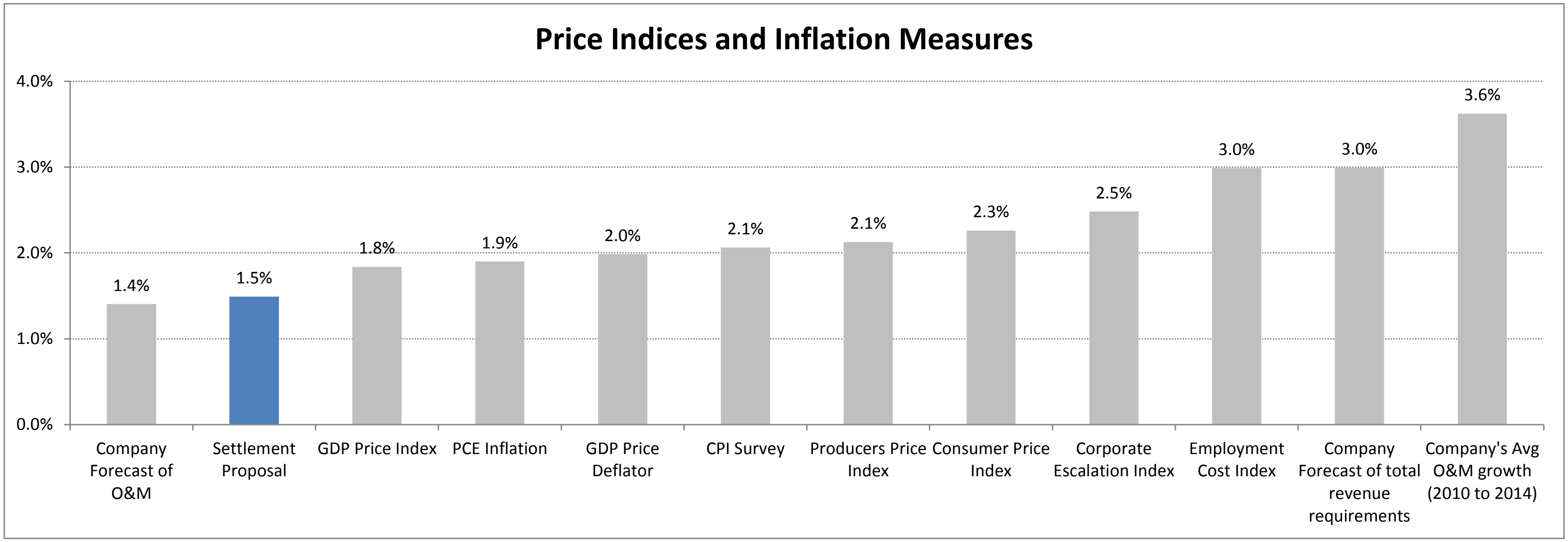
References

3yr Plan	Burdick Direct, Sch 13
Forecast	Burdick Direct, Sch 13; Vol 3, Sec II, Tab 8
5yr Offer	Chandarana Direct, pg 74
DOC Direct	Lusti Direct, DVL-9 (2nd errata)
Settlement	Settlement, pg 5

Settlement Growth Rate Compared to Inflation Measures

Rank	Measure	Growth Rates 2016 over 2015	2017 over 2016	2018 over 2017	2019 over 2018	CAGR	Compounded	Source
1	Company Forecast of O&M	1.8%	1.8%	2.0%	0.2%	1.4%	6.0%	Burdick Direct, Sch 13, line 28
2	Settlement Proposal (covers Capital + O&M)	2.5%	2.0%	0.0%	1.7%	1.5%	6.1%	Settlement
3	GDP Price Index	1.9%	1.8%	1.8%	1.8%	1.8%	7.6%	Burdick Direct, Sch 12
4	PCE Inflation	1.7%	1.9%	2.0%	2.0%	1.9%	7.8%	US Federal Reserve, 9/17/2016
5	GDP Price Deflator	1.8%	1.8%	1.8%	2.6%	2.0%	8.2%	Burdick Direct, Sch 12
6	CPI survey* - Wall Street Journal	1.6%	2.2%	2.2%	2.2%	2.1%	8.5%	Burdick Rebuttal, Sch 2B
7	Producers Price Index	1.2%	2.5%	2.5%	2.3%	2.1%	8.8%	Burdick Direct, Sch 12
8	Consumer Price Index	1.8%	2.3%	2.5%	2.4%	2.3%	9.3%	Burdick Direct, Sch 12
9	Corporate Escalation Index	1.8%	2.7%	2.7%	2.7%	2.5%	10.3%	Burdick Direct, Sch 12
10	Employment Cost Index	2.7%	2.9%	3.1%	3.2%	3.0%	12.5%	Burdick Direct, Sch 12
11	Company Forecast of total revenue requirements	6.4%	1.7%	1.7%	2.7%	3.0%	12.5%	Burdick Direct, Sch 13, line 38
12	Company's Avg O&M growth (2010 to 2014)	3.6%	3.6%	3.6%	3.6%	3.6%	15.3%	Burdick Rebuttal, Sch 3, lines 11 & 12

* The CPI survey value for 2018 is also shown for 2019.



	WSJ Economic Survey September 2016		GDP				GDPS			CPI				
	Name:	Organization:	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Jan 2016	Jan 2017	Jan 2018	Dec 2016	June 2017	Dec 2017	June 2018	Dec 2018
1	Lewis Alexander	Nomura Securities Internationa	1.0	2.3	1.9	2.1	1.5	Page 1 of 1	1.6	1.8	2.1	2.2	2.2	2.2
2	Paul Ashworth	Capital Economics	1.0	2.5	2.5	2.3	1.5	2.2	1.7	1.7	2.5	2.7	2.8	2.8
3	Daniel Bachman	Deloitte LP		4.2	3.1	2.4	2.3	2.4	1.4	1.6	1.8	1.5	2.0	2.4
4	Bernard Baumohl	Economic Outlook Group	1.1	2.7	2.5	2.4	1.8	2.8	2.6	1.5	1.9	2.3	2.4	2.6
5	Nariman Behravesh	IHS Global Insight	1.1	3.0	2.4	2.7	1.8	2.4	2.3	2.1	2.6	2.3	2.3	2.4
6	David Berson	Nationwide Insurance	1.3	3.5	3.0	1.9	2.2	2.4	2.3	1.9	2.0	2.2	2.3	2.5
7	Brian Bethune	Tufts University	1.0	3.0	2.4	2.0	1.9	2.2	2.3	1.6	1.9	2.0	2.1	2.2
8	Steven Blitz *	M Science												
9	Beth Ann Bovino	Standard and Poor's	1.2	2.8	2.7	1.7	2.0	2.3	2.3	1.9	2.5	2.3	2.2	2.1
10	Michael Carey	Credit Agricole CIB	1.2	3.4	2.3	2.0	1.9	2.2		1.5	1.9	2.5		
11	Joseph Carson	AllianceBernstein	1.5	3.5	3.0	3.0	2.2	3.0	3.0	1.5	2.5	3.0	3.0	3.0
12	Mike Cosgrove	Econoclast	1.1	2.5	2.2	2.0	1.7	2.1	2.2	1.9	2.3	2.3	2.2	2.0
13	Thomas Costerg *	Standard Chartered												
14	Lou Crandall	Wrightson ICAP	1.4	3.1	2.3	2.3	2.0	2.3	2.3	1.7	2.4	2.7	2.6	2.5
15	Amy Crews Cutts	Equifax	1.1	2.0	2.2	2.0	1.5	2.2	2.5	1.2	1.4	1.6	1.3	1.5
16	David Crowe	National Association of Home	1.1	2.5	2.4	2.5	1.7	2.5	2.3	1.8	1.9	2.0	2.1	2.2
17	J. Dewey Daane	Vanderbilt University	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.0	1.0	1.0	1.0	1.0
18	Greg Daco	Oxford Economics	1.3	3.4	2.3	1.8	1.9	2.2	2.1	1.5	2.1	2.1	2.0	2.0
19	Rajeev Dhawan	Georgia State University	1.1	2.8	2.0	2.7	1.7	2.3	2.1	1.6	2.2	2.5	2.6	2.7
20	Shawn DuBravac *	Consumer Electronics Association												
21	Douglas Duncan	Fannie Mae	1.1	2.9	2.3	2.2	1.8	1.8	1.7	1.9	2.5	2.3	2.3	2.3
22	Robert Dye	Comerica Bank	1.1	2.0	2.5	2.8	1.6	2.5	2.2	1.2	1.8	2.1	1.9	2.0
23	Maria Fiorini Ramirez/Joshua S	MFR, Inc.		3.3	2.5	1.7	1.9	0.3		1.8	2.0	1.7		
24	Mike Fratantoni	Mortgage Bankers Associatior	1.2	3.0	2.2	2.0	1.8	2.2	1.9	1.6	2.1	2.1	2.3	2.5
25	Michael Gapen *	Barclays Capital												
26	Michelle Girard *	Royal Bank of Scotland												
27	Michael Gregory	BMO Capital	1.3	3.1	2.4	2.0	1.8	2.2	2.0	1.8	2.2	2.2	2.1	2.0
28	Ethan Harris	Bank of America Securities- M	1.4	2.4	2.7	2.1	1.8	1.9		1.8	2.3	2.2		
29	Maury Harris *	UBS												
30	Jan Hatzius	Goldman, Sachs & Co.		2.9	2.3	2.0	1.8	2.0	1.9	1.4	2.0	2.4	2.2	2.3
31	Tracy Herrick *	Avidbank												
32	Stuart Hoffman *	PNC Financial Services Group												
33	Derek Holt	Scotiabank	1.1	3.0	2.0	2.2	1.7	2.3	2.0	1.7	2.2	2.3	2.0	2.0
34	Constance Hunter	KPMG	1.1	3.1	2.7	2.5	2.0	2.2	1.6	2.5	2.4	2.0	1.4	2.0
35	Nathaniel Karp	BBVA Compass	1.1	2.9	2.6	1.4	1.8	2.0	2.0	1.8	2.0	2.1	2.2	2.2
36	Jack Kleinhenz	National Retail Federation	1.3	2.4	2.0	2.0	1.8	2.1		1.8	2.2	2.3		
37	Joseph LaVorgna	Deutsche Bank Securities, Inc	1.1	1.2	1.8	1.6	1.3	1.9	1.8	2.0	2.4	1.9	1.8	1.8
38	Edward Leamer/David Shulma	UCLA Anderson Forecast	1.1	2.9	2.5	2.7	1.9	2.3	2.2	1.9	2.9	2.7	2.9	2.7
39	Don Leavens/Tim Gill *	NEMA Business Information Services												
40	Kevin Logan	HSBC Securities	1.3	3.1	2.3	2.0	1.8	2.0		1.4	2.0	2.0		
41	John Lonski	Moody's Investors Service	1.1	3.3	2.2	2.0	1.5	2.1	1.6	1.5	1.7	1.6	1.4	1.4
42	Aneta Markowska	Societe Generale	1.1	3.3	2.4	2.3	1.9	2.0	0.5					
43	Ward McCarthy *	Jeffries & Company												
44	Jim Meil	ACT Research	1.3	3.3	2.2	2.3	1.8	2.5	2.5	1.7	1.9	2.2	2.2	2.3
45	Michael Moran	Daiwa Capital	1.1	3.2	2.5	2.2	1.9	2.3	0.8	1.3	1.9	2.3	2.4	2.2
46	Chad Moutray	National Association of Manuf	1.1	2.5	2.0	1.5	1.8	2.0	2.0	1.4	2.2	2.6	2.7	2.8
47	Millan Mulraine *	TD Securities												
48	Joel Naroff	Naroff Economic Advisors	1.3	3.4	2.9	2.3	2.1	2.4	2.5					
49	Mark Nielson *	MacroEcon Global Advisors												
50	Frank Nothaft	Corelogic	1.2	2.6	2.6	2.5	1.8	2.2	2.2	1.6	2.2	2.3	2.3	2.4
51	Jim O'Sullivan	High Frequency Economics	1.3	2.5	2.3	2.3	1.7	2.3		1.7	2.2	2.7		
52	Lindsey Piegza	Stifel, Nicoulas and Company,	2.2	2.5	1.6	1.1	1.9	1.7	1.1	1.3	0.9	1.0	0.7	0.7
53	Tom Porcelli *	RBC Capital												
54	Dr. Joel Prakken/ Chris Varvar	Macroeconomic Advisers	1.3	3.3	2.4	2.2	1.9	2.2	1.9	2.0	2.4	2.3	2.2	2.2
55	Russell Price	Ameriprise Financial	1.3	3.8	2.8	2.2	1.6	2.4	2.5	1.6	1.9	2.2	2.2	2.1
56	Arun Raha	Eaton Corp.	1.1	2.2	2.4	2.1	1.5	2.1	2.2	1.2	1.3	1.4	1.5	1.6
57	Lynn Reaser	Point Loma Nazarene Univers	1.3	3.4	2.5	2.3	2.0	2.2	2.3	1.7	1.8	2.0	2.1	2.2
58	Martin Regalia	Chamber of Commerce	1.0	2.5	2.4	2.3	1.7	2.1		1.5	1.9	1.8		
59	Ian Shepherdson	Pantheon Macroeconomics	1.3	4.0	3.0	1.5	2.3	2.7	0.0	1.6	2.0	2.3	2.5	2.0
60	Daniel Silver *	JP Morgan Chase & Co.												
61	John Silvia	Wells Fargo & Co.	1.3	2.4	2.1	2.2	1.9	2.1	2.2	1.6	2.0	2.4	2.4	2.4
62	Allen Sinai	Decision Economics, Inc.	1.3	2.9	2.7	3.2	2.0	2.6	2.0	1.3	1.6	2.1	2.2	2.4
63	James F. Smith	Parsec Financial Management	1.2	3.4	3.6	3.3	2.3	3.9	4.0	1.2	1.4	1.6	1.7	1.8
64	Sean M. Snaith	University of Central Florida	1.0	2.5	2.3	2.5	1.8	2.1	2.1	2.1	2.1	2.0	2.4	2.5
65	Sung Won Sohn	California State University	1.2	2.5	2.0	2.0	1.4	2.0	2.0	1.2	1.4	1.6	1.8	1.8
66	Stephen Stanley	Pierpont Securities	1.2	4.1	2.5	2.3	2.2	2.6	2.6	2.1	3.0	3.3	3.4	3.3
67	Susan M. Sterne	Economic Analysis Associates	1.2	2.9	2.1	2.2	1.7	2.4	3.2	2.0	2.5	2.1	2.6	2.5
68	James Sweeney	CSFB	1.3	2.6	2.3	2.4	1.7	2.2		1.6	1.8	2.5		
69	Kevin Swift	American Chemisty Council	1.0	2.8	2.3	2.0	1.8	2.3	1.8	1.5	2.3	2.5	2.5	2.3
70	Diane Swonk	Diane Swonk & Associates LL	1.3	3.1	2.3	2.2	1.6	2.1	2.2	1.0	2.0	2.2	2.4	2.4
71	Carl Tannenbaum	The Northern Trust	1.1	2.9	2.4	2.1	1.8	2.1	2.0	1.5	1.6	2.1	2.2	2.1
72	US Economics Team	BNP Paribas		3.0	1.5	1.3	1.4	1.5		1.6	2.0	2.2		
73	Bart van Ark	The Conference Board		2.5	2.0	1.9	1.7	1.7	1.6	1.8	2.2	2.4	2.5	
74	Brian S. Wesbury/ Robert Steir	First Trust Advisors, L.P.	1.3	2.5	3.0	2.5	1.9	2.6	1.9	1.8	2.5	2.8	2.9	3.0
75	William T. Wilson *	The Heritage Foundation												
76	Lawrence Yun	National Association of Realto	1.1	2.5	2.2	2.1	1.6	2.2	2.5	2.0	2.5	2.6	2.6	2.5
77	Ellen Zentner *	Morgan Stanley												
		Sept	**1.2**	**2.9**	**2.4**	**2.2**	**1.8**	**2.2**	**2.0**	**1.6**	**2.1**	**2.2**	**2.2**	**2.2**
		Aug	1.3	2.7	2.4	2.1	1.8	2.2	2.1	1.7	2.1	2.2	2.2	2.2
		July	2.5	2.3	2.3	2.1	2.0	2.2	2.1	1.8	2.2	2.2	2.2	2.2
		June	2.4	2.3	2.5	-	2.0	2.3	2.2	1.8	2.2	2.2	2.3	2.3
		May	2.2	2.3	2.4	-	1.9	2.2	2.2	1.7	2.1	2.2	2.3	2.3
		April	2.3	2.4	2.4	-	2.1	2.3	2.2	1.8	2.2	2.2	2.3	2.3
		March	2.4	2.4	2.5	-	2.4	2.3	2.2	1.8	2.3	2.3	2.3	2.3
		Feb	2.4	2.4	2.4	-	2.3	2.3	2.2	1.7	2.2	2.3	2.3	2.3
		Jan	2.5	2.6	2.5	-	2.5	2.4	2.3	1.9	2.2	2.3	2.3	2.3
		Dec	2.7	2.6	2.6	-	2.6	2.4	2.3	2.1	2.2	2.3	-	-
		Nov	2.7	2.7	2.6	-	2.6	2.5	-	2.1	2.3	2.4	-	-
		Oct	2.7	2.6	2.6	-	2.7	2.5	-	2.1	2.2	2.3	-	-
		Sept	2.7	2.7	2.6	-	2.6	2.5	-	2.1	2.3	2.4	-	-

* no forecasts submitted for this month's survey.

Economists are listed in alphabetical order; Averages are for economists polled at time of survey.

Northern States Power Company
Electric Utility - Minnesota
O&M Expenses and Growth Rates
($)

Description:
This schedule presents a reasonable method for comparing the Company's year to year O&M costs without highly variable items, many of which are captured in riders.
Those variable items include Fuel, Purchased Power, Transmission Cost of Goods Sold, Transmission Interchange costs, and CIP Expenses.
This method of comparison is repeatable across most data sets that are identified by FERC account and reasonable for year-to-year comparison for NSPM and MN Electric Jurisdiction.

Line No.	Year	O&M Expense (a)	Fuel FERC 501,518,547 (b.1)	Purchased Power FERC 555-557, 575 (b.2)	Trans COG FERC 565 (b.3)	Trans I/A FERC 566 (b.4)	CIP Expenses FERC 908 (b.5)	Total Cost of Goods and CIP (b) = sum(b.1-b.5)	Actual O&M w/o COGS (c) = (a) - (b)	Yearly Change Increase or Decrease (d)	Percent Increase or Decrease (e)	Footnotes
1	2010	$ 2,335,105,000	$ 511,364,170	$ 846,764,506	$ 72,987,947	$ 44,628,933	$ 77,805,858	$ 1,553,551,414	$ 781,553,586			
2	2011	$ 2,348,873,000	$ 512,118,392	$ 780,019,450	$ 82,325,741	$ 52,072,086	$ 113,869,712	$ 1,540,405,381	$ 808,467,619	$ 26,914,033	3.44%	1
3	2012	$ 2,358,507,000	$ 504,270,793	$ 788,306,982	$ 92,836,732	$ 55,796,964	$ 101,309,552	$ 1,542,521,023	$ 815,985,977	$ 7,518,358	0.93%	1
4	2013	$ 2,496,685,840	$ 502,912,597	$ 866,185,426	$ 109,781,838	$ 62,908,695	$ 82,254,161	$ 1,624,042,716	$ 872,643,124	$ 56,657,147	6.94%	1
5	2014	$ 2,571,118,605	$ 552,014,623	$ 797,722,115	$ 127,478,840	$ 71,053,692	$ 121,727,566	$ 1,669,996,836	$ 901,121,769	$ 28,478,645	3.26%	1
6	2015	$ 2,434,907,223	$ 529,014,149	$ 713,303,632	$ 145,834,038	$ 85,748,975	$ 111,511,046	$ 1,585,411,841	$ 849,495,382	$ (51,626,387)	-5.73%	1
7	2016TY	$ 2,342,900,271	$ 545,995,090	$ 646,204,300	$ 61,604,004	$ 102,308,973	$ 90,452,848	$ 1,446,565,214	$ 896,335,057	$ 46,839,674	5.51%	1
8	2017	$ 2,602,175,861	$ 541,657,803	$ 775,739,023	$ 182,866,689	$ 103,458,457	$ 59,458,409	$ 1,663,180,382	$ 938,995,480	$ 42,660,423	4.76%	1
9	2018	$ 2,665,010,037	$ 542,384,034	$ 802,276,980	$ 192,210,298	$ 108,303,230	$ 66,923,974	$ 1,712,098,516	$ 952,911,520	$ 13,916,041	1.48%	1
10	2019	$ 2,765,481,314	$ 581,207,191	$ 812,962,190	$ 202,905,342	$ 134,514,173	$ 66,960,320	$ 1,798,549,216	$ 966,932,098	$ 14,020,578	1.47%	1
11										**2010-2014 Compounded Annual Growth Rate (CAGR)**	**3.62%**	2
12										**2010-2014 Compounded Growth Rate**	**15.30%**	2

1/ Actual data per Xcel's May 5, 2016 Supplemental Response to DOC-122.
2/ As shown on CRB-2 Schedule 2

Northern States Power Company
Electric Utility - Minnesota
Plant In Service Reconciliation Differences

Docket No. E002/GR-15-826
Exhibit___(CRB-2), Schedule 4
Page 1 of 1

		A	B		C	D	E = C - B	F	G	H = A * G	I = B * G	J	K = C * J	L = D * J	M = K - I	N = C * (J-G)
		TOTAL NSPM						**MN JURISDICTION**								
		2014 BOY	**2014 EOY**		**2015 BOY**	**2015 EOY**	**2014-2015 EOY to BOY Difference**	**Ann Rpt Ref**	**Jur %**	**2014 BOY**	**2014 EOY**	**Jur %**	**2015 BOY**	**2015 EOY**	**2014-2015 EOY to BOY Difference**	**Diff due to Jur Alloc**
1	PRODUCTION															
2	Base Data: Demand Alloc	8,205,807	8,797,130	->	8,797,130	9,160,820	0		87.5%	7,502,309	7,699,987	87.3%	7,676,314	7,993,667	(23,673)	(23,673)
3	Base Data: Energy Alloc	731,346	731,691	->	731,691	1,324,137	0		87.5%	640,216	640,518	87.5%	640,222	1,158,607	(296)	(296)
4	Reg Adj: Monticello EPU	(359,861)	(359,904)		0	0	359,904		87.5%	(314,980)	(315,018)				315,018	0
5	Reg Adj: Nobles over cap	(5,618)	(5,618)		0	0	5,618		100.0%	(5,618)	(5,618)				5,618	0
6	Pre-Funded AFUDC	(109,458)	(109,458)	->	(109,458)	(109,458)	0		100.0%	(109,458)	(109,458)	100.0%	(109,458)	(109,458)	0	0
7	**Total Production**	8,462,216	9,053,841		9,419,363	10,375,499	365,522	**E-32**		7,712,469	7,910,411		8,207,078	9,042,816	296,667	
8																
9																
10	TRANSMISSION															
11	Base Data: Demand Alloc	2,252,801	2,803,623	->	2,803,622	3,247,505	(1)		87.5%	1,971,841	2,453,965	87.3%	2,446,421	2,833,749	(7,544)	(7,544)
12	Base Data: Direct MN	(12,570)	(16,393)	->	(16,393)	(26,521)	0		100.0%	(12,570)	(16,393)	100.0%	(16,393)	(26,521)	0	0
13	Base Data: Non-MN	(164)	(804)	->	(804)	(1,869)	0		0.0%	0	0	0.0%	0	0	0	0
14	**Total Transmission**	2,240,067	2,786,426	->	2,786,425	3,219,115	(1)	**E-33**		1,959,271	2,437,572		2,430,028	2,807,228	(7,544)	
15																
16																
17	DISTRIBUTION															
18	Base Data: Cust Alloc	5,382	5,432	->	5,432	5,423	0		87.5%	4,710	4,754	87.3%	4,739	4,732	(16)	(15)
19	Base Data: Direct MN	2,983,704	3,089,445	->	3,089,441	3,202,789	(4)		100.0%	2,983,704	3,089,445	100.0%	3,089,441	3,202,789	(4)	0
20	Base Data: Non-MN	362,928	416,198	->	416,198	441,334	0		0.0%	0	0	0.0%	0	0	0	0
21	**Total Distribution**	3,352,014	3,511,074	->	3,511,070	3,649,546	(4)	**E-33**		2,988,414	3,094,199		3,094,180	3,207,521	(19)	
22																
23																
24	GENERAL															
25	Base Data: Cust Alloc	141,070	154,741	->	152,893	188,570	(1,847)		87.5%	123,380	135,336	87.4%	133,573	164,742	(1,763)	(147)
26	Base Data: Demand Alloc	452,842	533,880	->	535,728	611,128	1,847		87.5%	396,365	467,297	87.3%	467,472	533,266	175	(1,442)
27	**Total General**	593,912	688,621	->	688,621	799,698	(0)	**E-34**		519,745	602,633		601,045	698,008	(1,587)	
28																
29																
30	COMMON															
31	Base Data: Cust Alloc	174,301	200,677		208,302	229,250	7,625		87.5%	152,444	175,512	87.4%	181,980	200,282	6,468	(200)
32	Base Data: Demand Alloc	266,211	294,999		286,107	312,917	(8,892)		87.5%	233,011	258,208	87.3%	249,656	273,048	(8,552)	(771)
33	**Total Common**	440,512	495,675		494,409	542,167	(1,266)	**E-34**		385,455	433,719		431,636	473,330	(2,083)	
34																
35	**Total Plant in Service**	**15,088,721**	**16,535,637**		**16,899,888**	**18,586,025**	**364,251**	**E-34**	**87.6%**	**13,565,355**	**14,478,534**	**87.3%**	**14,763,967**	**16,228,903**	**285,433**	

Notes

The Total NSPM EOY 2014 equals the BOY 2015 for all functions except for Common, which is due to changes in utility allocators from year to year.
The non-adjustment jurisdictional differences are due to changes in jurisdictional allocators except for Common, again due to changes in jurisdiction and utility allocators.
There was a correction to General in 2015 to move $1.8 million from Customer allocated to Demand allocated.
The "Monticello EPU" and "Nobles Amount over Cap" regulatory adjustments use a revenue offset in 2015 rather than a plant adjustment.