

Direct Testimony and Schedules
Greg P. Chamberlain

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-20-723
Exhibit__(GPC-1)

Policy and Multi-Year Rate Plan

November 2, 2020

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1 **I. INTRODUCTION**

2
3 Q. PLEASE STATE YOUR NAME, OCCUPATION AND JOB RESPONSIBILITIES.

4 A. My name is Greg P. Chamberlain. I am the Regional Vice President for
5 Regulatory and Government Affairs for Northern States Power Company-
6 Minnesota (NSPM or the Company), d/b/a Xcel Energy. In this role, I
7 am responsible for state government relations and regulatory filings with the
8 utility commissions in Minnesota, North Dakota and South Dakota, including
9 proceedings related to rates, resource planning, and service quality filings.

10
11 Q. PLEASE SUMMARIZE YOUR QUALIFICATIONS AND EXPERIENCE.

12 A. I joined Xcel Energy in 2000 and have held positions in the Company
13 including in the Transmission and Energy Supply business areas prior to
14 serving as Regional Vice President for Government and Community
15 Relations, and then moving to my current role. While serving as Director of
16 Transmission Portfolio Delivery for the Company, I was responsible for the
17 engineering, project management, project controls and permitting of a \$4
18 billion electric transmission capital portfolio across 10 states. In addition, I
19 acted as Xcel Energy’s management committee representative on each of four
20 CapX2020 projects. As General Manager of Power Generation, I was
21 responsible for the operations of the Company’s fleet of power plants across
22 Minnesota, Wisconsin, and South Dakota. I have a Master of Business
23 Administration from the University of Minnesota Carlson School of
24 Management and a Bachelor of Science degree in Chemical Engineering from
25 Purdue University. Exhibit___(GPC-1), Schedule 1 summarizes my
26 qualifications.

1 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

2 A. I present the Company's overall case to the Minnesota Public Utilities
3 Commission for approval of a multi-year rate plan (MYRP) for the period
4 2021-2023. A multi-year rate plan, modeled after and incorporating the
5 lessons learned from our current MYRP, approved in Docket No. E002/GR-
6 15-862, (the 2016-2019 MYRP) and extended for an additional year by the
7 2020 stay-out in Docket No. E002/M-19-688, can provide many benefits for
8 our customers, policy makers, regulators, other stakeholders, and the
9 Company.

10

11 To support our request and inform the Commission's decision in this matter,
12 my testimony will:

- 13 • Discuss the successes achieved through the 2016-2019 MYRP and why
14 another MYRP provides the proper ratemaking construct now;
- 15 • Explain how this MYRP proposal will help us provide a better product
16 for our customers while still maintaining affordability, and continue to
17 collaborate with stakeholders, as the utility landscape continues to
18 evolve;
- 19 • Outline the Company's three-year multi-year rate proposal;
- 20 • Demonstrate how the Company's proposed MYRP (1) complies with
21 Minnesota Statute § 216B.16, subd. 19 (the MYRP Statute) and the
22 Commission's MYRP Order; and, (2) results in just and reasonable
23 rates; and
- 24 • Describe the structure of our case and introduce the Company's
25 witnesses.

26

27 Overall, my testimony describes the Company's plans to both (1) build on the

1 successes that we and our stakeholders have achieved over the past five years;
2 and (2) support these efforts going forward. We believe understanding our
3 rate request from this perspective confirms that our proposed MYRP is
4 consistent with the public interest and continues to be the appropriate
5 ratemaking construct for the Company.

6
7 Q. CAN YOU SUMMARIZE THE COMPANY'S RATE REQUEST?

8 A. We propose a three-year rate plan, with a 2021 test year net incremental
9 revenue deficiency of \$405.8 million; a 2022 plan year net incremental revenue
10 deficiency of \$98.5 million; and a 2023 plan year net incremental revenue
11 deficiency of \$93.1 million. These revenue deficiencies are based on a 10.20
12 percent return on equity (ROE) throughout the three-year MYRP period, as
13 recommended by Company witness Mr. Dylan W. D'Ascendis and are
14 reflected in Table 1, below.

15
16 **Table 1**
17 **Revenue Deficiencies During Term of MYRP**
18 **(\$ in millions, rounded)**

19

	2021	2022	2023	Total
Net Incremental Deficiency	\$406	\$99	\$93	\$597
Net percent rate increase	13.2%	3.3%	3.2%	19.7%

20
21
22

23 We also propose rolling the revenue requirements from certain projects that
24 are currently recovered through riders into base rates. While these rider roll-
25 ins do not impact the total bills paid by our customers (since the roll-in will
26 lead to a decrease in the revenues recovered through the riders), they increase
27 the base rate increase request for 2021 by \$150 million, while decreasing the

1 base rate increase request by \$14 million and \$13 million in 2022 and 2023,
2 respectively, compared to the numbers presented in Table 1.

3
4 Q. DID THE COMPANY EXPLORE ALTERNATIVES TO FILING ANOTHER RATE CASE?

5 A. Yes. We recognize that the COVID-19 pandemic has disrupted the economy
6 and our communities, and we believe we can play a substantial role in
7 stimulating economic development and job creation to help the economic
8 recovery. At the same time, we recognize that our efforts in assisting in the
9 recovery cannot be undertaken without maintaining affordable energy prices
10 for our customers who are already facing hardships. Therefore, we brought
11 forward a plan in the COVID-19 Relief and Recovery Docket (Docket
12 E,G999/CI-20-492) that includes a petition for approval of a rate mitigation
13 plan and the continuation of previously approved true-ups, that would allow
14 the Company to avoid a base rate increase in 2021. The “Rate Case Stay Out
15 Proposal” brought forward in that petition is under consideration in Docket
16 No. E,G002/M-20-743 (“743 Docket”). If it is approved, the Company will
17 withdraw this rate case and current base rates will remain in effect.

18
19 Q. IF THIS CASE MOVES FORWARD, WHY IS THE COMPANY PROPOSING ANOTHER
20 MULTI-YEAR RATE PLAN?

21 A. The last five years have proven the value of an MYRP to a broad group of
22 stakeholders. As I discuss in more detail below, in our last rate case, we set out
23 a number of goals that could be achieved and benefits that could be derived
24 from a MYRP ratemaking construct. The past five years have demonstrated
25 that the parties and Commission succeeded in crafting a MYRP that delivered
26 on this potential. We believe another MYRP can deliver similar benefits going
27 forward.

1 As we discussed in that case, customer demands, state policy initiatives, and
2 the business environment for utilities are changing. These ongoing changes
3 require utilities and regulators to change as well. We need to innovate to better
4 respond to the changing needs of customers and other constituencies. Our
5 current MYRP proposal will enable us to do so, while providing electric service
6 at just and reasonable rates over this time period. As I discuss below, the
7 Company continues pursuing a number of critical initiatives, in concert with
8 our stakeholders, including: (1) expanding our renewable energy portfolio and
9 transforming our generation fleet; (2) creating an advanced distribution grid
10 to better serve our customers and enable further transformation of our overall
11 energy delivery system; and (3) promoting continued electrification of
12 Minnesota's transportation system. Another MYRP will enable this critical
13 work to continue, for the benefit of our customers and the State.

14
15 Q. WHAT WERE THE POLICY CONSIDERATIONS THAT LED THE COMPANY TO
16 PROPOSE A MYRP IN ITS LAST RATE CASE?

17 A. A number of factors led us to propose a MYRP, including:

- 18 • changing customer and stakeholder needs and expectations;
- 19 • emerging technologies;
- 20 • stagnant or declining sales and load growth;
- 21 • the need to break the cycle of increasingly frequent rate case filings; and
- 22 • the opportunities created by a MYRP – for the Company, for customers
23 and others.

24 These same factors continue to support a MYRP today.

1 Q. AND DID THE 2016-2019 MYRP SUCCEED IN ADDRESSING THOSE ISSUES IN A
2 MEANINGFUL WAY?

3 A. Absolutely, and the results of the 2016-2019 and the subsequent 2020 stay-out
4 are reflected in this filing. Looking back at the past five years, the MYRP
5 provided multiple benefits to stakeholders, such as:

- 6 • Enabling unprecedented stakeholder engagement that informed the
7 Company’s 2019 Integrated Resource Plan (IRP), the Commission’s
8 ongoing Performance Based Ratemaking (PBR) docket, the Company’s
9 advanced grid efforts and plans, as set forth in the Integrated
10 Distribution Plan (IDP) and the Company’s ambitious “Relief and
11 Recovery” plan to aid Minnesota’s recovery from the ongoing COVID-
12 19 pandemic;
- 13 • Advancement of major new policy initiatives, as I discuss below;
- 14 • Preserving regulatory oversight through multiple compliance filings and
15 the implementation of true-ups to reflect actual results regarding sales
16 and provide consumer protections regarding capital investments and
17 property taxes; and
- 18 • Breaking the cycle of constant rate cases by setting rates for the four-
19 year MYRP term and by providing a platform for a stay-out in 2020
20 through the continuation of the true-up mechanisms used in the
21 MYRP; meaning a break from rate case proceedings for the Company,
22 regulators and our customers and other stakeholders – time that was
23 used to advance the major policy initiatives.

24
25 Q. WHAT ARE SOME OF THOSE KEY POLICY INITIATIVES UNDERTAKEN DURING
26 THESE PAST FIVE YEARS?

27 A. First and foremost, in December 2018, the Company announced an industry-

1 leading vision for providing carbon-free energy to our customers by 2050. We
2 were the first major utility in the nation to adopt such a vision, and many
3 utilities and policymakers across the country have since followed our lead and
4 made the same commitment. Xcel Energy also announced its vision to power
5 more than 1.5 million electric vehicles (EVs) in the states it serves by 2030,
6 transforming the future of clean, affordable transportation.

7
8 In addition, this time period has seen a number of other substantial and
9 important policy-driven efforts, including:

- 10 • Development of the 2019 IRP, informed by 13 public workshops and
11 independent expert analysis. The IRP sets forth a plan that calls for
12 substantial new renewable, energy efficiency and demand response
13 resources, as well as the retirement of the last of the Company's coal-
14 fired plants by 2030.
- 15 • Stakeholder engagement that informed the Company's advanced grid
16 initiative and our IDP, which sets out our plans for modernizing our
17 distribution grid to meet the new expectations and demands of our
18 customers and other stakeholders.
- 19 • Substantial work by the Commission and stakeholders on performance-
20 based ratemaking, including the development of guiding principles and
21 identification of key areas of interest.
- 22 • Development of our Residential Time of Use (TOU) Pilot, which will
23 explore the ability to reduce peak demand through price signals and
24 further enable customers to shift to off-peak energy use through
25 awareness-building, education, and data sharing.

- 1 • Development of our expanded and fully subscribed
2 Renewable*Connect offering in response to customers’ desire for both
3 increased choice and more renewable energy.
- 4 • Substantial community development work, particularly in our host
5 communities of Sherburne County and the City of Becker.
- 6 • Regulatory approval of several EV pilots and programs, for our
7 customers, including: (1) Residential EV Service Pilot, which has
8 proven successful enough that the Company recently received
9 Commission approval to expand that program; (2) Fleet EV Service
10 Pilot, which will defray the cost of deploying public and fleet EV
11 chargers; (3) Residential EV Subscription Service Pilot, which provides
12 flat monthly subscription pricing for off-peak EV charging; and (4)
13 Public Charging EV Pilot, which will lower upfront costs associated
14 with installing public charging infrastructure. The Company also
15 recently filed a proposal for (5) Multi-Dwelling Unit EV Service to
16 provide infrastructure for EV charging at apartment buildings.
- 17 • Development of a new TOU rate design for general service customers,
18 including commercial EV charging.
- 19 • Regulatory approval of the Company’s request to offer the Sherco 2
20 and King coal-fired generation plants to the Midcontinent Independent
21 System Operator (MISO) market seasonally, allowing the Company to
22 idle the plants for six months of the year, resulting in customer cost
23 savings and reduced carbon emissions.
- 24 • Development of the “Relief and Recovery” proposal brought forward
25 in the Commission’s docket exploring ways in which Minnesota’s
26 utilities can assist in the State’s economic recovery from the COVID-
27 19 pandemic. As part of the Company’s Relief and Recovery proposal,

1 we also developed a Payment Plan Credit program aimed at providing
2 relief to residential electric customers at risk of permanently falling
3 behind in their payments during the COVID-19 pandemic.

- 4 • Successful implementation of the Business Incentive and Sustainability
5 (BIS) Rider with ten different Minnesota businesses.

6 The success of the 2016-2019 MYRP shaped the Company's preparation of
7 this filing and led us to propose this MYRP, modeled after the 2016-2019
8 MYRP, with a few adjustments I will discuss below.

9 10 **II. THE COMPANY AND OUR VISION FOR THE FUTURE**

11
12 Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

13 A. In this section of my testimony, I first provide background information about
14 the Company before describing the Company's vision for the future. I then
15 discuss how that vision and our plans to achieve it are reflected in this rate
16 case filing. Finally, I discuss some of the challenges we face in achieving this
17 vision and how those challenges also impact this filing.

18
19 Q. PLEASE FIRST DESCRIBE NSPM.

20 A. NSPM serves more than 1.5 million electricity customers in Minnesota, North
21 Dakota, and South Dakota. NSPM is part of an integrated system of diverse
22 generation resources and transmission that serves the upper Midwest,
23 including Xcel Energy's operations in Wisconsin and Michigan served by
24 NSP-Wisconsin (collectively, the NSP System). Our operations include power
25 plants with a net maximum capacity of almost 9,190 MW, more than 8,400
26 miles of transmission lines, and approximately 548 transmission and
27 distribution substations.

1 The NSP System includes approximately 4,300 megawatts (MW) of renewable
2 energy, including wind, hydro, biomass, and solar resources. As Company
3 witness Ms. Kimberly Randolph discusses, over the course of this MYRP, we
4 will add more wind projects to our system, and we plan to add 5,750 MW of
5 renewable energy, in total, over the next 15 years.

6
7 Q. AND WHO DO YOU CONSIDER THE COMPANIES STAKEHOLDERS, AS YOU USE
8 THAT TERM IN THIS TESTIMONY?

9 A. I use this term broadly. Our stakeholders include a diverse group of interests,
10 including our customers, employees, the communities in which we serve, local,
11 state and federal policy makers, and labor, environmental and customer
12 advocacy organizations, among others.

13
14 Q. PLEASE DESCRIBE THE COMPANY'S OVERARCHING GOALS AS YOU LOOK TO
15 THE FUTURE.

16 A. Our vision is to be the preferred and trusted provider of the energy our
17 customers need. That means delivering not just a safe and reliable product,
18 but a better overall product for our customers. To achieve that, the Company
19 focuses on three strategic priorities, which I will discuss in turn:

- 20 (1) to lead the clean energy transition;
21 (2) to enhance our customers' experience; and
22 (3) to maintain affordability.

23
24 My testimony will discuss how these three strategic priorities will shape our
25 work over the course of the next several years and how that work is reflected
26 in this MYRP request. Of course, as we focus on these priorities, we will
27 continue to work to maintain and improve our record of excellent safety and

1 reliability, provide a safe work environment that sends each and every
2 employee home injury-free, and support our workforce and the communities
3 in which we operate.

4
5 Q. AND WHAT ARE SOME OF THE KEYS TO THE COMPANY ACHIEVING ITS VISION?

6 A. To realize our vision, we must constantly challenge ourselves to provide safe,
7 clean, reliable, and affordable energy in a manner that delivers a better product
8 to our customers, while also supporting constructive relationships with our
9 regulators and other policy makers and stakeholders.

10
11 Some of the work necessary to achieve our vision is internal to the Company
12 – the work of our nuclear operations team, for example, to continue its track
13 record of improving performance and decreasing costs, as discussed by
14 Company witness Mr. Peter Gardner. Across the Company, our teams work
15 with our core priorities in mind and challenge themselves to improve
16 performance while controlling costs. That work, and the investments and
17 expenses necessary to support it, is critical to our ability to deliver increasingly
18 low-carbon energy, at affordable rates, and on a consistent and reliable basis.
19 The MYRP we propose here allows that work to continue.

20
21 But we cannot reach our goals, and the State’s goals, alone. Therefore, broad
22 stakeholder engagement will continue to play a critical role in our work, and
23 our proposed MYRP frees resources, for us and other stakeholders, that would
24 otherwise be devoted to rate case filings.

25
26 Finally, the work ahead requires a supportive regulatory environment. The
27 Company will be competing for capital with others inside and outside of Xcel

1 Energy, so the sound financial footing provided by a regulatory construct that
2 provides for recovery of our prudent investments and reasonable costs is
3 crucial. This MYRP outlines a path forward that preserves Commission
4 oversight and ensures just and reasonable rates for our customers.

5
6 **A. Leading the Clean Energy Transition**

7 Q. PLEASE DISCUSS THE COMPANY'S FIRST STRATEGIC PRIORITY – LEADING THE
8 CLEAN ENERGY TRANSITION – AND WHAT THAT MEANS FOR NSPM.

9 A. NSPM has been a leader in renewable energy for many years, and we have
10 long been committed to meeting our customers' increasing demands for
11 cleaner energy sources. We took that leadership to a new level when we
12 became the first utility in the nation to announce a goal of serving customers
13 with 100 percent carbon-free electricity by 2050. We are pleased to see other
14 companies and policymakers in Minnesota, and beyond, joining in this vision
15 as state policies and broader market forces encourage us to continue the push
16 to transition our generation fleet away from coal to renewables and other
17 carbon-free resources in the long term.

18
19 We also appreciate that the extent and pace of this transition must be balanced
20 with containing costs, maintaining reliability, preserving fuel diversity,
21 investing in the grid, and providing a greater diversity of energy options that
22 our customers demand. And we understand the importance of working with
23 our host communities and our employees through this process.

24
25 We have been on this clean energy path for more than a decade now and have
26 a successful track record of reducing our environmental footprint while
27 maintaining outstanding reliability, keeping our customers' bills affordable,

1 and working with our communities and employees to manage through this
2 transition. For example, we have successfully transitioned multiple coal plants
3 to natural gas in Minnesota while managing our work force to mitigate impacts
4 on our employees, and we will do so again as we continue to move away from
5 coal. Our employees at these plants have played a vital role over many decades
6 in powering the region for our customers and communities. It is important
7 that we help them make a smooth transition as technology changes. We also
8 work with our local communities to employ tools such as the BIS Rider to
9 bring in new companies or expanded operations that can deliver employment
10 opportunities and capital investment that benefit the entire region.

11
12 Q. HAS THE COMPANY ENGAGED IN OTHER EFFORTS TO LEAD THE CLEAN
13 ENERGY TRANSITION?

14 A. Yes. As Company witness Ms. Sarah Soong discusses, in both 2019 and 2020
15 NSPM issued “Green” First Mortgage Bonds. These are fixed-income
16 instruments earmarked to raise money for the kind of climate and
17 environmental projects our customers and other stakeholders have
18 encouraged us to pursue. These green bonds bring global attention to the
19 advances Minnesota has made on renewable energy. They also diversify the
20 Company’s investor base and attract environmentally-focused investors,
21 increasing investor demand during a bond issuance. More demand puts added
22 pressure on investors to accept a lower price which can benefit the Company
23 and our customers.

1 Q. HOW DO THE COMPANY’S EFFORTS TO LEAD THE CLEAN ENERGY TRANSITION
2 AND REDUCE CARBON EMISSIONS RELATE TO THIS RATE CASE FILING?

3 A. Our carbon reduction goals and our work to lead the clean energy transition
4 underlie several aspects of the rate filing, as they directly impact both our
5 capital investments and our operation and maintenance (O&M) expenses over
6 the next three years. I will highlight three areas where this connection can be
7 seen, and our business area witnesses discuss these impacts (and others) in
8 more detail in their testimony. The three areas include: our continued
9 transition to more renewable energy generation in our fleet; our industry
10 leading nuclear operations; and our investments in our distribution system
11 assets.

12

13 Q. HOW DO THE COMPANY’S ADDITIONAL INVESTMENTS IN RENEWABLE
14 ENERGY GENERATION IMPACT THIS FILING?

15 A. The Company has long led the industry with respect to renewable energy, and
16 we are currently engaged in the largest build-out of wind resources in our
17 Company’s history, after the Commission’s approval of our last Resource Plan
18 and our 1,850 MW wind portfolio. By the end of the MYRP we propose here,
19 wind will provide approximately 23.77 percent of the electricity for our
20 customers in this region, making it the largest component of our overall
21 generation portfolio.

22

23 Our work to increase our renewable portfolio impacts this filing in two
24 principal ways: first, as Company witness Mr. Benjamin Halama and I discuss,
25 we propose to “roll in” to base rates certain projects currently being recovered
26 through the Renewable Energy Standard (RES) Rider. While this roll in does
27 not actually increase customer bills, since recovery is already occurring

1 through the Rider, it does impact the base rate increases during the MYRP.

2
3 Second, as Company witness Ms. Kimberly Randolph explains, our proposed
4 MYRP reflects our increased emphasis on renewable energy, in the form of
5 both capital investments and O&M impacts. In 2021 alone, we project capital
6 additions of over \$750 million on a Minnesota jurisdictional basis for the
7 Freeborn and Dakota Range wind farms. While these additions impact base
8 rates, they also mean we will continue to lessen our use of fossil fuel facilities,
9 reducing our fuel costs. Those reductions, reflected in the fuel cost adjustment
10 (FCA) going forward, help us maintain the overall affordability of energy. And
11 as renewable energy sources make up a larger share of our fleet, a larger part
12 of our O&M budget will go toward maintenance of those facilities, with
13 reductions in the O&M budget for our fossil fuel facilities.

14
15 Q. WHY ARE THE COMPANY'S PLANNED CAPITAL INVESTMENTS AND O&M
16 EXPENSES RELATED TO ITS NUCLEAR FLEET ALSO IMPORTANT TO THE
17 COMPANY'S CARBON REDUCTION EFFORTS?

18 A. As Mr. Gardner discusses, the Monticello Nuclear Generating Plant
19 (Monticello) and Prairie Island Nuclear Generating Plant Units 1 and 2 (Prairie
20 Island) comprise over half of our existing carbon-free generation and one-
21 third of our total generation. These plants generate enough energy to serve
22 more than one million customer homes. They play a critical role in our work
23 to reduce our carbon emissions and achieve our goal of an 80 percent
24 reduction in carbon emissions by 2030 and to provide 100 percent carbon-
25 free energy by 2050.

1 As Company witness Mr. Gardner discusses, we understand that the future of
2 our nuclear fleet depends on our ability to deliver safe and reliable
3 performance at a reasonable cost, and our nuclear employees have responded.
4 Mr. Gardner describes our efforts to implement wide-scale changes in the way
5 we approach nuclear plant operation and the success of those efforts. To
6 maintain our high level of performance, and to continue delivering safe,
7 reliable, efficient power to our customers, we must appropriately invest in
8 these plants. Mr. Gardner discusses the necessary equipment investments and
9 costs, as well as their overall reasonableness.

10
11 Q. AND FINALLY, HOW DO THE COMPANY'S INVESTMENTS IN ITS CORE
12 DISTRIBUTION AND TRANSMISSION ASSETS SUPPORT THE OVERALL EFFORT ON
13 LEADING THE CLEAN ENERGY TRANSITION AND HOW DOES THAT INITIATIVE
14 RELATE TO THIS FILING?

15 A. As discussed in detail in the Integrated Distribution Plan currently before the
16 Commission in a separate docket, the Company has embarked on a long-term
17 strategic plan to transform our distribution system to advance the efficiency
18 and reliability of service and to safely integrate more distributed resources into
19 our system. This initiative, along with other investments in our distribution
20 system discussed by Company witness Ms. Kelly Bloch, is necessary to meet
21 new demands being placed on electric utility distribution systems compared
22 to the demands of ten or twenty years ago. This work will build an advanced
23 electric grid that's more resilient and provides more tools and options for
24 customers. In addition, our investments in transmission infrastructure
25 continue to be critical in bringing renewable energy to the markets we serve.

1 Q. CAN YOU SUMMARIZE HOW CUSTOMERS BENEFIT FROM THESE AND SIMILAR
2 COMPANY EFFORTS TO LEAD THE CLEAN ENERGY TRANSITION?

3 A. Customers benefit in multiple ways. By investing in renewable energy sources,
4 customers not only receive the environmental benefits of low-emissions
5 electric generation, but also enjoy long-term savings on their bills through
6 reduced fuel costs. Investing in these resources now can keep prices
7 affordable into the future. Through sound management of our nuclear fleet,
8 customers receive a substantial portion of their electricity needs from safe,
9 reliable, efficient and non-carbon emitting plants. Finally, the Company's
10 investments in its distribution system will provide system-wide benefits that
11 can lead to increased service quality, faster outage restoration, and overall
12 reductions in energy use and related emissions.

13

14 **B. Enhancing the Customer Experience**

15 Q. CAN YOU ELABORATE ON THE COMPANY'S WORK TO IMPROVE THE CUSTOMER
16 EXPERIENCE AND HOW THAT IS REFLECTED IN THIS FILING?

17 A. Many of our customers want the same things they have always wanted – safe,
18 reliable, affordable electric service. However, there is also a growing segment
19 of our customers who expect their energy provider to play a greater role in
20 facilitating new technologies, protecting the environment, and engaging with
21 them regarding their energy usage. Important considerations for these
22 customers include:

- 23 • Emerging technologies – customers are increasingly interested in
24 evolving technologies, such as electric vehicles, home energy
25 management, battery storage, and solar.
- 26 • Clean energy – customer interest in renewable energy continues to
27 grow.

- 1 • Improved communications – as enhanced customer service experiences
2 have become the expectation across a variety of industries, our
3 customers increasingly expect that same level of service from their
4 utility.
- 5 • Increased ability to control their energy use – customers want the
6 information and ability to make decisions about their energy service and
7 easily compare services and products.

8
9 To be the trusted energy provider of all our customers, we need to meet these
10 demands.

11 Q. AND HOW ARE THE COMPANY’S EFFORTS TO ENHANCE THE CUSTOMER
12 EXPERIENCE REFLECTED IN THIS FILING?

13 A. Our customer experience efforts are reflected in the testimony of a number of
14 Company witnesses:

- 15 • Ms. Kimberly Randolph describes Xcel Energy’s investments in
16 renewable energy and the O&M expenses needed to meet customer
17 demand for clean, carbon-free energy.
- 18 • Ms. Kelly Bloch discusses the need for investments in our distribution
19 system, particularly given the different demands being placed on that
20 system by our customers compared to the demands historically placed
21 on the system and explains the distribution O&M forecast.
- 22 • Mr. Wendell Reimer discusses the need for additional information
23 systems capital investments to support these new demands and
24 customer expectations and also explains the Business Systems O&M
25 forecasts.
- 26 • Mr. Christopher Cardenas discusses anticipated Customer Care O&M
27 expenses and savings associated with certain of our customer

1 experience initiatives and how those savings are incorporated into the
2 MYRP.

3
4 **C. Maintaining Affordability**

5 Q. HOW DOES THE COMPANY’S THIRD STRATEGIC PRIORITY – MAINTAINING
6 AFFORDABILITY – RELATE TO YOUR OVERARCHING VISION AND OTHER
7 PRIORITIES?

8 A. Affordability is a cornerstone of our business. If the energy we deliver is safe,
9 clean and reliable, but it is not affordable, then the Company will not succeed
10 in remaining a trusted and preferred provider. And we understand that
11 maintaining affordability is even more critical in times of economic uncertainty
12 and hardship, such as that caused by the ongoing COVID-19 pandemic.

13
14 Q. ARE THERE SPECIFIC ACTIONS THE COMPANY IS TAKING TO MAINTAIN
15 AFFORDABLE BILLS FOR ITS CUSTOMERS?

16 A. Yes, there are several. First, as part of our “Relief and Recovery” efforts, the
17 Company has proposed rate mitigation measures and true-ups that would
18 allow us to withdraw this case and leave base rates at current levels.

19
20 Second, the Company has undertaken a series of steps to mitigate the need for
21 rate increases and those efforts are reflected throughout the witness testimony
22 in this case. For example, on the financial side of the business, as Ms. Soong
23 discusses, our work to maintain a strong credit rating reduces our cost of
24 capital, leading to lower customer bills for the long term. Similarly, multiple
25 business area witnesses explain that we responsibly invest in our core and
26 supporting assets with an eye to the future. Sound investments now can
27 provide us the platform to efficiently meet our customers’ expectations, such

1 as better enabling them to control and reduce their energy usage, or
2 maintaining or improving reliability, while adding distributed energy resources
3 to our system.

4
5 Third, through our “Steel for Fuel” strategy, we have invested in new wind
6 projects, locking in fuel savings for our customers for decades to come.

7
8 And, of course, the Company devotes significant attention to energy efficiency
9 efforts, helping our customers save significant energy and money over the
10 years, while also reducing carbon emissions.

11
12 **D. Meeting the Challenges of a Changing Landscape**

13 Q. WHAT CHALLENGES DOES THE COMPANY FACE IN WORKING TO ACHIEVE ITS
14 GOALS?

15 A. To realize our goals, the Company must overcome a number of challenges,
16 including:

- 17 • Dealing with the pace (and expense) of innovation in a way that
18 responds to stakeholder needs yet also preserves affordability and the
19 flexibility to adapt to changing needs and technologies;
- 20 • Preserving and modernizing our critical infrastructure;
- 21 • Continuing to attract capital at a reasonable cost; and
- 22 • Managing continued sales stagnation.

23
24 Q. PLEASE DISCUSS THE FIRST OF THESE CHALLENGES.

25 A. A key challenge for the Company is to navigate the pace, and short-term
26 expense, of innovation in a way that responds to stakeholder needs yet also
27 preserves both affordability and the ability to adapt to ever-changing needs

1 and technologies. We are working to replace certain aging core assets and
2 add new core and supporting assets that can deliver immediate benefits to our
3 customers, while at the same time providing a flexible platform that can
4 continue to provide new and enhanced benefits over time.

5
6 Q. YOU MENTIONED THE NEED TO PRESERVE AND MODERNIZE CRITICAL
7 INFRASTRUCTURE. HOW IS THE COMPANY RESPONDING TO THIS NEED, AND
8 HOW DOES THAT RESPONSE AFFECT THIS FILING?

9 A. We cannot meet our strategic priorities without preserving and modernizing
10 our aging infrastructure – and we are working to do so on several fronts. First,
11 as we described in our 2019 IRP, almost all of the Company’s generation
12 sources will turnover in the next 20 years. We must invest in new generation
13 such as wind and solar, in the transmission resources necessary to deliver the
14 energy from these facilities, and in our nuclear facilities that provide the critical
15 baseload carbon-free resources our customers need. Ms. Randolph discusses
16 these issues from the Energy Supply perspective and Mr. Gardner addresses
17 the Nuclear Operations needs during the MYRP. Moreover, as Company
18 witnesses Mr. Ian R. Benson and Ms. Bloch discuss, our transmission and
19 distribution infrastructure is aging and requires substantial investments in asset
20 health to remain reliable and to provide the level and variety of services our
21 customers expect. And as Mr. Reimer describes, our supporting information
22 technology infrastructure is reaching obsolescence and must be refreshed and
23 upgraded to ensure that we have the appropriate technological support as we
24 look toward the future.

1 Q. AND WHY IS ATTRACTING CAPITAL AT REASONABLE COST SO CRITICAL FOR
2 THE COMPANY AND ITS CUSTOMERS?

3 A. The Company is embarking on an industry-leading plan to provide carbon-
4 free energy via advanced grid infrastructure. This plan aligns with Minnesota
5 policy and our customers' interests. However, the Company cannot transform
6 its fleet, address its aging infrastructure, improve the customer experience and
7 continue to provide safe, reliable and environmentally responsible energy
8 without investments in its core assets and supporting systems. That means
9 the Company will have an ongoing need to access capital and, if we are to
10 maintain our affordability, that capital must come at a reasonable cost.
11 Company witnesses Ms. Soong and Mr. D'Ascendis discuss the value of a
12 regulatory framework that provides for an appropriate capital structure and
13 appropriate cost of equity for the Company, to enable that access to the capital
14 markets. A framework that allows the Company a reasonable cost of capital
15 and the opportunity to recover its reasonable costs, will allow NSPM to
16 maintain its strong credit ratings. Strong credit ratings, in turn, lead to lower
17 costs of debt that help keep energy prices affordable. The relationship
18 between just and reasonable rate outcomes and affordable capital is direct and
19 impactful. The MYRP we propose in this case provides the kind of sound
20 regulatory framework, and incentive for the Company to control costs within
21 that framework, that can provide long-term energy affordability.

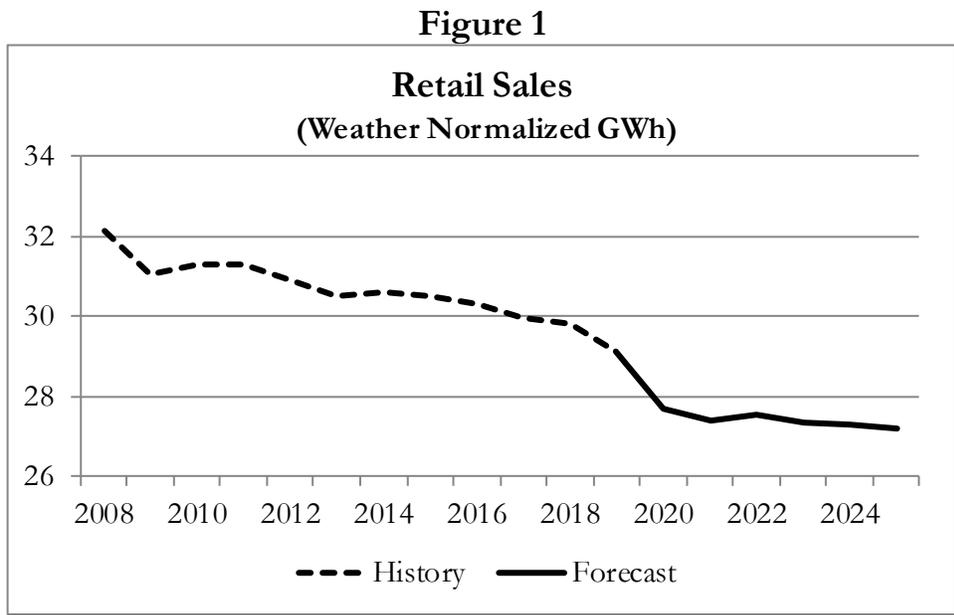
22
23 Q. FINALLY, HOW DOES CONTINUED STAGNATION OR REDUCTION IN SALES
24 LEVELS PUT CHALLENGES ON THE COMPANY?

25 A. First, I would note that there is a good news side to this story. Minnesota
26 generally, and the Company specifically, have worked hard to be leaders in
27 energy efficiency efforts, and we have succeeded. Of course, the work to drive

1 down use per customer also drives down total sales which, in the absence of
2 significant customer growth, puts revenue pressure on the Company. NSPM
3 is not alone in this regard. Generally speaking, there is continued downward
4 pressure on sales and use per customer across the industry. Over the last
5 several years, improved energy efficiency technologies have reduced electricity
6 demand growth and changed the amount of electricity used by an individual
7 customer. At the same time, distributed generation and other self-generation
8 technologies have become more accessible as material costs continue to come
9 down. As a result, utility customers are not only able to use less but also
10 produce their own electricity. This combination is causing lower sales volumes
11 and depressed revenues. And in 2020, the COVID-19 pandemic has further
12 depressed sales, putting new pressures on utilities, who continue to maintain
13 the obligation to deliver safe and reliable service.

14
15 The Company has experienced these industry trends since the Great
16 Recession, as discussed by Company witness Ms. Jannell E. Marks. For the
17 five years prior to the Great Recession, the Company experienced annual sales
18 growth of 1.4 percent, and use per customer increased 0.5 percent on an
19 annual basis. As Figure 1 below illustrates, our total sales have steadily
20 declined since that time and our forecasts show continued sales erosion.

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Q. SO WHY IS THE COMPANY CONTINUING TO INVEST IN A STAGNANT OR DECLINING SALES ENVIRONMENT?

A. We provide an essential service that profoundly impacts our 1.4 million customers and our communities. Whether or not sales grow, we must make the necessary investments in our core and supporting infrastructure to continue providing energy to our customers safely and reliably.

Q. HOW DOES THE STAGNANT OR DECLINING SALES ENVIRONMENT IMPACT THIS RATE FILING?

A. Similar to our past two rate cases, declining sales necessarily means that we must recover our investments over fewer units of sales, leading to higher per-unit rates. In addition, as with our past two rate cases and in the 2020 stay-out, we propose a sales true-up as Ms. Marks discusses and I discuss further below. Such a true-up is a critical component of any MYRP for the Company.

1 **E. Summary**

2 Q. PLEASE SUMMARIZE THE BENEFITS YOU SEE IN THE COMPANY’S VISION AND
3 BUSINESS PLAN AND ITS EFFORTS TO MEET THE CHALLENGES OF THE CURRENT
4 INDUSTRY LANDSCAPE.

5 A. For customers, our vision and plan for achieving it assures safe, reliable, clean
6 and affordable electric service while at the same time creating opportunities
7 for them to benefit from new technologies and services. For regulators and
8 policy makers, this vision and plan builds on our collective policy
9 achievements to date and maintains Minnesota’s position at the forefront of
10 energy policy. For the Company, this vision and plan provides a path certain
11 for the near future, while positioning us to adapt to emerging circumstances.
12 The MYRP presented here supports the realization of all of these benefits.

13
14 **III. THE COMPANY’S THREE-YEAR**
15 **MULTI-YEAR RATE PLAN**

16
17 **A. Overview**

18 Q. PLEASE SUMMARIZE THE COMPANY’S THREE-YEAR MYRP REQUEST IN THIS
19 PROCEEDING.

20 A. The Company requests approval of a three-year MYRP, with a test year of
21 calendar year 2021 (2021 test year) and plan years of calendar years 2022 and
22 2023 (2022 plan year and 2023 plan year, respectively).

23
24 Q. WHAT IS THE FINANCIAL IMPACT OF THE COMPANY’S THREE-YEAR REQUEST?

25 A. Our three-year MYRP demonstrates a test year 2021 net revenue deficiency
26 of \$405.8 million, a 2022 plan year net incremental revenue deficiency of \$98.5
27 million and a 2023 plan year net incremental revenue deficiency of \$93.1

1 million, for a total net incremental revenue deficiency of \$597.4 million. The
2 Company also proposes to roll the cost recovery of certain projects from the
3 TCR and RES Riders into base rates, but to do so coincident with the
4 implementation of final rates. Mr. Halama provides the revenue requirement
5 schedules supporting this request.

6
7 Q. CAN YOU SUMMARIZE THE FINANCIAL DRIVERS OF THE COMPANY'S MYRP
8 REQUEST?

9 A. Yes. Mr. Halama discusses the key drivers behind the 2021-2023 revenue
10 deficiency in more detail, but in addition to declining sales, the most significant
11 drivers are as follows:

- 12 • *Ongoing investments in carbon free electrical generation.* These include
13 investments and expenses related to our nuclear plants, in wind energy
14 and in our transmission system so that we can bring additional
15 renewable energy to our customers. Mr. Gardner, Ms. Randolph and
16 Mr. Benson discuss these investments and expenses in more detail in
17 their testimonies.
- 18 • *Investments to keep our core plants, substations, poles and wires operating reliably*
19 *for the future.* Ms. Randolph, Mr. Benson and Ms. Bloch all discuss our
20 need to address certain aging infrastructure and to do so in a way that
21 ensures safe, reliable and clean energy for our customers.
- 22 • *Increased costs of business.* While we have achieved O&M reductions in
23 many areas, we continue to experience increased costs across much of
24 our business.

1 Q. DO THE 2022 AND 2023 PLAN YEARS HAVE SIMILAR REVENUE DEFICIENCY
2 DRIVERS AS THE 2021 TEST YEAR?

3 A. Yes. Although the 2022 and 2023 plan year deficiencies are driven less by the
4 Company's investments in carbon-free energy, which impact the 2021 test year
5 to a greater degree. Mr. Halama provides a schedule showing the drivers for
6 these years, and each applicable business unit witness specifically addresses the
7 needs and drivers as well.

8

9 Q. HAS THE COMPANY TAKEN ANY STEPS TO NARROW THE ISSUES IN THIS CASE?

10 A. Yes. In developing this case, we sought to build on the lessons learned in the
11 2016 MYRP and to avoid litigating certain issues that have been previously
12 resolved by the Commission in a consistent manner. For example, our MYRP
13 proposal includes customer protections and true-ups based on the 2016-2019
14 MYRP approved mechanisms and the 2020 stay-out. We also avoided the use
15 of escalators in this MYRP, as those proved contentious in our last rate case.
16 In addition, the test year sales true-up we propose can again avoid litigating
17 the issue of the test year sales forecast. Finally, we have excluded from our
18 request certain items that we view as reasonable and necessary to the provision
19 of service to our customers but that the Commission has disallowed in the
20 past, such as aviation and certain long-term incentive compensation expenses.
21 This approach narrows the issues in this proceeding and allows parties to focus
22 on analyzing the merits of our proposed MYRP.

23

24 Q. COULD YOU FURTHER DISCUSS THE ITEMS THE COMPANY HAS REMOVED FROM
25 ITS RATE REQUEST?

26 A. Yes. The Company has proactively removed a number of items from its
27 request. Mr. Halama discusses these items in detail in his discussion of the

1 “precedential adjustments” and the “rate case adjustments” we made in
2 preparing and submitting our proposed revenue requirements for these three
3 years. These include items such as: aviation cost, investor relations expenses,
4 portions of our long-term incentive compensation and annual incentive
5 compensation plans and other items. Collectively, the “precedential
6 adjustments” and incentive compensation adjustments amount to over \$100
7 million dollars over the course of our proposed MYRP, as shown in Mr.
8 Halama’s testimony.

9
10 Q. WHAT IS THE SIGNIFICANCE OF THESE ITEMS FROM THE STANDPOINT OF THE
11 COMPANY?

12 A. These are reasonable and necessary expenses that enable us to provide the
13 quality and reliability of service our customers and the Commission expect.
14 The Company will incur these expenses. By already “adjusting” our revenue
15 requirement, the Company has foregone the ability to recover these expenses
16 from customers, so shareholders will pay for them. Any further “adjustments”
17 to our revenue requirements will simply add to the challenge of continuing to
18 meet our customers’ and other stakeholders’ needs.

19
20 Q. DOES THE COMPANY PROPOSE ANY SIGNIFICANT RATE DESIGN CHANGES AS
21 PART OF ITS REQUEST?

22 A. Not with respect to general revenue apportionment or general intra-class rate
23 design issues. Instead, as discussed by Company witness Mr. Steven V. Huso,
24 we seek modest movements toward cost in our rate structure and are
25 proposing a \$1.50 increase to the fixed monthly customer charge for
26 residential and small commercial customers.

1 **B. Basic Structure of the 2021-2023 MYRP Request**

2 Q. BEFORE EXPLAINING THE STRUCTURE OF THE COMPANY’S MYRP, PLEASE
3 DESCRIBE THE COMMISSION’S MYRP ORDER AND THE CURRENT MYRP
4 STATUTE.

5 A. After the initial MYRP Statute was passed into law, but prior to extensive
6 amendments to that statute, the Commission undertook an investigation to
7 develop the terms, conditions and procedures for multi-year rate plans
8 (Docket No. E,G999/M-12-587). At the conclusion of that investigation, the
9 Commission issued the MYRP Order, which principally found: (1) a utility can
10 seek to recover the costs for specific capital projects, and, as appropriate, non-
11 capital costs in the second and third year of the multi-year rate plan; and (2)
12 multi-year rate plans can be no longer than three years. The MYRP Order
13 also provided requirements about the information a utility must include in an
14 application for a multi-year rate plan, and the notices to be provided to the
15 utility’s customers.

16

17 Q. DID THE MYRP STATUTE CHANGE AFTER THE COMMISSION ISSUED ITS
18 MYRP ORDER?

19 A. Yes. The MYRP Statute was amended during the 2015 legislative session and
20 supplanted some of the points covered by the MYRP Order.

21

22 Q. WHAT ASPECTS OF THE CURRENT MYRP STATUTE WOULD YOU LIKE TO
23 HIGHLIGHT?

24 A. The MYRP Statute:

- 25 • Allows the utility to request the recovery of all of its capital and O&M
- 26 costs;
- 27 • Allows for up to two years of interim rate recovery;

- 1 • Allows for tariffs that expand products and services available to
2 customers;
- 3 • Can require performance measures and incentives that are, among
4 other things, consistent with state energy policies; and
- 5 • Can allow for the adjustment of rates under a multi-year rate plan as
6 needed.

7

8 Q. WHEN THE COMPANY DEVELOPED THIS MYRP REQUEST, DID IT CONSIDER
9 BOTH THE COMMISSION’S MYRP ORDER AND THE MYRP STATUTE AS
10 AMENDED?

11 A. Yes. As with our 2015 MYRP proposal, our current rate request incorporates
12 concepts from both the MYRP Order and the MYRP Statute, as shown in the
13 completeness matrix I have attached as Exhibit___(GPC-1), Schedule 2. The
14 Company notes that there are several aspects of the MYRP Order which were
15 not addressed by the amended MYRP Statute. For matters addressed by the
16 MYRP Order, but not addressed in the statute, the Company tried to tailor its
17 proposal to match the MYRP Order. For matters addressed directly by the
18 MYRP Statute and that provide greater flexibility than the MYRP Order to
19 craft a plan that is in the public interest, our rate request utilizes some of these
20 tools, consistent with those used in the 2016-2019 MYRP.

21

22 Q. CAN YOU DISCUSS THE COMPANY’S OVERALL APPROACH AND THE STRUCTURE
23 OF YOUR MYRP REQUEST?

24 A. Our MYRP request utilizes a traditional test year format for the 2021 test year.
25 As a result, we are requesting to recover our forecasted capital and O&M for
26 2021. For the 2022 and 2023 plan years, we use this same approach as
27 opposed to using escalators for our O&M expenses as we proposed in our

1 2015 rate case. We have supported our request by including our full capital
2 and O&M forecasts for 2022 and 2023 in Volumes 5 and 6 of our Initial Filing
3 and through the pre-filed testimony and schedules of various business area
4 witnesses. We have also included our five-year forecast and cost of service in
5 Volume 3, Section II, Part 8 of our filing.

6
7 **C. Walk Through of MYRP Request**

8 *1. 2021 Test Year and 2022 and 2023 Plan Years*

9 Q. HOW HAS THE COMPANY STRUCTURED THE REVENUE REQUIREMENTS
10 PORTION OF ITS MYRP REQUEST?

11 A. As Mr. Halama discusses in detail, all three years of this MYRP use a traditional
12 test year approach to rate setting. This means we are relying on our capital
13 and O&M forecasts to prove the representative nature of the test year.
14 Additionally, as I previously noted, the Company wishes to avoid re-litigating
15 certain issues recently decided or consistently decided in the same manner by
16 the Commission and has adjusted our revenue requirement request
17 accordingly. Our intent in taking this approach was to create an opportunity
18 to have a focused and constructive discussion of our MYRP proposal. Mr.
19 Halama and our other witnesses provide the detailed support for our 2021,
20 2022 and 2023 forecasts. Below, I support the overall structure of the MYRP
21 and further explain how our MYRP proposal results in just and reasonable
22 rates.

23
24 *a. Capital Investments*

25 Q. HOW HAS THE COMPANY REFLECTED ITS EXPECTED CAPITAL INVESTMENTS IN
26 THE THREE-YEAR MYRP?

27 A. We used our capital forecasts for all three years of our MYRP to develop the

1 capital portion of the cost of service.

2

3 Q. WHY IS THIS A REASONABLE APPROACH?

4 A. This approach is reasonable for several reasons. First, the MYRP Statute
5 allows for the recovery of “the utility’s forecasted rate base,” which must
6 include the “utility’s planned capital investments and investment-related costs,
7 including income tax impacts, depreciations, and property taxes...” This
8 recovery can be based on a budget forecast, which is the approach taken by
9 the Company and was the approach taken in the Company’s past two rate
10 cases.

11

12 Second, as Company witness Ms. Melissa Ostrom discusses, the Company’s
13 budgeting process is iterative, rigorous, and leads to forecasts that reasonably
14 represent the Company’s investments during the forecasted period.
15 Therefore, our capital budgets provide a sound basis on which to set rates.

16

17 Third, the Company’s business area witnesses have described their respective
18 business plans that drive the key investments forecasted for their areas in 2022
19 and 2023. While the Company acknowledges that not every forecasted capital
20 project will play out as we currently envision, our business areas have a
21 business plan and will pursue projects to accomplish those plans during the
22 MYRP period. Each business area’s capital forecast is aligned with its business
23 plan and as a result the forecast provides a representative picture of the capital
24 investments that will occur during the MYRP period.

25

26 Fourth, the Company utilized this approach in developing its MYRP proposal
27 in the 2015 rate case and the Company’s capital forecasts provided the

1 underlying support for the 2016-2019 MYRP. When combined with the
2 capital true-up, which we propose to use again in this proceeding, the
3 Commission can have confidence that customers are receiving the benefits of
4 prudent capital investments.

5
6 Q. CAN THE COMMISSION BE ASSURED THAT THE COMPANY WILL NOT OVER-
7 COLLECT FOR ITS CAPITAL INVESTMENTS DURING THE MYRP?

8 A. Yes. As I discuss further below, the Company proposes a capital true-up
9 mechanism modeled after the mechanism approved by the Commission for
10 the 2016-2019 MYRP. This capital-related revenue requirements true-up is
11 one-way. The Company will make refunds if its capital-related revenue
12 requirements, in any year, fall below the Commission-approved capital-related
13 revenue requirements, but cannot surcharge customers if the reverse holds
14 true. This approach strikes a reasonable balance between providing the
15 Company with flexibility to manage its business and protecting customers
16 from any “over-budgeting” by the Company.

17 Q. IS THE COMPANY’S RECOMMENDATION THAT THE COMMISSION APPROVE THIS
18 “CAPITAL TRUE-UP” FOR THE ENTIRETY OF THE COMPANY’S THREE-YEAR
19 MYRP?

20 A. Yes. Our filing demonstrates the reasonableness of our capital forecasts and
21 the reliability of these forecasts for rate setting, with or without such a “true-
22 up” process. With that being said, we believe there is value in advancing a
23 customer protection mechanism (*i.e.*, aggregate true-up with refund) similar to
24 that used in the 2016-2019 MYRP.

1 Q. DOES THE COMPANY’S THREE-YEAR MYRP REQUEST, WITH RESPECT TO ITS
2 CAPITAL PROJECTS, INCORPORATE THE IMPACTS OF THE PASSAGE OF TIME?

3 A. Yes. We developed our three-year MYRP request by using a full cost of
4 service model for the 2022 and 2023 plan years. By using a full cost of service
5 for both years, we have captured all changes in plant balances, depreciation
6 expense, and accumulated depreciation during 2022 and 2023, and as a result,
7 we have fully reflected the revenue requirement impacts of the passage of time.
8 Company witnesses Mr. Halama and Mr. Mark P. Moeller discuss this further
9 in their respective Direct Testimonies.

10

11 *b. Operations and Maintenance*

12 Q. HOW HAS THE COMPANY ADDRESSED O&M EXPENSES IN THIS MYRP
13 PROPOSAL?

14 A. In contrast to our 2015 rate case MYRP request, which used forecasted O&M
15 for the test year but escalators for our O&M expenses in the plan years, the
16 Company used forecasted O&M for the plan years in this proceeding. Use of
17 escalators proved contentious in the last case. To avoid such controversy in
18 this proceeding, we provide our full O&M forecasts for the test year and for
19 the 2022 and 2023 plan years. Similar to our support for the capital related
20 portion of our requests, Ms. Ostrom discusses our budgeting and forecasting
21 process generally and our business area witnesses discuss the drivers for O&M
22 expenses throughout the MYRP years in their testimonies.

23

24 *c. Sales revenues*

25 Q. HOW DOES THE COMPANY REFLECT ITS SALES THROUGH THE COURSE OF THE
26 MYRP?

27 A. Company witness Ms. Marks provides the Company’s sales forecast for 2021-

1 2023. As Ms. Marks and I discuss, given the length of time this proceeding
2 will last, 2021 test year revenues can be set to reflect actual test year sales. For
3 the 2022 and 2023 plan years, we recommend that base rates be set based on
4 the forecasts for those years provided by Ms. Marks.

5
6 *d. Other Cost Recovery Issues*

7 Q. DOES THE MYRP PROPOSED BY THE COMPANY ALSO INCLUDE COST
8 RECOVERY THROUGH THE AMORTIZATION OF CERTAIN EXPENSES?

9 A. Yes. Certain expenses such as rate case expenses or deferred expenses are not
10 ongoing O&M expenses but are nevertheless part of the cost of service. For
11 all but the Aurora Distributed Solar, LLC (Aurora) issue discussed below, we
12 propose to amortize these items over three years, since we plan to file our next
13 rate case to coincide with the end of the MYRP.

14
15 Q. AND DOES THE COMPANY ALSO PROPOSE RECOVERY OF A PORTION OF THE
16 AURORA POWER PURCHASE AGREEMENT (PPA) THAT WAS DENIED BY THE
17 STATE OF SOUTH DAKOTA?

18 A. Yes. By way of background, the Commission selected a solar project to be
19 developed by Aurora and then approved a PPA between the Company and
20 Aurora in Docket No. E002/CN-12-1240. The Company opposed this
21 project due to its high cost. This resource was disputed by the South Dakota
22 Public Utilities Commission (SDPUC) in Docket No. EL16-037 as being too
23 expensive. In that docket, the SDPUC prohibited the Company from
24 recovering the full South Dakota portion of Aurora. Instead, SDPUC limited
25 recovery from South Dakota ratepayers to an energy proxy price (derived from
26 the system average cost of fuel and purchased power), with no capacity
27 component.

1 The Company therefore requests authorization to recover the difference
2 between the contracted PPA and the SDPUC proxy price for the period
3 January 1, 2017 (the date the SDPUC denied recovery) to January 1, 2022,
4 through this case. We request recovery of these costs over the two-year period
5 from January 1, 2021 to December 31, 2022 and then to include this portion
6 of the cost of Aurora in the FCA beginning January 1, 2023.

7
8 Q. WHY SHOULD THIS COMMISSION ALLOW RECOVERY OF THESE COSTS?

9 A. Given the background I reference above, the Company should be allowed full
10 recovery of the costs of this project and recovery of this portion of the cost
11 of the Aurora PPA from our Minnesota customers is reasonable and
12 appropriate. Without recovery, shareholders would be forced to absorb a
13 portion of the costs of a project the Company opposed. Mr. Halama addresses
14 the adjustment necessary to provide this recovery in his testimony.

15
16 *e. Revenues and Margins*

17 Q. DID THE COMPANY INCORPORATE OFFSETTING REVENUES THAT LOWER THE
18 MYRP REVENUE REQUIREMENTS?

19 A. Yes. By developing each of our MYRP years' revenue requirements using a
20 full cost of service approach, we are capturing the full array of issues that
21 impact those revenue requirements – both items that increase revenue
22 requirements and items that decrease them. Mr. Halama discusses this further
23 in his testimony.

24
25 *f. Rate of Return*

26 Q. DOES THE MYRP STATUTE ADDRESS TREATMENT OF A UTILITY'S COST OF
27 CAPITAL DURING THE TERM OF ITS PLAN?

1 A. Yes. The MYRP Statute specifically provides that the Commission “may allow
2 the utility to adjust recovery of its cost of capital or other costs in a reasonable
3 manner within the plan period.”
4

5 Q. WHY MIGHT SUCH AN ADJUSTMENT BE REASONABLE AS PART OF A MYRP?

6 A. Under a MYRP, utilities, regulators, customers and others are entering into a
7 lengthy rate compact. Typically, the utility is not allowed to come back for
8 additional revenues until the conclusion of the multi-year rate plan. This
9 restriction places increased risk on the utility, which, in turn, could increase
10 the utility’s required ROE. Additionally, other external factors could influence
11 the Company’s required ROE over the term of the plan, such as rising interest
12 rates.
13

14 Q. IS THE COMPANY PROPOSING AN ADJUSTMENT TO ITS REQUESTED 10.20
15 PERCENT ROE FOR THE 2022 AND 2023 PLAN YEARS?

16 A. No. While the MYRP Statute allows for such adjustments, we are not
17 proposing any adjustments to the requested ROE. Our intent by proposing a
18 fixed ROE is to limit the number of potentially contested issues in this
19 proceeding. However, this highlights the importance of a reasonable and
20 appropriate cost of equity during the term of the MYRP as Mr. D’Ascendis
21 discusses in his testimony.
22

23 *g. Rate Design*

24 Q. DOES THE COMPANY PROPOSE ANY SIGNIFICANT RATE DESIGN CHANGES
25 DURING THE TERM OF THE MYRP?

26 A. No. Mr. Huso discusses the Company’s overall approach to rate design,
27 including our approach to the 2022 and 2023 plan years, in his testimony. In

1 general, we have adopted the same approach to both revenue apportionment
2 and rate design in the plan years as we did for the 2021 test year.

3
4 2. *Other MYRP Request Features*

5 a. *Performance Metrics*

6 Q. DOES THE COMPANY CURRENTLY HAVE “PERFORMANCE METRICS” IN PLACE
7 TO ASSURE CONTINUED STRONG PERFORMANCE DURING THE TERM OF ITS
8 MYRP?

9 A. Yes. The Company has a strong foundation in place to assure strong
10 performance in those areas of concern to our customers, most notably
11 through our Quality Service Plan (QSP) Tariff. Our QSP tariff is the result of
12 extensive negotiations with the Department of Commerce, Office of the
13 Attorney General and the Suburban Rate Authority and was approved by the
14 Commission. The QSP tariff is penalty-based and tracks eight metrics
15 including: reliability, customer complaints, call response time, billing accuracy,
16 and others. The Commission has ongoing oversight of our QSP Tariff
17 through our annual reports.

18
19 Q. IS THE COMPANY PROPOSING ADDITIONAL PERFORMANCE MEASURES TO BE
20 PUT IN PLACE DURING THE TERM OF THE MYRP?

21 A. Yes. When the legislature amended the MYRP statute, it specified that the
22 Commission may require a utility under such a plan to provide “a set of
23 reasonable performance measures and incentives that are quantifiable,
24 verifiable, and consistent with state energy policies.” Consistent with this
25 legislative direction, we propose three performance incentive mechanisms
26 (PIMs) related to reducing carbon emissions, as set forth in the testimony of
27 Company witness Dr. Ren Orans – an electricity portfolio carbon reduction

1 PIM and two electric vehicle PIMs.

2
3 Q. ARE THE COMPANY'S PROPOSED PIMS IN THIS PROCEEDING CONSISTENT
4 WITH THE DIRECTION PROVIDED BY THE COMMISSION IN THE PERFORMANCE
5 BASED RATEMAKING DOCKET NO. E002/CI-17-401 (PBR docket)?

6 A. Yes. As Dr. Orans discusses, the PIMs proposed here are consistent with the
7 principles adopted by the Commission for performance metrics established in
8 its September 18, 2019 Order Establishing Performance Metrics, in the PBR
9 docket.

10
11 Q. WHY SHOULD THE COMMISSION APPROVE PIMS IN THIS PROCEEDING, WHEN
12 THE PBR DOCKET IS ONGOING?

13 A. From a policy perspective, this MYRP provides an opportunity to begin
14 implementing a limited set of PIMs that are consistent with state policy.
15 Implementing the three PIMs recommended by Dr. Orans can provide
16 valuable insights to the Commission and other stakeholders during these next
17 three years that can inform the ongoing work of the PBR docket.

18
19 *b. Riders*

20 Q. IS THE COMPANY PROPOSING TO REMOVE ANY ITEMS FROM ITS CURRENT RES
21 RIDER DURING THE TERM OF ITS THREE-YEAR MYRP PROPOSAL?

22 A. Yes. Mr. Halama discusses the Company's proposed ratemaking treatment
23 associated with each of the riders in use, including the Company's proposal to
24 move recovery of a number of projects currently being recovered in riders to
25 base rates, coincident with implementation of final rates in this proceeding.
26 Those include the following projects:

- 27
- Blazing Star I and II Wind Farm;

- 1 • Community Wind North;
- 2 • Crowned Ridge;
- 3 • Courtenay Wind Farm;
- 4 • Foxtail Wind Farm;
- 5 • Jeffers;
- 6 • Lake Benton Wind Farm; and
- 7 • Mower.

8

9 These projects are all in-service or projected to be in service by December 31,
10 2020. Other projects not yet in-service at the start of the 2021 Test Year will
11 continue to have their costs and production tax credits (PTCs) included in the
12 RES Rider, and we propose to continue including costs and PTCs related to
13 the Freeborn wind project and begin recovery of costs and refunds for PTCs
14 on Dakota Ridge in the RES Rider, as discussed by Mr. Halama.

15

16 Q. WHY IS THE COMPANY STILL SEEKING TO RECOVER THE COSTS RELATED TO
17 THESE PROJECTS THROUGH THE RES RIDER?

18 A. We appreciate that the MYRP Order encourages the transitioning of cost
19 recovery from riders to base rates. With these ongoing or new projects,
20 however, the RES rider provides greater certainty and accuracy around cost
21 recovery. This is because the majority of the revenue requirement impact of
22 these projects will occur beyond the test year of 2021, and even though we
23 have requested interim rates in 2022, we are cognizant that the Commission
24 has not yet granted a “second year” of interim rates under the MYRP Statute.
25 By leaving recovery of these projects in the RES Rider, we simplify the second
26 year interim rate issues.

27

1 Q. IS THE COMPANY ALSO PROPOSING TO MOVE RECOVERY OF CERTAIN TCR
2 RIDER PROJECTS INTO BASE RATES WITH THE IMPLEMENTATION OF FINAL
3 RATES?

4 A. Yes. As Mr. Halama discusses in more detail, we propose to move the three
5 CapX2020 LaCrosse projects, CapX2020 Brookings, CapX2020 Fargo, Big
6 Stone – Brookings, and LaCrosse - Madison projects from TCR Rider
7 recovery to base rate recovery coincident with implementation of final rates
8 in this rate case.

9

10 Q. DOES THE COMPANY PROPOSE TO CONTINUE THE TCR RIDER DURING THE
11 MYRP?

12 A. Yes. Specifically, the Company requests continued recovery of the ADMS
13 project and the Huntley – Wilmarth project through the TCR Rider. These
14 are large qualifying projects that are not yet fully in-service, making continued
15 Rider recovery appropriate. We also propose to begin recovery of the AMI,
16 FAN and LoadSeer projects, as well as the TOU Pilot, in the TCR Rider
17 effective January 1, 2020. These requests will be included in a future TCR
18 Rider filing and are not included in this rate case. We also request to continue
19 recovery of the MISO RECB Schedule 26 and 26A net revenues through the
20 TCR Rider.

21

22 Q. FOR THE RES OR TCR PROJECTS MOVING TO BASE RATES, WHY IS THE
23 COMPANY PROPOSING TO ROLL THESE PROJECTS IN AT FINAL RATE
24 IMPLEMENTATION INSTEAD OF AT THE OUTSET OF THIS CASE?

25 A. At the outset, it is important to recognize that there is no net impact to
26 customers from the Company recovering the project costs through the TCR,
27 or RES Riders, or base rates. It is just the mechanics of the recovery that

1 changes. With that understanding, we believe that rolling these projects into
2 base rates coincident with implementation of final rates is a reasonable
3 approach and consistent with general ratemaking principles. It is also worth
4 noting that continued recovery of these projects through the TCR and RES
5 Riders during the interim rate period is relatively simple and straightforward
6 and mirrors the approach taken with the TCR Rider in the Company's 2015
7 rate case.

8
9 Q. CAN YOU BRIEFLY DESCRIBE THE COMPANY'S APPROACH FOR ROLLING THESE
10 PROJECTS INTO BASE RATES DURING FINAL RATE IMPLEMENTATION?

11 A. Our approach starts with an interim rate adjustment that excludes these
12 projects from interim rates. When we implement final rates, which will include
13 the projects in base rates, we will simultaneously remove these projects from
14 the TCR and RES Rider mechanisms and reduce our recovery through those
15 Riders. This approach is consistent with the Commission's treatment of
16 Metropolitan Emission Reduction Project (MERP) costs recovered through
17 the Environmental Improvement Rider (EIR) and the Nobles Wind, Grand
18 Meadow Wind, and Wind2Battery projects recovered through the RES Rider
19 in our 2010 rate case (Docket No. E002/GR-10-971).

20
21 Q. WHAT DOES THE COMPANY PROPOSE WITH REGARD TO OTHER RIDERS?

22 A. Consistent with our last case, we propose to continue the use of the Renewable
23 Development Fund (RDF) Rider, CIP Rider, Windsource Rider,
24 Renewable*Connect Rider, and the FCA in their current forms.

1 Q. ARE THE COMPANY’S RIDER PROPOSALS CONSISTENT WITH THE MYRP
2 ORDER AND STATUTE AND WITH THE 2016-2019 MYRP?

3 A. Yes. Consistent with the MYRP Order, the Company proposes to move a
4 number of in-service projects from rider recovery to base rate recovery. Other
5 projects will remain in riders for recovery during the MYRP, and new
6 qualifying projects may be added. This approach is reasonable and consistent
7 with the MYRP Statute, which specifically allows utilities proposing MYRPs
8 to propose adjustments for significant investments during the term of the plan.

9
10 From a policy perspective, MYRPs and riders can be viewed as
11 complementary to one another. In an environment of flat sales and ongoing,
12 needed capital investments, base rates can provide the necessary recovery of
13 those core investments, while riders can focus on discrete qualifying projects
14 or new policy-driven initiatives, which may require more frequent oversight
15 and scrutiny. When used together in this way, a MYRP and riders can provide
16 stable, predictable, consistent rate recovery for a sustained period of time,
17 while encouraging pursuit of policy goals. The 2016-2019 MYRP
18 accomplished that result, and the Company’s proposed MYRP can as well.

19
20 *c. Cost Recovery of Pilots*

21 Q. DID THE COMMISSION RECENTLY ADDRESS THE ISSUE OF COST RECOVERY
22 ASSOCIATED WITH PILOT PROGRAMS INITIATED DURING A MYRP?

23 A. Yes. In Docket No. E002/M-18-643, the Commission approved deferred
24 accounting for certain pilot program expenses related to the Company’s Fleet
25 EV Service Pilot and Public Charging Pilot. In its Order, the Commission
26 also required the Company “to address in its next rate case filing how it intends
27 to handle and budget for future pilots prior to its following rate case filing.”

1 Q. WHAT DOES THE COMPANY INTEND WITH RESPECT TO PILOTS DURING THE
2 MYRP PERIOD?

3 A. There is no “one size fits all” solution for how pilots and cost recovery for
4 those pilots should be handled. If the Company determines or is required to
5 offer a new pilot, we will examine the specific program and assess available
6 cost recovery options. Any petition we file for approval of the pilot will fully
7 discuss any cost recovery proposal associated with it, and Commission
8 approval would be required before cost recovery could occur. This approach
9 is consistent with the MYRP Order, which states that “the Commission will
10 address petitions for riders and deferred accounting on a case-by-case basis as
11 they arise and will consider the status and objectives of the petition.”
12

13 *d. Proposed True-ups During the Term of the MYRP*

14 Q. DOES THE COMPANY PROPOSE ANY “TRUE-UP” MECHANISMS DURING THE
15 TERM OF ITS PLAN?

16 A. Yes. The Company proposes true-ups modeled after the true-ups approved
17 in the Company’s 2015 rate case for our current MYRP, and I discuss the
18 policy rationale for these true-ups below. Much like our last case, this case is
19 likely to transpire such that we will have the benefit of having actual test year
20 information about our sales prior to calculating and implementing final rates.
21 Consistent with the 2016-2019 MYRP, we recommend setting final rates based
22 on actual test year weather normalized sales and then using a sales true-up for
23 the 2022 and 2023 plan years, as was done in the 2016-2019 MYRP and the
24 2020 stay-out. We also recommend using true-ups for our capital related
25 revenue requirements and property taxes throughout the MYRP.

1 *e. Sales True-up*

2 Q. PLEASE EXPLAIN THE COMPANY'S PROPOSED TEST YEAR SALES TRUE-UP.

3 A. As Ms. Marks discusses, the Company proposes a true-up of the Company's
4 sales for the 2021 test year, as was done in the Company's last two rate cases.
5 This true-up is integral to our MYRP proposal, as it ensures that rates will be
6 set properly during the test year.

7
8 Q. WHY IS THE SALES TRUE-UP SO INTEGRAL TO YOUR MYRP PROPOSAL?

9 A. First, it is important to recognize the role of sales and the sales forecast in a
10 general rate case. As Ms. Marks discusses, the goal of the sales forecast as
11 used in a rate case is to best predict the ultimate sales that the Company will
12 experience. However, sales forecasts often become contentious issues in rate
13 cases, given their impact on revenue requirements. For example, if the sales
14 forecast projects lower sales than the utility ultimately achieves, rates will have
15 been overstated; all else equal, and customers will have paid more than
16 necessary for the Company to earn its authorized return. Conversely, if the
17 sales forecast is overstated, rates will be set too low, and the utility will be
18 denied a reasonable opportunity to earn its authorized return.

19
20 To set base rates appropriately and treat both customers and the Company
21 fairly, in the Company's past two rate cases the parties agreed to utilize actual
22 data to inform the proceeding, rather than relying exclusively on one or the
23 other of the competing forecasts. Given the length of time those cases took
24 to process, full test year sales data was available to set final rates. We expect
25 that the same will be true in this proceeding. By the time of completion of
26 this proceeding, the Company will have full test-year sales data available and
27 there will simply be no need to rely on a test-year forecast; which, absent

1 perfection in the forecast, would necessarily lead to rates being set too high or
2 too low.

3
4 Q. DOES THE COMPANY ALSO PROPOSE AN ONGOING SALES TRUE-UP?

5 A. Yes. However, rather than a combination of a sales true-up (for demand
6 customer classes) and revenue decoupling mechanism (for other classes), as
7 was approved in the 2016-2019 MYRP, the Company proposes a sales true-
8 up for all classes. The Company's decoupling pilot expired at the end of 2019.
9 Therefore, in approving the Company's 2020 stay-out petition, the
10 Commission approved use of the sales true-up for all customer classes in 2020.
11 The Company proposes to use the 2020 methodology as a permanent
12 decoupling mechanism. Decoupling is a tool that helps to align interests in
13 policy matters such as conservation and demand response, as well as offers
14 revenue stabilization as we implement innovative rate design changes such as
15 our proposal for three-period time of use pricing. Our proposal for an
16 ongoing decoupling mechanism will help ensure that neither customers nor
17 the Company are financially harmed, as it provides a reasonable opportunity
18 to maintain Company revenue at the level authorized by the Commission.

19
20 *f. Capital True-up*

21 Q. PLEASE DESCRIBE THE COMPANY'S PROPOSED CAPITAL TRUE-UP.

22 A. The Company proposes a capital true-up designed in conformance with that
23 used in the 2016-2019 MYRP and previously approved by the Commission in
24 our 2013 rate case (Docket No. E002/GR-13-826). Under this mechanism,
25 the Company will provide a refund to customers if the Company's actual
26 capital-related revenue requirement is less in total, in any of the MYRP years,
27 than the Commission authorizes for that year. Conversely, if the Company's

1 actual capital-related revenue requirement is more in total, in an MYRP year,
2 than the Commission authorizes for that year, the Company cannot surcharge
3 customers to collect that difference.

4
5 Q. WHY IS SUCH A CAPITAL TRUE-UP MECHANISM REASONABLE?

6 A. From the customers' perspective, this capital true-up provides protection and
7 assurance that the Company will not over-collect for its capital investments
8 during the term of the MYRP. From the Company's perspective, although we
9 have demonstrated the reasonableness of our capital forecasts in this rate
10 filing, we see the value in offering this ratepayer protection and, by focusing
11 the true-up on total capital-related revenue requirements, we retain the
12 flexibility to manage our business during the term of the MYRP.

13
14 *g. Property Tax True-up*

15 Q. PLEASE DESCRIBE THE COMPANY'S PROPOSED PROPERTY TAX TRUE-UP.

16 A. As with the capital true-up, the Company proposes a property tax true-up
17 designed in conformance with that used in the 2016-2019 MYRP and
18 previously approved by the Commission in our 2013 rate case. As Mr.
19 Christopher A. Arend discusses, given the expected procedural schedule for
20 this case, we believe it may be possible to set final rates based on actual
21 property taxes for 2021 rather than relying on a forecast. Alternatively, final
22 rates can be set based on the Company's property tax forecast for 2021 and
23 the Company would make a compliance filing once final 2021 property taxes
24 are known, so that any over-recovery could be refunded, or any under-
25 recovery could be deferred. Going forward, 2022 and 2023 rates would be set
26 based on forecasted property tax amounts. However, the Company would
27 submit annual compliance filings that show actual property taxes for those

1 years once they are finalized.

2
3 Q. WHY IS A PROPERTY TAX TRUE-UP REASONABLE AS PART OF THE MYRP?

4 A. While the Company strives to develop the best property tax forecasts it can,
5 there is always uncertainty about the finality of state Department of Revenue
6 valuations each year. Therefore, final property taxes could be higher or lower
7 than our forecasts. A symmetrical true-up mechanism, as was used in the
8 2016-2019 MYRP, allows the Company to recover this necessary cost of
9 providing service and ensures customers only pay the actual property tax
10 amounts for a given year.

11
12 *b. Compliance Filings/Status Reports*

13 Q. WHAT DOES THE MYRP ORDER ENVISION REGARDING COMMISSION REVIEW
14 DURING THE TERM OF AN MYRP AND WHAT DOES THE COMPANY PROPOSE IN
15 THIS REGARD?

16 A. The MYRP Order directs utilities to propose a process for filing and a
17 schedule for reviewing reports that compared the estimated costs and
18 revenues for the plan years to the actual costs and revenues experienced and
19 to explain the reasons for any difference so that the Commission and parties
20 can evaluate the accuracy of the estimates used in the MYRP rate making
21 process. The compliance filings the Company proposes to make and a
22 proposed schedule for review of those filings is provided in Exhibit___(GPC-
23 1), Schedule 3. These filings, together with the Company's sales and
24 decoupling true-up reports, and our May 1 Jurisdictional Annual Report (JAR),
25 will ensure ongoing regulatory oversight and provide the Commission and
26 parties a wealth of information on which to assess the Company's
27 performance under the MYRP.

1 *i. Commitment to Not File During Term of Plan*

2 Q. THE MYRP ORDER STATES THAT A UTILITY MAY NOT FILE A NEW RATE CASE
3 DURING THE TERM OF AN APPROVED MYRP. DOES THE COMPANY AGREE?

4 A. Yes. As I have already discussed, one of the benefits of a just and reasonable
5 MYRP plan is that it can provide more stable and predictable rates for a period
6 of time and avoid the need for serial rate case filings. If the Commission
7 approves another MYRP for the Company, we would not file a new rate case
8 during the term of the plan.

9
10 *j. Rates at the Conclusion of the Plan*

11 Q. THE MYRP ORDER REQUIRES A UTILITY TO “EXPLAIN THE RATES THAT IT
12 PROPOSES TO BE IN EFFECT” AT THE END OF THE PLAN. WHAT DOES THE
13 COMPANY PROPOSE IN THIS REGARD?

14 A. Rates during the final year of the MYRP would remain in effect at the
15 conclusion of the term of the MYRP, unless the Company files another MYRP
16 60 days prior to the conclusion of the term and proposes new interim rates.

17
18 *3. Conclusion*

19 Q. HOW CAN THE COMMISSION HAVE CONFIDENCE THAT THE COMPANY’S RATES
20 WILL BE JUST AND REASONABLE UNDER YOUR MYRP REQUEST?

21 A. Our three-year MYRP is built on a full cost of service approach. For the
22 capital-related portions of this request, the MYRP relies on our capital
23 forecasts, which are established through a rigorous process and have proven
24 to be conservative over time. Our business area witnesses and supporting
25 documentation also provide significant discussion of the main capital drivers
26 over the three-year term of the plan. By utilizing the full cost of service
27 approach, we have also fully captured the impact of the passage of time

1 throughout the MYRP period. Finally, we propose an overall capital-related
2 revenue requirements true-up that will provide refunds to customers should
3 we not invest at the levels forecasted.

4
5 For expense items, we have also employed a full cost of service approach in
6 this case, again supported by our forecasts and by our business area witnesses.
7 Given our full cost of service approach, we also have incorporated revenue or
8 other offsets, including forecasted O&M reductions in areas such as our
9 nuclear operations and customer care, that reduce our revenue requirements
10 in the plan years. This approach has resulted in modest and stable rate
11 requests for the 2022 and 2023 plan years that should assure the affordability
12 of our energy services over the term of the plan.

13
14 Finally, the Commission will receive a wealth of information, in the form of
15 compliance filings, true-up filings and our jurisdictional annual report, by
16 which it can review the impact on customers as well as our performance and
17 our financial results.

18
19 Collectively, this package provides assurance that our rates will be just and
20 reasonable throughout the term of our plan.

21
22 **D. Interim Rate Request**

23 Q. WHAT IS THE COMPANY'S INTERIM RATE REQUEST?

24 A. The Company's interim rate increase request is detailed in Volume 1 of our
25 Application. We are requesting the Commission approve an interim rate
26 increase of approximately \$308.9 million beginning January 1, 2021. We
27 expect this proceeding could last until into the 2021 calendar year. For that

1 reason, and consistent with the MYRP Statute, we are also proposing an
2 additional interim rate increase beginning January 1, 2022.

3
4 Q. WHY IS INTERIM RATE RECOVERY IMPORTANT?

5 A. In order to meet our customers' and other stakeholders' needs and
6 expectations for the continued delivery of clean, safe, reliable energy, our
7 revenues need to be adjusted on an interim basis so we can recover the costs
8 that have been incurred and will be spent during this proceeding. For example,
9 a sizable amount of our 2021 request relates to investments that will be in-
10 service before final rates are likely to be in effect.

11
12 Q. IS THERE ANYTHING YOU WOULD LIKE TO NOTE ABOUT THE COMPANY'S
13 INTERIM RATE REQUEST?

14 A. The Company's interim rate request for 2021 is substantially lower than our
15 final base rate request because we are keeping certain recoveries in riders
16 during the pendency of the case and then rolling those projects in to base rates
17 at the conclusion of the proceeding. We discuss this further in Mr. Halama's
18 testimony and in the Notice and Petition for Interim Rates, included in
19 Volume 1.

20
21 Q. WHY IS IT REASONABLE TO HAVE A SECOND INTERIM RATE INCREASE IN 2022?

22 A. Based on the statutory timeline for our case and our experience in our last rate
23 case, we do not anticipate a final order in this case in 2021. This means that
24 we will still be making increasing investments and facing increased costs in
25 2022. To be positioned to meet our customers' needs, an interim rate increase
26 is appropriate and the MYRP Statute specifically allows for such an increase.

1 Q. WHAT ADJUSTMENTS HAS THE COMPANY MADE TO ITS 2021 INTERIM RATE
2 REQUEST?

3 A. We have made adjustments to our interim rate request required by Minnesota
4 law, such as reflecting our currently authorized ROE, as well as a few
5 additional adjustments, such as removing the impact of the projects currently
6 being recovered in our TCR or RES Riders, but proposed to be rolled into
7 final rates at the conclusion of this proceeding. Again, these adjustments are
8 addressed in our Notice and Petition for Interim Rates.

9

10 Q. WHAT ADJUSTMENTS HAS THE COMPANY MADE TO ITS 2022 INTERIM RATE
11 REQUEST?

12 A. We took the same approach to our 2022 interim rates as we did to our 2021
13 interim rate request.

14

15 **IV. FRAMEWORK OF FILING AND**
16 **COMPLETENESS MATRIX**

17

18 Q. CAN YOU EXPLAIN HOW THE INITIAL FILING IS ORGANIZED IN THIS CASE?

- 19 A. Yes. The filing consists of multiple volumes, as follows:
- 20 • Volume 1 contains our Notice of Change of Rates and Interim Rate
21 Petition.
 - 22 • Volumes 2A through 2E include the Direct Testimony and supporting
23 schedules of each of the witnesses.
 - 24 • Volume 2F contains our proposed Tariff sheets for the 2020 test year
25 and the 2021 and 2022 plan years.
 - 26 • Volume 3 includes the Required Financial Information, providing that
27 information in support of each of the three years of our MYRP rate

1 request and includes our five-year forecast and cost of service, so that
2 parties and the Commission have the benefit of this information in
3 determining the appropriate MYRP for the Company.

- 4 • Volume 4 includes the workpapers primarily supporting the cost of
5 service studies for the 2020 test year and 2021 and 2022 MYRP plan
6 years, prepared at the direction of Mr. Halama.
- 7 • Volume 5 includes our Budget Summary and Documentation.
- 8 • Volume 6 includes our Budget Documentation.

9 Q. HAVE YOU PROVIDED A COMPLETENESS MATRIX, DEMONSTRATING THE
10 COMPANY'S COMPLIANCE WITH ALL RATE CASE FILING REQUIREMENTS?

11 A. Yes. I have attached our completeness matrix as Schedule 2.

12 13 **V. INTRODUCTION OF WITNESSES**

14
15 Q. PLEASE INTRODUCE THE WITNESSES THE COMPANY SPONSORS IN THIS
16 PROCEEDING.

17 A. In addition to my Policy testimony, the Company sponsors the following
18 witnesses:

- 19 • Dr. Ren Orans, of E3, who provides discussion of proposed
20 performance incentive mechanisms during the MYRP.
- 21 • Benjamin Halama, who sponsors the overall revenue requirement for
22 the rate case. Mr. Halama also sponsors the schedules supporting our
23 income statement, rate base, revenue deficiency, and jurisdictional
24 allocations. His schedules incorporate and reflect the recommendations
25 of a number of our witnesses, including the business area, cost of capital
26 and sales forecast witnesses. Mr. Halama also supports certain cost
27 recovery proposals.

- 1 • Sarah Soong, who sponsors our capital structure, cost of debt, and
2 overall cost of capital recommendations and provides testimony
3 regarding investor relations.
- 4 • Dylan D’Ascendis, of ScottMadden, Inc., who testifies on the Return
5 on Equity and Rate of Return, including capital structure, and the cost
6 of debt.
- 7 • Melissa Ostrom, who testifies on the Company’s budgeting process.
- 8 • Jannell Marks, who provides testimony supporting the Company’s sales
9 forecast for the 2021 test year and also testifies regarding sales in the
10 2022-2023 plan years. These sales figures are then used in Mr. Halama’s
11 determination of the revenue deficiency.
- 12 • Wendell Reimer, who testifies on the Company’s overall business
13 systems and information technology needs essential to the operations
14 of our business, including all computer hardware, computer software,
15 voice and data networks, and the software that facilitates the
16 communication necessary between multiple systems.
- 17 • Kelly Bloch, who sponsors testimony regarding our investments in our
18 distribution system, as well as associated O&M expenses.
- 19 • Christopher Cardenas, who provides testimony on the Company’s
20 customer satisfaction, actions by the Customer Care organization to
21 contain costs while maintaining and improving customer service and
22 the Company’s commodity and non-commodity bad debt expense.
- 23 • Peter Gardner, who sponsors testimony regarding our nuclear program
24 and the reasonableness of our nuclear-related capital investments and
25 O&M costs.

- 1 • Ian Benson, who sponsors testimony regarding the budgeted
2 investments in our transmission system, as well as associated O&M
3 expenses.
- 4 • Kimberly Randolph, who sponsors testimony discussing our capital
5 budget and the O&M expenses for the Energy Supply business unit.
6 Ms. Randolph also provides information with respect to the
7 performance of our generation fleet and steps we are taking to improve
8 performance and operate more efficiently.
- 9 • Ross Baumgarten, who presents our Cost Assignment and Allocation
10 Manual, and discusses cost allocations between business areas and
11 jurisdictions, as well as from Xcel Energy Services Inc.
- 12 • Christopher Arend, who sponsors testimony regarding our property tax
13 expenses and proposed property tax tracker.
- 14 • Robert Miller, who sponsors testimony regarding the Company's
15 insurance program.
- 16 • Richard Schrubbe, who provides testimony about of our pension cost
17 recovery request and associated pension accounting matters.
- 18 • Evan Inglis, an independent consultant, who provides a third-party
19 opinion regarding the reasonableness of the Company's investment
20 strategies and target asset allocations for the qualified pension funds
21 over the past several years.
- 22 • Ruth Lowenthal, who sponsors testimony in support of our employee
23 compensation and benefits policies, including incentive compensation.
24 Ms. Lowenthal also provides testimony regarding our health and
25 welfare benefits and our retirement program.
- 26 • William Husen, who sponsors testimony regarding employee expenses.

1 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

2 A. Yes, it does.

Statement of Qualifications

Greg P. Chamberlain

**Vice President for Regulatory and Government Affairs
Northern States Power Company - Minnesota**

Greg Chamberlain is Xcel Energy's Regional Vice President for Regulatory and Government Affairs. He is responsible for state government relations and regulatory filings with the utility commissions in Minnesota, North Dakota and South Dakota.

He previously served as Regional Vice President for Government and Community Relations for the Company, overseeing state and local government relations for Minnesota, North Dakota, and South Dakota.

Prior to that, Chamberlain served as General Manager of Power Generation, where he was responsible for the operations of the Company's fleet of 13 power plants across Minnesota, Wisconsin, and South Dakota.

As Director of Transmission Portfolio Delivery for the Company, Chamberlain was responsible for the engineering, project management, project controls and permitting of a \$4 billion electric transmission capital portfolio across 10 states. In addition, he acted as Xcel Energy's management committee representative on each of four CapX2020 projects. CapX2020 is a joint initiative of 11 transmission-owning utilities in Minnesota and the surrounding region, investing \$2 billion to expand the electric transmission grid to ensure continued reliable and affordable service.

Chamberlain joined Xcel Energy in 2000 as a market segment manager with responsibility for marketing power and ancillary services in newly deregulated markets, and then joined the Transmission organization in 2006.

Before joining Xcel Energy, Chamberlain spent five years at Suez leading energy, water and chemical outsourcing initiatives in a variety of heavy industries. Prior to that role, he spent nine years at Hercules, Inc., now part of Ashland Chemical.

Chamberlain earned a Master of Business Administration degree from the University of Minnesota - Carlson School of Management and a Bachelor of Science degree in chemical engineering from Purdue University. He serves on the boards of directors of Catholic Charities of St. Paul and Minneapolis and the Boy Scouts of America Northern Star Council.

MINNESOTA RULES		
Minn. Rule 7825.3200	NOTICE OF CHANGE IN RATES	
	A utility filing for a general rate change shall serve notice to the commission at least 90 days prior to the proposed effective date of the modified rates. Such notice shall include:	Vols. 1 and 2A – 2E (see below for specific requirements and locations)
	(1) proposal for change in rates as prescribed in part 7825.3500;	
	(2) modified rates as prescribed in part 7825.3600;	
	(3) expert opinions and supporting exhibits as prescribed in part 7825.3700;	
	(4) informational requirements as prescribed in parts 7825.3800 to 7825.4400; and	
	(5) statement indicating the method of insuring the payment of refunds as prescribed in part 7825.3300.	
Minn. Rule 7825.3500	PROPOSAL FOR CHANGE IN RATES	
	The utility's proposal for a change in rates shall summarize the notice of change in rates and shall include the following information:	
A.	name, address, and telephone number of the utility without abbreviation and the name and address and telephone number of the attorney for the utility, if there be one;	Vol. 1, Notice of Change in Rates Tab
B.	date of filing and date modified rates are effective;	Vol. 1, Notice of Change in Rates Tab
C.	description and purpose of the change in rates requested;	Vol. 1, Notice of Change in Rates Tab
D.	effect of the change in rates expressed in gross revenue dollars and as a percentage of test year gross revenue; and	Vol. 1, Notice of Change in Rates Tab
E.	signature and title of utility officer authorizing the proposal.	Vol. 1, Notice of Change in Rates Tab

Minn. Rule 7825.3300	METHODS AND PROCEDURES FOR REFUNDING	
	An unqualified agreement, signed by an authorized official of the utility, to refund any portion of the increase in rates determined to be unreasonable together with interest thereon.	Vol. 1, Agreement and Undertaking Tab
	Any increase in rates or part thereof determined by the commission to be unreasonable shall be refunded to customers or credit to customers' accounts within 90 days from the effective date of the commission order and determined in a manner prescribed by the commission including interest at the average prime interest rate computed from the effective date of the proposed rates through the date of refund or credit.	Vol. 1, Agreement and Undertaking Tab
Minn. Rule 7825.3600	MODIFIED RATES	
	All proposed changes in rates shall be shown by filing revised or new pages to the rate book previously filed with the commission and by identifying those pages which were not changed. Each revised or new page of the rate book shall contain the information required for each page of the rate book and shall be in a format consistent with the currently filed rate book. In addition, each revised page shall contain the revision number and the page number of the revised page.	Vol. 2E contains the Clean and Redline versions of the tariffs to be changed, including the revision number and page number. Pages not changed are identified with an asterisk on the index page for the 2021 test year.
Minn. Rule 7825.3700	EXPERT OPINIONS AND SUPPORTING EXHIBITS	
	Expert opinions and supporting exhibits shall include written statements, in question and answer format, together with supporting exhibits of utility personnel and other expert witnesses as deemed appropriate by the utility in support of the proposal.	Vols. 2A, 2B, 2C, and 2D
Minn. Rule 7825.3900	JURISDICTIONAL FINANCIAL SUMMARY SCHEDULE	
	A jurisdictional financial summary schedule as required by part 7825.3800 shall be filed showing:	
A.	the proposed rate base, operating income, overall rate of return, and the calculation of income	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, Schedule 3 (Revenue

	requirements, income deficiency, and revenue requirements for the test year;	Requirements); Vol. 3, Section II, Tabs 2 to 5.
B.	the actual unadjusted average rate base consisting of the same components as the proposed rate base, unadjusted operating income, overall rate of return, and the calculation of income requirements, income deficiency, and revenue requirements for the most recent fiscal year; and	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, Schedules 7-8 (Revenue Requirements); Vol. 3, Section II, Tabs 2 to 5.
C.	the projected unadjusted average rate base consisting of the same components as the proposed rate base, unadjusted operating income under present rates, overall rate of return, and the calculation of income requirements, income deficiency, and revenue requirements for the projected fiscal year.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, Schedules 7-8 (Revenue Requirements); Vol. 3, Section II, Tabs 2 to 5.
Minn. Rule 7825.4000	RATE BASE SCHEDULES	
	The following rate base schedules as required by part 7825.3800 shall be filed:	
A.	A rate base summary schedule by major rate base component (e.g. plant in service, construction work in progress, and plant held for future use) showing the proposed rate base, the unadjusted average rate base for the most recent fiscal year and unadjusted average rate base for the projected fiscal year. The totals for this schedule shall agree with the rate base amounts included in the financial summary.	Vol. 3, Section II, Tab 3, Parts A to E.
B.	A comparison of total utility and Minnesota jurisdictional rate base amounts by detailed rate base component showing:	
	total utility and the proposed jurisdictional rate base amounts for the test year including the adjustments, if any, used in determining the proposed rate base;	Vol. 3, Section II, Tab 3, Part B.
	the unadjusted average total utility and jurisdictional rate base amounts for the most recent fiscal year and the projected fiscal year.	Vol. 3, Section II, Tab 3, Part B.
C.	Adjustment schedules, if any, showing the title, purpose, and description and the summary calculations of each adjustment used in determining the proposed jurisdictional rate base.	Vol. 3, Section II, Tab 3, Part C.

D.	A summary by rate base component of the assumptions made and the approaches used in determining average unadjusted rate base for the projected fiscal year. Such assumptions and approaches shall be identified and quantified into two categories: known changes from the most recent fiscal year and projected changes.	Vol. 3, Section II, Tab 3, Part D.
E.	For multijurisdictional utilities only, a summary by rate base component of the jurisdictional allocation factors used in allocating the total utility rate base amounts to the Minnesota jurisdiction. This summary shall be supported by a schedule showing for each allocation factor the total utility and jurisdictional statistics used in determining the proposed rate base and the Minnesota jurisdictional rate base for the most recent fiscal year and the projected fiscal year.	Vol. 3, Section II, Tab 3, Part E. Note: the Company is a multi-jurisdictional utility.
Minn. Rule 7825.4100	OPERATING INCOME SCHEDULES	
	The following operating income schedules as required by part 7825.3800 shall be filed:	
A.	A summary schedule of jurisdictional operating income statements which reflect proposed test year operating income, and unadjusted jurisdictional operating income for the most recent fiscal year and the projected fiscal year calculated using present rates.	Vol. 3, Section II, Tab 4, Part A.
B.	For multijurisdictional utilities only, a schedule showing the comparison of total utility and unadjusted jurisdictional operating income statement for the test year, for the most recent fiscal year and the projected fiscal year. In addition, the schedule shall provide the proposed adjustments, if any, to jurisdictional operating income for the test year together with the proposed operating income statement.	Vol. 3, Section II, Tab 4, Part B.
C.	For investor-owned utilities only, a summary schedule showing the computation of total utility and allocated Minnesota jurisdictional federal and state income tax expense and deferred income taxes for the test year, the most recent fiscal year, and the projected fiscal year. This summary schedule shall be supported by a detailed	Vol. 3, Section II, Tab 4, Part C.

	schedule, showing the development of the combined federal and state income tax rates.	
D.	A summary schedule of adjustments, if any, to jurisdictional test year operating income and detailed schedules for each adjustment providing an adjustment title, purpose and description of the adjustment, and summary calculations.	Vol. 3, Section II, Tab 4, Part D.
E.	A schedule summarizing the assumptions made and the approaches used in projecting each major element of operating income. Such assumptions and approaches shall be identified and quantified into two categories: known changes from the most recent fiscal year and projected changes.	Vol. 3, Section II, Tab 4, Part E.
F.	For multijurisdictional utilities only, a schedule providing, by operating income element, the factor or factors used in allocating total utility operating income to Minnesota jurisdiction. This schedule shall be supported by a schedule which sets forth the statistics used in determining each jurisdictional allocation factor for the test year, the most recent fiscal year, and the projected fiscal year.	Vol. 3, Section II, Tab 4, Part F.
Minn. Rule 7825.4200	RATE OF RETURN COST OF CAPITAL SCHEDULES	
	The following rate of return cost of capital schedules as required by part 7825.3800 shall be filed:	
A.	A rate of return cost of capital summary schedule showing the calculation of the weighted cost of capital using the proposed capital structure and the average capital structures for the most recent fiscal year and the projected fiscal year. This information shall be provided for the unconsolidated parent and subsidiary corporations, or for the consolidated parent corporation.	Vol. 3, Section II, Tab 5, Part A.
B.	Supporting schedules showing the calculation of the embedded cost of long-term debt, if any, and the embedded cost of preferred stock, if any, at the end of the most recent fiscal year and the projected fiscal year.	Vol. 3, Section II, Tab 5, Parts B & E LTD and PE.

C.	Schedule showing average short-term securities for the proposed test year, most recent fiscal year, and the projected fiscal year.	Vol. 3, Section II, Tab 5, Part C STD.
	Average Common Equity Balances (Additional Information)	Vol. 3, Section II, Tab 5, Part D CE.
Minn. Rule 7825.4300	RATE STRUCTURE AND DESIGN INFORMATION	
	The following rate structure and design information as required by part 7825.3800 shall be filed:	
A.	A summary comparison of test year operating revenue under present and proposed rates by customer class of service showing the difference in revenue and the percentage change.	Vol. 3, Section II, Tab 6, Part A.
B.	A detailed comparison of test year operating revenue under present and proposed rates by type of charge including minimum, demand, energy by block, gross receipts, automatic adjustments, and other charge categories within each rate schedule and within each customer class of service.	Vol. 3, Section II, Tab 6, Part B.
C.	A cost-of-service study by customer class of service, by geographic area, or other categorization as deemed appropriate for the change in rates requested, showing revenues, costs, and profitability for each class of service, geographic area, or other appropriate category, identifying the procedures and underlying rationale for cost and revenue allocations. Such study is appropriate whenever the utility proposes a change in rates which results in a material change in its rate structure.	Vol. 3, Section II, Tab 6. Part C Michael A. Peppin, Exhibit___(MAP-1), Vol. 2D, Schedules 2 to 9
Minn. Rule 7825.44	OTHER SUPPLEMENTAL INFORMATION	
	The following supplemental information as required by part 7825.3800 shall be filed:	
A.	Annual report to stockholders or members including financial statements and statistical supplements for the most recent fiscal year. If a utility is not audited by an independent public accountant, unaudited financial statements will satisfy this filing requirement.	Vol. 3, Section II, Tab 7, Part A.

B.	For investor-owned utilities only, a schedule showing the development of the gross revenue conversion factor.	Vol. 3, Section II, Tab 7, Part B.
C.	For cooperatives only, REA Form 7, Financial and Statistical Report for the last month of the most recent fiscal year.	Not Applicable
D.	For cooperatives only, REA Form 7A, Annual Supplement to Financial and Statistical Report.	Not Applicable
E.	For REA cooperatives only, REA Form 325, Financial Forecast.	Not Applicable
Minn. Rule 7829.2400	FILING REQUIRING DETERMINATION OF GROSS REVENUE	
Subpart 1.	Summary. A utility filing a general rate case or other filing that requires determination of its gross revenue requirement shall include, on a separate page, a brief summary of the filing, sufficient to apprise potentially interested parties of its nature and general content	Vol. 1, Notice of Change in Rates Tab.
Subp. 2.	Service. A utility filing a general rate change request shall serve copies of the filing on the department and Residential Utilities Division of the Office of the Attorney General. The utility shall serve the filing or the summary described in subpart 1 on the persons on the applicable general service list and persons who were parties to its last general rate case or incentive plan proceeding.	Vol. 1, Notice of Change in Rates Tab.
Subp. 3.	Notice to public and governing bodies. A utility seeking a general rate change shall give notice of the proposed change to the governing body of each municipality and county in its service area and to its ratepayers. The utility shall also publish notice of the proposed change in newspapers of general circulation in all county seats in its service area.	Vol. 1, Notice of Change in Rates Tab.
MINNESOTA STATUTES		
Minn. Stat. § 216B.16, subd. 17	TRAVEL, ENTERTAINMENT, AND RELATED EMPLOYEE EXPENSES	
	(a) The commission may not allow as operating expenses a public utility's travel, entertainment, and related employee expenses that the	Vol. 3, Section IV, Part 2 Travel, Entertainment & Related Employee

	commission deems unreasonable and unnecessary for the provision of utility service. In order to assist the commission in evaluating the travel, entertainment, and related employee expenses that may be allowed for ratemaking purposes, a public utility filing a general rate case petition shall include a schedule separately itemizing all travel, entertainment, and related employee expenses as specified by the commission, including but not limited to the following categories:	Expenses and compact disk provided with Vol. 3.
	(1) travel and lodging expenses;	Vol. 3, Section IV, Part 2 EER Summary Report 1.
	(2) food and beverage expenses;	
	(3) recreational and entertainment expenses;	
	(4) board of director-related expenses, including and separately itemizing all compensation and expense reimbursements;	
	(5) expenses for the ten highest paid officers and employees, including and separately itemizing all compensation and expense reimbursements;	
	(6) dues and expenses for memberships in organizations or clubs;	
	(7) gift expenses;	
	(8) expenses related to owned, leased, or chartered aircraft; and	
	(9) lobbying expenses.	
	(b) To comply with the requirements of paragraph (a), each applicable expense incurred in the most recently completed fiscal year must be itemized separately, and each itemization must include the date of the expense, the amount of the expense, the vendor name, and the business purpose of the expense. The separate itemization required by this paragraph may be provided using standard accounting reports already utilized by the utility involved in the rate case, in a written format or an electronic format that is acceptable to the commission. For expenses identified in response to paragraph (a), clauses (1) and (2), the utility shall disclose the total amounts for each expense category and provide separate itemization for those expenses incurred by or on behalf of any	Vol. 3, Section IV, Part 2 EER Summary Report 1 and compact disk provided with Vol. 3.

	employee at the level of vice president or higher and for board members. The petitioning utility shall also provide a one-page summary of the total amounts for each expense category included in the petitioning utility's test year.	
Minn. Stat. §216B.19	MULTIYEAR RATE PLAN	
	A utility proposing a multiyear rate plan shall provide a general description of the utility's major planned investments over the plan period. The commission may also require the utility to provide a set of reasonable performance measures and incentives that are quantifiable, verifiable, and consistent with state energy policies.	Greg P. Chamberlain, Exhibit___(GPC-1), Vol. 2A, pgs 31-34, 38-39 (Policy/MYRP Policy). Ren Orans, Exhibit ___(RO-1), Vol. 2A (Performance Based Ratemaking). Wendall A. Reimer, Exhibit___(WAM-1), Vol. 2B, pgs 9-103 (Business Systems). Kelly A. Bloch, Exhibit ___(KAB-1), Vol. 2B, pgs 8-83 (Distribution). Kimberly A. Randolph, Exhibit___(KAR-1), Vol. 2B, pgs 13-65 (Energy Supply). Peter A. Gardner, Exhibit___(PAG-1), Vol. 2B, pgs 23-99 (Nuclear Operations). Ian R. Benson, Exhibit___(IRB-1), Vol. 2B, pgs 13-89 (Transmission). William Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 40-53 (Employee Expenses). Mark P. Moeller, Exhibit___(MPM-1), Vol. 2C, pgs 8-22 (Depreciation).
POLICY STATEMENTS		
Advertising	Statement that recovery is requested only for permitted advertisements.	Vol. 3, Section III, Tab 1.
	Description of advertisements for which recovery is requested.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 76-77 (Revenue Requirements). Vol. 4, Section VIII, Tab A1 Advertising.
	Sample advertisements for which recovery is requested.	Vol. 3, Section III, Tab 1.
Charitable Contributions	Evidence as to whether the recipients of the contributions: serve the utility's Minnesota	Vol. 3, Section III, Tab 2.

	service area; are nondiscriminatory in selecting recipients; and do not promote political or special interest groups.	
	Evidence as to what organizations are gifted, their activities, and that no part of the contribution goes to benefit any private stockholder or individual.	Vol 3, Section III, Tab 2.
	Itemized schedule showing amount, recipient and time of donations.	Vol 3, Section III, Tab 2.
	Only 50% of qualified contributions shall be allowed as operating expenses.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 76-77 (Revenue Requirements); Vol 3, Section III, Tab 2 and Vol. 4, Section VIII, Tabs A6 and A7 Foundation and Other Donations and Economic Development Donations.
Organization Dues	Schedule showing each organization being paid, the number of employees belonging to each organization and the dollar amount of dues being paid to each organization.	Vol. 3, Section III, Tab 3.
	Testimony explaining the primary purpose of each organization.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A pgs 76-77 (Revenue Requirements). Vol. 3, Section III, Tab 3. Vol. 4, Section VIII, Tabs A2 and A4 Dues for Professional Associations and Dues for the Chamber of Commerce.
Research Expenses	Description of each research activity for which an expense is claimed, with all expenses for each activity itemized and supported.	Vol. 3, Section III, Tab 4.
Cash Working Capital	Lead/lag study with: 1) lead time divided into service to meter reading; meter reading to billing; and billing to collection; and 2) lag expenses divided in categories such as fuel, purchased power, labor.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 41-44, Schedules 3 and 4 (Revenue Requirements); Vol. 4, Section III, Tab P10.
	Other issues may include average or minimum cash balances required, depreciation, dividends and interest on debt	
Interim Rates:		
Item 1, page 2	Name, address and telephone number of utility and attorneys.	Vol. 1, Interim Rate Petition Tab.

Item 2, page 2	Date of filing and date proposed interim rates are requested to become effective.	Vol. 1, Interim Rate Petition Tab.
Item 3, page 2	Description and need for interim rates.	Vol. 1, Interim Rate Petition Tab.
Item 4, page 2	Description and corresponding dollar amount change included in interim rates as compared with most current approved general rate case and with the most recent year for which audited data is available.	Vol. 1, Interim Rate Supporting Schedules and Workpapers Tab.
Item 5, page 2	Effect of the interim rates expressed in gross revenue dollars and as a percentage of test year gross revenues	Vol. 1, Interim Rate Supporting Schedules and Workpapers Tab.
Item 6, page 2	Certification by officer of the utility.	Vol. 1, Interim Rate Petition Tab.
Item 7, page 2	Signature and title of the utility officer authorizing the proposed interim rates.	Vol. 1, Interim Rate Petition Tab.
	Methods and procedures for refunding.	Vol. 1, Agreement and Undertaking Tab.
Items 1-4, page 3	Supporting schedules and workpapers.	Vol. 1, Interim Rate Supporting Schedules and Workpapers Tab.
	Modified tariffs.	Vol. 1, Interim Tariff Sheets - Redlined Tab; Vol. 1, Interim Tariff Sheets - Clean Tab.
	Notices.	Vol. 1, Interim Rate Petition Tab.
COMMISSION ORDERS IN GENERIC DOCKETS (E,G-999)		
CI-90-1008	Commission Investigation into Appliance Sales and Service by Utilities	
Order 3/1/1995	Demonstrate in future rate case filings that: [NSP] follows the cost allocation principles recommended by the Commission; or its non-regulated activities are insignificant; or its cost allocation principles produce similar results as would allocations following the recommended cost allocation principles; or the public interest is better served by another method.	Ross L. Baumgarten Exhibit___(RLB-1), Vol. 2C, pgs 3-7 and Schedule 3 at 23-24 (Cost Allocations).
M-12-587	Commission Investigation Regarding Criteria and Standards for Multiyear Rate Plans under Minn. Stat. § 216B.16, subd. 19	

Order, 6/19/13	1. A utility may propose a multiyear rate plan to improve the regulatory process for the recovery of –	
Order, 6/19/13	A. Costs related to specific, clearly identified capital projects and	Wendall A. Reimer, Exhibit___(WAM-1), Vol. 2B, pgs 54-103 (Business Systems). Kelly A. Bloch, Exhibit___(KAB-1), Vol. 2B, pgs 29-83, 117-44 (Distribution). Kimberly A. Randolph, Exhibit___(KAR-1), Vol. 2B, pgs 33-65 (Energy Supply). Peter A. Gardner, Exhibit___(PAG-1), Vol. 2B, pgs 51-99 (Nuclear Operations). Ian R. Benson, Exhibit___(IRB-1), Vol. 2B, pgs 38-89 (Transmission). William Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 40-53 (Employee Expenses) Mark P. Moeller, Exhibit___(MPM-1), Vol. 2C, pgs 8-45 (Depreciation).
	B. Appropriate non-capital costs.	Wendall A. Reimer, Exhibit___(WAM-1), Vol. 2B, pgs 103-21 (Business Systems). Christopher C. Cardenas, Exhibit___(CCC-1), Vol. 2C, pgs 3-4, 17, 21-22, 30-31, 34-36 (Customer Care and Bad Debt Expense) Kelly A. Bloch, Exhibit___(KAB-1), Vol. 2B, pgs 100-44 (Distribution). Kimberly A. Randolph, Exhibit___(KAR-1), Vol. 2B, pgs 65-109 (Energy Supply). Peter X. Gardner, Exhibit___(PAG-1), Vol. 2B, pgs 99-153 (Nuclear Operations). Ian R. Benson, Exhibit___(IRB-1), Vol. 2B, pgs 89-122 (Transmission).
	2. A utility may propose to implement a multiyear rate plan only as part of a general rate change subject to Minn. Stat. § 216B.16.	The Company's Application, including its multi-year rate plan proposal, is a general rate change application subject to Minn. Stat. § 216B.16.
	3. A multiyear rate plan shall not last longer than three years. A multiyear rate plan starts with the	The Company's multi-year rate plan is for three years. Minn. Stat.

	effective date of newly authorized rates in a general rate case proceeding, coinciding with the proposed test year in the rate case, unless it is demonstrated to be reasonable to do otherwise.	§216B.16, subd. 19 as amended in 2015 expressly allows for plans of up to five years.
Order, 6/19/13	4. The rate of return on equity authorized and used to set rates in the general rate case in which the multiyear rate plan is approved shall be the return on equity used to set the rate adjustments in the plan itself.	Minn. Stat. §216B.16, subd. 19 as amended in 2015 expressly provides that the Commission may allow adjustments to the cost of capital in a reasonable manner within the plan period. The Company has not proposed to adjust the return on equity during the term of the MYRP. Greg P. Chamberlain, Exhibit___(GPC-1), pg 37 (Policy/MYRP Policy).
	5. It is presumed that interim rates will be calculated based upon the rate case test year unless it is demonstrated to be reasonable to do otherwise.	Minn. Stat. §216B.16, subd. 19 as amended in 2015 expressly allows for interim rates for the utility to request interim rates for the first and second years of the plan, to be implemented in the same manner as provided in Minn. Stat. §216B.16, subd. 3.
		Greg P. Chamberlain, Exhibit___(GPC-1), Vol. 2A, pgs 51-53 (Policy/MYRP Policy).
		Vol. 1, Notice & Petition for Interim Rate Tab.
Order, 6/19/13	8. A utility seeking authorization for a multiyear rate plan shall not propose formula rates that are contingent upon future developments. Rather, the utility shall identify a specific price for each regulated utility service it plans to charge for each year that the plan remains in effect.	Consistent with the MYRP statute, the Company's proposed MYRP proposes rates based on a full cost of service approach for each year of the MYRP. Greg P. Chamberlain, Exhibit___(GPC-1), Vol. 2A, pgs 30-34 (Policy/MYRP Policy). Steven V. Huso ___Exhibit (SVH-1), Vol. 2D, pgs 20-35 (Rate Design).
		Vol. 2E, Proposed Tariff Sheets.

	9. Regarding the rates to apply after the multiyear rate plan expires, the utility shall explain the rates that it proposes to be in effect thereafter. If the specific dollar amount of those rates cannot be provided, the utility should clearly explain the changes in costs and revenues that it proposes to include in those rates and how the utility proposes to calculate those rates. Alternatively, the utility may propose a new rate case under Minn. Stat. § 216B.16.	Greg P. Chamberlain Exhibit__(GPC-1) Vol 2A, pg 49 (Policy/MYRP Policy).
Order, 6/19/13	10. Where a utility is recovering continuing, predictable costs through riders, a utility seeking approval of its multiyear rate plan shall propose to recover those costs via base rates at the beginning of the rate case.	Greg P. Chamberlain, Exhibit__(GPC-1), Vol. 2A, pgs 39-44 (Policy/MYRP Policy). Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 92-98, 107-123, 133 (Revenue Requirements).
	11. Regarding other riders and cost recovery mechanism, the utility shall design its multiyear rate plan to consolidate as many of them as practical, in the most reasonable manner available.	Greg P. Chamberlain, Exhibit__(GPC-1), Vol. 2A, pgs 39-44 (Policy/MYRP Policy). Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 92-98, 107-123, 133 (Revenue Requirements).
	12. Commission will address new petitions for riders and deferred accounting on a case by case basis as they arise and will consider the status and objectives of the petition.	Greg P. Chamberlain, Exhibit__(GPC-1), Vol. 2A, pgs 43-44 (Policy/MYRP Policy).
	13. A utility shall clearly show that its multiyear rate plan will not cause the utility to recover costs already being recovered through existing rate riders. No utility shall recover costs through a rider that it is also recovering through a multiyear rate plan for the same period.	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 92-98, 107-123, 133 (Revenue Requirements).
Application Requirements	14. An application for a multiyear rate plan must include or be accompanied by an explanation of the following:	
	A. How the proposed plan conforms to and is consistent with Minn. Stat. § 216B.16, subd. 19.	Greg P. Chamberlain, Exhibit__(GPC-1), Vol. 2A (Policy/MYRP Policy).
	B. How the proposed plan would improve the regulatory process for the recovery of costs related to specific, clearly identified capital	Greg P. Chamberlain, Exhibit__(GPC-1), Vol. 2A, pgs 4-9 (Policy/MYRP Policy).

	projects and, to the extent appropriate, related non-capital costs.	Wendall A. Reimer, Exhibit___(WAM-1), Vol. 2B, pgs 54-103 (Business Systems). Kelly A. Bloch, Exhibit___(KAB-1), Vol. 2B, pgs 29-83, 117-44 (Distribution). Kimberly A. Randolph, Exhibit___(KAR-1), Vol. 2_, pgs 33-65 (Energy Supply). Peter A. Gardner, Exhibit___(PAG-1), Vol. 2B, pgs 51-99 (Nuclear Operations). Ian R. Benson, Exhibit___(IRB-1), Vol. 2_, pgs 38-89 (Transmission). William Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 40-53 (Employee Expenses)
Application Requirements	15. An application for a multiyear rate plan must include or be accompanied by a description of the form of the multiyear rate plan the utility is proposing and the purpose behind the choice, including—	Greg P. Chamberlain, Exhibit___(GPC-1), Vol. 2A (Policy/MYRP Policy).
	A. The specific capital projects for which the utility seeks to recover capital costs – and, where appropriate, non-capital costs – via the plan,	The MYRP Statute provides for the use of capital and O&M forecasts. Mr. Chamberlain and the business area witnesses address these matters in their testimonies. Greg P. Chamberlain, Exhibit___(GPC-1), Vol. 2A (Policy/MYRP Policy). Wendall A. Reimer, Exhibit___(WAM-1), Vol. 2B, pgs 54-121 (Business Systems). Kelly A. Bloch, Exhibit___(KAB-1), Vol. 2B, pgs 29-144 (Distribution). Kimberly A. Randolph, Exhibit___(KAR-1), Vol. 2B, pgs 33-109 (Energy Supply). Peter A. Gardner, Exhibit___(PAG-1), Vol. 2B, pgs 51-153 (Nuclear Operations). Ian R. Benson, Exhibit___(IRB-1), Vol. 2B, pgs 38-122 (Transmission). William Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 20-53 (Employee Expenses).

		Mark P. Moeller, Exhibit___(MPM-1), Vol. 2C, pgs 8-45 (Depreciation).
Application Requirements	B. The reason for the projects,	Wendall A. Reimer, Exhibit___(WAM-1), Vol. 2B, pgs 54-121 (Business Systems). Kelly A. Bloch, Exhibit___(KAB-1), Vol. 2B, pgs 29-144 (Distribution). Kimberly A. Randolph, Exhibit___(KAR-1), Vol. 2B, pgs 33-109 (Energy Supply). Peter A. Gardner, Exhibit___(PAG-1), Vol. 2B, pgs 51-153 (Nuclear Operations). Ian R. Benson, Exhibit___(IRB-1), Vol. 2B, pgs 38-89 (Transmission). William Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 20-53 (Employee Expenses).
	C. The scope of the projects,	Wendall A. Reimer, Exhibit___(WAM-1), Vol. 2B, pgs 54-103 (Business Systems). Kelly A. Bloch, Exhibit___(KAB-1), Vol. 2B, pgs 29-83, 117-44 (Distribution). Kimberly A. Randolph, Exhibit___(KAR-1), Vol. 2B, pgs 33-65 (Energy Supply). Peter A. Gardner, Exhibit___(PAG-1), Vol. 2B, pgs 51-99 (Nuclear Operations). Ian R. Benson, Exhibit___(IRB-1), Vol. 2B, pgs 38-89 (Transmission). William Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 40-53 (Employee Expenses) Mark P. Moeller, Exhibit___(MPM-1), Vol. 2C, pgs 8-45 (Depreciation).
	D. The timing of the projects,	Wendall A. Reimer, Exhibit___(WAM-1), Vol. 2B, pgs 54-103 (Business Systems). Kelly A. Bloch, Exhibit___(KAB-1), Vol. 2B, pgs 29-83, 117-44 (Distribution). Kimberly A. Randolph, Exhibit___(KAR-1), Vol. 2B, pgs 33-65 (Energy Supply).

		<p>Peter A. Gardner, Exhibit__(PAG-1), Vol. 2B, pgs 51-99 (Nuclear Operations).</p> <p>Ian R. Benson, Exhibit__(IRB-1), Vol. 2B, pgs 38-89 (Transmission).</p> <p>William Kile Husen, Exhibit__(WKH-1), Vol. 2C, pgs 40-53 (Employee Expenses).</p> <p>Mark P. Moeller, Exhibit__(MPM-1), Vol. 2C, pgs 8-45 (Depreciation).</p>
	E. The non-capital costs to be recovered via the plan and	<p>Wendall A. Reimer, Exhibit__(WAM-1), Vol. 2B, pgs 103-21 (Business Systems).</p> <p>Christopher C. Cardenas, Exhibit__(CCC-1), Vol. 2C, pgs 3-4, 17, 21-22, 30-31, 34-36 (Customer Care and Bad Debt Expense)</p> <p>Kelly A. Bloch, Exhibit__(KAB-1), Vol. 2B, pgs 100-44 (Distribution).</p> <p>Kimberly A. Randolph, Exhibit__(KAR-1), Vol. 2B, pgs 65-109 (Energy Supply)</p> <p>Peter A. Gardner, Exhibit__(PAG-1), Vol. 2B, pgs 99-153 (Nuclear Operations).</p> <p>Ian R. Benson, Exhibit__(IRB-1), Vol. 2B, pgs 89-122 (Transmission).</p> <p>Mark P. Moeller, Exhibit__(MPM-1), Vol. 2C, pgs 8-45 (Depreciation).</p>
Application Requirements	F. The reason for seeking to recover the cost of the projects via a multiyear rate plan rather than via other means.	Greg P. Chamberlain, Exhibit__(GPC-1), Vol. 2A, (Policy/MYRP Policy).
Application Requirements	16. An application for a multiyear rate plan must include or be accompanied by the rates the utility proposes to charge in each year of the multiyear rate plan, stated in fixed (<i>i.e.</i> , dollar amount) terms, not formulas.	Steven V. Huso ___Exhibit (SVH-1), Vol 2D, pgs 20-35 and Schedule 2 (Rate Design).
		Vol. 2E Proposed Tariff Sheets
Application Requirements	17. An application for a multiyear rate plan must include or be accompanied by all the information required for a general rate case, including but not limited to-	
	A. Jurisdictional financial summary,	Vol. 3, Section II, Tab 2.

Application Requirements	B. Rate base,	Vol. 3, Section II, Tab 3.
Application Requirements	C. Operating income,	Vol. 3, Section II, Tab 4.
Application Requirements	D. Rate of return and cost of capital schedules and	Vol. 3, Section II, Tab 5.
Application Requirements	E. Other financial schedules and cost projections filed in conjunction with a general rate change as described in Minn. R. 7825.3800 to 7825.4500.	<i>See generally</i> Vol. 3, Section II.
Application Requirements	18. An application for a multiyear rate plan must include or be accompanied by testimony supporting the following aspects of the case:	
	A. The capital additions that the utility proposes for each year of the multiyear rate plan.	Wendall A. Reimer, Exhibit___(WAM-1), Vol. 2B, pgs 54-103 (Business Systems). Kelly A. Bloch, Exhibit___(KAB-1), Vol. 2B, pgs 29-144 (Distribution). Kimberly A. Randolph, Exhibit___(KAR-1), Vol. 2B, pgs 33-65 (Energy Supply). Peter A. Gardner, Exhibit___(PAG-1), Vol. 2B, pgs 51-99 (Nuclear Operations). Ian R. Benson, Exhibit___(IRB-1), Vol. 2B, pgs 38-89 (Transmission). William Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 40-53 (Employee Expenses) Mark P. Moeller, Exhibit___(MPM-1), Vol. 2C, pgs 8-22, 30-31 (Depreciation).
Application Requirements	B. Depreciation lives related to capital additions in each year of the plan.	Mark P. Moeller, Exhibit___(MPM-1), Vol. 2C, pgs 8-38 (Depreciation).
Application Requirements	C. Changes expected in the lives of all depreciable assets for two years after the plan.	Mark P. Moeller, Exhibit___(MPM-1), Vol. 2C, pgs 7, 30 (Depreciation)
Application Requirements	D. Directly related income and expense items for the plan's second and third years (as applicable), related solely to depreciation expense, property taxes, deferred taxes, state and federal taxes, allowance for funds used during construction.	Mark P. Moeller, Exhibit___(MPM-1), Vol 2C, pgs 25-31 and Schedule 7 (Depreciation) Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A pgs 56-64 (Revenue Requirements)

		Christopher A. Arend, Exhibit___(CAA-1), Vol. 2D, pgs 2-4 and Schedules 5 to 6 (Property Tax)
Application Requirements	E. A sales forecast.	Jannell E. Marks, Exhibit___(JEM-1), Vol. 2A (Sales Forecast).
Application Requirements	F. A budget forecast.	The Budget Documentation provided in Volumes 3, 5 and 6 includes forecasts for the 2021 test year and the 2022 and 2023 Plan Years. Volume 3 also includes forecasts and cost of service for 2024 and 2025.
		Company witness Ms. Ostrom addresses the process used to develop the budget forecasts. Melissa L. Ostrom, Exhibit___(MLO-1), Vol. 2A, pgs 29-43 (Budgeting).
Application Requirements	G. The utility's forecasting methodology.	Jannell E. Marks, Exhibit___(JEM-1), Vol. 2A, pgs 41-44 and Schedules 3 to 10 (Sales Forecast).
		Melissa L. Ostrom, Exhibit___(MLO-1), Vol. 2A, pgs 29-43 (Budgeting).
Application Requirements	H. An analysis of the historical accuracy of the utility's short-term, medium-term and long-term forecasts.	Jannell E. Marks, Exhibit___(JEM-1), Vol. 2A, pgs 11-16, 19-21 and Schedule 2 (Sales Forecast). Melissa L. Ostrom, Exhibit___(MLO-1), Vol. 2A, pgs 30-31 (Budgeting)
Application Requirements	19. Regarding changes in rates and cost recovery to be implemented in the plan's second and third years (as applicable), an application for a multiyear rate plan must include or be accompanied by the following:	
	A. A list of the relevant categories of costs that will justify changes in the utility's rates in the second and third years of the plan.	Wendall A. Reimer, Exhibit___(WAM-1), Vol. 2B, pgs 103-21 (Business Systems). Christopher C. Cardenas, Exhibit___(CCC-1), Vol. 2C, pgs 9-36 (Customer Care and Bad Debt Expense) Kelly A. Bloch, Exhibit___(KAB-1), Vol. 2B, pgs 84-144 (Distribution).

		<p>Kimberly A. Randolph, Exhibit___(KAR-1), Vol. 2B, pgs 65-108 (Energy Supply).</p> <p>Peter A. Gardner, Exhibit___(PAG-1), Vol. 2B, pgs 99-153 (Nuclear Operations).</p> <p>Ian R. Benson, Exhibit___(IRB-1), Vol. 2B, pgs 89-122 (Transmission).</p>
Application Requirements	B. A forecast of the changes in each cost category.	<p>Wendall A. Reimer, Exhibit___(WAM-1), Vol. 2B, pgs 103-21 (Business Systems).</p> <p>Christopher C. Cardenas, Exhibit___(CCC-1), Vol. 2C, pgs 9-36 (Customer Care and Bad Debt Expense)</p> <p>Kelly A. Bloch, Exhibit___(KAB-1), Vol. 2B, pgs 84-144 (Distribution).</p> <p>Kimberly A. Randolph, Exhibit___(KAR-1), Vol. 2B, pgs 65-108 (Energy Supply).</p> <p>Peter A. Gardner, Exhibit___(PAG-1), Vol. 2B, pgs 99-153 (Nuclear Operations).</p> <p>Ian R. Benson, Exhibit___(IRB-1), Vol. 2B, pgs 89-122 (Transmission).</p>
Application Requirements	C. A forecast of any related offsetting revenues.	<p>Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A pgs 46-47 (Revenue Requirements)</p> <p>Steven V. Huso, Exhibit___(SVH-1), Vol. 2D, pg 18 (Rate Design).</p> <p>Vol. 3, Section II, Tab 6, Parts A and B.</p>
Application Requirements	D. A process for filing and a schedule for reviewing, reports that-	
	1) compare estimated costs and revenues for the second and third years (if applicable) of the plan to the actual costs the utility incurred and the revenues the utility recovered, during the second and third years and	<p>Greg P. Chamberlain, Exhibit___(GPC-1), Vol. 2A, pgs 44-48 and Schedule 3 (Policy/MYRP).</p>
	2) explain the reasons for any differences to help the Commission and parties evaluate the accuracy of the cost estimates used in the multiyear rate making process.	<p>Greg P. Chamberlain, Exhibit___(GPC-1), Vol. 2A, pgs 44-48 and Schedule 3 (Policy/MYRP).</p>

Application Requirements	20. An application for a multiyear rate plan must include or be accompanied by a clear explanation of the rates that are proposed to be in effect at the end of the multiyear rate plan.	Greg P. Chamberlain , Exhibit__(GPC-1), Vol. 2A, pg 49-50 (Policy/MYRP Policy).
	A. If the utility cannot identify the specific dollar amounts of those rates, the utility shall clearly explain the changes in costs and revenues that it proposes to include in those rates and how it proposes to calculate those rates.	Steven V. Huso __Exhibit (SVH-1), Vol 2D, pgs 20-35 and Schedule 2 (Rate Design).
	B. Alternatively, the utility may explain that a new rate case under Minn. Stat. § 216B.16 is necessary to establish these rates.	
Application Requirements	21. Regarding any proposal to establish new rates on an interim basis, an application for a multiyear rate plan must include or be accompanied by an explanation of how the utility proposes to collect and possibly refund interim rates in conjunction with the collection of and transition to the rates arising from a multiyear rate plan.	Vol. 1, Notice & Petition for Interim Rate Tab and Agreement and Undertaking Tab.
Application Requirements	22. Regarding an applicant's existing rate riders, an application for a multiyear rate plan must include or be accompanied by the following:	
	A. A proposal to restructure its riders as follows:	Greg P. Chamberlain, Exhibit__(GPC-1), Vol. 2A, pgs 39-44 (Policy/MYRP Policy). Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 92-98, 107-123, 133 (Revenue Requirements).
	1) a proposal to recover through base rates the cost of existing riders that are likely to continue and are sufficiently predictable to support recovery through base rates,	
	2) a proposal to consolidate as many other riders and cost recovery mechanisms as is practical and	
	3) a demonstration that the utility's proposals to restructure its rate riders are the most reasonable alternatives available to the utility.	
Application Requirements	B. Clear evidence that double recovery will not occur as a result of the way the utility proposes to handle its multiyear rate plan and existing riders, including evidence that the periods during which	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 107-123, 133 (Revenue Requirements).

	the utility is recovering a cost via a rider does not overlap with the period during which it is recovering the cost via base rates or the multiyear rate plan mechanism.	
		Vol. 1, Notice & Petition for Interim Rate Tab.
Application Requirements	23. Regarding conditions for obtaining approval for a multiyear rate plan, the application must include or be accompanied by the following:	
	A. A commitment to provide the Commission, parties and potentially interested persons with notice of the initial rate change and detailed financial information for the initial rate change at least 60 days before the proposed effective date of the initial rate change.	The Company has filed this case and accompanying notices 60 days in advance of any effective date of proposed initial rate changes. See Vol. 1, Notice of Change in Rates Tab and Notice & Petition for Interim Rate Tab.
Application Requirements	B. An acknowledgement that upward rate adjustments during the course of the multiyear plan will be subject to refund if the rate adjustment is later determined to have been imprudent and a waiver of any claim that such refunds represent retroactive ratemaking.	This Order point predates the revised MYRP Statute and reflected the Order requirement that the only adjustments allowed were for specified large capital improvement projects. The Company proposes a one-way aggregate capital true-up in this case, as was used in the 2016-2019 MYRP. See Greg P. Chamberlain, Exhibit___(GPC-1), Vol 2A, pgs 46-50 and Schedule 3 (Policy/MYRP Policy); Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pg 133 (Revenue Requirements).
Application Requirements	C. A proposal for a process that ensures that if it became prudent to delay or avoid making a planned investment, the cost of that investment would be removed from the rates arising from the multiyear rate plan and would be refunded if already collected.	This Order point predates the revised MYRP Statute and reflected the Order requirement that the only adjustments allowed were for specified large capital improvement projects. The Company proposes a one-way aggregate capital true-up in this case, as was used in the 2016-2019 MYRP. See Greg P. Chamberlain, Exhibit___(GPC-1), Vol 2A, pgs 46-50 and Schedule 3 (Policy/MYRP Policy);

		Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pg 133 (Revenue Requirements).
Customer Notice	24. In addition to the notices that a utility must provide to seek a general rate increase, customers shall be provided with additional customer communication and opportunities to participate in the multiyear ratemaking process.	See Vol. 1, Notice of Change in Rate Tab, Proposed Notice to Counties and Municipalities, Notice & Petition for Interim Rate Tab, and Proposed Interim Rate Bill Insert.
Customer Notice	25. A utility shall fully inform its customers about its proposal for a multiyear rate plan and the plan's effects on rates. Public hearing notices and bill inserts shall fully explain the process, the utility's proposal, the proposed duration of the plan and how the customer can participate.	Vol. 1, Notice of Change in Rate Tab, Proposed Notice to Counties and Municipalities, Notice & Petition for Interim Rate Tab, and Proposed Interim Rate Bill Insert.
Customer Notice	28. A utility shall provide notice of each rate change when the change becomes effective. Sixty days before the initial rate change is proposed to take effect, the utility shall provide the Commission, parties and potentially interested persons with notice of the change and detailed financial information.	The Company has filed this case and accompanying notices 60 days in advance of any effective date of proposed initial rate changes. See Vol. 1, Notice of Change in Rates Tab and Notice & Petition for Interim Rate Tab.
Compliance Filings	29. A utility applying for or operating under a multiyear rate plan shall do the following: A. File annual status reports confirming that the utility has made investments according to its multiyear rate plan and affirming that it still intends to make the future investments authorized as part of the plan.	This Order point predates the revised MYRP Statute and reflected the Order requirement that the only adjustments allowed were for specified large capital improvement projects. The Company proposes a one-way aggregate capital true-up in this case, as was used in the 2016-2019 MYRP. See Greg P. Chamberlain, Exhibit___(GPC-1), Vol 2A, pgs 46-50 and Schedule 3 (Policy/MYRP Policy); Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pg 133 (Revenue Requirements).
Compliance Filings	B. If a project included in a multiyear rate plan is canceled or postponed, within 30 days inform the Commission and parties, file a proposal to adjust rates to stop collecting any costs related to the canceled or postponed project and refund costs already collected.	This Order point predates the revised MYRP Statute and reflected the Order requirement that the only adjustments allowed were for specified large capital improvement projects. The Company proposes a one-way aggregate capital true-up in this case, as was used in the 2016-2019 MYRP. See Greg P.

		Chamberlain, Exhibit___(GPC-1), Vol 2A, pgs 46-50 and Schedule 3 (Policy/MYRP Policy); Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pg 133 (Revenue Requirements).
Compliance Filings	C. If a utility makes some other material change in plans, file a status report promptly (e.g., within 30 days of the known change).	This Order point predates the revised MYRP Statute and reflected the Order requirement that the only adjustments allowed were for specified large capital improvement projects. The Company proposes a one-way aggregate capital true-up in this case, as was used in the 2016-2019 MYRP. See Greg P. Chamberlain, Exhibit___(GPC-1), Vol 2A, pgs 46-50 and Schedule 3 (Policy/MYRP Policy); Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pg 133 (Revenue Requirements).
Compliance Filings	D. Within 180 days after the final rate adjustment under the multiyear rate plan, make a compliance filing verifying that the rates charged under the plan were based only on reasonable and prudent costs of service.	This Order point predates the revised MYRP Statute and reflected the Order requirement that the only adjustments allowed were for specified large capital improvement projects. The Company proposes a one-way aggregate capital true-up in this case, as was used in the 2016-2019 MYRP. See Greg P. Chamberlain, Exhibit___(GPC-1), Vol 2A, pgs 46-50 and Schedule 3 (Policy/MYRP Policy); Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pg 133 (Revenue Requirements).
COMMISSION ORDERS IN XCEL ENERGY DOCKETS (E002 or G002)		
GR-91-1	1991 General Electric Rate Case	
Order, 11/27/91	The Company shall incorporate the DRI index, or a comparable industry standard, as a guideline in future rate cases.	The Company has provided this separately to agencies in accordance with the Order in E002/GR-92-1185 in Supplemental Budget Information Volume, Inflation Trend Analysis Tab.

	The Company shall implement the following budget requirements in its next rate case:	
	a) Besides the budget documentation filed according to the standards of this Order, the Company shall at the time of filing make support documentation available for inspection by other parties upon request. Such documentation should include workpapers and notes used in developing budgets;	In light of the COVID-19 pandemic, we are not presently making these documents available for physical examination, but should circumstances change, they may be examined during normal business hours at our General Offices located at 414 Nicollet Mall in downtown Minneapolis. For questions or to make alternative arrangements, please contact Gail Baranko at 612-330-6935.
	b) The Company shall file translation reports linking cost element, cost activity and project budgeting mechanisms on a common and consistent basis to ensure a proper audit trail;	See Budget Documentation in Vols. 5 and 6. Also see Supplemental Budget Information Volume, Budget Translation/ Analysis of Miscellaneous Expenses Tab provided to agencies separately in accordance with the Order in E002/GR-92-1185.
Order, 11/27/91	c) The Company shall file bridge schedules showing all adjustments used in moving from the unadjusted budget to the rate case numbers;	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 22, 33, 45-47 Schedules 10a-c, 11a-c, 12, and 13 (Revenue Requirements); Vol. 3, Section II, Part 3, Tab C and Part 4, Tab D.
	d) The Company shall provide summaries of all of its applicable budgets by FERC subaccounts. If the Company cannot comply with this requirement it shall show cause within 30 days of the date of this Order;	Vol. 3, Section IV, Part 1, FERC Sub-Account Information Tab.
	e) The Company shall include month-by-month accounting of all transactions in the contingency funds;	Vol. 5, Capital Substitutions / Contingent Process & Reports Tab.
	f) The Company shall provide a year-end summary report of project substitution with each contingency fund by project type and subject benefit.	Vol. 5, Capital Substitutions / Contingent Process & Reports Tab.
	Advantage Service shall:	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pg 135 (Revenue Requirements);

		NSP Advantage Service now operates under the name HomeSmart from Xcel Energy®.
	- pay a return on the use of NSP's billing services asset.	
	- compensate the Company for its personnel's referral time.	
	- pay the Company a competitive rate for use of its mailing lists.	
M-94-13	Treatment of Emission Allowance Transactions Under Clean Air Act	
Order, 5/12/94	Company to defer to the next rate case revenues from the sale by the EPA of emissions reserves, as well as gains from the sale of allowances and incremental transaction costs.	Given the small level in this account, the Company has made no adjustment and proposes discontinuing this deferral. Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 134-135 (Revenue Requirements).
AI-94-1056 AI-94-1188	Affiliated Interest Dockets related to leases with United Power and Land Company	
Orders, 2/14/95 & 3/17/95	NSP is required to demonstrate in future rate cases that all payments made to or by NSP as a result of its affiliated interest agreements are reasonable and that these agreements have not resulted in any ratepayer subsidization of non-regulated activities of affiliated companies.	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pg 67 (Revenue Requirements). Ross L. Baumgarten Exhibit__(RLB-1), Vol. 2C, pgs 28-29, and Schedule 3 at 15 (Cost Allocations).
M-95-174	Competitive Bidding Process	
Order 08/05/96	NSP to track capacity-related non-performance penalties on NSP Generation projects for return to ratepayers in a future rate case.	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pg 137 (Revenue Requirements).
GR-97-1606	1997 General Rate Case	
Order, 9/30/98	Tax Benefit Transfer leases included in the test year are consistent with the methodology approved in past NSP rate case orders.	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pg 136 (Revenue Requirements).
AI-01-493	Administrative Services Agreement between Xcel Energy Services, Inc. and Its Operating Affiliates	
Order, 6/22/01	Provide up-front testimony demonstrating the benefits to the ratepayers (<i>e.g.</i> , sharing rail cars).	Ross L. Baumgarten Exhibit__(RLB-1), Vol. 2C, (Cost Allocations).

AI-04-181	Updated Service Agreement with Xcel Energy Services Inc.	
Order, 8/20/04	Identify Investor Relations Costs and provide the calculations showing the allocation of these costs between ratepayers and shareholders in next rate case.	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 76-77 (Revenue Requirements); Vol. 4, Section VIII, Tab A11 Investor Relations. Sarah W. Soong, Exhibit__(SWS-1), Vol. 2A, pgs 41-42 (Capital Structure).
M-04-1956	Low-Income Discount Program	
Order, 9/26/14	Xcel shall file a proposal to include recovery of its Low-Income Program costs through base rates in its next rate case.	Steven V. Huso __Exhibit (SVH-1), Vol 2D, pgs 17-18 (Rate Design).
GR-08-1065	2008 Minnesota Electric Rate Case	
Order, 10/23/09 Order Point 9	In future electric rate case filings, Company shall include testimony and schedules of short-term and long-term capacity costs by contract and shall show how the capacity amounts were calculated.	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pg 131 and Schedule 15 (Revenue Requirements).
Order, 10/23/09 Order Point 10	In future electric rate case filings, Company shall include information on steps it has taken to exclude from advertising expense costs related to branding and other promotional activities.	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 76-77 (Revenue Requirements). Vol. 4, Section VIII, Tab A1 Advertising.
Order, 10/23/09 Order Point 12	As recommended by ALJ, Company shall use Renewable Energy Standard Rider to flow through to customers revenues from all sales of Renewable Energy Credits.	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pg 136 (Revenue Requirements).
Order, 10/23/09 Order Point 13	In future rate case filings, the Company shall include the sales forecast information discussed in Findings 145-148 of the Administrative Law Judge's Report.	Forecasting data was pre-filed on October 2, 2020 in Docket No. E002/GR-20-723.
	145. Xcel also agreed to continue working with the OES on forecasting issues. While Xcel maintains it cannot always meet a requirement to independently verify or duplicate all economic and demographic data obtained from third parties, it committed to working with the OES toward greater data transparency and will work closely with the OES to respond to any concerns regarding its data sources	

	146.[In] Docket No. E002/GR-05-1428, Xcel submitted its data used in test year sales forecasts 30 days before it filed this rate case. Company will comply with a similar requirement, if ordered in this rate case and will work with OES to facilitate it	
Order, 10/23/09 Order Point 13	147. Company will continue to maintain and monitor various resources such as the "Financial and Rate Revenue" report and "Tariff Analysis Report" discussed in the compliance report submitted on September 4, 2007 in Docket No. E002/GR-05-1428.	Requirement satisfied and provided in the forecast pre-filing materials submitted on October 1, 2020 in this docket.
	148. Company will continue working with OES on improving electronic linkage between CCOSS, forecasting and revenue models for its next rate case.	The Company is providing electronic copies of its CCOSS and revenue models on a Compact Disk in the non-public package accompanying our submission.
	In future rate case filings, Company shall include analysis of nuclear plant outage costs shown in OES Information Request 140, Attachment A, included in Exhibit 86.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pg 130 (Revenue Requirements). Vol 4, Section III, Tab P4-1 Nuclear Outage Amortization.
09-1153	2009 Gas Rate Case	
Order, 12/6/10 Order Point 9	In all future rate case filings, Xcel shall disclose if the utility has elected a rate recovery method alternative to a Federal Accounting Standards Board pronouncement in reliance on Statement of Financial Accounting Standards No. 71.	Vol. 3, Section IV, Tab 3, Reg. Assets, Liabilities, Deferred Debits and Credits.
Order, 12/6/10 Page 37 (approving Pension Settlement, Exhibit 46)	The Company shall include a discussion of instances when it is relying on Statement of Financial Accounting Standards ("SFAS") 71, similar to its use of Aggregate Cost Method for pension accounting.	See Vol. 3, Section IV, Tab 3, Reg. Assets, Liabilities, Deferred Debits and Credits.
Order, 12/6/10 Page 37 (approving Pension Settlement, Exhibit 46)	NSP MN will continue to use the Aggregate Cost Method for ratemaking and financial purposes for pension expense. To the extent the Company is required to fund pursuant to the Pension Protection Act ("PPA"), the Company proposes that the treatment will be consistent with the Company's handling of SFAS 106.	Richard R. Schrubbe, Exhibit___(RRS-1), Vol. 2D, pg 20-21, 33, (Pension).
GR-10-971	2010 Electric Rate Case	

Order 12/27/10	[A]t the hearing on this matter, the Company stated its agreement to file salary data for the 6th through 10th highest paid officers of the Company as public data.	See Vol. 3, compact disk, EER Schedule 5.
AI-10-690 & GR-10-971	Petition and Compliance Filing Cost Allocation Procedures and General Allocator and 2010 Electric Rate Case	
Order, 3/15/11	In the course of the stakeholder discussions required under the October 2009 order, the Company and the OES agreed that the Company would begin rounding final allocators to the fourth decimal place – instead of the second, as it had in the past – and that it would not do any rounding of the numbers used in calculating those final numbers.	Ross L. Baumgarten Exhibit___(RLB-1), Vol. 2C, pg 15 (Cost Allocations).
Erratum Notice, 3/25/11	The Company shall change the formula for the general allocator and for all allocators in which it uses number of employees to substitute Allocated Labor Hours with Overtime in place of Number of Employees.	Ross L. Baumgarten Exhibit___(RLB-1), Vol. 2C, pgs 2-3, 16-25 (Cost Allocations).
GR-10-971	2010 Electric Rate Case	
ALJ Report, 2/22/12, Finding 555 and Exhibit 105	Tax Effect of Bonus Depreciation — Consumption of Deferred Tax Asset. The Company agreed to refund to customers the revenue requirements associated with the consumption of the deferred tax assets, estimated to return approximately \$60 million over the period from 2012 through 2015. The Company agreed that the amount and timing of the consumption of the deferred tax assets will be trued up to actual results and subject to the Commission's approval, in the manner reflected in Exhibit 105, "Tax Normalization and Allowance for Net Operating Losses."	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 57-61, 102-03 and Schedules 10, 11, 12, and 20 (Revenue Requirements); Vol. 4, Section VIII, Tab A49 Net Operating Loss. NOL reports have been filed on May 31, 2012, May 31, 2013, June 2, 2014, May 29, 2015, May 31, 2016, May 31, 2017, May 31, 2018, June 14, 2019 and June 1, 2020 in Docket No. E002/GR-10-971.
ALJ Report, 2/22/12, Finding 555 and Exhibit 105	Tax Effect of Bonus Depreciation -- Beginning with the 2011 MN jurisdictional annual report (filed May 1, 2012), reflect a deferred tax asset to be estimated to be \$197 million at the end of 2011 based on the TY amounts provided in Mr. Robinson's Sch 4 and 5, which amount shall be trued up for actual results in the May 1 Report.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 57-61, 102-03 and Schedules 10, 11, 12, and 20 (Revenue Requirements); Vol. 4, Section VIII, Tab A49 Net Operating Loss.

		NOL reports have been filed on May 31, 2012, May 31, 2013, June 2, 2014, May 29, 2015, May 31, 2016, May 31, 2017, May 31, 2018, June 14, 2019 and June 1, 2020 in Docket No. E002/GR-10-971.
ALJ Report, 2/22/12, Finding 555 and Exhibit 105	Tax Effect of Bonus Depreciation -- Establish a regulatory liability on the Company's books each year, beginning in 2012, for the revenue requirements associated with the consumption of the deferred tax asset that is projected to occur in that year, based on the budget data included in the jurisdictional annual reporting order to ensure that these amounts are reflected as being owed to customers as they are consumed.	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 57-61, 102-03 and Schedules 10, 11, 12, and 20 (Revenue Requirements); Vol. 4, Section VIII, Tab A49 Net Operating Loss. NOL reports have been filed on May 31, 2012, May 31, 2013, June 2, 2014, May 29, 2015, May 31, 2016, May 31, 2017, May 31, 2018, June 14, 2019 and June 1, 2020 in Docket No. E002/GR-10-971.
ALJ Report, 2/22/12, Finding 555 and Exhibit 105	Tax Effect of Bonus Depreciation -- The Company agrees to file on May 31 of each year, until such time that the deferred tax asset balance is fully reversed, a compliance report of the 1) deferred tax asset associated with the unused tax deductions and PTC carry forward balances; 2) the deferred tax liability associated with the year by year net change in bonus tax depreciation as provided by the Dec 2010 tax law change; and, 3) the revenue requirement effect of the actual utilization of the balances listed in 1 & 2 above. The compliance report shall be based upon the Company's annual report filed with the Department of Commerce each May 1 and shall, if applicable, include a proposed refund plan to return to ratepayers the revenue requirement effect associated with the utilization of these deferred tax benefits. If there is not a refund required for any year, the Company must clearly explain why and explain any changes in the amounts estimated in Mr. Robinson's rebuttal pg. 17, Table 3.	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 57-61, 102-03 and Schedules 10, 11, 12, and 20 (Revenue Requirements); Vol. 4, Section VIII, Tab A49 Net Operating Loss. NOL reports have been filed on May 31, 2012, May 31, 2013, June 2, 2014, May 29, 2015, May 31, 2016, May 31, 2017, May 31, 2018, June 14, 2019 and June 1, 2020 in Docket No. E002/GR-10-971.
ALJ Report, 2/22/12, Finding 556 and	Employee Expenses: Provide direct testimony that includes an explanation of all employee expense data in the company's systems. NSP's direct	William Kile Husen, Exhibit__(WKH-1), Vol. 2D, pgs 6-

Exhibit 56, Schedule 1	testimony will explain the creation of our EER schedules. This will include an explanation of how we pulled the data from our employee expense reporting systems (primarily Concur or its successor system(s)) and an explanation of any data for which summary level information is provided, such a labor per diems, bargaining employee pay-in-lieu, safety, clothing allowances, etc. NSP's direct testimony will discuss any limitations of its EER schedules and provide a plan of action to correct the problems NSP identifies in both that proceeding and future proceedings.	40 and Schedule 7 (Employee Expenses)
ALJ Report, 2/22/12, Finding 556 and Exhibit 56, Schedule 1	Employee Expenses: Provide direct testimony that explicitly identifies certain types of employee expenses as "below the line" that NSP agrees to remove as representative of expenses we do not ask to recover from ratepayers.	William Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 4-5, 9-10, 34-40 and Schedule 4 (Employee Expenses)
ALJ Report, 2/22/12, Finding 556 and Exhibit 56, Schedule 1	These types of expenses include expenses where employees failed to properly document the business purpose of the expense as required by the company's policy. NSP will also remove expenses that, while perhaps helpful to employee morale, are not clearly necessary for the provision of utility service. The company may request inclusion of a certain level of non-safety recognition expense per employee as long as the company provides an explanation of how this level is maintained. This review will require subjective judgment. NSP will continue to request recovery of expenses such as safety awards and meals purchased for overtime work as required by union contracts. NSP's direct testimony will provide a clear road map for the OAG and other interested parties to be able to understand the types of expenses the company has removed. The direct testimony will also disclose whether...	William Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 30-32 and Schedules 2, 3, and 8 (Employee Expenses)
	NSP continues to request ratepayer recovery of any of the types of controversial expenses identified in this and our earlier rate case.	Vol. 3 Section IV, Tab 2, Travel, Entertainment & Related Employee Expenses and compact disk provided with Vol. 3.
ALJ Report, 2/22/12, Finding 556 and Exhibit 56, Schedule 1	Employee Expenses: Provide direct testimony that discusses overall budget levels for employee expenses and explains NSP's progress in improving employee expense reporting and compliance with the employee expense policy. This would also include a discussion of NSP's efforts to improve its	William Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 27-40 and Schedules 2, 3, and 8 (Employee Expenses)

	<p>performance on certain issues raised in this electric rate case such as providing a more complete business purpose and complying with NSP's spending limits for recognition and gift expenses. NSP's internal audit team will continue to review compliance with the company's expense policy regarding such things as:</p> <ol style="list-style-type: none"> 1) providing a business purpose for incurring expenses; 2) limiting meal expenses to \$65/day per person except in special circumstances approved by management; and 3) limiting business meals expenses to only instances where employees could not have been reasonably conducted their work during regular business hours. <p>NSP's direct testimony will include a summary of the findings of its internal audits. NSP will make the complete audit reports available to the OAG and the Department.</p>	
ALJ Report, 2/22/12, Finding 556 and Exhibit 56, Schedule 1	Employee Expenses: Provide EER Schedules in a manner that facilitates easier review and quantification of categories, NSP will provide electronic versions of the EER Schedules to the OAG and the Department. This will allow parties, for example, to more easily identify the number of meal expenses over \$65/per person.	Vol. 3 Section IV, Tab 2, Travel, Entertainment & Related Employee Expenses and compact disk provided with Vol. 3.
ALJ Report, 2/22/12, Finding 556 and Exhibit 56, Schedule 1	NSP commits to provide updates to the OAG and Department of changes NSP makes to its employee expense policies, employee expense reporting systems, or other changes that will affect NSP's future reporting under Minn. Stat. § 216B.16, subd. 17.	William Kile Husen, Exhibit___(WKH-1), Vol. 2D, Schedule 3 (Employee Expenses)
ALJ Report, 2/22/12, Finding 556 and Exhibit 56, Schedule 1	NSP commits to meeting with the OAG prior to the filing of future rate cases so the parties can discuss how to streamline regulatory review of employee expenses.	The Company met with the OAG on October 7, 2020.
ALJ Report, 2/22/12, Finding 557	The OAG requested that, in its next rate case, the Company include a report of the total compensation for employees engaged in lobbying, with an explanation of the costs included and excluded in the rate request. The Company has agreed to do so and the OAG requested that the Commission's order include this requirement.	William Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 35, 53 and Schedule 10 (Employee Expenses)

GR-10-971	2010 Electric Rate Case	
Order, 5/14/12 Order Point 11	The Company shall establish a reporting and tracker mechanism for the deferred taxes generated by the bonus depreciation established at the time of this rate case filing. The Company shall make an annual filing detailing its utilization of the tax benefit until the tax benefit is fully realized.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 57-60, 102-03 and Schedule 20 (Revenue Requirements); Vol. 4, Section VIII, Tab A49 Net Operating Loss. NOL reports have been filed on May 31, 2012, May 31, 2013, June 2, 2014, May 29, 2015, May 31, 2016, May 31, 2017, May 31, 2018, June 14, 2019 and June 1, 2020 in Docket No. E002/GR-10-971.
M-09-1048	Modification to Xcel Energy TCR Tariff, 2010 Project Eligibility, TCR Rate Factors, Continuation of Deferred Accounting and 2009 True-up Report	
Order 4/27/2010	In setting guidelines for evaluating project costs going forward, the TCR project cost recovered through the rider should be limited to the amounts of the initial estimates at the time the projects are approved as eligible projects, with the opportunity for the Company to seek recovery of excluded costs on a prospective basis in a subsequent rate case.	There were no costs of eligible projects excluded from TCR filings prior to the filing of this case.
GR-12-961	2012 Electric Rate Case	
Order, 9/3/13 Order Points 10, 21	Nobles: 10. Xcel shall amortize the \$5.6 million jurisdictional cost of the Nobles Wind Project, less the \$500,000 already recovered, through depreciation over the remaining life of the plant (2013 to 2035). The unamortized balance will be excluded from rate base and a carrying charge is not allowed.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 76-77 (Revenue Requirements); Vol. 4, Section VIII, Tab A13 Nobles Amounts over CON.
Order, 9/3/13 Order Point 18	Sales Forecast: 18. Xcel shall include the following items in its next rate case:	While expressly limited to "its next rate case," i.e. the 13-868 docket, the Company has provided similar information in the current matter.
	a. Forecasting data at least 30 days prior to the initial rate case filing;	The Company Forecasting data was pre-filed on October 2, 2020.
	b. A comparison to the forecast information in this docket and the Baseload Diversification Study filed on or around July 1, 2013;	This request was specific to either the 2014 or 2016 TY forecasts and is outdated. In the Forecast pre-filing IR No. 18, we provided

		comparisons of the sales forecast to the GR-15-826 forecast, the RP-19-368 forecast, and the AA-19-293 forecast
	c. Large industrial customer account data in a format that allows interested parties to readily access historical data for all customers;	Available upon request.
	d. A spreadsheet, with all links intact, identifying any data inconsistencies with the Company's raw weather data and any modifications made to the raw weather data;	Weather data was provided in Forecast pre-filing IR Nos. 12 and 13.
	e. A detailed step-by-step explanation as to how test year revenue was calculated and what commands should be changed if a party wishes to adjust test year sales, adjust customer counts or calculate revenue;	Order Points 18.e, 18.f and 18.g are addressed on Work Papers compact disc, file revmodMN2020TY.xlsx, "Overview" Tab.
Order, 9/3/13 Order Point 18	f. A detailed description of the changes the Company has made to simplify its test year revenue calculation so that persons outside of the Company may verify the accuracy of the calculation; and	Order Points 18.e, 18.f and 18.g are addressed on Work Papers compact disc, file revmodMN2020TY.xlsx, "Overview" Tab.
	g. A report on the meetings Company representatives have had, prior to filing, with interested parties to explain its revenue calculation process and to cooperatively discuss methods for streamlining the revenue calculation.	Order Points 18.e, 18.f and 18.g are addressed on Work Papers compact disc, file revmodMN2020TY.xlsx, "Overview" Tab.
Order, 9/3/13 Order Point 22	Allocation of CCRC in CCOSS: 22. Xcel shall allocate its Conservation Cost Recovery Charge using the per-kWh method as recommended by the Department.	Michael A. Peppin, Exhibit___(MAP-1), Vol. 2D, pgs 27, 49 and Schedule 13 (CCOSS).
Order, 9/3/13 Order Point 23	Allocation of Transmission in CCOSS: 23. Xcel shall reallocate transmission facility costs in this rate case in a manner consistent with its allocation of capacity costs, according to contribution to summer peak demand.	Michael A. Peppin, Exhibit___(MAP-1), Vol. 2D, pgs 21-25Schedule 2, Appendix 2 pg 3. (CCOSS).
Order, 9/3/13 Order Point 29	AIP Refund Mechanism: 29. Xcel shall retain its existing refund mechanism, which provides customer refunds in the event that the incentive compensation payouts are lower than the test-year level approved in rates.	The Company proposes elimination of the AIP refund in this proceeding. Ruth K. Lowenthal, Exhibit___(RKL), Vol. 2D pgs 6, 35-37 (Employee Compensation).

Order, 9/3/13 Order Point 37	Compensating Return: 37. The Company shall not be permitted to include a compensating return on the pension's unamortized asset loss balances.	Richard R. Schrubbe, Exhibit___(RRS-1), Vol. 2D, pg 48-49 (Pension).
Order, 9/3/13 Order Point 40	Pension Schedules: 40. In future rate case filings, Xcel shall include for each pension plan schedules of its 2008 market loss amortization, for the entire amortization period, until the 2008 market loss amortization has been extinguished.	Richard R. Schrubbe, Exhibit___(RRS-1), Vol. 2D, page 18-19 and Schedule 3 (Pension).
Updated Issues List 6/5/13 Page 19	Wholesale Customer Reporting: The Company and Department also agreed the Company will provide as a compliance filing in future rate cases a wholesale customer study which shows all wholesale customers being served by the Company (including, but not limited to, full requirements, partial requirements and market based wholesale customers), types of service being provided to each wholesale customer, costs and revenues associated with each wholesale customer and a clear showing either that wholesale costs are allocated out of the retail rate case or that the revenues are included in the retail rate case, for all services provided to wholesale customers.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 127-28 and Schedule 14 (Revenue Requirements).
Updated Issues List 6/5/13 Page 26	Chemicals Reporting: The Department also recommended that the Commission require the Company to provide support in its initial case that is detailed and transparent for all proposed recovery of costs of chemicals (including mercury sorbent, lime, ammonia, etc.) including volumes and prices, reflecting historical data a competitively bid contract information and including the type of information provided in response to DOC information request no. 191.	Kimberly A. Randolph, Exhibit___(KAR-1), Vol. 2B, pgs 89-107, 129-30 and Schedules 5 and 6 (Energy Supply).
Heuer Direct pg. 20	Cancelled Projects. In future rate cases, the Company commits to identify cancelled or abandoned capital projects and related impacts on test year costs to the extent such cancellations are known at the time of filing its direct testimony.	Mark P. Moeller, Exhibit___(MPM-1), Vol. 2C, pg 13 (Depreciation)
Heuer Rebuttal pg. 21	Financial Labeling: All of the numbers in the rate case (initial filing and responses to information requests) should be clearly and consistently labeled in future rate cases, with focus on financial and not legal entities. The Company will make best efforts to label each amount as:	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 125-27, Schedule 5 (Revenue Requirements).

	<p>Xcel Energy Services Inc. Definition: Service Company providing services across all Xcel Energy Inc. operating companies;</p> <p>NSP System Definition: The integrated electric production and transmission system owned and operated by NSPM (in Minnesota, North Dakota, South Dakota) and Northern States Power Company-Wisconsin (in Wisconsin and Michigan) NSP-Minnesota; or</p>	
	<p>NSPM Definition: Total Company (electric and natural gas utilities)</p> <p>NSPM Electric Definition: Total Company (electric utility only)</p> <p>State of Minnesota Electric Jurisdiction Definition: NSPM allocated to the electric utility and Minnesota jurisdiction. Individual test year components and adjustments will be stated net of Interchange Agreement billings to NSPW.</p>	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 125-27, Schedule 5 (Revenue Requirements).
GR-13-868	2013 Electric Rate Case	
Order, 5/8/15 Page 67	For the Company's next rate case, the Commission encourages Xcel to work with MISO and other parties to recalculate the D10S Capacity Allocator on the basis of MISO's peak for purposes of comparison with Xcel's peak.	Michael A. Peppin, Exhibit__(MAP-1), Vol 2D, pgs 21-25 (CCOSS), Schedule 2, Appendix 2 at 3.
Order, 5/8/15 Page 69	The Commission will require Xcel to modify its 2014 and 2015 class-cost-of-service studies to use the location method to allocate other production O&M costs. Further, in its next rate case, the Company should continue using the location method to allocate these costs.	Michael A. Peppin, Exhibit__(MAP-1), Vol 2D, pgs 18, 28-29 (CCOSS).
Order, 5/8/15 Order Point 4	Monticello. 4. The disallowance of 2014 Monticello EPU depreciation expense shall be a permanent disallowance. The Company shall reduce Construction Work in Progress by this amount, or if the plant is shown as being included in Plant in Service, the disallowed depreciation expense will remain in the depreciation reserve. Xcel shall make a compliance filing within ten days of this order providing the accounting entries and explaining how this permanent disallowance is reflected in its accounting records.	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 76-77 (Revenue Requirements); Vol. 4, Section VIII, Tab A12 Monticello LCM/EPU Return.

Order, 5/8/15 Order Point 7	Pension. 7. The Company shall apply the rolling five-year average FAS 87 discount rate when determining the XES Plan cost subject to deferral (or reversal) in subsequent years (i.e., non-rate-case test years) as the 2012 mitigation established in Docket No. E-002/GR-12-961 continues.	Richard R. Schrubbe, Exhibit___(RRS-1), Vol. 2D, pg 35 (Pension).
Order, 5/8/15 Order Point 10	Pension. 10. The qualified pension asset and associated deferred-tax amounts shall be included in rate base. For rate-base purposes, the pension asset is to reflect the cumulative difference between actual cash deposits made by the Company reduced by the recognized qualified pension cost determined under the ACM/FAS 87 methods since plan inception, not to exceed the Company's filed request.	Richard R. Schrubbe, Exhibit___(RRS-1), Vol. 2D, pg 62 and Schedule 13.
Order, 5/8/15 Order Point 13	Pension. 13. The discount rate used to calculate retiree medical benefit costs for ratemaking purposes shall be set to equal 5.08%, the five-year average of the FAS 106-based discount rates.	Richard R. Schrubbe, Exhibit___(RRS-1), Vol. 2D, pgs 53- 57 (Pension).
Order, 5/8/15 Order Point 14	Pension. 14. Any amount by which the qualified pension expense allowed in rates exceeds future years' qualified pension expense (calculated using the Commission-approved discount-rate point of reference) the Company shall apply toward the recovery of the accumulated deferred XES Plan costs. "Future years" includes 2015, and each subsequent year's qualified pension expense if not a rate-case test year. The recoverable XES Plan expense amount shall be calculated using the proximate measurement date appropriate for each operating year (12/31/2013 for 2014; 12/31/2014 for 2015, etc.) until the next rate case. The Company shall file annual compliance reports which provide its pension plans' cost-calculation reports, the XES Plan accumulated deferred balance, and the excess rate-level recovery applied toward satisfying the deferral. Deferred amounts shall not be included in rate base.	Richard R. Schrubbe, Exhibit___(RRS-1), Vol. 2D, pg 51 and Schedule 11 (Pension). Compliance filings submitted on 6/14/17, 6/15/18, 6/17/19 and 6/17/20.
Order, 5/8/15 Order Point 28	Aviation. 28. The Commission adopts ALJ Finding 564 modified to read as follows: The Commission orders the Company in future rate cases seeking recovery of corporate aviation to provide more detailed, accurate records of the actual business purpose for flights that are scheduled, rather than reducing all flights to a generic "code."	We are not seeking cost recovery of aviation costs in this case. William Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 4, 9, 35- and Schedule 4 (Employee Expenses).

Order, 5/8/15 Order Point 29	AIP. 29. The Company has complied with the filing requirements set in its last rate case (Docket No. E-002/GR-12-961) regarding its Annual Incentive Compensation Program and shall continue to provide similar information and documents in any future rate case in which it seeks rate recovery of incentive-compensation costs.	Ruth K. Lowenthal, Exhibit___ (RKL), Vol. 2D pgs 20-40 and Schedule 4 (Employee Compensation).
Order, 8/31/15 Order Point 12	In future rate cases, the Company shall: a. ensure internal consistency within its CCOSS and provide direct links to all inputs used in its model; b. include specific tabs within its CCOSS model that clearly identify all inputs (non-financial and financial) as well as all relationships between variables used in the cost model; c. link input sources to the financial data and non-financial data filed in the record so that any changes made in compliance are clearly and promptly reflected in the relevant compliance cost study; and d. provide estimated rate and bill impacts for customer classes to affirm the methodology of apportioning revenue responsibility.	Michael A. Peppin, Exhibit___(MAP-1), Vol. 2D, pg 18 and Schedule 9 (CCOSS). Steven V. Huso ___Exhibit (SVH-1), Vol 2D, pgs 9-11 (Rate Design).
8/31/15 Order Order Point 15	In future multiyear rate cases, regarding the issue of the passage of time: a. the Company must explicitly explain in Direct Testimony how the Company adjusts rates in years following the first year for the passage of time (all increased and decreased adjustments shown clearly); and b. filings must contain clear calculations, including narrative, detailed calculations, well-labeled information, and support for how calculations tie out to the rate case revenue requirement requested by the Company.	Greg P. Chamberlain , Exhibit___(GPC-1), Vol. 2A, pg 34 (Policy/MYRP Policy). Mark P. Moeller Exhibit___(MPM-1), Vol. 2D, pgs 22-25 and Schedules 2 and 5 (Depreciation)
M-15-401	Courtenay Wind Cost Recovery	
9/2/15 Order Order Point 4	4. The Company shall include in the initial filing in its next rate case both testimony and schedules disclosing, in detail and by project, all North Dakota Investment Tax Credits and all other non-Minnesota state tax credits earned or held by the Company as a result of its investments and activity.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pg 132 Revenue Requirements).
GR-15-826		

GR-15-826, 6/12/17 Order Point 3	Xcel shall work with Commission and Department staff to develop a capital-projects true-up compliance reporting tool that meets the regulatory needs of the agencies, to be filed annually.	Compliance filing submitted 07/07/17 detailing agreed-upon reporting elements.
GR-15-826, 6/12/17 Order Point 5	Xcel shall make a compliance filing once the Mankato II in-service date becomes certain. If the in-service date does not materialize by 2019, the compliance filing should include the delay's 2019 revenue-requirement impact and how Xcel proposes to address it.	Compliance filing submitted 10/11/18.
GR-15-826, 6/12/17 Order Point 6	Within 90 days of the date of this order, Xcel shall make a compliance filing comparing final rate case expenses to the requested \$3.34 million.	Compliance filing submitted 09/08/17.
GR-15-826, 6/12/17 Order Point 7	Xcel shall file, as a comparison, a true-up calculation based on actual (not weather normalized) sales and revenue throughout the term of the multiyear rate plan.	Sales True-up Compliance Filings were submitted on 2/6/17, 2/1/18, 2/1/19 and 1/31/20.
GR-15-826, 6/12/17 Order Point 9; ALJ Findings 854, 855 & 856	Regarding the Class Cost-of-Service Study: b. Xcel shall report on methods to measure losses for Xcel's next rate case.	Kelly Bloch, Exhibit___(KAB-1), Vol 2B, pgs 156-60 (Distribution). Ian R. Benson, Exhibit___(IRB-1), Vol. 2B, pgs 122-25 (Transmission).
GR-15-826, 6/12/17 Order Point 9	Regarding the Class Cost-of-Service Study: e. For purposes of Xcel's next rate case, Xcel shall adopt the recommendations of the ALJ with the following exceptions: i. Xcel need not adopt the ALJ's recommendations regarding the classification and allocation of distribution costs. ii. Xcel shall base the D10S capacity allocator on Xcel's system peak coincident with MISO's system peak, incorporating any future changes to MISO's method for calculating the system peak.	Michael A. Peppin, Exhibit___(MAP-1), Vol 2D, pgs 21-25 (CCOSS), Schedule 2, Appendix 2 at 3.
GR-15-826, Order Point 11b	Company shall make filing every 6 months containing number of past-due residential customers and arrearage information and number of residential service disconnections.	Compliance Filings submitted on 07/31/17, 01/31/18; 07/31/18; 02/1/19, 07/31/19, 01/22/20 and 07/30/20.
GR-15-826, Order Point11c	Company shall actively reach out to past-due customers in order to inform them about the availability of assistance from LIHEAP. (Addressed in above-noted 10/10/17 compliance.)	Addressed in Compliance Filing submitted on 10/10/2017 regarding LIHEAP funding and outreach to low-income customers.

GR-15-826, Order Point Pg 47	For customers directly assigned substation costs and who do not receive service via other substations, exclude other substation costs in CCOSS	Michael A. Peppin, Exhibit___(MAP-1), Vol. 2D, pgs 26-27, and Schedule 2, Appendix 2 at 3 (CCOSS).
GR-15-826, Settlement, Page 6, Item D; Attachment 2 to the Settlement; ALJ Finding 183	Sales True-Up; the Company will true-up weather normalized actual sales for non-decoupled classes, subject to a three percent cap, in 2017, 2018 and 2019;	Sales True-up Compliance Filings were submitted on 2/6/17, 2/1/18, 2/1/19, and 1/31/20.
GR-15-826, Settlement, Page 6, Item D; ALJ Finding 183	Decoupling for all decoupled classes, in 2017, 2018 and 2019, the decoupling mechanism approved by the Commission in the Company's last rate case will be extended to match the term of this agreement, which will address any differences between forecasted and actual sales.	Annual Decoupling reports were submitted on 2/1/17, 2/1/18 and 2/1/2019.
GR-15-826, Settlement, Page 7, Item F	PI LM Costs; The Settling Parties agree that a nuclear expert will be used in the Company's next Integrated Resource Plan ("IRP") proceeding, in which the Settling Parties expect to examine the continued cost-effectiveness of the Company's nuclear fleet, and evaluate the Company's forward looking (i.e., 2020-2030's) capital expenditures and O&M expenses, with the understanding that Xcel will continue to bear the burden of proof to show the reasonableness of rate changes in future proceedings.	This is a requirement of our Integrated Resource Plan. The Company's nuclear capital and O&M expenses are discussed by Peter A. Gardner, Exhibit___(PAG-1), Vol. 2B, pgs 99-153 (Nuclear Operations).
GR-15-826, Settlement Page 9, III; ALJ Finding 465	Bill Payment Assistance for Customers with Medical Needs; Xcel Energy will develop and implement a customer bill payment assistance program exclusively for medical needs customers. The program will use the POWER ON program as a model and will incorporate the following: (1) providing an affordability credit in order to limit the percentage of household income that customers devote to electric costs; (2) providing an arrearage forgiveness component requiring customers to contribute a payment toward arrears (in addition to the affordability payment) in order to receive a matching monthly credit from the Company; (3) setting income eligibility for participation at 50 percent of the State Median Income ("SMI") and, only if funds remain, allow customers at 60 percent SMI to enroll; (4) providing assistance on a first come/first served	Petition filed on 8/21/2017; Order approving program issued on 1/10/18.

	<p>basis until the program budget is exhausted; (5) limiting administrative costs to no more than five percent of the annual budget; (6) incorporating reporting and program fund tracking requirements of the current POWER ON program; and (7) recovering program costs on the same basis as the POWER ON program. The Company will file this proposed program within one hundred and fifty (150) calendar days of the Commission's final, appealable order in this proceeding.</p>	
<p>GR-15-826, Settlement Page 9, IV; ALJ Finding 103 & 104</p>	<p>LED Street Lighting; (1) The revenue requirements related to all capital additions for Light Emitting Diode ("LED") street lights will be removed from this rate case and the resulting changes to Xcel Energy's overall revenue requirements will be used in setting final street lighting rates ("LED Capital Cost Removal"). (2) All LED street lighting installed shall be billed consistent with the Commission's order in Docket No. M-15-920 and consistent with any final order in this rate case. (3) The revenue requirement reduction resulting from the LED Capital Cost Removal shall be reflected in final rates consistent with the rate design proposed by Xcel Energy or as otherwise may be ordered by the Commission.</p>	<p>Steven V. Huso ___ Exhibit (SVH-1), Vol 2D, pgs 33-35 and Schedule 9 (Rate Design).</p>
<p>GR-15-826, Settlement Page 9, IV; ALJ Finding 103 & 104</p>	<p>LED Street Lighting; (4) All street lighting costs proposed by Xcel Energy in this proceeding, other than the LED Capital Cost Removal costs, will remain and be reflected in retail rates as allowed by the Commission pursuant to its final order. (5) Xcel Energy will create a regulatory asset comprised of the revenue requirements directly related to any and all actual LED streetlight capital additions made of during the Term of the MYRP as defined in the Settlement (the "LED Deferral"). Xcel Energy is explicitly permitted to defer the LED Deferral during the term of years for which final rates will be set in this rate case. Xcel Energy agrees that the LED Deferral will accrue no carrying cost or similar time value additive before its next rate case. (6) Any LED street lighting revenues collected during the Term of the MYRP shall be credited against the LED Deferral.</p>	<p>Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pg 88 (Revenue Requirements).</p> <p>Steven V. Huso ___ Exhibit (SVH-1), Vol 2D, pgs 33-35 and Schedule 9 (Rate Design).</p>

GR-15-826, Settlement Page 10, IV	The LED Deferral shall be recognized and recovered as part of the test year of Xcel Energy's next rate case and such recovery shall be solely from the street lighting class;	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pg 88 (Revenue Requirements). Vol 4, Section VIII, Tab A38 LED Street lighting.
GR-15-826, Settlement Page 10-11, IV	Xcel Energy shall maintain reasonably detailed records of LED costs and cost savings compared to HPS lighting derived from a) relamping of LEDs, b) LED service orders, c) LED effect on base rate energy and d) demand allocation; and shall provide all relevant LED cost and cost savings information on street lighting in the next rate case.	Kelly A. Bloch, Exhibit__(KAB-1), Vol. 2B, pgs 144-47 (Distribution). Steven V. Huso __Exhibit (SVH-1), Vol 2D, pgs 33-35 and Schedule 9 (Rate Design).
GR-15-826, Settlement Attachment 1	D. Implementation of Sales True-Up for 2017, 2018, and 2019; ...1. No later than February 15 of each year of the Term following the Commission's final order in this Proceeding, the Company shall make a compliance filing with the Commission ("True-Up Compliance Filing") providing: a. Actual sales data for the preceding year. b. Calculation of the true-up amount (either positive or negative) for the nondecoupled classes consistent with Attachment 2 of this Settlement ("Annual True-Up amount"), subject to a three percent cap on increases in rates for these customer classes. 2. The Settling Parties may file comments to True-Up Compliance Filing; provided, however, that such comments are consistent with the agreement of the Settling Parties pursuant to this Settlement. 3. The Annual True-Up Amount shall be collected or refunded, as the case may be, over the 12 month period beginning April 1 of the year following the True-Up Compliance Filing (the "Amortization Year").	Sales True-up Compliance Filings were submitted on 2/6/17, 2/1/18, 2/1/19, and 1/31/20.
GR-15-826; ALJ Findings 447 & 448; Burdick Surrebuttal Schedule 1	Capital True-Up; The Company will implement the capital true-up set forth in Company witness Mr. Burdick's Direct Testimony on pages 42-43 and on the timeline set forth on pages 49-50 and Schedule 15. Given the Settlement, the base line amount to be used for each of the four years will be the total annual capital related revenue requirements set forth in Department witness Mr. Lusti's second errata to Schedule DVL-9.	Capital True-Up Compliance Filings were submitted on 7/7/17, 5/1/18, 5/1/19, and 5/1/20.
GR-15-826; ALJ Finding 261, 266 & 268; Burdick	Property Tax True-Up; The Company will implement the property tax true-up set forth in Mr. Burdick's Direct Testimony on pages 44-45 and on the timeline set forth on pages 49-50 and	Property Tax True-Up Compliance Filings were submitted on 6/29/18, 7/1/19, and 7/1/20.

Surrebuttal Schedule 1	Schedule 15. Given the Settlement and the property tax deferral in 2016, there will be no true-up in 2016 and the Company will use the property tax expense amount for 2016 established by Department witness Mr. Lusti in his Direct Testimony as the baseline for the property tax true-up for 2017, 2018 and 2019 property tax expense.	
GR-15-826 Erratum Notice, July 28, 2017	Nuclear Refueling Outage Accounting; Xcel shall make a compliance filing showing the level of actual 2006–2015 nuclear-refueling-outage expenditures, by FERC account and by nuclear plant, and shall update the Commission on those expenditures annually by May 1. The filing must also show Xcel’s 2006–2015 profit level resulting from the carrying charge.	Compliance filings were submitted on 5/1/18, 4/30/19, and 4/29/20.
E,G002/D-17-147	Xcel Energy’s 2017 Annual Review of Remaining Lives	
Order, 2/8/2018; Order Point 8	The Commission hereby approves the amortization rates as filed in Xcel’s Attachment G to comply with the FERC accounting requirement that the Commission approve the amortizations rates for treatment of the FERC regulatory asset. In its next rate case and rider proceedings, Xcel must demonstrate that there are no cost impacts to Minnesota ratepayers due to Xcel’s accounting treatment of its theoretical reserve amortization.	Mark P. Moeller Exhibit___(MPM-1), Vol. 2C, pgs 36-37 and Schedule 8 (Depreciation)
AI-14-759	Administrative Service Agreements with Xcel Energy Transmission Development Company and Xcel Energy Southwest Transmission	
Order, 8/3/15, Order Point 2	Fully allocate costs and revenue credits for ASAs	Ross L. Baumgarten Exhibit___(RLB-1), Vol. 2C, pg 31 (Cost Allocations).
D-17-147	2017 Annual Review of Remaining Lives	
Order, 2/8/18, p. 6 and Order Point 8	In its next rate case and rider proceedings, Xcel must demonstrate that there are no cost impacts to Minnesota ratepayers due to Xcel’s accounting treatment of its theoretical reserve amortization.	Mark P. Moeller Exhibit___(MPM-1), Vol. 2C, pgs 36-37 and Schedule 8 (Depreciation)
AI-17-577	Affiliated Interest Filing	
Order, 6/12/18, p. 7 and Order Points 2 and 3	Difference between Employee Ratio and Allocated Labor Hours with Overtime allocation methods will be adjusted for in future rate-recovery proceedings	Ross L. Baumgarten Exhibit___(RLB-1), Vol. 2C, pgs 18, 21 (Cost Allocations).

M-18-729	Lighting Tariff Revisions	
Order, 5/10/19	Company committed to revisit base rates for Street Lighting Energy Service tariff	Steven V. Huso __ Exhibit (SVH-1), Vol 2D, pgs 33-35 and Schedule 9 (Rate Design).
M- 18-643	Electric Vehicle Pilot Programs	
Order, 7/17/19, Order Point 7	In its next rate case, Xcel must develop and propose a revised general service TOD rate that is more reflective of hourly system costs with a price signal designed to reduce peak demand.	Steven V. Huso __ Exhibit (SVH-1), Vol 2D, pgs 30-31 (Rate Design).
Order, 7/17/19, Order Point 14	In its next general rate case filing, Xcel must address how it intends to handle and budget for future pilots	Greg P. Chamberlain , Exhibit__(GPC-1), Vol. 2A, pgs 43-46 (Policy/MYRP Policy). Kelly A. Bloch, Exhibit__(KAB-1), Vol. 2B, pgs 137-44 (Distribution).
M-19-39	Approval of Contracts and Ratemaking Treatment for Provision of Electric Service to Google's Data Center Project	
Order, 7/15/19	C. Requires Xcel to provide in future rate cases when Xcel is including costs and revenues related to Google an update to both the overall Incremental Cost and Benefit Analysis and the Rate Case Incremental Cost and Benefit Analysis as recommended in the February 15, 2019 comments of the Minnesota Department of Commerce.	Michael A. Peppin, Exhibit__(MAP-1), Vol. 2D, pgs 51-52 and Schedule 15 (CCOSS and Select Rate Design).
M-19-663	In the Matter of a Petition for Approval of the Amended Agreement with Liberty Paper, Inc. and Approval of Accounting and Rate Treatment	
Order, 2/21/20, Order Point 2	Requires Xcel to provide testimony in initial filings in rate proceedings outlining the services provided to LPI and demonstrating the reasonableness of Xcel's proposed cost allocations to the LPI steam sales	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 133-34 (Revenue Requirements). Ross L. Baumgarten Exhibit__(RLB-1), Vol. 2C, Schedule 3 (Cost Allocations).
M-20-436	Approval of Revisions to the Business Incentive and Sustainability (BIS) Rider Tariff	
Order, 7/29/20, Order Point 1D	In its next general rate case, Xcel may seek recovery of the cost of the credits issued in this COVID-19 program. At that time, Xcel shall provide a cost/benefit analysis demonstrating the	The Company has not included recovery for this item in its request as it does not yet know the final amount of the discounts. If

	reasonableness of any cost recovery, including the full amount of the COVID-19 credits given and the sales revenue stimulated and retained. Xcel may defer the cost of these credits until its next general rate case.	available, the Company may include this information in Rebuttal Testimony, or seek recovery in its next rate case. Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pg 133 (Revenue Requirements)
Past Order Requirements provided as Supplemental Info		
GR-92-1185	1992 General Rate Case	
Order, 9/29/93	In its next general rate case filing, the Company shall be exempted from including the following items: comparisons of budgets to DRI guidelines; the budget documentation contained in Volumes 5, 6 and 7 of the current filing; translation reports linking cost element, cost activity and project budgeting mechanisms on a common and consistent basis to assure an audit trail; and month-by-month and year-end summary reports of contingency fund transactions and project substitutions. Separately but contemporaneously with its next general rate case filing, however, the Company shall file this information with the Commission, serve copies on the Department and the RUD-OAG and make this information available for review by other parties upon their request.	Budget Documentation is included in Vols. 5 and 6 of the Application. For contingency-related items, see Vol. 5, Capital Substitutions / Contingent Process & Reports Tab.
GR-12-961	2012 Electric Rate Case	
Order, 9/3/13 Order Point 46	Discussion of Pension Plans. 46. In the initial filing of its next electric and gas rate case, Xcel shall include a discussion of each non-qualified retirement income plan (both defined benefit and defined contribution type plans) for which cost recovery is sought. The Company shall include in the filing and discussion disclosure of all characteristics of the unqualified plans that cause their unqualified status as well as the supporting documents and actuarial studies relied upon for the derivation of claimed cost.	Not applicable in this case. We are not seeking recovery of non-qualified pension in this case.
Order, 9/3/13 Order Point 47	FERC Form 1 Details: 47. In the initial filing of its next rate case, the Company shall expand upon the information filed under Minnesota Rules 7825.4000(b) and 7825.4100(B), including balance sheet and income statement reconciliations between its FERC Form 1 and its general ledger accounts, for each of the three most recent	Vol. 3, Section IV, Tab 5 GAAP/FERC/COSS Comparison. Vol. 6, Variance Explanations and Supplemental Reports Tab B.

	calendar years relative to the rate case test year. The schedules provided shall be produced in like manner as requested and illustrated in the Department's Information Request 128-Revised, marked in the record as Exhibit 163, DOC Attachment ACB-15. The Company shall also include explanations of the accounts that have large differences in amounts when compared between actuals and its test-year request (change of ± 10 percent or more).	
GR-13-868	2013 Electric Rate Case	
Order, 5/8/15 Order Point 11	Pension. 11. In the initial filing of its next electric rate case, the Company shall; a. Address why the target asset allocations for its pension fund are reasonable, including ages of retirees and employees. The Company must provide an update to its existing Exhibit 31 (Tyson Rebuttal), Schedule 1 and expand it to include this demographic information.	R. Evan Inglis, Exhibit___(REI-1), Vol. 2D (Pension Investment).
	b. Provide testimony on its investment strategies and target asset allocations for the qualified pension fund and the justifications for those decisions, for the period from 2007 to the date of its next filing.	R. Evan Inglis, Exhibit___(REI-1), Vol. 2D (Pension Investment).
	c. Provide copies of the actuarial reports used to determine employee benefit costs, including its schedules denoting each subsidiary's cost assignments for each benefit. The Company must also include workpapers that show the derivation of the jurisdictional portion of each benefit cost.	Richard R. Schrubbe, Exhibit___(RRS-1), Vol. 2D, pgs 46, 57, 60, 98 and Schedules 9 to 10 (Pension).
		Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 83-84 and Schedules 10, 11, and 12 (Revenue Requirements); Vol. 4, Section VIII, Tab A16 to A20, A32 to A33 Pension.
	d. Provide testimony that identifies and discusses each non-qualified employee-benefit cost included in its test years.	Not applicable in this case. We are not seeking recovery of non-qualified pension in this case.
	e. Include testimony identifying the basis used for its requested rate-base impact related to pensions. Additional schedules must be included that reflect the underlying calculation of the qualified pension	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 83-84 and Schedules 10, 11, and 12 (Revenue Requirements);

	asset (or liability) balances requested for rate-base inclusion.	Vol. 4, Section VIII, Tab A16 to A20, A32 to A33 Pension.
		Richard R. Schrubbe, Exhibit___(RRS-1), Vol. 2D, pgs 65-78 and Schedule 13 (Pension).
Order, 5/8/15 Order Point 37	CCOSS. 37. In its next rate case, Xcel shall refine its class-cost-of-service study cost-allocation method by identifying any and all other production O&M costs that vary directly with the amount of energy produced based on Xcel's analysis. If Xcel's analysis shows that such costs exist, then Xcel should classify these costs as energy-related and allocate them using appropriate energy allocators, while allocating the remainder of other production O&M costs on the basis of the production plant.	Michael A. Peppin, Exhibit___(MAP-1), Vol. 2D, pgs 25-29 (CCOSS).
Order, 5/8/15 Order Point 38	CCOSS. 38. In its next rate case the Company's class-cost-of-service study shall include an explanatory filing identifying and describing each allocation method used in the study and detailing the reasons for concluding that each allocation method is appropriate and superior to other allocation methods considered by the Company, whether those methods are based on the Manual of the National Association of Regulatory Utility Commissioners or the Company's specific system requirements, its experience, and its engineering and operating characteristics. The Company shall also explain its reasoning in cases in which it did not consider alternative methods of allocation or classification.	Michael A. Peppin, Exhibit___(MAP-1), Vol. 2D, Schedule 2, Appendices 2 and 3 (CCOSS).
Order, 5/8/15 Order Point 39	Minimum System Study. 39. In its next rate case, Xcel shall provide parties with data sufficient to verify and reproduce its minimum-system study and shall file a zero-intercept analysis of distribution costs, or explain why it was not able to collect the data necessary to do so.	Michael A. Peppin, Exhibit___(MAP-1), Vol. 2D, pgs 36-44 and Schedule 10 (CCOSS).
E-999, CI-03-802	Investigation into Appropriateness of Continuing to Permit Electric Energy Cost Adjustments	
Order, 11/5/2019 Order Point 2	In the initial filings for their next rate cases, each utility shall demonstrate that its proposed base rates exclude Fuel Clause Adjustment-related costs.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 53, 121-22 (Revenue Requirements).
E-999/CI-15-115	In the Matter of a Rate for Large Solar Photovoltaic Installations (E-002/M-13-315); In	

	the Matter of a Commission Inquiry Into Standby Service Tariffs	
Order 02/14/2020, Point 1(B)	Xcel shall update its PV Demand Credit Rider using the embedded generation and transmission costs established in future rate cases.	The PV Demand Credit Rider discount is updated through the Company's interim rate proposal. We will update compliance in final rates once the total revenue requirement is known.
E-002/M-17-797	In the Matter of the Petition of Northern States Power Company for Approval of the Transmission Cost Recovery Rider Revenue Requirements for 2017 and 2018, and Revised Adjustment Factor	
Order 09/27/2019, Point 3	Xcel must use an ROE of 9.06% in all electric dockets that require an ROE determination until the Commission issues an order in the Company's next rate case authorizing a different ROE.	Vol. 1, Notice & Petition for Interim Rate.
Order 09/27/2019, Point 6	Xcel must include in any future cost recovery filing for ADMS investments an ADMS business case and a comprehensive assessment of qualitative and quantitative benefits to customers.	The Company will seek recovery of its AGIS investments in a future TCR Rider filing and does not include such investments in this case. AGIS-related internal O & M expenses are discussed at Kelly A. Bloch, Exhibit__(KAB-1), Vol. 2B, pgs 115-16 (Distribution).
Order 09/27/2019, Point 9	If and when Xcel requests cost recovery for Advanced Grid Intelligence and Security investments, the filing must include a business case and comprehensive assessment of qualitative and quantitative benefits to customers, considering, at a minimum, the following [list of factors]	The Company will seek recovery of its AGIS investments in a future TCR Rider filing and does not include such investments in this case. AGIS-related internal O & M expenses are discussed at Kelly A. Bloch, Exhibit__(KAB-1), Vol. 2B, pgs 115-16 (Distribution).
	When Xcel makes any future cost recovery proposal, in addition to requirements from previous orders, it must include: a. a discussion of mechanisms that will be employed to maximize cost reductions and minimize cost increases, and b. a demonstration that the utility has thoroughly considered the feasibility, costs, and benefits of alternatives, and that the proposed approach is preferable to alternatives. In discussing the alternatives, Xcel should compare different types of the same technology, for example, by comparing different AMI meters."	The Company will seek recovery of its AGIS investments in a future TCR Rider filing and does not include such investments in this case. AGIS-related internal O & M expenses are discussed at Kelly A. Bloch, Exhibit__(KAB-1), Vol. 2B, pgs 115-16 (Distribution).

E-002/M-17-828	In the Matter of the Petition of Northern States Power Company for Approval of the 2019 – 2021 Triennial Nuclear Decommissioning Study and Assumptions	
Order 03/13/2020, Point 2	Reduce the annual decommissioning accrual to \$27.4 million, effective January 1, 2021.	Mark P. Moeller Exhibit___(MPM-1), Vol. 2C, pgs 38-39 (Depreciation)
Order 03/13/2020, Point 3	Increase the annual end-of-life nuclear fuel accrual to \$2,087,026, effective January 1, 2021.	Mark P. Moeller Exhibit___(MPM-1), Vol. 2C, pgs 38-39 (Depreciation)
Order 03/13/2020, Point 4	Xcel may delay any increase from the current \$14,030,831 until January 1, 2021.	Mark P. Moeller Exhibit___(MPM-1), Vol. 2C, pgs 38-39 (Depreciation)
E-002/M-19-39, E-002/M-19-60	In the Matter of the Petition by Northern States Power Company d/b/a Xcel Energy for Approval of Contracts and Ratemaking Treatment for Provision of Electric Service to Google’s Data Center Project (E-002/M-19-39); In the Matter of the Petition by Northern States Power Company d/b/a Xcel Energy for Approval of Contracts and Ratemaking Treatment for Provision of Electric Service to Google’s Data Center Project (Highly Sensitive Trade Secret) (E-002/M-19-60)	
Order 07/15/2019, Point 2(E)	E. Approves Xcel’s request that the costs associated with the Renewable Sourcing Plan be recoverable, now and in the future, through either –1) a future rate case or 2) the Fuel Clause Rider, with the protection that a net loss would require a review in the annual fuel clause review with a recovery determination made at that time.	There are no costs associated with the Renewable Sourcing Plan included in this base rate recovery request. The Company anticipates recovery through the Fuel Clause Rider, with review and recovery determination of a net loss to be determined in the appropriate fuel clause docket.
Order 07/15/2019, Points 3(A)-(D)	3. Regarding the Competitive Response Rider (CRR) Agreement, the Commission takes the following actions: A. Approves the CRR.B. Approves Xcel’s request to reflect the difference between the negotiated rate and the standard rate in the test year in a future rate case. C. Requires Xcel to provide in future rate cases when Xcel is including costs and revenues related to Google an update to both the overall Incremental Cost and Benefit Analysis and the Rate Case Incremental Cost and Benefit Analysis as recommended in the February 15, 2019 comments	Michael A. Peppin, Exhibit___(MAP-1), Vol 2E, pgs 51-52 and Schedule 15 (CCOSS).

	of the Minnesota Department of Commerce. D. Requires Xcel to make a compliance filing showing that other ratepayers would not be harmed and that changes would not result in double recovery of costs.	
E,G-002/D-19-161	In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of its 2019 Annual Review of Remaining Lives	
Order 10/22/2019, Point 5	The Company shall return the net decrease in electric utility depreciation expense to ratepayers in the 2019 capital true-up filing in Docket No. E-002/GR-15-826.	The Company has complied with this requirement, and its most recent compliance filing in Docket No. E-002/GR-15-826 was on 05/01/2020.

Key Compliance Filings for 2021-2023 MYRP

Compliance Filing	Date
2020 Actual Sales Data and Related Revenue Calculations for Sales True-up	2/01/2021
2020 Capital true-up Report	5/01/2021
2020 AIP, NOL Annual Compliance Reports	5/31/2021
2020 Property Tax True-up Report and Combined Refund Plan	7/01/2021
2021 2021 Actual Sales Data	2/01/2022
2021 Decoupling Report	4/01/2022
2021 Capital true-up Report	5/01/2022
2021 AIP, NOL Annual Compliance Reports	5/31/2022
2021 Property Tax True-up Report and Combined Refund Plan	7/01/2022
2022 Decoupling Report	4/01/2023
2022 Capital true-up Report	5/01/2023
2022 AIP, NOL Annual Compliance	5/31/2023
2022 Property Tax True-up Report and Combined Refund Plan	7/01/2023
2023 Decoupling Report	4/01/2024
2023 Capital true-up Report	5/01/2024
2023 AIP, NOL Annual Compliance Reports	5/31/2024
2023 Property Tax True-up Report and Combined Refund Plan	7/01/2024