

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 Natural Gas Service in Minnesota

Docket No. G002/GR-21-678
Exhibit__(GPC-1)

Policy

November 1, 2021

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

26
27 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

1 A. I am the Company's policy witness in this proceeding, and, in that role, I present
2 the Company's overall case to the Minnesota Public Utilities Commission
3 (Commission). To support our request and inform the Commission's decision
4 in this docket, I discuss the context and drivers of this rate case and explain how
5 the Company's proposals are needed to facilitate our continued commitment to
6 provide the safe and reliable gas service that our customers and communities
7 depend on. More specifically:

- 8 • I discuss our Minnesota gas business, briefly describe the operational
9 characteristics of our gas service, discuss our commitment to customers
10 and our communities, and outline our strategic priorities.
- 11 • I provide an overview of the Company's rate request, which has been
12 necessitated primarily by increases in costs since our last rate case – filed
13 more than 10 years ago – and discuss the need for a general natural gas
14 rate increase at this time.
- 15 • I provide an overview of the framework of the Company's filing,
16 introduce the Company's witnesses providing supporting Direct
17 Testimony, and introduce our completeness matrix.

18
19 Overall, my Direct Testimony describes the Company's accomplishments since
20 the Company's last rate case, which was filed in 2009 (Docket No. G002/GR-
21 09-1153), and explains how this rate proposal will support the Company's
22 efforts going forward. The Company's requested base rate revenue requirement
23 represents our cost of providing safe and reliable gas service at the time rates
24 from this proceeding will be in effect. However, I also present an alternative to
25 proceeding with this rate increase, which we have detailed in Docket No.
26 G002/M-21-750 and filed concurrently with this rate case. Whether the

1 Commission elects to proceed with this rate case or our alternate proposal, the
2 resulting rates will be just and reasonable for our customers.

3
4 Q. PLEASE GENERALLY DESCRIBE THE COMPANY'S RATE REQUEST IN THIS
5 PROCEEDING.

6 A. In many respects, this rate case is simply a reflection of the passage of time since
7 the Company's last gas rate case, which was filed in 2009. The Company is
8 requesting to set base rate revenue for NSPM's gas operations using a calendar
9 test year consisting of the twelve months ending December 31, 2022. The
10 Company developed the test year using budgeted capital additions and budgeted
11 operations and maintenance (O&M) expenses. Also included in the proposal
12 are impacts to other rate base items, sales adjustments, and other adjustments
13 impacting the revenue requirements for the test year, so that the test year
14 represents a cost of service approach to rate-setting for both capital and O&M.

15
16 As presented later in my Direct Testimony, the Company's total base rate
17 revenue requirement for its gas operations is \$576.65 million and, when
18 compared to our present base rate revenue of \$541.02 million, results in a base
19 rate revenue deficiency, excluding rider roll-ins, of approximately \$35.63 million
20 for the 2022 test year. The test year revenue deficiency amount represents a 6.6
21 percent overall increase in retail revenues from base rates compared to projected
22 2022 retail revenues at present rates. The Company's revenue requirement and
23 revenue deficiency are discussed in more depth in the Direct Testimony of
24 Company witness Mr. Benjamin C. Halama.

25
26 As part of our request, we also propose rolling certain projects currently
27 recovered in riders into base rates. While these rider roll-ins do not impact the

1 total bills paid by our customers, they increase the base rate increase request for
2 2022 by \$28.5 million, as shown in Table 1 below.

3
4 **Table 1**
5 **Test Year Revenue Deficiency**
6 **(\$ in Millions, rounded)**

7

	2022
8 Net Incremental Deficiency	\$35.6
9 Net Percent Rate Increase	6.6%
10 <u>Rider Roll-In</u>	<u>\$28.5</u>
11 Total Base Increase Request	<u>\$64.1</u>
Total Base Percent Increase Request	11.9%

12

13
14 The revenue deficiency is based on a 10.5 percent return on equity (ROE), as
15 recommended by Company witness Mr. Dylan W. D'Ascendis.

16
17 Q. WHY IS THIS RATE CASE NECESSARY?

18 A. There are a few key reasons why this rate case is necessary. Overall, exclusive
19 of cost recovery through the Gas Utility Infrastructure Costs (GUIC) Rider, the
20 Company's current base rates reflect the cost of providing service to customers
21 in 2010. This proceeding presents updates to our cost of service to incorporate
22 changes in operating expenses – both increases and cost savings – along with
23 incremental revenue from customer growth on the system.

24
25 The largest drivers of this rate case are increases in capital and O&M costs since
26 our last case more than a decade ago, particularly with respect to Gas

1 Operations capital and O&M, property and other taxes, Information
2 Technology (IT) investments, and Administrative and General services.

3
4 Specific to Gas Operations, we have incurred substantial increased O&M costs
5 with respect to our Damage Prevention Program (relating to gas locates through
6 the Gopher State One Call underground infrastructure locations program) and
7 overall labor. We have also made capital investments in our transmission and
8 distribution infrastructure, as well as in our gas peaking plants at Wescott, Sibley,
9 and Maplewood to ensure the continued safe and reliable operation of these
10 plants in support of our overall natural gas system.

11
12 In addition to Gas Operations cost increases, we are also experiencing increases
13 in our IT O&M costs consistent with 10 years of advancing technology
14 necessary to run the business, as well as increased costs of providing customer
15 service and income and property tax expense.

16
17 Q. CAN YOU SUMMARIZE THESE RATE CASE DRIVERS AS A WHOLE?

18 A. Yes. Figure 1 below illustrates the drivers of this rate case described above.
19 Overall, Figure 1 shows that sales increases to our gas customers have offset a
20 significant portion of our costs and enabled us to avoid a base rate increase over
21 the last decade. However, the combined cost increases across our business are
22 now requiring this rate case filing.

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Figure 1

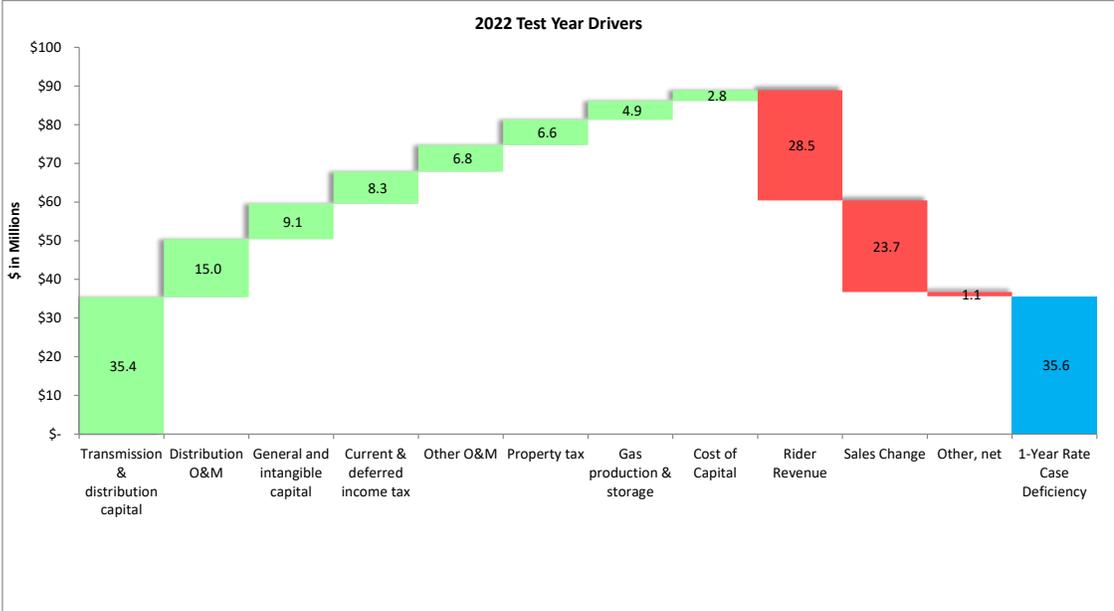


Figure 1 above presents the drivers of our rate request, including both rider costs and offsetting revenues. The largest driver noted above is transmission and distribution capital. However, rolling GUIC and SEP capital costs placed in service on or before December 31, 2021 into base rates contributes \$28.5 million to the total transmission and distribution capital revenue requirement illustrated above.

- Q. WHAT IS THE COMPANY’S PROPOSED AVERAGE RATE INCREASE FOR RESIDENTIAL CUSTOMERS AS A RESULT OF THESE RATE REQUESTS?
- A. The Company anticipates an 8.6 percent (\$5.12) total bill increase per month for the average residential customer, which reflects the rising cost of providing gas service over the last decade. Overall, this rate request will assist the Company with achieving the strategic priorities we have developed to

1 continually enhance our service to our customers, which I describe in the next
2 section of my Direct Testimony.

3
4 Q. IS THE COMPANY'S RATE CASE FILING ALSO CONSISTENT WITH GOOD PUBLIC
5 POLICY AROUND THE NATURAL GAS BUSINESS?

6 A. Yes. As I describe later in my Direct Testimony, the Company's investments in
7 the natural gas system have made it resilient, safe, reliable, and affordable for
8 our customers. Many of these same investments help contain and reduce
9 methane emissions, and are consistent with the goals of the recent Natural Gas
10 Innovation Act. But the Company is going beyond fundamental investment,
11 announcing a Net-Zero Vision for Natural Gas across Xcel Energy, as
12 described in more detail by Company witness Mr. Jeff R. Lyng. While this
13 Minnesota gas rate case is largely focused on fundamental past and near-term
14 safety and reliability investments in the gas business, our net zero vision will
15 bring the gas system further into the future, cementing Xcel Energy as a leader
16 in not only the electric but also the gas clean energy transition.

17
18 Q. IS THE COMPANY PROPOSING ANY ALTERNATIVE TO FILING THIS CASE OR TO
19 THE COMPANY'S RATE REQUEST?

20 A. Yes. We recognize that our customers are facing rising commodity costs and
21 the impacts of Winter Storm Uri, in addition to this proposed base rate increase.
22 We also appreciate that the rate case would impact the workloads of state
23 agencies and intervenors, and that stakeholders are interested in utility proposals
24 to find opportunities to phase contested cases. To this end, we are bringing
25 forward a Stay-Out Proposal in Docket No. G002/M-21-750, which would
26 defer recovery of depreciation expense associated with non-rider capital
27 investments, increases in Damage Prevention costs, and property tax increases

1 since our last rate case (exclusive of riders) for consideration in a future cost
2 recovery proceeding. We anticipate this would be a one-year stay-out, and that
3 we would bring forward a proposal for resolution of the deferral in our next gas
4 rate case filing. If accepted by the Commission, this deferral proposal would
5 avoid interim rates altogether, and delay any base rate increase for customers to
6 a future cost recovery proceeding.

7
8 Q. HOW HAVE YOU ORGANIZED THE REMAINDER OF YOUR TESTIMONY?

9 A. The remainder of my testimony is organized into the following sections:

10 *II. Overview of NSPM and Its Gas Business*

11 *III. The Company's Rate Case Filing*

12 *IV. Conclusion*

13
14 **II. OVERVIEW OF NSPM AND ITS GAS BUSINESS**

15
16 Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

17 A. In this section of my testimony, I provide an overview of Xcel Energy Inc. (Xcel
18 Energy) and its strategic priorities, as well as NSPM. With respect to NSPM, I
19 provide customer characteristics and information specific to our natural gas
20 business. Company witness Ms. Joni H. Zich provides additional information
21 specific to our natural gas business, including detail on our natural gas
22 operational priorities. I also discuss Xcel Energy's overall strategic priorities, as
23 well as the evolution of the NSPM gas system and circumstances since the
24 Company's last natural gas rate case.

25
26 **A. Summary of the Gas Business**

27 Q. PLEASE PROVIDE AN OVERVIEW OF XCEL ENERGY.

1 A. Xcel Energy is the parent holding company of four utility operating companies:
2 NSPM; Northern States Power Company, a Wisconsin corporation; Public
3 Service Company of Colorado; and Southwestern Public Service Company, a
4 New Mexico corporation. In total, through its four utility operating companies,
5 Xcel Energy provides retail service in portions of eight states: Minnesota, North
6 Dakota, South Dakota, Michigan, Wisconsin, Colorado, Texas, and New
7 Mexico. For many years now, the core utility business has represented the vast
8 majority of Xcel Energy's total operating revenue. Xcel Energy has achieved
9 efficiencies among the operations of its utility subsidiaries through Xcel Energy
10 Services Inc. (XES), which is a centralized services company that provides and
11 coordinates services and activities across Xcel Energy's four utility operating
12 companies on an "at-cost" basis.

13

14 Q. PLEASE DESCRIBE NSPM.

15 A. NSPM is the Xcel Energy utility operating company serving Minnesota, North
16 Dakota, and South Dakota. It was founded more than 100 years ago and has
17 provided gas and electric services to Minnesota customers throughout that
18 period. NSPM consists of both gas and electric utility businesses, with the gas
19 business including both sales and transportation services to communities in
20 Minnesota and North Dakota.

21

22 Q. PLEASE GENERALLY DESCRIBE NSPM'S NATURAL GAS BUSINESS.

23 A. NSPM's natural gas business serves a total of approximately 542,000 customers,
24 with approximately 481,000 located in Minnesota and 61,000 in North Dakota.
25 The Company operates facilities in 29 of the 87 counties within Minnesota, and
26 provides natural gas service to residential, commercial, and industrial customers,
27 as well as to gas-fired electric generation facilities.

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Our gas system in Minnesota includes approximately 9,500 miles of distribution mains and 73 miles of transmission pipeline, over 470,000 meters, as well as compressor stations, valves, regulator stations, and other infrastructure. As part of the overall diversity of our system, we also own and operate the Wescott Liquid Natural Gas (LNG) Plant and the Sibley and Maplewood Propane Air facilities.

Overall, our system is designed, operated, and maintained to provide safe, reliable, and economical natural gas service to our customers.

Q. FOR REFERENCE, HOW DOES THIS COMPARE TO THE COMPANY’S ELECTRIC BUSINESS?

A. NSPM serves more than 1.5 million electricity customers in Minnesota, North Dakota, and South Dakota. Our electric operations include power plants with a net maximum capacity of almost 9,700 megawatts (MW), more than 8,400 miles of transmission lines, and approximately 548 transmission and distribution substations. Additionally, the NSP System currently includes approximately 4,300 MW of renewable energy capacity, including wind, hydro, biomass, and solar resources, and anticipates adding more than 6,000 MW of renewable energy and battery storage over the next 15 years. In short, the Company’s electric business serves a greater number of customers in a larger service territory with a greater number of resources and more infrastructure than our gas business, though both businesses maintain the provision of safe and reliable utility service to customers.

Q. WHAT GENERAL CATEGORIES OF SERVICE DOES NSPM PROVIDE TO ITS NATURAL GAS CUSTOMERS IN MINNESOTA?

1 A. The Company provides sales service and transportation service. Customers,
2 whether sales or transportation, can take either firm or interruptible service.
3 Firm service is typically not subject to curtailment and is priced to include the
4 costs of providing this reliability. Service to customers taking interruptible
5 service can be curtailed as needed to maintain system reliability. The vast
6 majority of the Company's customers take firm, bundled sales service. Ms. Zich
7 describes the Company's regulated natural gas services in more depth in her
8 Direct Testimony.

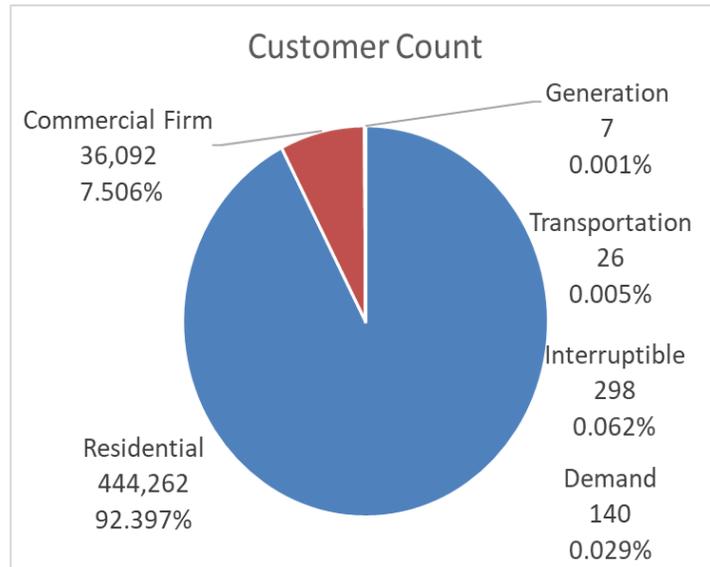
9
10 Q. PLEASE GENERALLY DESCRIBE THE CUSTOMER BASE FOR NSPM'S GAS
11 BUSINESS.

12 A. NSPM's natural gas customer base is composed of residential customers, small
13 and large commercial customers, and customers using interruptible natural gas
14 service. Commercial customers may purchase their natural gas directly from
15 NSPM (gas sales) or may elect to secure their supply of natural gas from a third
16 party and use our system to transport the commodity from the receipt point to
17 the delivery point (transport).

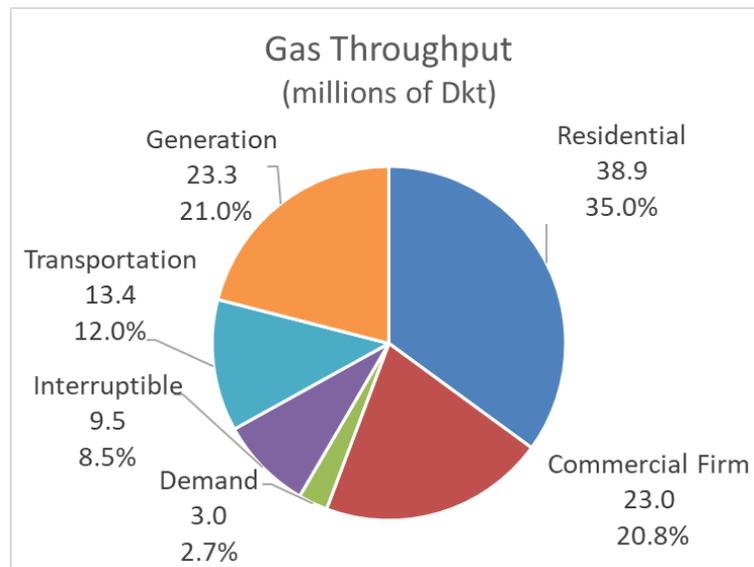
18
19 As illustrated in Figure 2, below, Residential customers are the largest group of
20 customers in NSPM's natural gas system, accounting for over 92 percent of
21 total customers in the test year. As illustrated in Figure 3 below, Residential
22 usage also accounts for approximately 35 percent of total gas volumes. Large
23 Commercial gas sales account for over 16 percent of total usage, while small
24 Commercial gas sales together account for just under five percent of total usage.
25 Transportation customers account for approximately 33 percent of total usage,
26 and customers accepting Interruptible service account for just under 13 percent
27 of total volumes. Finally, Figure 4 below reflects the base rate revenue expected

1 to be collected from each of the natural gas rate schedules for the 12-month
2 period ending December 31, 2022.

3
4 **Figure 2**

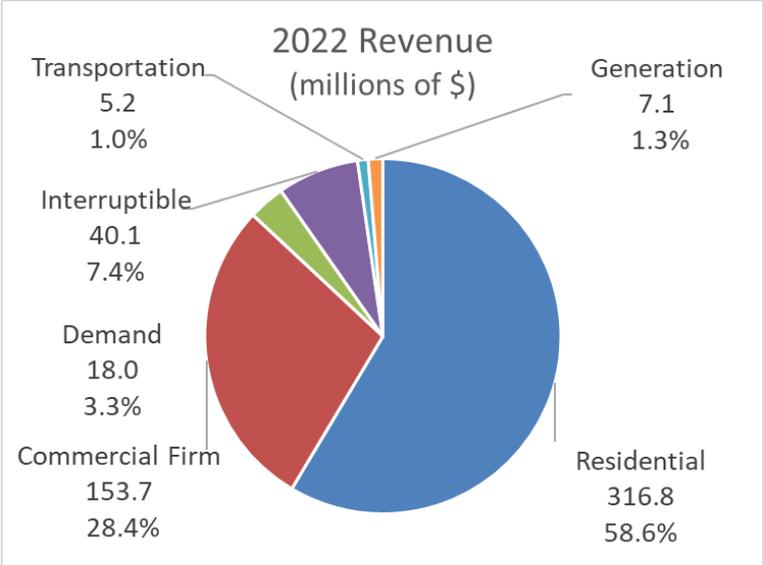


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16 **Figure 3**



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Figure 4



Q. HOW DOES NSPM SUPPORT THE COMMUNITIES IT SERVES?

A. Xcel Energy supports our communities and Minnesota’s economy through local spending, taxes and community involvement. Last year, we spent more than \$925 million with Minnesota suppliers, including \$38 million with diverse suppliers. As the largest property taxpayer in the state, we paid approximately \$200 million in property taxes last year. As one of the state’s largest employers, we provide good jobs for more than 4,500 Minnesotans.

In addition, the Company is committed to the communities in which we operate – a commitment shared by our employees. In 2020, our dedicated employees found creative, safe ways to volunteer and give back to our communities, volunteering more than 22,000 hours to support 290 nonprofits and donating close to \$1.4 million throughout the year. A significant part of the Company’s commitment to our communities involves building an environment of inclusion, diversity, and equity in our company and community, and we have

1 devoted significant resources to that effort, as discussed by Company witness
2 Ms. Ruth K. Lowenthal.

3
4 Q. PLEASE PROVIDE AN OVERVIEW OF NSPM'S APPROACH TO DIVERSITY AND
5 INCLUSION IN ITS WORKFORCE.

6 A. Diversity, Equity, and Inclusion (DEI) is a core commitment at Xcel Energy,
7 and our dedication to enhancing DEI in our company and community has only
8 strengthened over the events of the last two years. We have included DEI on
9 our Corporate Scorecard, added programs for sponsoring and mentoring a
10 variety of diverse, high-potential employees, and enhanced the focus on
11 diversity in recruiting, hiring, and retention efforts. We also have a wide variety
12 of resource groups within the Company and partner with outside groups to
13 support our employees, stand united against racism, and eliminate inequity and
14 bias in our communities. Ms. Lowenthal discusses these important efforts in
15 more detail in her Direct Testimony.

16
17 **B. The Company's Strategic Priorities**

18 Q. WHAT ARE XCEL ENERGY'S STRATEGIC PRIORITIES?

19 A. Our vision is to be the preferred and trusted provider of the energy our
20 customers need. That means delivering a better overall product for our
21 customers. To achieve that, the Company focuses on the following three
22 strategic priorities, which I will discuss in turn:

23 (1) to lead the clean energy transition;

24 (2) to enhance our customers' experience with us as their provider; and

25 (3) to maintain affordability.
26

1 My testimony will discuss how these three strategic priorities will shape our
2 work on the gas side of our business and how that work is reflected in this rate
3 request. Of course, as we focus on these priorities, we will continue to work to
4 maintain and improve our record of excellent safety and reliability, provide a
5 safe work environment that sends each and every employee home injury-free,
6 and support our workforce and the communities in which we operate.

7
8 Q. WHAT ARE SOME OF THE KEYS TO THE COMPANY ACHIEVING ITS VISION?

9 A. Most fundamentally, our goal as a company is to provide clean, safe, reliable,
10 and affordable natural gas service to our customers, providing the resources
11 they need to heat their homes, businesses, and communities. To realize our
12 vision, we must constantly challenge ourselves to enhance our product to our
13 customers, while also supporting constructive relationships with our regulators
14 and other key policy makers and stakeholders.

15
16 Across the Company, our teams work with our core priorities in mind,
17 challenging themselves to improve performance while controlling costs. That
18 work, and the investments and expenses necessary to support it, is critical to
19 our ability to deliver carbon-free energy, at affordable rates, and on a consistent
20 and reliable basis. Our proposals in this proceeding allow that work to continue.

21
22 Q. HOW DOES THE COMPANY ENGAGE WITH STAKEHOLDERS AND REGULATORS
23 WITH RESPECT TO THE GAS BUSINESS?

24 A. We recognize that, to reach our goals and the State's goals, we cannot do this
25 work alone. The Company is already participating in a variety of stakeholder
26 processes, both as part of formal discussions regarding reduced natural gas
27 emissions, as described by Company witness Mr. Lyng, and in coordination with

1 the stakeholders of our various customer service offerings and programs. We
2 continually conduct outreach to individual stakeholders and groups to ensure
3 engagement and feedback from a wide array of perspectives. Broad stakeholder
4 engagement will continue to play a critical role in our ongoing work to enhance
5 our services and product.

6
7 Additionally, the work ahead requires the continued support of our regulators.
8 The Company will be competing for capital with others inside and outside of
9 Xcel Energy, so it is crucial to maintain the sound financial footing provided by
10 a supportive regulatory construct that provides for reasonable recovery of and
11 return on our prudent investments and costs. Our proposal in this case ensures
12 that sound footing, while also providing just and reasonable rates for our
13 customers.

14
15 *1. Leading the Clean Energy Transition*

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

18 A. NSPM has been a leader in renewable energy for many years, and we have long
19 been committed to meeting our customers' increasing demands for cleaner
20 energy sources. As a leader in the clean energy transition, NSPM is committed
21 to supporting customer conservation and energy efficiency in both the electric
22 and gas businesses, reducing natural gas emissions from our pipelines and our
23 customers' homes and businesses, promoting beneficial electrification, and
24 focusing on emerging clean energy options like renewable natural gas and
25 producing hydrogen from renewable energy and nuclear facilities. Additionally,
26 our ability to supply natural gas to electric generation facilities supports the
27 transition away from coal to lower emission and renewable resources.

1

2 Q. HOW DOES THE INTERPLAY BETWEEN THE COMPANY'S ELECTRIC AND
3 NATURAL GAS BUSINESSES HELP NSPM DRIVE THE CLEAN ENERGY
4 TRANSITION?

5 A. It is not unusual for the electric side of the business to be higher profile with
6 respect to leading the clean energy transition. Electric generation technologies,
7 such as wind, solar, and hydropower, are more obvious means of reducing
8 greenhouse gas emissions and are generally done on a larger scale given the size
9 and scope of NSPM's overall customer base.

10

11 That said, Xcel Energy, as the only combined gas and electric utility in the State
12 of Minnesota, has a strategy for reducing greenhouse gas emissions across the
13 natural gas supply chain as well. As a result, NSPM is uniquely positioned to
14 utilize both sides of our business to promote beneficial electrification. From a
15 financial perspective, we are not reliant on gas revenue as the primary source of
16 revenue for the total company; we can still retain customers as they move to
17 electric solutions where possible.

18

19 Q. CAN YOU PROVIDE ADDITIONAL INFORMATION REGARDING XCEL ENERGY'S
20 VISION FOR NATURAL GAS?

21 A. Yes. We are in the process of rolling out our Net-Zero Vision for Natural Gas,
22 which focuses on achieving a 25 percent reduction in carbon emissions from
23 the natural gas system by 2030 and envisions a net zero carbon goal by 2050.
24 This goal envisions changes across the natural gas supply chain, including 100
25 percent certified natural gas from our suppliers; net zero methane emissions
26 from our distribution system; a 14 percent reduction in customer CO2 levels as
27 compared to 2020; and biologic offsets by 2030. By 2050, we seek to achieve a

1 low or no net carbon supply from our gas suppliers; hydrogen-ready
2 infrastructure; a 70 percent reduction in customer CO2 emissions below 2020
3 levels, and effective carbon capture technology. Mr. Lyng outlines our Net-
4 Zero Vision in more detail in his Direct Testimony.

5
6 Q. DOES THE NET-ZERO VISION FOR GAS HAVE A DIRECT IMPACT ON THIS RATE
7 CASE FILING?

8 A. No. This rate case is ultimately about the current costs needed to ensure the
9 reliability, safety, and on-going affordability of the gas system, with a large
10 majority of the costs in the case tied to system investments made in the past
11 decade and in the near-term future. While these historical costs may include
12 some of the activities we have already undertaken to initiate emissions
13 reductions and our ongoing participation in stakeholder engagement and
14 development, they do not include costs specific to our Net-Zero Vision or our
15 longer-term emissions reduction strategies.

16
17 However, our investments in this rate case are consistent with the future we
18 envision, as they are helping to make our gas system even safer and more
19 resilient and ready to support new heating technologies. They are also helping
20 to keep natural gas in the pipes where it belongs, reducing and avoiding methane
21 emissions consistent with a key function of our natural gas business. We discuss
22 our Net-Zero Vision in this case because it is important to be clear that our
23 investments now are consistent with this future, even as more work is required
24 to achieve it.

25

1 2. *Enhancing the Customer Experience*

2 Q. CAN YOU ELABORATE ON THE COMPANY’S WORK TO IMPROVE THE CUSTOMER
3 EXPERIENCE AND HOW THAT IMPACTS THIS FILING?

4 A. Yes. We understand that many of our customers continue to want the same
5 things they have always wanted – safe, reliable, affordable natural gas service.
6 Natural gas is currently the most economic fuel for heating homes and
7 businesses, and more than 63 percent of the homes in Minnesota rely on natural
8 gas for heating.¹ Our customers depend on natural gas for heating their water,
9 cooking their meals, and drying their clothes, as well as supporting commercial
10 and industrial economic activities in the state. It is a tremendous responsibility
11 to be the provider of a service that so profoundly impacts our customers and
12 communities.

13
14 Q. HOW HAS THE NSPM GAS BUSINESS PERFORMED WITH RESPECT TO OVERALL
15 CUSTOMER SATISFACTION?

16 A. The Company is committed every day to exceeding our customers’ expectations
17 in how we provide natural gas service. According to a March 2021 customer
18 survey, 86 percent of responding natural gas customers in Minnesota are “very
19 satisfied” or “somewhat satisfied” with Xcel Energy. Company witness Mr.
20 Christopher C. Cardenas provides further support for our Customer Care
21 efforts in his Direct Testimony.

22
23 Q. IS THE COMPANY TAKING STEPS TO FURTHER ENHANCE CUSTOMERS’
24 SATISFACTION WITH THEIR UTILITY AND GAS SERVICE?

¹ Center for Energy and the Environment, “Decarbonizing Minnesota’s Natural Gas End Users” July 2021, Exec Summary, p. 1 <https://e21initiative.org/wp-content/uploads/2021/07/Decarbonizing-NG-End-Uses-Stakeholder-Process-Summary.pdf>.

1 A. Yes. A key part of our overall customer service is ensuring safe, reliable service.
2 Our distribution integrity management program (DIMP) and associated
3 investments as part of the GUIC are serving that purpose every day. Our
4 customers' satisfaction also depends on our prompt response to a request for a
5 new connection, an underground locate in response to a call to the Gopher
6 State One Call line, and gas emergencies. Our work in each of these areas
7 continues to increase, and our responsiveness continues to improve. Ms. Zich
8 describes these efforts in her Direct Testimony.

9
10 In addition, our customers are increasingly interested in evolving technologies,
11 such as applications that give customers insight into their bills and usage,
12 improved communications, and greater control over their usage. The Company
13 has been investing in technologies to improve the customer experience, through
14 its Customer Experience Transformation program discussed by Company
15 witness Mr. Michael O. Remington.

16
17 As a further example, we are undertaking additional efforts to keep our
18 customers safe and comfortable, particularly when we must enter their homes
19 to provide service, during the current COVID-19 pandemic. We have
20 implemented additional safety and hygiene measures, and taken extra care to
21 ensure both our employees and customers remain healthy while keeping up with
22 customers' needs.

23
24 Q. HOW DO THE COMPANY'S EFFORTS TO ENHANCE THE CUSTOMER EXPERIENCE
25 IMPACT THIS FILING?

26 A. Each of these efforts requires both a financial (capital or O&M) and human
27 investment, to repair the pipe, make the connection, locate the service lateral,

1 or update the customer application or interface. The costs of maintaining and
2 enhancing customer satisfaction are reflected throughout our rate request,
3 demonstrating that we are focusing our investments on our customers.

4
5 *3. Maintaining Affordability*

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

9 A. Affordability continues to be one of the cornerstones of our business. Even if
10 the natural gas we deliver is safe, clean, and reliable, if it is not affordable, the
11 Company will not succeed in remaining our customers' trusted and preferred
12 provider.

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

17 A. Yes, and these efforts are reflected throughout the witness testimony in this
18 case. Across the enterprise, the Company maintains this focus on affordability.
19 For example, we work carefully to contain costs and manage to overall
20 reasonable budget levels, as discussed by Company witnesses including Ms.
21 Melissa L. Ostrom, Ms. Zich, Mr. Remington, and Ms. Lowenthal.

22
23 Perhaps most simply, our efforts to ensure affordable bills are reflected in the
24 fact that we have not asked for a base rate increase for more than a decade. Our
25 business area witnesses describe how we responsibly invest in our core and
26 supporting assets with an eye to the future. We are also attentive to employee
27 costs, even as we work to support and retain our workforce. For example, as

1 discussed in Ms. Lowenthal's Direct Testimony, the Company has made several
2 healthcare-related design changes and undertaken an array of initiatives to help
3 mitigate healthcare costs. These initiatives include the adoption of a high
4 deductible health plan (HDHP) for all bargaining and non-bargaining
5 employees as of January 1, 2016; a mandate that generic prescriptions be used
6 when available, unless there is a medical need; and the outsourcing of the Family
7 and Medical Leave Act administration, which has resulted in greater efficiencies
8 as well as cost savings. While these cost reductions have been offset by the
9 trend of increasing health care costs, the adoption of the HDHP for all
10 employees substantially mitigated the general upward pressure on our active
11 health care expenses. And as discussed in Company witness Mr. Richard R.
12 Schrubbe's Direct Testimony, in 2017, the Company eliminated future
13 Retirement Spending Account contributions and Social Security Supplements
14 for participants who will not be retirement-eligible by December 31, 2022.

15
16 On the financial side of the business, as Company witness Mr. Paul A. Johnson
17 discusses, our work to maintain a strong credit rating reduces our cost of capital,
18 leading to lower customer bills for the long term.

19
20 We have also taken steps to help customers afford the cost of gas service. For
21 example, as discussed by Mr. Cardenas, we have implemented a Payment Plan
22 Credit program that provides relief to residential customers at risk of
23 permanently falling behind in their payments during the COVID-19 pandemic.
24 The program offers forgiveness of up to 75 percent of the overdue amount on
25 eligible customers' balances, including combination gas and electric customers,
26 and was provided \$17.5 million in initial funding by Company shareholders.
27 Through September 2021, the program has enrolled 10,541 customers and

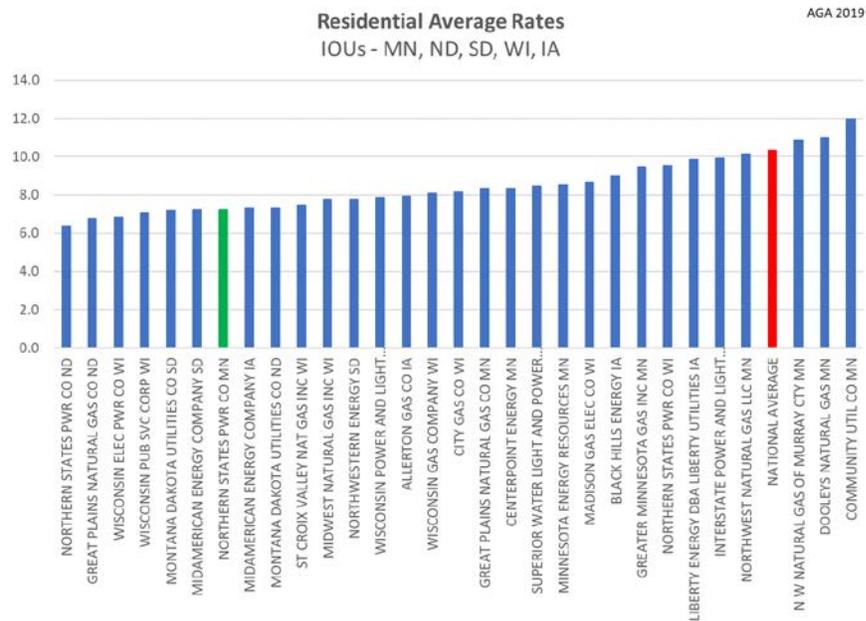
1 provided a total of \$9 million in assistance, with an additional \$5.9 million
 2 scheduled for future payment.

3
 4 And for our low-income customers, we recently requested and received
 5 Commission approval to lower the income qualification threshold for our Gas
 6 Affordability Program from four percent to three percent. This change to
 7 program eligibility will allow more low-income customers to qualify for credits
 8 and may also increase the amount of credits provided to customers already
 9 participating in the program.

10
 11 Q. WHAT HAS BEEN THE RESULT OF THESE EFFORTS?

12 A. Based on the most recent available data from the American Gas Association,
 13 NSPM’s natural gas rates are well below the national average, and at the low end
 14 of rates for all investor-owned gas utilities in the Upper Midwest. Figure 5
 15 below illustrates these rate comparisons:

16
 17 **Figure 5**



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Q. PLEASE SUMMARIZE THE NEED FOR THIS CASE AND THE COMPANY’S EFFORT TO MANAGE COSTS SINCE THE LAST RATE CASE.

A. Since our last case, the Company has managed costs where possible by making more efficient use of existing resources and by ensuring that our compensation and benefit policies are consistent with industry standards. As I discuss below, increasing customer sales have helped to offset cost increases over a number of years, allowing us to avoid raising base rates for nearly a decade. However, the Company has seen costs increase in areas beyond our control, thus driving the need for a rate increase request at this time.

C. Key Events since NSPM’s Last Gas Rate Case

Q. WHEN DID THE COMPANY LAST FILE A NATURAL GAS RATE CASE WITH THE COMMISSION?

A. On November 1, 2009, NSPM filed a request for a general increase in the Company’s natural gas rates in Docket No. G002/GR-09-1153. In its December 6, 2010, Findings of Fact, Conclusions of Law, and Order filed in the same docket, the Commission determined that NSPM was entitled to increase Minnesota jurisdictional revenues by \$7,291,000 to produce jurisdictional total retail-related revenue of \$592,872,000 for the test year ending December 31, 2010.

Q. HAVE THE COMPANY’S NATURAL GAS SALES CHANGED SINCE THE LAST RATE CASE?

A. Yes. Since our last gas rate case, we have experienced average annual customer growth of approximately 3,900, with our test-year Minnesota customer count up about 50,700 since 2009. 92 percent of our customers are residential, and

1 eight percent are commercial or industrial. Residential weather-normalized sales
2 levels have increased since 2009, although sales per customer have largely either
3 been flat or decreased on an annual basis over the last decade. Company witness
4 Ms. Jannell E. Marks provides additional information regarding our sales history
5 in her Direct Testimony in this proceeding.

6
7 Q. IS THE COMPANY OFFERING ANY PROPOSALS IN THIS PROCEEDING TO MANAGE
8 THROUGH CHANGING NATURAL GAS SALES?

9 A. Yes. Company witness Mr. Christopher J. Barthol describes the Company's gas
10 Revenue Decoupling Mechanism (RDM) proposal. As explained by Mr.
11 Barthol in more detail, decoupling is a rate adjustment mechanism that trues up
12 the revenues received by a utility to the authorized test year revenue requirement
13 set by the Commission in a rate case. In general, decoupling is used as a
14 mechanism to better align a utility's interests with public policy goals, such as
15 removing a utility's disincentive to promote energy conservation and energy
16 efficiency programs. Decoupling also helps ensure that utilities are able to
17 continue to collect their authorized revenue to serve their customers safely and
18 reliably. To these ends, the Company is proposing a full-decoupling RDM for
19 its gas business, which includes the effects of weather in the calculation of
20 deferrals. The Company's proposed gas RDM design matches the RDM used
21 by CenterPoint Energy, Minnesota Energy Resources Corporation, Great Plains
22 Natural Gas, and the previous RDM for NSPM's electric business.

23
24 Q. WHAT INDUSTRY CHANGES HAVE OCCURRED SINCE THE COMPANY'S LAST RATE
25 CASE?

26 A. Significant changes in industry rules, requirements, and best practices have
27 occurred since 2010. These changes include:

- 1 • In 2009, the Pipeline and Hazardous Materials Safety Administration
2 (PHMSA) published the final gas DIMP rule establishing integrity
3 management requirements for gas distribution pipeline systems. Under
4 DIMP, all gas distribution operators were required to develop programs
5 that include a written plan addressing procedures for developing and
6 implementing the program. The Company implemented a program and
7 plan on August 2, 2011.
- 8 • On January 3, 2012, the Pipeline Safety, Regulatory Certainty, and Job
9 Creation Act of 2011 (2011 Pipeline Safety Act) was signed into law,
10 leading to significant additional requirements and industry best practices
11 to protect the safety and integrity of natural gas infrastructure.
- 12 • Congress continues to enact additional legislation governing the
13 operation of gas utilities, and PHMSA continues to implement new
14 regulations – including the Gas Transmission Mega Rule that took effect
15 in 2020 and is being implemented in phases.

16
17 As a result of many of these additional regulations, we have made incremental
18 investments to help ensure the safety and integrity of our gas system. Ms. Zich
19 discusses these regulations and the Company’s associated programs in more
20 depth in her Direct Testimony. A large portion of these investments reside in
21 the GUIC rider, and therefore are merely being transferred to base rates rather
22 than adding incremental costs in this case.

23
24 Q. HAS THE COMPANY’S GAS ORGANIZATIONAL STRUCTURE CHANGED SINCE ITS
25 LAST GAS RATE CASE?

26 A. Yes. We are regularly evaluating all of our business areas and operations to
27 ensure appropriate service and efficient business operations. Most notably, in

1 2012, as a result of the September 9, 2010, San Bruno pipeline incident
2 (compounded by the Allentown incident in 2011), we established a separate gas
3 operations organization within Xcel Energy. This resulted in an increased focus
4 on public safety and enhanced expectations for the gas distribution and
5 transmission systems.

6
7 Q. HAVE THERE BEEN CHANGES TO THE COMPANY'S GAS SYSTEM SINCE NSPM'S
8 LAST RATE CASE?

9 A. Yes. Since the Company filed its last Minnesota gas rate case in 2009, NSPM's
10 natural gas system has evolved in several ways. Significant changes that have
11 occurred in the ten-plus year span since the Company's last rate case include:

- 12 • Expansion of natural gas service to five Minnesota communities: Ulen,
13 Hitterdal, Pillager, Barnesville, and Holdingford;
- 14 • The addition of more than 44,450 new gas services between 2010 and
15 2020;
- 16 • The addition of over 830 miles of new distribution main since 2010;
- 17 • Conversion of the Company's Black Dog Generating Plant from coal-
18 fired to natural gas-fired;
- 19 • Removal and replacement of all known cast iron pipe;
- 20 • Implementation of the Company's DIMP in 2011; and
- 21 • Refurbishment of the Wescott, Sibley, and Maplewood peaking plants,
22 which is currently underway and described in detail in the Direct
23 Testimony of Company witness Ms. Mary P. Palkovich.

24
25 Ms. Zich also discusses these changes to the Company's system in her Direct
26 Testimony.

27

1 Q. SINCE THE LAST GAS RATE CASE, HAVE ANY OTHER FACTORS IMPACTED THE
2 COMPANY'S GAS SYSTEM?

3 A. Yes. There are several notable events that have impacted our gas system since
4 the Company's last gas rate case. Specifically, certain individual incidents have
5 informed and changed how we undertake capacity planning, including an
6 incident on the TransCanada pipeline in 2014; the 2019 Polar Vortex; and
7 Winter Storm Uri in February of 2021. In direct relation to ratemaking, the
8 approval of the Company's GUIC Rider and passage of the Tax Cuts and Jobs
9 Act (TCJA) in 2017 had impacts that carry forward to this rate case. And of
10 course, the COVID-19 pandemic has had unique ramifications for the
11 Company and our customers and communities. I discuss each of these in turn
12 below.

13

14 Q. PLEASE DESCRIBE THE INCIDENT INVOLVING THE TRANSCANADA PIPELINE.

15 A. In January of 2014, an explosion occurred on TransCanada's natural gas lateral.
16 During that same period, Minneapolis, Minnesota, had high temperatures well
17 below zero, putting pressure on the overall system. The incident curtailed all
18 pipeline deliveries for a couple of days to the Emerson supply point north of
19 East Grand Forks and Moorhead, resulting in capacity restrictions and large
20 increases in spot pricing for natural gas in the upper Midwest and portions of
21 Canada.

22

23 Q. HOW DID THAT EVENT IMPACT THE COMPANY'S GAS BUSINESS?

24 A. Beyond the short-term impact to prices and supply, the incident underscored
25 the importance of supply diversity to the NSPM gas system. Prior to the
26 TransCanada incident, the Company had updated its contract portfolio to
27 increase diversity of supply and better ensure customers could be served when

1 the system was under pressure. This greater reliability was demonstrated during
2 the supply upset resulting from the TransCanada pipeline rupture, as Xcel
3 Energy was able to continue service to the affected areas by accessing greater
4 supplies from the Chisago and Marshfield receipt points while service from
5 Emerson was disrupted. We continue to manage supply diversity through the
6 present day, including during the Polar Vortex of 2019 and Winter Storm Uri
7 in 2021.

8
9 Q. PLEASE DISCUSS THE 2019 POLAR VORTEX AND THE RESULTING IMPACTS ON
10 THE COMPANY'S NATURAL GAS SYSTEM.

11 A. In January and February 2019, Minnesota experienced historically low
12 temperatures over a four-day period that stressed the natural gas system.
13 Overall, the Company's natural gas system performed well in the sustained
14 extreme conditions, and the Company maintained adequate supplies
15 throughout the event. NSPM did reach a new throughput peak load on January
16 29, 2019, but did not reach our Design Day at that time. However, reaching
17 the new throughput peak load required a reevaluation of the Company's Design
18 Day, which in turn factors into subsequent system capacity planning.

19
20 Also, during this event, we curtailed our natural gas interruptible customers and
21 appealed to customers in areas experiencing low system pressures to lower their
22 thermostats and later issued a general appeal for all customers to lower their
23 thermostats as a conservative measure to ensure adequate natural gas for our
24 customers. Specific customer impacts included natural gas service outages to
25 approximately 180 customers in the communities of Princeton (152 customers)
26 and Hugo (29 customers) due to localized low system pressures in those areas.

27

1 Q. HOW DID THE 2019 POLAR VORTEX FURTHER INFORM GAS CAPACITY
2 PLANNING, INCLUDING ANY INVESTMENTS IN THIS RATE CASE?

3 A. The 2019 Polar Vortex affected our gas capacity planning in two ways. First,
4 the Company undertook specific projects to address areas that experienced
5 outages in 2019, as well as other projects in areas where capacity neared its
6 limits. Second, reaching a new peak day during the 2019 Polar Vortex factored
7 into the Company's ongoing reassessment of Design Day parameters, which in
8 turn factor into the Company's ongoing capacity planning and investments. As
9 such, the 2019 Polar Vortex increased the Company's capacity planning needs.
10 Ms. Zich explains this process in more detail in his Direct Testimony.

11

12 Q. HOW HAVE THE ADVENT OF THE GUIC AND THE TCJA AFFECTED NSPM
13 SINCE ITS LAST GAS RATE CASE?

14 A. First, the Commission approved the GUIC Rider, which has helped the
15 Company manage both capital and O&M costs. Second, the 2017 passage of
16 the TCJA materially reduced base rates.

17

18 Q. PLEASE DESCRIBE HOW THE GUIC HAS AFFECTED THE COMPANY'S GAS
19 BUSINESS.

20 A. In 2014, in Docket No. G002/M-14-336, NSPM filed its first GUIC rider
21 petition, requesting current cost recovery of expenditures related primarily to
22 integrity management programs. The Commission approved the Company's
23 inaugural GUIC rider in January 2015. NSPM has requested, and received
24 approval for, recovery of GUIC costs through the GUIC rider each year since
25 2014, with the Company's 2021 GUIC rider request currently pending in
26 Docket No. G002/M-20-799.

27

1 Q. HOW DID THE TCJA IMPACT UTILITY RATES AND SERVICES?

2 A. Under the TCJA, effective January 1, 2018, the marginal federal income tax rate
3 for corporations decreased from a maximum 35 percent to a flat 21 percent.
4 The TCJA therefore triggered a variety of consequences for a utility's operating
5 income. More specifically, from the time the law took effect, utilities began to
6 accrue TCJA-related savings, both from the reduced tax rate and from the
7 associated excess accumulated deferred income tax.

8

9 Q. DID THE COMPANY RETURN THE TCJA-RELATED SAVINGS TO CUSTOMERS?

10 A. Yes. In Docket No. E,G999/CI-17-895, the Commission directed the
11 Company to use TCJA-related savings to reduce its natural gas customers' base
12 rates prospectively and to provide a one-time refund to capture the savings that
13 accrued before the rate reduction. The Company calculated annual TCJA-
14 related savings for its gas operations of \$5,626,525 and was ordered to (1) issue
15 refunds for calendar year 2018 by July 16, 2019; (2) prospectively reset base rates
16 by June 1, 2019, or as soon as practicable; and (3) issue refunds for the January
17 1, 2019, to May 31, 2019 time period by December 23, 2019.

18

19 As of February 2020, the Company had completed refunding TCJA-related
20 savings to gas customers and reset base rates, consistent with the Commission's
21 directives. The rates proposed in this proceeding incorporate TCJA rates and
22 the determinations in Docket No. E,G999/CI-17-895.

23

24 Q. TO WHAT EXTENT HAS THE COVID-19 PANDEMIC IMPACTED THE COMPANY'S
25 GAS BUSINESS AND ITS CUSTOMERS?

26 A. Like many of our customers, the Company has been managing through the
27 COVID-19 pandemic, and has seen changes to its business as a result. During

1 this time, the health and safety of our customers, communities, and employees
2 has been our highest priority. Working with our regulators, we focused on
3 providing immediate relief for all of our customer classes, with specific efforts
4 targeted at supporting residential and small business customers, medium and
5 large customers, and low-income customers.

6
7 For instance, we suspended disconnections for residential customers consistent
8 with Minnesota's Cold Weather Rule, waived late fees for residential and small
9 business customers affected by the economic impacts of the pandemic, and
10 implemented procedures to work with affected customers to arrange payment
11 plans for those requesting assistance. We also proposed a portfolio of gas
12 projects to benefit public safety and system reliability that would provide
13 economic benefits to the state and support diversity among suppliers. In
14 connection with our stay-out alternative to our 2020 electric rate case, the
15 Company also committed to paying the full amount of \$17.5 million of bill
16 credits proposed in the residential payment plan credit program discussed
17 above; agreed to spread recovery of the sales true-up from the demand class
18 over 21 months, rather than 12 months; and agreed to an earnings cap as a
19 further customer protection. Additionally, we employed new safety protocols
20 for our team members entering customer homes, ensuring adequate heat and
21 service, and supported our employees' well-being whether they worked at home,
22 in an office, or in the field.

23
24 We also observed shifts in our business over the last year. During the height of
25 the pandemic and continuing through the 2020-2021 heating season, we
26 observed a change in natural gas requirements among our customer groups,
27 with commercial customer usage decreasing and residential usage increasing.

1 From an O&M perspective, employee expenses were down in 2020 due to
2 reduced travel, which is reflected in the Company's employee expense
3 discussion provided by Company witness Mr. W. Kile Husen.

4
5 However, several changes from the pandemic were temporary. When stay-at-
6 home orders were in place in Minnesota, initially the Company did not receive
7 as many requests to connect new customers, and less critical reliability projects
8 were temporarily put on hold. The Company likewise adjusted its IT support
9 needs and how it handled certain projects. Even so, the Company saw its capital
10 investment needs return to normal – and in some cases beyond – in the second
11 half of 2020 and going forward. We initially experienced significant decreases
12 in new customer connection requests, for example, but this work rebounded
13 later in 2020 and in fact resulted in increased work for our Gas Operations
14 business.

15
16 Q. FINALLY, PLEASE DISCUSS THE FEBRUARY 2021 WINTER STORM URI AND THE
17 RESULTING IMPACTS ON THE COMPANY'S NATURAL GAS SERVICE.

18 A. The Company's foremost focus is always centered on ensuring safe and reliable
19 service that our customers expect and need in their homes and businesses. In
20 2021, Winter Storm Uri was remarkable both in the duration of the extreme
21 cold weather in Minnesota and its coverage across much of the United States.
22 Ultimately, the Twin Cities experienced ten consecutive days with highs at or
23 below ten degrees Fahrenheit, which had not occurred since 1999. Throughout
24 the extreme weather impacts of Winter Storm Uri, we were successful in
25 maintaining uninterrupted gas service for our firm customers. However, we –
26 like many gas and electric utilities across the country – experienced sudden and

1 widely unexpected market price increases in natural gas prices over the
2 Presidents' Day weekend of 2021.

3
4 As a result, the Commission opened an investigation into these impacts on
5 Minnesota natural gas utilities and customers. In addition, in an August 30,
6 2021 Order in that docket, the Commission opened another utility-specific
7 docket to investigate the prudence of Xcel Energy's request for recovery of
8 "extraordinary gas costs" from the February 2021 event.² Since commodity gas
9 costs are typically recovered annually outside of a rate case through an annual
10 automatic adjustment, the extraordinary gas costs are not a subject of this rate
11 case.

12
13 However, the Company is of course aware of the impacts of this event on
14 customers and other stakeholders and has sought to mitigate these impacts
15 accordingly. Specifically, the Company agreed to recover these costs over 27
16 months without carrying cost recovery, subject to a prudence review in a
17 contested case proceeding. Additionally, the Company worked with interested
18 stakeholders to develop a plan to exempt certain at-risk customer groups from
19 the February Event surcharges. The Commission approved our proposal to
20 mitigate impacts of this event for low-income customers and customers at
21 certain arrearage levels.³

² Docket Nos. G999/CI-21-135 and G002/CI-21-610.

³ *In the Matter of a Commission Investigation into the Impact of Severe Weather in February 2021 on Impacted Minnesota Natural Gas Utilities and Customers*, Docket No. G999/CI-21-135, ORDER GRANTING VARIANCES AND AUTHORIZING MODIFIED COST RECOVERY SUBJECT TO PRUDENCE REVIEW, AND NOTICE OF AND ORDER FOR HEARING at 21 (August 30, 2021).

1 relatively similar risk to NSPM in his proxy group analysis. Mr. D'Ascendis
2 determined that the indicated range of common equity cost rates applicable to
3 this proxy group, before any Company-specific adjustments, is between 10.20
4 percent and 12.20 percent. As Mr. D'Ascendis further explains in his Direct
5 Testimony, the ROE range he recommends reflects a Company-specific range
6 of common equity rates between 10.43 percent and 12.43 percent. The
7 Company-specific range accounts for its specific business risk, credit risk, and
8 flotation costs.

9
10 Given the range that results from consideration of the proxy group and
11 Company-specific adjustments, Mr. D'Ascendis recommends an ROE for
12 NSPM of 10.50 percent, which is toward the lower end of the Company-specific
13 range.

14
15 Q. HOW HAS THE COMPANY DEVELOPED THE REVISIONS TO ITS BASE RATES?

16 A. The class cost of service study (CCOSS) allocates the proposed revenue
17 requirement among NSPM's gas customer classes based on how each class
18 causes costs to be incurred on the system. Using the results of the CCOSS as a
19 guide, we established a revenue apportionment and designed base rates to
20 collect our overall revenue requirement. Mr. Barthol further discusses the
21 Company's proposed CCOSS in his Direct Testimony. Company witness Ms.
22 Michelle M. Terwilliger discusses the revenue apportionment and rate design in
23 her Direct Testimony.

24
25 Q. IS THE COMPANY PROPOSING TO CONTINUE USE OF ANY RIDERS DURING OR
26 FOLLOWING THIS PROCEEDING?

1 A. Yes. The Company proposes to move the costs of GUIC projects placed in
2 service through December 31, 2021 to base rates, and continue to recover
3 GUIC Rider projects going into service in 2022 and beyond through the Rider.
4 We also propose to continue use of the Conservation Improvement Program
5 (CIP) Rider and Purchased Gas Adjustment (PGA) in their current forms,
6 which are established in separate dockets. We propose to discontinue use of
7 the State Energy Policy (SEP) Rider. Mr. Halama addresses rider and tracker
8 cost recovery in more detail in his Direct Testimony.

9
10 Q. HOW WOULD THE COMPANY'S PROPOSED CHANGE IN BASE RATES AFFECT A
11 TYPICAL RESIDENTIAL OR SMALL COMMERCIAL CUSTOMER?

12 A. Compared to current rates, the average residential customer will see an increase
13 of approximately 8.6 percent in their monthly bill, whereas the average small
14 commercial customer will see an increase of approximately 4.7 percent. Ms.
15 Terwilliger discusses the Company's revenue apportionment, rate design, and
16 bill impacts in more detail in her Direct Testimony.

17
18 Q. WITH RESPECT TO THE TEST YEAR IN THIS CASE, WHY IS THE COMPANY
19 REQUESTING ONLY A SINGLE YEAR TEST YEAR WITH RESPECT TO ITS GAS
20 BUSINESS, BUT REQUESTING A MULTI-YEAR RATE PLAN IN ITS ELECTRIC RATE
21 CASE?

22 A. Because it has been more than ten years since the Company's last gas rate case,
23 this current gas case is intended to be a relatively straightforward "catch up"
24 case. We determined that a single test year best aligns with that goal. In
25 contrast, the electric business has been through several rate cases over the last
26 decade that have laid the foundation for understanding and supporting the need

1 for multi-year rate plans. Without that foundation, at this time we opted for a
2 simpler, single-year cost recovery proposal.

3
4 Q. DOES THE COMPANY OBSERVE ANY NOTABLE UNCERTAINTIES THAT COULD
5 AFFECT THIS RATE PROCEEDING?

6 A. Yes. We acknowledge that even as we all adjust to a newer normal, the variants
7 associated with the COVID-19 pandemic continue to create uncertainty for
8 both the Company and our stakeholders. Likewise, larger winter events like the
9 Polar Vortex of 2019 and Winter Storm Uri of 2021 not only present short-
10 term pressures on our systems, but can also have longer term implications for
11 system reliability (as discussed earlier and by Ms. Zich) and create financial risk
12 for both the Company and our customers.

13
14 We are also observing that our state and national lawmakers have identified
15 varying plans and goals with respect to the environment, infrastructure, public
16 health, and taxation, among other things. The potential issues could range from
17 additional gas system integrity requirements to greater renewable gas
18 opportunities to higher or new forms of business taxation. We believe the
19 Company has been responsive to legislation like the Natural Gas Innovation
20 Act, TCJA, and COVID-19 restrictions in the past and present, and we look
21 forward to partnering with our stakeholders to address new obligations
22 promptly and effectively in the future.

23
24 Q. IS THE COMPANY PROPOSING ANY TRUE-UPS FOR THE GAS BUSINESS WITHIN
25 THIS RATE CASE?

26 A. Yes. As Mr. Halama discusses in more detail, we are proposing to track and
27 true-up certain costs, such as credit card fees and manufactured gas plant (MGP)

1 site remediation costs, consistent with how the Commission has handled such
2 costs for other utilities. However, outside of the decoupling proposal discussed
3 earlier in my testimony, the Company is not specifically requesting capital, sales,
4 or property tax true-ups for the gas business as it has for the electric business.
5

6 That said, we remain open to this discussion. There is no doubt that such true-
7 ups allow parties to take advantage of actual data rather than relying on the
8 forecast that can change and be based on various parties' differing proposed
9 methodologies. Likewise, it may be appropriate to implement a tracker or other
10 mechanism to address items like corporate income tax rate changes, similar to
11 how the Commission timely addressed the TCJA reduction of corporate income
12 taxes. We believe such mechanisms help the Company manage its business
13 while also helping ensure accurate results in the rate-setting process, and are
14 worthy of further discussion.
15

16 Q. IS THERE ANYTHING YOU WOULD LIKE TO NOTE ABOUT THE COMPANY'S
17 INTERIM RATE REQUEST?

18 A. Yes. In order to meet our customers' and other stakeholders' needs and
19 expectations for the continued delivery of clean, safe, reliable natural gas service,
20 our revenues need to be adjusted on an interim basis so we can recover the costs
21 that have been incurred and will be spent during this proceeding. For example,
22 a sizable amount of our 2022 request relates to O&M increases that are being
23 incurred during 2022, whereas we do not anticipate implementation of final
24 rates for this proceeding until late 2022 or early 2023.
25

26 That said, the Company's interim rate request for 2022 is substantially lower
27 than our final base rate request because we have removed certain costs

1 consistent with Commission decisions in prior NSPM rate cases. We have
2 also adjusted our ROE for interim rates to reflect the level (9.04 percent)
3 currently approved for our GUIC Rider. We discuss this further in Mr.
4 Halama's Direct Testimony and in the Notice and Petition for Interim Rates,
5 included in Volume 1.

6
7 **B. Case Framework, Witnesses, and Completeness Matrix**

8 Q. HOW IS THE INITIAL FILING OF THIS CASE ORGANIZED?

9 A. The filing consists of multiple volumes, as follows:

- 10 • Volume 1 contains our Notice of Change of Rates and Interim Rate
11 Petition.
- 12 • Volumes 2A through 2D include the Direct Testimony and supporting
13 schedules of each of the witnesses.
- 14 • Volume 2E contains our proposed Tariff sheets for the 2022 test year.
- 15 • Volume 3 includes the Required Financial Information in support of our
16 rate request.
- 17 • Volume 4 includes the workpapers primarily supporting the cost of
18 service study for the 2022 test year, prepared at the direction of Mr.
19 Halama.
- 20 • Volume 5 includes our Budget Summary and Documentation
- 21 • Volume 6 includes our Budget Documentation.

22
23 Q. PLEASE INTRODUCE THE WITNESSES PROVIDING TESTIMONY FOR THE
24 COMPANY IN THIS PROCEEDING.

25 A. In addition to my Policy Testimony, the Company sponsors the following
26 witnesses:

- 1 • *Benjamin C. Halama*, who sponsors the overall revenue requirement for
2 the rate case. Mr. Halama sponsors the schedules supporting our income
3 statement, rate base, revenue deficiency, and jurisdictional allocations.
4 His schedules incorporate and reflect the recommendations of a number
5 of our witnesses, including the cost of capital and sales forecast.
- 6 • *Paul A. Johnson*, who sponsors our capital structure, cost of debt and
7 overall cost of capital.
- 8 • *Dylan W. D'Ascendis*, of ScottMadden, Inc., who sponsors testimony on
9 the ROE and ROR, including capital structure and the cost of debt.
- 10 • *Jannell E. Marks*, who sponsors the sales forecast used in Mr. Halama's
11 determination of the revenue deficiency.
- 12 • *Melissa L. Ostrom*, who sponsors testimony about our budget governance
13 process.
- 14 • *Ross L. Baumgarten*, who sponsors our allocations from Xcel Energy
15 Services Inc. to NSPM. Mr. Baumgarten also presents an overview of
16 Xcel Energy Inc. and its subsidiaries' organizational structure and a Cost
17 Allocations Manual that assigns and allocates costs between business
18 units and jurisdictions within NSPM.
- 19 • *Joni H. Zich*, who sponsors testimony about our gas delivery operating
20 and maintenance costs and capital investments.
- 21 • *Mary P. Palkovich*, who sponsors testimony supporting the Company's
22 investments in and operations of its gas peaking plants.
- 23 • *Michael O. Remington*, who sponsors testimony about our Business
24 Systems area.
- 25 • *Ruth K. Lowenthal*, who sponsors our requested level of employee
26 compensation, including incentive compensation, which helps manage

1 labor costs while ensuring adequate and competitive compensation for
2 our employees.

- 3 • *Richard R. Schrubbe*, who sponsors testimony about why our pension costs
4 will increase and proposes alternatives for their recovery.
- 5 • *R. Evan Inglis*, of Pension Benefit Guaranty Corporation, who provides
6 an independent, third-party opinion regarding whether the investment
7 strategies and target asset allocations for the Company's pension funds
8 are reasonable.
- 9 • *W. Kile Husen*, who sponsors testimony about the amount of employee
10 expenses requested for recovery in this rate case.
- 11 • *Laurie J. Wold*, who sponsors testimony supporting the level of
12 depreciation expense included in the test year.
- 13 • *Christopher A. Arend*, who sponsors testimony about our property tax
14 expense.
- 15 • *Christopher C. Cardenas*, who sponsors testimony about our Customer Care
16 organization.
- 17 • *Jeff R. Lyng*, who sponsors testimony regarding the Company's leadership
18 of the clean energy transition and Net-Zero Vision for Natural Gas.
- 19 • *Christopher J. Barthol*, who sponsors our class cost of service study, and
20 selected rate design and tariff changes.
- 21 • *Michelle M. Terwilliger*, who sponsors the general rate design in this case.
- 22 • *Scott S. Hults*, who sponsors testimony about our new service and main
23 extensions.

24
25 Together, these witnesses provide the information and advocacy needed to
26 evaluate and approve our Application.

27

1 Q. PLEASE DISCUSS THE COMPLIANCE MATTERS ADDRESSED IN THIS PROCEEDING.
2 A. To ensure that we have complied with all requirements, we undertook a
3 comprehensive review of all Commission Rules and Commission Orders issued
4 since our last natural gas rate case. Exhibit___(GPC-1), Schedule 2 lists the
5 relevant Commission directives from the Orders since our previous rate case.
6 In that Schedule, we also provide references to the portions of this Application
7 that comply with the requirements. We believe we have exercised due diligence
8 in ensuring full compliance with all Commission requirements for this
9 proceeding.

10
11 **IV. CONCLUSION**
12

13 Q. PLEASE SUMMARIZE THE KEY POINTS OF YOUR DIRECT TESTIMONY.
14 A. The Company has successfully provided safe, reliable, and affordable natural
15 gas service for more than a decade, without a base rate increase. In that time,
16 we have continually enhanced the integrity of our natural gas system, reliably
17 served customers, provided customer support through challenging times,
18 enhanced customer programs and services, and established our ambitious
19 leadership of the clean energy transition for both our gas and electric businesses.
20 This rate case enables the Company to align our rates with the current cost of
21 providing natural gas service and will position the Company to partner with the
22 Commission and our stakeholders to accomplish even more in the years ahead.
23
24 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?
25 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.

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
1		MINNESOTA RULES	
2	Minn. Rule 7825.3200	NOTICE OF CHANGE IN RATES	
3		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: (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.	Vols. 1 and 2A – 2D (see below for specific requirements and locations).
4	Minn. Rule 7825.3300	METHODS AND PROCEDURES FOR REFUNDING	
5		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
6		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
7	Minn. Rule 7825.3500	PROPOSAL FOR CHANGE IN RATES	
8		The utility's proposal for a change in rates shall summarize the notice of change in rates and shall include the following information:	
9	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.
10	B.	date of filing and date modified rates are effective;	Vol. 1, Notice of Change in Rates Tab.
11	C.	description and purpose of the change in rates requested;	Vol. 1, Notice of Change in Rates Tab.
12	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.
13	E.	signature and title of utility officer authorizing the proposal.	Vol. 1, Notice of Change in Rates Tab.
14	Minn. Rule 7825.3600	MODIFIED RATES	
15		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 2022 test year.
16	Minn. Rule 7825.3700	EXPERT OPINIONS AND SUPPORTING EXHIBITS	
17		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.

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
18	Minn. Rule 7825.3900	JURISDICTIONAL FINANCIAL SUMMARY SCHEDULE	
19		A jurisdictional financial summary schedule as required by part 7825.3800 shall be filed showing:	
20	A.	the proposed rate base, operating income, overall rate of return, and the calculation of income requirements, income deficiency, and revenue requirements for the test year;	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, Schedules 2-3 (Revenue Requirements); Vol. 3, Section II, Tabs 2 to 5.
21	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.
22	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.
23	Minn. Rule 7825.4000	RATE BASE SCHEDULES	
24		The following rate base schedules as required by part 7825.3800 shall be filed:	
25	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.
26	B.	A comparison of total utility and Minnesota jurisdictional rate base amounts by detailed rate base component showing:	
27	(1)	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.
28	(2)	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.
29	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.
30	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.
31	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.
32	Minn. Rule 7825.4100	OPERATING INCOME SCHEDULES	
33		The following operating income schedules as required by part 7825.3800 shall be filed:	
34	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.
35	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.
36	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 schedule, showing the development of the combined federal and state income tax rates.	Vol. 3, Section II, Tab 4, Part C.

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
37	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.
38	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.
39	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.
40	Minn. Rule 7825.4200	RATE OF RETURN COST OF CAPITAL SCHEDULES	
41		The following rate of return cost of capital schedules as required by part 7825.3800 shall be filed:	
42	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.
43	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.
44	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.
45		Average Common Equity Balances (Additional Information)	Vol. 3, Section II, Tab 5, Part D CE.
46	Minn. Rule 7825.4300	RATE STRUCTURE AND DESIGN INFORMATION	
47		The following rate structure and design information as required by part 7825.3800 shall be filed:	
48	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.
49	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.
50	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.	Christopher J. Barthol, Exhibit___(CJB-1), Vol. 2D, Schedules 2-3 (Class Cost of Service Study); Vol. 3, Section II, Tab 6, Part C.
51	Minn. Rule 7825.4400	OTHER SUPPLEMENTAL INFORMATION	
52		The following supplemental information as required by part 7825.3800 shall be filed:	
53	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.
54	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.
55	C.	For cooperatives only, REA Form 7, Financial and Statistical Report for the last month of the most recent fiscal year.	Not Applicable
56	D.	For cooperatives only, REA Form 7A, Annual Supplement to Financial and Statistical Report.	Not Applicable
57	E.	For REA cooperatives only, REA Form 325, Financial Forecast.	Not Applicable

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
58	Minn. Rule 7829.2400	FILING REQUIRING DETERMINATION OF GROSS REVENUE	
59	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.
60	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.
61	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.
62	MINNESOTA STATUTES		
63	Minn. Stat. § 216B.16, subd. 17	TRAVEL, ENTERTAINMENT, AND RELATED EMPLOYEE EXPENSES	
64		(a) The commission may not allow as operating expenses a public utility's travel, entertainment, and related employee expenses that the 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:	Vol. 3, Section IV, Part 2 Travel, Entertainment & Related Employee Expenses, and files submitted via secure file transfer.
65		(1) travel and lodging expenses;	Vol. 3, Section IV, Part 2 EER Summary Report 1.
66		(2) food and beverage expenses;	Vol. 3, Section IV, Part 2 EER, Schedule 2.
67		(3) recreational and entertainment expenses;	Vol. 3, Section IV, Part 2 EER, Schedule 3.
68		(4) board of director-related expenses, including and separately itemizing all compensation and expense reimbursements;	Vol. 3, Section IV, Part 2 EER, Schedule 4.
69		(5) expenses for the ten highest paid officers and employees, including and separately itemizing all compensation and expense reimbursements;	Vol. 3, Section IV, Part 2 EER, Schedule 5.
70		(6) dues and expenses for memberships in organizations or clubs;	Vol. 3, Section IV, Part 2 EER, Schedule 6.
71		(7) gift expenses;	Vol. 3, Section IV, Part 2 EER, Schedule 7.
72		(8) expenses related to owned, leased, or chartered aircraft; and	Vol. 3, Section IV, Part 2 EER, Schedule 8.
73		(9) lobbying expenses.	Vol. 3, Section IV, Part 2 EER, Schedule 9.
74		(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 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.	Vol. 3, Section IV, Part 2 EER Summary Report 1, and files submitted via secure file transfer.
75	POLICY STATEMENTS		
76	Advertising	Statement that recovery is requested only for permitted advertisements.	Vol. 3, Section III, Tab 1.
77		Description of advertisements for which recovery is requested.	Benjamin C. Halama, Exhibit ___(BCH-1), Vol. 2A, pgs 50 (Revenue Requirements); Vol. 4, Section VIII, Tab A1 Advertising.
78		Sample advertisements for which recovery is requested including a schedule that: 1. Identifies the sample ad. 2. Categorizes the advertisements by allowable and disallowable type. 3. Defines the percentage by which the content fits into the allowable and disallowable statutory categories. 4. Provides the corresponding test year dollar amount for each ad. 5. Describes the period of time during which each ad will be used, the service area in which it will appear, and the media employed.	Vol. 3, Section III, Tab 1.

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
79	Charitable Contributions	Evidence as to whether the recipients of the contributions: serve the utility's Minnesota service area; are nondiscriminatory in selecting recipients; and do not promote political or special interest groups.	Vol. 3, Section III, Tab 2; Vol. 4, Section VIII, Tab A6 Foundation and Other Donations.
80		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; Vol. 4, Section VIII, Tab A6 Foundation and Other Donations.
81		Itemized schedule showing amount, recipient and time of donations.	Vol. 3, Section III, Tab 2; Vol. 4, Section VIII, Tab A6 Foundation and Other Donations.
82		Only 50% of qualified contributions shall be allowed as operating expenses.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pg 50 (Revenue Requirements); Vol. 3, Section III, Tab 2; Vol. 4, Section VIII, Tab A6 Foundation and Other Donations.
83	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; Vol. 4, Section VIII, Tab A2 Dues: Professional Associations.
84		Testimony explaining the primary purpose of each organization.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A pg 50 (Revenue Requirements); Vol. 3, Section III, Tab 3; Vol. 4, Section VIII, Tab A2 Dues: Professional Associations and Tab A4 Dues for the Chamber of Commerce.
85	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.
86	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 33-35 and Schedule 4 (Revenue Requirements); Vol. 4, Section VIII, Tab A29.
87		Other issues may include average or minimum cash balances required, depreciation, dividends and interest on debt	
88	Interim Rates:		
89	Item 1, page 2	Name, address and telephone number of utility and attorneys.	Vol. 1, Interim Rate Petition Tab.
90	Item 2, page 2	Date of filing and date proposed interim rates are requested to become effective.	Vol. 1, Interim Rate Petition Tab.
91	Item 3, page 2	Description and need for interim rates.	Vol. 1, Interim Rate Petition Tab.
92	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.
93	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.
94	Item 6, page 2	Certification by officer of the utility.	Vol. 1, Interim Rate Petition Tab.
95	Item 7, page 2	Signature and title of the utility officer authorizing the proposed interim rates.	Vol. 1, Interim Rate Petition Tab.
96		Methods and procedures for refunding.	Vol. 1, Agreement and Undertaking Tab.
97	Items 1-4, page 3	Supporting schedules and workpapers.	Vol. 1, Interim Rate Supporting Schedules and Workpapers Tab.
98		Modified tariffs.	Vol. 1, Interim Tariff Sheets - Redlined Tab; Vol. 1, Interim Tariff Sheets - Clean Tab.
99		Notices.	Vol. 1, Interim Rate Petition Tab.
100	COMMISSION ORDERS IN GENERIC DOCKETS (E,G-999)		
101	CI-90-1008	Commission Investigation into Appliance Sales and Service by Utilities	
102	Order Finding Compliance, Exempting Northwestern Wisconsin, Requiring Preparation, and Closing Docket 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 Baumgarten, Exhibit___(RLB-1), Vol. 2C; pgs 3-6 (Cost Allocations).
103	CI-90-563	Commission Inquiry into Competition Between Gas Utilities in Minnesota	
104	Order Terminating Investigation and Closing Docket 03/31/1995	<u>Service Extension Information.</u> Respond to the following questions and concerns raised by the MPUC regarding service extension policy and practice. Free Footage: With respect to the reviews to be conducted in future rate cases, the Commission would like the Department and the parties to address the following kinds of questions: Should the "free" footage or service extension allowance include the majority of all new extensions with only the extremely long extensions requiring a customer contribution-in-aid-of-construction (CIAC)?	Scott Hults, Exhibit___(SSH-1), Vol. 2B, pgs 10-11 (New Service and Main Extensions).

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
105		Economic Feasibility: With respect to the reviews to be conducted in future rate cases, the Commission would like the Department and the parties to address the following kinds of questions: How should the LDC determine the economic feasibility of service extension projects and whether the excess footage charges are collected?	Scott Hults, Exhibit__(SSH-1), Vol. 2B, pg 11 (New Service and Main Extensions).
106		Extension Policy Tariff: With respect to the reviews to be conducted in future rate cases, the Commission would like the Department and the parties to address the following kinds of questions: Should the LDC's service extension policy be tariffed in number of feet without consideration to varying construction costs amongst projects or should the allowance be tariffed as a total dollar amounts per customer?	Scott Hults, Exhibit__(SSH-1), Vol. 2B, pg 12 (New Service and Main Extensions).
107		Refund Policy: With respect to the reviews to be conducted in future rate cases, the Commission would like the Department and the parties to address the following kinds of questions: Is the LDC's extension charge refund policy appropriate? Respond to three concerns raised about the impact of service extension-related additions on a company's rate base.	Scott Hults, Exhibit__(SSH-1), Vol. 2B, pg 12 (New Service and Main Extensions).
108		Customer Installations: With respect to the reviews to be conducted in future rate cases, the Commission would like the Department and the parties to address the following kinds of questions: Should customers be allowed to run their own service line from the street to the house (or use an independent contractor) if it would be less expensive than having the utility construct the line?	Scott Hults, Exhibit__(SSH-1), Vol. 2B, pg 12-13 (New Service and Main Extensions).
109		Financing: With respect to the reviews to be conducted in future rate cases, the Commission would like the Department and the parties to address the following kinds of questions: Should the LDC be required to offer its customers financing for service extension charges? This could be offered as an alternative to paying extension charges in advance of construction.	Scott Hults, Exhibit__(SSH-1), Vol. 2B, pg 13 (New Service and Main Extensions).
110		Service Extension-Related Additions to Rate Base: In future rate cases, the Commission will request the Department to investigate the company's service extension-related additions to rate base to make sure: 1) that LDCs are applying their tariffs correctly and consistently.	Scott Hults, Exhibit__(SSH-1), Vol. 2B, pgs 13-17 (New Service and Main Extensions).
111		Service Extension-Related Additions to Rate Base: In future rate cases, the Commission will request the Department to investigate the company's service extension-related additions to rate base to make sure:... 2) that they are appropriately cost and load justified	Scott Hults, Exhibit__(SSH-1), Vol. 2B, pgs 17-18 (New Service and Main Extensions).
112		Service Extension-Related Additions to Rate Base: In future rate cases, the Commission will request the Department to investigate the company's service extension-related additions to rate base to make sure: ... 3) that wasteful additions to plant and facilities are not allowed into rate base.	Scott Hults, Exhibit__(SSH-1), Vol. 2B, pg 18 (New Service and Main Extensions).
113	E,G-999/CI-08-132	Criteria and Standards for Decoupling	
114	Order Establishing Criteria and Standards to be Utilized in Pilot Proposals for Revenue Decoupling 06/19/09	The Revenue Decoupling Criteria and Standards set forth herein are hereby adopted. All utilities shall file a non-binding notice of intent as to their plans for filing a decoupling pilot program by 06/01/10. All decoupling pilot proposals shall be filed by 12/30/11.	Christopher J. Barthol__(CJB-1), Vol 2X, pgs 21-29, Schedule 5 and 6 (Class Cost of Service Study).

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
115	COMMISSION ORDERS IN XCEL ENERGY DOCKETS (E002 or G002)		
116	E002/GR-91-1	1991 General Electric Rate Case	
117	Findings of Fact, Conclusions of Law, and Order 11/27/91 Order Point 5	The Company shall incorporate the Data Resources, Inc. (DRI) index, or a comparable industry standard, as a guideline in future rate cases.	Vol. 5 Inflation Trend Analysis.
118	Order Point 6	The Company shall implement the following budget requirements in its next rate case:	
119		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 currently 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 Ave., Minneapolis, MN. For questions or to make alternative arrangements, please contact Gail Baranko 612-330-6935.
120		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.
121		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, Schedules 10, 11, 12, and 13 (Revenue Requirements); Vol. 3 Section II, Part 3, Tab C and Part 4 Tab D.
122		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.
123		e) The Company shall include month-by-month accounting of all transactions in the contingency funds;	Vol. 5, Capital Substitutions / Contingent Process & Reports
124		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
125	Order Point 9	Advantage Service shall: - 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.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 78-79 (Revenue Requirements); NSP Advantage Service now operates under the name HomeSmart from Xcel Energy®.
126	E002/GR-92-1185	1992 Electric Rate Case	
127	Findings of Fact, Conclusions of Law, and Order 9/29/93 Order Point 10	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 OAG-RUD and make this information available for review by other parties upon their request.	Vols. 5 and 6. For contingency-related items, see Vol. 5 Capital Substitutions / Contingency Process & Reports Tab.
128	AI-94-1056 AI-94-1188	Affiliated Interest Dockets related to leases with United Power and Land Company	
129	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.	Ross Baumgarten, Exhibit___(RLB-1), Vol. 2C, pg 25-27 (Cost Allocations).
130	G002/GR-97-1606	1997 Gas Rate Case	
131	Findings of Fact, Conclusions of Law, and 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 79 (Revenue Requirements).

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
132	AI-01-493	Administrative Services Agreement between Xcel Energy Services, Inc. and Its Operating Affiliates	
133	Order, 6/22/01	Provide up-front testimony demonstrating the benefits to the ratepayers (<i>e.g.</i> , sharing rail cars).	Ross Baumgarten, Exhibit___(RLB-1), Vol. 2C, pg 24 (Cost Allocations).
134	E,G002/AI-04-181	Updated Service Agreement with Xcel Energy Services Inc.	
135	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.	Paul A. Johnson, Exhibit___(PAJ-1), Vol. 2A, pgs 36-37 (Capital Structure, Overall Rate of Return, and Investor Relations).
136	G002/GR-04-1511	2004 Gas Rate Case	
137	ALJ Report 06/22/05 Finding 23	NSP is required to retain records of unusual construction charges and unusual winter construction charges.	Scott Hults, Exhibit___(SSH-1), Vol. 2B, pg 19 (New Service and Main Extensions). Christopher J. Barthol___(CJB-1), Vol 2D, pgs 30-31 (Class Cost of Service Study).
138	Finding 48	NSP will begin to allocate purchased gas expenses between Opportunity Sales and the ratepayer purchased gas expenses included in the monthly PGA's (estimated) and their associated annual PGA true-up (actual) in a similar manner.	The Company complied with this in its 12/22/09 true-up filing in Docket No. G002/AA-09-1044, and in its monthly PGA filings as applicable.
139	Findings 62-63	Economic Development Expense reflects previous practice of allowing 50% for these costs in rates.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 41, 50 (Revenue Requirements); Vol. 4, Section III, Tab A7 and A8.
140	Finding 94	NSP is required to continue to break out costs for transportation with the same level of detail as it did in this proceeding.	Vol. 3, Section II, Part 6.
141	Order, 2/7/2014	In the Company's next general gas rate case filing, require the Company to file direct testimony discussing its commercial and industrial line extensions activity since the implementation of final rates in Docket No. G-002/GR-04-1511 (2004 Rate Case). The testimony should provide the amount of riser costs incurred (in each year) for service extensions that either were uneconomical or would have been uneconomical had the riser costs been included in the feasibility calculations since the implementation of the 2004 Rate Case final rates.	Scott Hults, Exhibit___(SSH-1), Vol. 2B, pgs 5-9 (New Service and Main Extensions).
142	G002/GR-06-1429	2006 Gas Rate Case	
143	Findings of Fact, Conclusions of Law, and Order 09/10/07 Order Point 26	In future rate cases, NSP to report any changes to the End-User Allocation Service program and verify that this program remains a fully allocated cost of service program.	Michelle Terwilliger, Exhibit___(MMT-1), Vol. 2D, pg 22 and Schedule 10 (Rate Design).
144	Order Point 10	NSP to demonstrate that any CIAC waivers of \$5.00 or less were removed from the Company's rate base.	Scott Hults, Exhibit___(SSH-1), Vol. 2B, pgs 20-21 (New Service and Main Extensions).
145	Order Point 7	NSP must continue to refund to its customers incentive compensation that is included in rates, but not paid.	The Company proposes elimination of the AIP refund in this proceeding. Ruth K. Lowenthal, Exhibit___(RKL), Vol. 2D pgs 2, 6, 33-39 (Employee Compensation).
146	ALJ Report 07/26/07; Finding 270	Demonstrate in next natural gas rate case that NSP has revised its natural gas extension records to clearly indicate when a joint trench or utility corridor was used for joint electric and natural gas extension projects.	Addressed in Docket No. E002/GR-09-1153; Scott Hults Direct Testimony, Exhibits 30, 31, 13; Submitted report 03/05/09 in 06-1429 demonstrating compliance with the joint trenching provisions contained in 9 Section 6, subsection 5.4 of Xcel Energy's Gas Rate Book; Scott Hults, Exhibit___(SSH-1), Vol. 2B, pgs 19-20 (New Service and Main Extensions). Christopher J. Barthol___(CJB-1), Vol. 2D, pgs 30-31 (Class Cost of Service Study).
147	E002/GR-08-1065	2008 Minnesota Electric Rate Case	
148		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.	
149	Findings of Fact, Conclusions of Law, and Order 10/23/09 Order Point 13	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	Forecasting data was pre-filed on October 1, 2021 in Docket No. G002/GR-21-678.

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
150		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	
151		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, 2021 in Docket No. G002/GR-21-678.
152		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.
153	G002/GR-09-1153	2009 Gas Rate Case	
154	ALJ Report 10/15/10; Finding 211	Xcel agreed to take steps to improve cost documentation methods in advance of future rate cases.	Melissa L. Ostrom, Exhibit___(MLO-1), Vol. 2A, pgs 29-35 (Budgeting).
155	Finding 243	Xcel confirms that it will continue the practice of pre-filing forecast information in advance of future rate cases.	Jannell E. Marks, Exhibit___(JEM-1), Vol. 2A, pgs 2-3 (Gas Customer and Throughput Forecast)
156	Finding 307	Unusual Construction Charges: The Commission should require Xcel to continue to track information relating to unusual construction charges, the waiver of CIAC in competitive situations and joint trenching practice in advance of its next natural gas rate case.	Scott Hults, Exhibit___(SSH-1), Vol. 2B, pgs 20-21 (New Service and Main Extensions).
157	Findings of Fact, Conclusions of Law, and Order 12/6/10 Page 37 (approving Pension Settlement, Exhibit 46)	In its next general rate case, Xcel shall provide information updating its pension funding requirements including any changes to funding resulting from amendments to the Pension Protection Act and comparing pension expenses determined under continued use of the Aggregate Cost Method of pension expense to a normalized method over a period of years. This information will identify any rate base effect arising from the use of either method.	Richard R. Schrubbe___(RRS-1), Vol. 2D; pgs 27-28 (Pension and Benefits Expense).
158	Order Point 7	In its next rate case, Xcel shall provide an analysis regarding the appropriate balance of setting customer charges and distribution charges at levels higher than the CCOSS indicates for such costs when a customer class is apportioned revenue responsibility that is higher than the CCOSS indicates.	Michelle M. Terwilliger, Exhibit___(MMT-1), Vol. 2D, pgs 9-21 (Rate Design).
159	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.
160	Order Point 10	Xcel shall amortize the rate case expenses authorized for recovery herein over a four year period and shall defer amounts recovered for rate case expense after the four year amortization period to offset the revenue requirement in and credit to the revenue requirement in its next rate case.	Benjamin C. Halama, Exhibit___(BCH-1), Vol. 2A, pgs 57-58 (Revenue Requirements).
161	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.
162	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, pgs 6, 15-16 and Schedules 3 and 4 (Pension and Benefits Expense).
163	E,G002/D-10-173	2010 Annual Review of Remaining Lives	
164	Order 06/16/10	In its next rate case, the Company is required to identify significant additions to plant investment proposed to be included in rates, and discuss how a life extension for each such plant has been reflected in the depreciation rates used in the rate case, or why a life extension has not been proposed.	Lori J. Wold, Exhibit___(LJW-1), Vol. 2C, pgs 18-23 and Schedule 7 (Capital Investments and Depreciation); Joni H. Zich, Exhibit___(JHZ-1), Vol. 2B, pgs 61-84 (Gas Operations); Mary P. Palkovich, Exhibit___(MPP-1), Vol. 2B (Gas Operations - Peaking Plants).

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
165	G002/M-10-422	Deferred Accounting for Conflicts	
166	Order Granting Deferred Accounting Treatment Subject to Conditions and Reporting Requirements 1/12/11 Order Point 1	The Commission authorizes the Company to use deferred accounting treatment for the external operating and maintenance costs incurred to implement the inspection and remediation plan submitted to the Minnesota Office of Pipeline Safety in response to that Office's Notice of Probable Violation following the natural gas explosion of February 1, 2010. This authorization applies to costs incurred on and after May 10, 2010.	Addressed in Docket No. G002/M-10-422, Annual Reports, 01/28/11, 01/30/12, 01/30/13, 01/29/14, 01/30/15. Costs thereafter rolled into GUIC Rider established in Docket No. G002/M-14-336.
167	Order Point 2	The Company shall include as a separate item in the deferred account any revenues or savings that result from implementing the inspection and remediation plan.	Addressed in Docket No. G002/M-10-422, Annual Reports, 01/28/11, 01/30/12, 01/30/13, 01/29/14, 01/30/15. Costs thereafter rolled into GUIC Rider established in Docket No. G002/M-14-336.
168	Order Point 3	Beginning January 30, 2011, the Company shall make an annual filing summarizing costs incurred and deferred under this order, using a format similar to the one used in Attachment C, attached to its petition.	Addressed in Docket No. G002/M-10-422, Annual Report and Compliance Filing, 01/28/11, 01/30/12, 01/30/13, 01/29/14, 01/30/15. Costs thereafter rolled into GUIC Rider.
169	Order Point 4	The Company shall promptly file an update as a compliance filing in this docket if at any point costs deferred under this order exceed \$3,500,000 on an annual basis.	Addressed in Docket No. G002/M-10-422, Compliance Filing, 10/28/11. 2011 deferred costs exceeded \$3.5M level.
170	Order Point 5	At least 60 days before filing its next general rate case, the Company shall file a summary of all costs deferred under this order, using a format similar to the one used in Attachment C, attached to its petition.	Addressed in Docket No. G002/M-14-336, Deferred Cost Summary Compliance Filing, 04/24/14
171	Order Point 6	In any future filing seeking rate recovery of costs deferred under this order, the Company shall include the following information:	
172	Order Point 6.A.	Justification for the outsourcing of any tasks required to implement the inspection and remediation plan.	Addressed in Docket No. G002/M-14-336, 2015 GUIC Rider Petition, 08/01/14, Section IV.G.
173	Order Point 6.B.	Details of the final resolution of the Notice of Probable Violation and the status of any proposed penalties.	Addressed in Docket No. G002/M-14-336, 2015 GUIC Rider Petition, 08/01/14, Section IV.H.
174	Order Point 6.C.	Discussion and explanation of any legal actions or settlements regarding the natural gas explosion that led to the Notice of Probable Violation.	Addressed in Docket No. G002/M-14-336, 2015 GUIC Rider Petition, 08/01/14, Section IV.H.
175	Order Point 6.D.	Discussion and analysis regarding any potential third-party recovery for the costs of the plan.	Addressed in Docket No. G002/M-14-336, 2015 GUIC Rider Petition, 08/01/14, Section IV.I.
176	Order Point 6.E	Discussion, analysis, and documentation demonstrating that plan costs were prudent.	Addressed in Docket No. G002/M-14-336, 2015 GUIC Rider Petition, 08/01/14, Section IV.C.,D.,E., Attachment I
177	Order Point 6.F.	Analysis of what it would have cost to conduct the plan over a ten-year period beginning in 2003.	Addressed in Docket No. G002/M-14-336, 2015 GUIC Rider Petition, 08/01/14, Section IV.J.
178	G002/M-12-248	Deferred Accounting for Gas Pipeline Safety Programs	
179	Order 1/28/13	Approve Xcel's request for deferred accounting with the following conditions:	
180	Order Point 1.a.	Approve deferral of only TIMP and DIMP O&M costs that exceed what is recovered through current rates.	Addressed in Docket No. G002/M-12-248, Annual Reports, 03/01/13, 03/03/14, 03/02/15. Costs thereafter rolled into Gas Utility Infrastructure Cost Rider (GUIC) established in Docket No. G002/M-14-336.
181	Order Point 1.b.	Require the Company to justify any outsourcing of TIMP and DIMP tasks in the annual reports beginning March 1, 2013 and in the summary to be provided 60 days prior to Xcel's next general natural gas rate case.	Addressed in Docket No. G002/M-12-248, Annual Report, 03/01/13; Docket No. G002/M-14-336, Deferred Cost Summary Compliance Filing, 04/24/14, Attachments B, C.
182	Order Point 1.c.	Approve the Company's implementation of deferred accounting to begin on March 21, 2012 without interest and to continue until the earlier of the time of the utility's next rate case, or March 20, 2015.	Addressed in Docket No. G002/M-12-248, Annual Report, 03/01/13.
183	Order Point 1.d.	Approve the recording of the deferral of the Minnesota natural gas retail jurisdictional amounts in FERC Account 182.3 – Other regulatory Assets.	Addressed in Docket No. G002/M-12-248, Annual Reports, 03/01/13, 03/03/14, 03/02/15. Costs thereafter rolled into GUIC Rider established in Docket No. G002/M-14-336.

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
184	Order Point 1.e.	Require that Xcel Energy provide annual reports detailing the amounts deferred for future recovery beginning March 1, 2013.	Addressed in Docket No. G002/M-12-248, Annual Reports, 03/01/13, 03/03/14, 03/02/15. Costs thereafter rolled into GUIC Rider established in Docket No. G002/M-14-336.
185	Order Point 1.f.	Require Xcel Energy to provide a filing with a summary of all deferred TIMP and DIMP costs in this same format 60 days prior to the Company's next general gas rate case.	Addressed in Docket No. G002/M-14-336, Deferred Cost Summary Compliance Filing, 04/24/14
186	Order Point 1.g.	Xcel shall include in the initial filing in its next natural gas rate case, justification and supporting testimony regarding all deferred TIMP and DIMP costs for which it seeks rate recovery.	Addressed in Docket No. G002/M-14-336, 2015 GUIC Rider Petition, 08/01/14, Executive Summary; Section III.A.; Section IV.A., B., F., K., L.; Attachments B, C, D, E, F, I
187	GR-10-971	2010 Electric Rate Case	
188	Order Accepting Filing, Suspending Rates, and Requiring Supplemental Filing 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, Section IV, Part 2 EER, Schedule 5, and files submitted via secure file transfer.
189	AI-10-690 & GR-10-971	Petition and Compliance Filing Cost Allocation Procedures and General Allocator and 2010 Electric Rate Case	
190	Order Requiring Change in General Allocator and Requiring Filings 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 Baumgarten, Exhibit___(RLB-1), Vol. 2C; pg 16 (Cost Allocations).
191	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 Baumgarten, Exhibit___(RLB-1), Vol. 2C; pgs 1-2, 15-22, and Schedule 4(a) (Cost Allocations).
192	E002/GR-10-971	2010 Electric Rate Case	
193	ALJ Report, 2/22/12 Finding 319	The Company agreed to use the Aggregate Cost Method of accounting for purposes of the NSP-M pension plan.	Richard R. Schrubbe, Exhibit___(RRS-1), Vol. 2D, pgs 6, 15-16 and Schedules 3 and 4 (Pension and Benefits Expense).
194	ALJ Report, 2/22/12, Finding 556 and Exhibit 56, Schedule 1	Employee Expenses: Provide direct testimony that includes an explanation of all employee expense data in the company's systems. NSP's direct 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.	W. Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 5 42 and Schedules 2-4, 7-8 (Employee Expenses).
195	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.	W. Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 28-42 and Schedules 4, 8, and 10 (Employee Expenses).
196	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...	W. Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 28-42 and Schedules 2, 3, and 8 (Employee Expenses).
197		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 files submitted via secure file transfer.

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
198	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 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: 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. 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.	W. Kile Husen, Exhibit___(WKH-1), Vol. 2C, pgs 21-46 and Schedules 2, 3, 7, and 8 (Employee Expenses).
199	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 files submitted via secure file transfer.
200	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.	W. Kile Husen, Exhibit___(WKH-1), Vol. 2C, Schedule 3 (Employee Expenses).
201	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 September 24, 2021.
202	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.	W. Kile Husen, Exhibit___(WKH-1), Vol. 2C, pg 58 and Schedule 10 (Employee Expenses).
203	GR-12-961	2012 Electric Rate Case	
204	Findings of Fact, Conclusions, and 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 testyear level approved in rates.	The Company proposes elimination of the AIP refund in this proceeding. Ruth K. Lowenthal, Exhibit___(RKL), Vol. 2D pgs 2, 6, 33-39 (Employee Compensation).
205	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, pgs 49-54 and Schedule 10 (Pension and Benefits Expense).
206	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.
207	Heuer Rebuttal Testimony, 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.	As of the date of this filing, no projects included in the 2022 test year have been cancelled.

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
208	Heuer Rebuttal Testimony, pg. 21	<p>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:</p> <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 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, Schedule 5 (Revenue Requirements).
209	Order, 5/8/15 Order Point 28	<p>Aviation. 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."</p>	<p>We are not seeking cost recovery of aviation costs in this case. See Vol. 4, Section VIII, Tab A3.</p> <p>W. Kile Husen, Exhibit__(WKH-1), Vol. 2C, pgs 8 9; Vol. 3, Section IV, Part 2 EER, Schedule 8 (Aviation).</p>
210	Order Point 29	<p>AIP. 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.</p>	Ruth K. Lowenthal, Exhibit__(RKL), Vol. 2D pgs 20-36 and Schedule 4 (Employee Compensation).
211	Order Reopening, Clarifying, and Supplementing May 8, 2015 Order 8/31/15 Order Point 12	<p>In future rate cases, the Company shall:</p> <ol style="list-style-type: none"> ensure internal consistency within its CCOSS and provide direct links to all inputs used in its model; 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; 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 	The CCOSS has been prepared consistent with the requirements noted and includes direct links to all inputs used in the model, worksheet tabs that identify all financial and non-financial inputs, and direct linkages for all calculations in the CCOSS model. See also Christopher J. Barthol__(CJB-1), Vol 2D, Schedule 2 CCOSS Guide.
212	Order Point 12.d	<p>provide estimated rate and bill impacts for customer classes to affirm the methodology of apportioning revenue responsibility.</p>	Michelle M. Terwilliger, Exhibit__(MMT-1), Vol. 2D, Schedules 7 and 8 (Rate Design).
213	G002/M-14-336	2015 Gas Utility Infrastructure Cost Rider	
214	Order Approving Rider with Modifications 01/27/15 Order Point 4	<p>In the initial filing in its next natural-gas rate case, Xcel shall submit detailed schedules, any necessary supporting documentation, and an explanation of all O&M costs that were being recovered in the rider and are now included in the test year for recovery in base rates.</p>	Joni H. Zich, Exhibit__(JHZ-1), Vol. 2B, pgs, 84-87 and 111-112 (Gas Operations); Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 59-60, 66-69 (Revenue Requirements).
215	E002/AI-17-577	Affiliated Interest Filing	
216	Order Approving Affiliated Interest Agreements 6/12/18 p. 7 and Order Points 2 and 3	<p>The difference between Employee Ratio and Allocated Labor Hours with Overtime allocation methods will be adjusted for in future rate-recovery proceedings</p>	Ross Baumgarten, Exhibit__(RLB-1), Vol. 2C, pg 22 and Schedule 5(b) (Cost Allocations).

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
217	Past Order Requirements Provided as Supplemental Info		
218	GR-92-1185	1992 General Rate Case	
219	Findings of Fact, Conclusions of Law, and Order 9/29/93 Order Point 10	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.	Inflation Trend Analysis, Budget Translation/ Analysis of Miscellaneous Expenses and Capital Substitution/ Contingent Fund Process and Reports which had been previously presented as Supplemental Budget Information has been incorporated into Vols. 5 and 6 of the Application.
220	G002/GR-97-1606	1997 Gas Rate Case	
221	Findings of Fact, Conclusions of Law, and Order 9/30/98	Account for, on a monthly basis, any CIP costs that are not recovered from flexible rate customers due to rate discounting.	Only customers with an exemption granted by the Commissioner of the Department of Commerce are not required to contribute toward recovery of CIP costs.
222	G002/GR-04-1511	2004 Gas Rate Case	
223	ALJ Report 06/22/05 Findings 44-45	Allocation of rate case expenses to unregulated businesses.	Vol. 4, Section Vol. 4, Section VIII, Tab A26.
224	E002/GR-10-971	2010 Electric Rate Case	
225	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, pg 64 (Revenue Requirements). The Company is not currently in a net operating loss position.
226	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, pg 64 (Revenue Requirements). The Company is not currently in a net operating loss position.
227	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, pg 64 (Revenue Requirements). The Company is not currently in a net operating loss position.
228	GR-10-971	2010 Electric Rate Case	
229	Findings of Fact, Conclusions, and 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, pg 65 (Revenue Requirements). The Company is not currently in a net operating loss position.
230	GR-13-868	2013 Electric Rate Case	
231	Order Point 11.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 Investments).
232	Order Point 11.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 Investments).
233	Order Point 11.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, Schedules 8 and 9 (Pension and Benefits Expense).
234	Order Point 11.d.	Provide testimony that identifies and discusses each non-qualified employee-benefit cost included in its test years.	Ruth K. Lowenthal, Exhibit___(RKL), Vol. 2D pgs 59-60 (Employee Compensation). Not applicable in this case. We are not seeking recovery of non-qualified benefits in this case.

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
235	Order Point 11.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 asset (or liability) balances requested for rate-base inclusion.	Richard R. Schrubbe__(RRS-1), Vol 2D; pgs 49-54 and Schedule 10 (Pension and Benefits Expense); Benjamin C. Halama__(BCH-1), Vol 2A; pg 50 and Schedules 10, 11, and 12. (Revenue Requirements).
236	Order Point 38	CCOSS. 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.	Christopher J. Barthol__(CJB-1), Vol 2D, Schedule 2, Appendices 2 and 3 (Class Cost of Service Study).
237	Order Point 39	Minimum System Study. 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.	Christopher J. Barthol__(CJB-1), Vol 2D, pgs 9-10 and Schedule 4 (Class Cost of Service Study).
238	G-002/M-14-583	In the Matter of a Request by Northern States Power Company for Approval of New Area Surcharge Riders for the Cities of Barnesville, Holdingford, and Pillager	
239	Order Approving Surcharges and Requiring Compliance Filings 10/31/2014 Order Point 1	For Barnesville, the surcharge as proposed by the Company is approved, but with a \$1 per month reduction to the residential surcharge, and any of the gas costs (demand and commodity) from the Greater Minnesota Transmission agreement that are not recovered by the surcharge cannot be recovered in a rate case or any other docket for the 15 year term of the agreements (November 1, 2014 – October 31, 2029).	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pg 55, and Schedules 11 and 12 (Revenue Requirements); Vol. 4, Section VIII Adjustments, Tab A22.
240	Order Point 2	For Holdingford, the surcharge as proposed by the Company is approved. Any of the gas costs (demand and commodity) from the Greater Minnesota Gas agreement that are not recovered by the surcharge cannot be recovered in a rate case or any other docket for the 15 year term of the agreements (November 1, 2014 – October 31, 2029).	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pg 55, and Schedules 11 and 12 (Revenue Requirements); Vol. 4, Section VIII Adjustments, Tab A22.
241	G-002/M-17-174	In the Matter of the Petition of Northern States Power Company for Approval of a Modification to its Natural Gas State Energy Policy (SEP) Tariff, 2017 SEP Rate Factor, and 2016 SEP Compliance Filing	
242	Order Continuing Recovery of Costs Through State Energy Policy Rider and Other Action 08/24/2017 Order Point 1	Xcel Gas may continue to recover approximately \$1.83 million of costs through its State Energy Policy (SEP) rider until all costs are recovered or the Company files a general rate case, with the understanding that no new costs will be added or recovered through the SEP Rider.	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 69-70 (Revenue Requirements)
243	G-002/M-18-692	In the Matter of the Petition of Northern States Power Company, d/b/a Xcel Energy, for Approval of a Gas Utility Infrastructure Cost Rider True-Up Report for 2018, the Forecasted 2019 Revenue Requirements, and Revised Adjustment Factors	
244	Order Authorizing Rider Recovery with Modifications 01/09/2020 Order Point 3	Xcel shall not apply prorated accumulated deferred income tax (ADIT) to rate base when it is not required by the Internal Revenue Service for normalization purposes.	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pg 61 (Revenue Requirements)
245	G-002/M-17-787	In the Matter of the Petition of Northern States Power Company d/b/a Xcel Energy for Approval of a Gas Utility Infrastructure Cost Rider True-up Report for 2017, the Forecasted 2018 Revenue Requirements, and Revised Adjustment Factors	
246	Order Authorizing Rider Recovery and Setting Reporting Requirements 08/12/2019 Order Point 21	Xcel must incorporate and apply only the reduction in annual depreciation expense from its five-year study (Docket No. E,G-002/D-17-581) pertaining to GUIC projects in the 2018 GUIC rider revenue requirements, and incorporate the non-GUIC depreciation changes in a future general rate case.	Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, 66-69 (Revenue Requirements); Lori J. Wold, Exhibit__(LJW-1), Vol. 2C, pgs 17-30 and Schedule 7 (Capital Investments and Depreciation).

	<u>Authority or Reference</u>	<u>Description</u>	<u>Location in Application</u>
247	Docket Nos. E,G999/CI-20-492; G002/M-20-716	In the Matter of a Proposal by Xcel Energy for Authorization to Recover Costs for Investments that May Assist in Minnesota's Economic Recovery from the COVID-19 Pandemic	
248	Order Determining that Proposals Have the Potential to be Consistent with COVID-19 Economic Recovery 03/12/2021 Order Point 2	2. Xcel shall track investment spending for the acceleration of the projects separately from base rates, with clear delineation between portions that are included in base rates and those that are incremental to base rates.	Joni H. Zich, Exhibit__(JHZ-1), Vol. 2B, pgs 113-115 (Gas Operations); Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 75-77 (Revenue Requirements).
249	Order Accepting Economic-Recovery Investment Reports, Requiring Filings, and Encouraging Advancement of Diversity Goals 03/16/2021 Order Point 2	Utilities shall track investments separately from base rates to ensure transparency of the recovery process.	Joni H. Zich, Exhibit__(JHZ-1), Vol. 2B, pgs 113-115 (Gas Operations); Benjamin C. Halama, Exhibit__(BCH-1), Vol. 2A, pgs 75-77 (Revenue Requirements).
250	Docket No. E002/M-18-643	In the Matter of Xcel Energy's Petition for Approval of Electric Vehicle Pilot Programs	
251	Order Approving Pilots with Modifications, Authorizing Deferred Accounting, and Setting Reporting Requirements 07/17/2019 Order Point 14	In its next general rate case filing, Xcel must address how it intends to handle and budget for future pilots.	Jeff R. Lyng, Exhibit__(JRL-1), Vol. 2A, pgs 27-30 (Net-Zero Vision for Natural Gas).
252	Docket No. E,G999/CI-20-425	In the Matter of an Inquiry into the Financial Effects of COVID-19 on Natural Gas and Electric Utilities	
253	Order Adopting Methodology and Setting Additional Requirements 11/04/2020 Order Point 5	The Commission hereby allows deferred COVID-19-related expenses to be tracked through the end of the Governor's peacetime emergency (Emergency Executive Order 20-01), plus 30 days.	The Company is not seeking recovery of these costs and withdrew its request for deferred accounting of COVID-19 pandemic-related expenses on June 30, 2021 in Docket No. E,G999/CI-20-427.
254	E,G002/M-19-723	In the Matter of the Petition of Northern States Power Company for Approval of its 2020 Annual Review of Remaining Lives and Five-Year Depreciation Study	
255	Order Approving Petition in Part 9/2/2021 Order Point 2	The Commission hereby denies Xcel's request to extend the remaining life of the Wescott LNG Plant until the status and prudence of the plant can be reviewed in Xcel's upcoming natural gas general rate case.	Lori J. Wold, Exhibit__(LJW-1), Vol. 2C, pgs 18-23 and Schedule 7 (Capital Investments and Depreciation); Joni H. Zich, Exhibit__(JHZ-1), Vol. 2B, pgs 61-84 (Gas Operations); Mary P. Palkovich, Exhibit__(MPP-1), Vol. 2B (Gas Operations - Peaking Plants).