



**Northern States Power Company
Before the
Minnesota Public Utilities Commission**

Application for Authority to
Increase Gas Rates in Minnesota
Docket No. G002/GR-23-413

November 1, 2023

Volume 1

Notice of Change in Rates
Interim Rate Petition



414 Nicollet Mall
Minneapolis, MN 55401

November 1, 2023

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

—Via Electronic Filing—

Re: APPLICATION
AUTHORITY TO INCREASE NATURAL GAS RATES
NORTHERN STATES POWER COMPANY
DOCKET NOS. G002/GR-23-413 AND G002/M-23-411

Dear Mr. Seuffert:

Enclosed is the Application for a Proposed Increase in Natural Gas Rates (Application) of Northern States Power Company, doing business as Xcel Energy. This Application is being filed with the Minnesota Public Utilities Commission (Commission) pursuant to Minn. Stat. § 216B.16, subd. 1.

Xcel Energy is seeking a net increase in gross revenues of \$59.03 million (9.6 percent) to reflect the current cost of providing natural gas service to our customers, including an appropriate return on common equity. We are basing this request on our anticipated revenues, investments, and requested overall rate of return for calendar year 2024. Pursuant to Section 216B.16, subd. 1, Xcel Energy requests this increase effective January 1, 2024, without suspension except as noted below.

If the Commission elects to suspend the proposed rate increase under Minn. Stat. § 216B.16, subd. 2, we are also requesting that the Commission authorize the recovery of interim rates effective January 1, 2024, as set forth in our Notice and Petition for Interim Rates (Petition). Our request is for a 2024 interim revenue increase equal to \$51.2 million, or 8.5 percent, based on present revenues, with final rates becoming effective within 10 months of the date of the Application (unless the review period is extended as discussed herein). This interim rate request will be uniformly billed as a 20.89 percent increase on the base rate portion of customers' bills (exclusive of the base cost of gas and certain rate riders).

We recognize that there are multiple rate proceedings ongoing at or near the same time as this filing. However, Minn. Stat. § 216B.16 subd. 2(f) provides relief regarding the statutory schedule, and we will cooperate on scheduling issues with the Department of Commerce, Division of Energy Resources and Commission Staff with respect to the timing of a Commission Order on final rates in the event of a suspension.

In addition to our request to increase rates, the Company is proposing certain changes to the terms and conditions of our Gas Rate Book in Volume 2D (Proposed Tariff Sheets), under which we provide service to our customers, including an increase to the monthly customer charge and an increase in the distribution charge for most customers.

A. Contents of Filing

Our Application for a Proposed Increase in Natural Gas Rates is presented in the following volumes:

Volume 1	Notice of Change in Rates Notice and Petition for Interim Rates
Volumes 2A, 2B, 2C, and 2D	Testimony and Schedules Proposed Rates and Tariffs
Volume 3	Required Information
Volume 4	Test Year Workpapers
Volume 5	Budget Documentation

In addition to the documents listed above, Volume 1 includes a proposed notice to be provided to each municipality and county in Xcel Energy's gas service territory named on the list included in Volume 1 of the Application. Also included in Volume 1, along with the Notice and Petition for Interim Rates (Interim Rate Petition), are the interim rate schedules for each customer class and a proposed customer notice if the Commission elects to suspend the requested final rate increase. Once the notices are approved and the interim rate increase determined by the Commission, these notices will be provided to the municipalities, counties and customers.

Pursuant to Minn. R. 7825.2700, subpt. 2, Xcel Energy is also submitting a separate miscellaneous rate change filing in Docket No. G002/MR-23-412, seeking to restate the Base Cost of Gas for interim rates.

B. Request for Protection of Not-Public Information

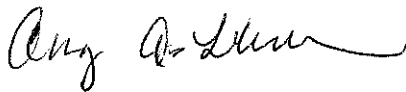
The Company recognizes and supports the need for transparency in review of our Application. Not-Public data included in this filing is limited to certain portions of the testimony, schedules and workpapers. Highly confidential information is being provided in Docket No. G002/M-23-411. Attachment A to the Notice of Change in Rates identifies the specific information identified as Not-Public data in the filing that we believe qualifies as trade secret data pursuant to Minn. Stat. § 13.37, subd. 1(b). This information has important economic value to the Company as a result of it not being public, and portions contain security information, so the Company takes efforts to prevent its public disclosure. The Company has identified the Trade Secret and other Not-Public information pursuant to Minn. Rule 7829.0500.

C. Service and Summary of Filing

A copy of the Application has been served on the Minnesota Department of Commerce, Division of Energy Resources, and the Office of Attorney General, Residential Utilities Division. The Summary of Filing is being served on the service list in the present docket, the service list for the Company's most recent prior gas rate case (Docket No. G002/GR-21-678), and all persons on the Company's gas general service list, as shown on the attached Certificate of Service.

Xcel Energy will fully cooperate with the Commission, the state agencies and stakeholders as they review the Application, including the Interim Rate Petition. Please feel welcome to direct any questions regarding the Application to me at (612) 330-6613 or amy.a.liberkowski@xcelenergy.com.

Sincerely,



AMY A. LIBERKOWSKI
RVP, REGULATORY AND PRICING
NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION

Enclosures
c: Service Lists

NOTICE OF CHANGE IN RATES INTERIM RATE PETITION

Volume 1

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2. Application Index
3. Notice of Change in Rates
4. Non-Public and Highly Confidential Index
5. Summary of Filing
6. Certificate of Service
7. Notice to Counties and Municipalities
8. Notice and Petition for Interim Rates
9. Interim Rate Customer Notice (Bill Insert)
10. Agreement and Undertaking
11. 2024 Interim Rate Supporting Schedules and Workpapers
12. 2024 Interim Tariff Schedules
13. 2024 Interim Tariff Sheets Redline
14. 2024 Interim Tariff Clean

TESTIMONY AND SUPPORTING SCHEDULES

Volume 2A

1. Policy
2. Net-Zero Vision for Natural Gas
3. Revenue Requirements
4. Capital Structure
5. Return on Equity
6. Sales Forecast
7. Budgeting

TESTIMONY AND SUPPORTING SCHEDULES

Volume 2B

1. Gas Operations
2. Technology Services
3. Customer Care/Bad Debt
4. Compensation & Benefits
5. Pension & Benefits Expense
6. Cost Allocations

TESTIMONY AND SUPPORTING SCHEDULES

Volume 2C

1. Depreciation
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TESTIMONY AND SUPPORTING SCHEDULES

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Projected Fiscal Year 2023

Most Recent Fiscal Year 2022

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B. Detailed Rate Base Components

C. Rate Base Adjustments

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E. Rate Base Jurisdictional Allocation Factors

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F. Operating Income Jurisdictional Allocation Factors

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- D. Common Equity
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- 4. Research Expenses

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TEST YEAR WORK PAPERS

Volume 4 (continued)

- A11. Incentive Long Term Removal
- A12. Pension: Non Qualified Restoration
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- A15. Gas Depreciation Study TD&G
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- A20. New Business CIAC 2024
- A21. Property Tax Update
- A22. Rate Case Expense Amortization
- A23. Rider: GUIC
- A24. ADIT Prorate for IRS
- A25. Cash Working Capital Adjustment
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IX. Interim

- Interim Adj 1 Dues: Chamber of Commerce
- Interim Adj 2 Depreciation Study: TD&G
- Interim Adj 3 AIP Cap from 25% to 15%
- Interim Adj 4 Environmental LTI
- Interim Adj 5 Time Based LTI
- Interim Adj 6 GUIC Roll-In Removal
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BUDGET DOCUMENTATION

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STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

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-23-413
DOCKET NO. G002/M-23-411

NOTICE OF CHANGE IN RATES

A. Introduction

Northern States Power Company, doing business as Xcel Energy (Xcel Energy or the Company), seeks authority from the Minnesota Public Utilities Commission to increase rates for natural gas service provided to its retail customers in Minnesota pursuant to Minn. Stat. § 216B.16 and Minn. R. Parts 7825.3100-7825.4600 and 7829.2400 (Application). The Company also seeks authority to change some terms and conditions of gas service.

There are a number of factors that are driving the need for this case, which is based on anticipated revenues, investments, and requested rate of return for calendar year 2024. Since the Company's last natural gas rate case, the Company has continued to make capital investments in the safety and reliability of our natural gas system and has continued to incur increased costs to serve new and existing customers. Recovering these costs, along with a reasonable rate of return, is critical to the Company's ability to continue to successfully provide safe, reliable, and cost-effective natural gas service. To these ends, Xcel Energy seeks authority to increase rates to reflect the current cost of providing natural gas service to our customers, including an appropriate return on common equity.

This Application includes the following information in accordance with Minnesota Statutes and the Commission's rules:

**B. Notice and Proposal Regarding General Rate Change
(Minn. R. 7825.3200(A)(1) and 7825.3500)**

1. Name, address and telephone number of utility.

Northern States Power Company, a Minnesota corporation
414 Nicollet Mall
Minneapolis, MN 55401
(612) 330-5500

2. Name, address and telephone number of attorneys for the utility.

Ian Dobson
Lead Assistant General Counsel
Xcel Energy Services Inc.
414 Nicollet Mall, 401-8th Floor
Minneapolis, MN 55401
(612) 370-3578

Elizabeth M. Brama
Taft Stettinius & Hollister LLP
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
(612) 977-8624

3. Date of filing and date modified rates are to be effective.

The date of this filing is November 1, 2023. Pursuant to Minn. Stat. § 216B.16, subd. 1, Xcel Energy proposes and requests a final increase in rates of \$59.03 million or 9.6 percent, exclusive of rider transfers to base rates, effective January 1, 2024, sixty (60) days after filing, without suspension, based on present revenues.

If the Commission suspends the proposed natural gas rates pursuant to Minn. Stat. § 216B.16, subd. 2, then the Company requests, pursuant to Minn. Stat. § 216B.16, subd. 3, that an interim revenue increase of \$51.2 million, or an approximately 8.5 percent bill increase, be effective January 1, 2024, as discussed in the Company's Notice and Petition for Interim Rates (Petition) included in this Application. The interim revenue request will be uniformly billed as a 20.89 percent increase on the base rate portion of customers' bills (exclusive of the base cost of gas and certain rate

riders). The difference between the base rate and the overall bill percentage increases results primarily from the exclusion of gas and certain rider costs.

4. Description and purpose of the change in rates requested.

The Application for a change in rates applies to all of Xcel Energy's retail natural gas customers in the State of Minnesota, and the proposed rates are designed to produce additional revenues sufficient to meet the Company's cost of service for the test year ending December 31, 2024. This filing complies with the provisions of Minn. Stat. § 216B.16 and the Commission's rules governing rate changes.

5. Effect of the change in rates.

The effect of the proposed natural gas rate increase, exclusive of revenues related to franchise fees, gross gas earnings taxes, and certain riders, will be an increase in gross revenues for the 2024 test year of \$59.03 million, or an approximate increase of 9.6 percent above the test year gross revenues. The typical residential gas customer uses 73 therms per month. On average, the proposed \$59.03 million rate change would increase the bill for a typical residential natural gas customer by \$6.93 per month or \$83.16 annually. The interim increase, if the requested rates are suspended, for that same monthly amount of 73 therms on average, would be \$6.06 per month or \$72.72 per year.

At the time the Company implements final rates, we propose to move capital costs currently recovered in the Gas Utility Infrastructure Cost (GUIC) Rider for projects placed in service on or before December 31, 2023 from rider recovery to base rate recovery. We also propose to move expenses related to the Conservation Improvement Program Rider to base rates recovery. While not impacting customer bills or the Company's present revenues, these "roll-ins" of rider revenues, if approved, would increase base rates by \$23.04 million in 2024, compared to continued rider recovery. Because we will reset the GUIC Rider by removing the specified projects from the Rider with the implementation of final rates, these transfers will not result in an increase or decrease to customers' total bills.

Additionally, we propose some changes to the terms and conditions of our Gas Rate Book under which we provide service to our customers.¹ We propose to apply the interim surcharges to base rates, and the amount included in our base rates does not include gas costs. For clarity, we have provided the Interim Rate Surcharge Rider

¹ See Direct Testimonies of Christopher J. Barthol, Michelle M. Terwilliger, and Scott S. Hults. and the volume named "Proposed Tariff Sheets" included with the Application.

tariff, Section 5, Sheet No. 73 which lists the rate elements to which the interim rate surcharges would apply and those rate riders to which the Interim Rate Surcharges would not apply. The Proposed Final Rates were calculated using the Company's 2024 proposed test year deficiency and our proposed final rate design. We believe the approach described above fairly represents the proposed rates and bill increases for customers.

6. Signature and title of utility officer authorizing the proposal.

The Application is signed on behalf of Xcel Energy by Christopher B. Clark, President of Northern States Power Company, a Minnesota corporation.

**C. Modified rates.
(Minn. R. 7825.3200(A)(2) and 7825.3600)**

Attached to this Application are rate schedules containing the proposed final rates and tariffs. These proposed final schedules and tariffs are supported by the pre-filed Direct Testimony of Company witnesses Christopher J. Barthol and Michelle M. Terwilliger included in Volume 2C of the Application. Portions of the tariffs are also supported by the pre-filed Direct Testimony of Company witness Scott S. Hulst included in Volume 2C of the Application.

**D. Expert opinions and supporting documents.
(Minn. R. 7825.3200(A)(3) and 7825.3700)**

Included in this Application are statements of fact, expert opinions, substantiating documents and exhibits supporting the change in retail natural gas rates. Pursuant to Minn. R. 7825.3700, Company witness Amy A. Liberkowski provides Direct Testimony as the Company's designated official in support of the Application. A list of the Company's other witnesses is provided in Company witness Liberkowski's Direct Testimony, which is included in Volume 2A of the Application.

**E. Information requirements.
(Minn. R. 7825.3200(A)(4) and 7825.3800-7825.4400)**

Included in this Application in Volumes 2A, 2B, 2C, and 2D are the Direct Testimonies and Schedules of the Company's witnesses and Non-Redlined and Redlined versions of the proposed tariffs, which along with Volume 3 (Required Information), Volume 4 (Test Year Workpapers), and Volume 5 (Budget Documentation), represent the Company's supporting documentation and contain the information in support of a general rate increase required by Minn. R. 7825.3800 through Minn. R. 7825.4400.

The data for the most recent fiscal year is 2022. The projected fiscal year is 2023. The proposed test year is a projected calendar year ending December 31, 2024.

We have provided the information required by Minn. Stat. § 216B.16, subd. 17 in Volume 3 of our Application

**F. Methods and procedures for refunding.
(Minn. R. 7825.3200(A)(5) and 7825.3300)**

Included with this Application is an Agreement and Undertaking signed and verified by Christopher B. Clark, President of Northern States Power Company, a Minnesota corporation.

**G. Notice to municipalities and counties.
(Minn. Stat. § 216B.16, subd. 1)**

Pursuant to Minn. Stat. § 216B.16, subd. 1, Xcel Energy proposes to mail the Notice of Change in Rates to all municipalities and counties in Xcel Energy's Minnesota natural gas service territory. This notice includes a discussion of the proposed interim rates, as well as information regarding the general natural gas rate case filing. The representation of present, interim, and proposed rates on this notice reflects the approach described in our response to Part B.5., above. The Company requests Commission approval of the Notice so it can be mailed in a timely fashion.

**H. Customer notice.
(Minn. R. 7829.2400, subpt. 3)**

We will notify customers through a bill insert of our Application to increase retail natural gas rates and explain the proposed general rate increase. If the Company's requested retail natural gas rate increase is suspended, the same bill notice will also explain the impact of Xcel Energy's interim rates on customer bills.

Included in this Application is an example of the Company's proposed customer notice of this rate increase, assuming that the rate increase has been suspended. Similar to the notice approved by the Commission in our 2021 natural gas rate case (Docket No. G002/GR-21-678), the notice is organized in a question-and-answer format and includes an explanation of the interim rates and the general rate increase proposals. The Company requests approval of the customer notice so it can be included prior to, or with, the first bills issued with interim rates. Finally, the Company will make this Application, Testimony, and Supporting Documentation

easily available to customers by posting it on the Xcel Energy website at https://www.xcelenergy.com/company/rates_and_regulations/filings/minnesota_natural_gas_rate_proposal. (Make sure “Minnesota” is selected in top left-hand corner).

**I. Filings requiring determination of gross revenue requirement.
(Minn. R. 7829.2400)**

Pursuant to Minn. R. 7829.2400, Xcel Energy is submitting the following information in addition to that required by Minn. R. 7825.3100-7825.4600.

1. Summary.

A summary of the Application is attached to this notice.

2. Service; proof of service.

The Company will serve copies of the Application on the Department of Commerce, Division of Energy Resources and the Office of the Attorney General, Residential Utilities Division. We will serve a copy of the Summary of Filing on: (i) the service list for the present docket; (ii) the service list in the Company’s last natural gas rate case proceeding (Docket No. G002/GR-21-678), and (iii) the other parties on the general service list for Xcel Energy natural gas filings. The combined service lists for these proceedings and a Certificate of Service are attached.

3. Notice to public and governing bodies.

See Sections G. and H., above. In addition, Xcel Energy will publish a notice of the proposed change in newspapers of general circulation in all county seats in the Company’s Minnesota natural gas service territory. We propose using the content from the Notice to Counties and Municipalities for the content of the published notice.

4. Notice of hearing.

We will notify customers of hearings held in connection with this Application as directed by the Commission. Xcel Energy will also publish notice of the hearings in newspapers of general circulation in all county seats in the Company’s Minnesota natural gas service area, as directed by the Commission.

J. Request for Protection of Not-Public Information.

The Company recognizes and supports the need for transparency in the review of our Application. Not-Public data included in this filing is limited to certain portions of the Testimony, schedules and workpapers. Highly confidential information is being provided in Docket No. G002/M-23-411. Attachment A to the Notice of Changes in Rates identifies the specific information identified as Not-Public data in the filing that we believe qualifies as trade secret data pursuant to Minn. Stat. § 13.37, subd. 1(b). This information has important economic value to the Company as a result of its not being public, and the Company takes efforts to prevent its public disclosure. The Company has identified the Trade Secret and other Not-Public information pursuant to Minn. Rule 7829.0500.

The Company is electronically submitting complete Public and Not-Public versions of those portions of our filing that contain Trade Secret or other Not-Public information.

K. Service list.

Pursuant to Minn. R. 7829.0700, the Company requests the following persons be placed on the Commission's official service list for this proceeding:

Ian M. Dobson
Xcel Energy Services Inc.
414 Nicollet Mall, 401-8th Floor
Minneapolis, MN 55401
ian.m.dobson@xcelenergy.com

Elizabeth M. Brama
Taft Stettinius & Hollister LLP
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
ebrama@taftlaw.com

Christine Schwartz
Regulatory Records
Xcel Energy
414 Nicollet Mall, 401-7th Floor
Minneapolis, MN 55401
regulatory.records@xcelenergy.com

L. Conclusion

The Company respectfully requests consideration and acceptance of its Application.

Dated: October 31, 2023

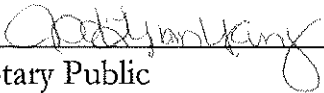
Respectfully submitted,



CHRISTOPHER B. CLARK

PRESIDENT, NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION

Subscribed and sworn to before
me this 31 day of October 2023



Notary Public



NOT-PUBLIC AND HIGHLY CONFIDENTIAL INDEX

Select information and data in the Application has been marked as HIGHLY CONFIDENTIAL. The documents including Highly Confidential information are being submitted contemporaneously in Docket No. G002/M-23-411.

The PUBLIC and NOT-PUBLIC versions of documents with Highly Confidential information redacted are being submitted with this Application in Docket No. G002/GR-23-413.

The attached Index provides justifications for the Highly Confidential and Not-Public information.

NOT-PUBLIC AND HIGHLY CONFIDENTIAL INDEX

Item / Location	Justification
Volume 2A	
Goodenough Testimony at page 21 Vol. 2A Commercial and Industrial Customer Data	This section of testimony contains not-public customer data protected under the Minnesota Data Practices Act. Specific protected data includes the name, address or related usage, consisting of “private data on individuals” and “confidential customer data.” As such, any unique information that can identify an individual customer is maintained by Xcel Energy as not-public data and protected from public disclosure.
Goodenough Testimony at pages 25 & 26 Vol. 2A Historical Sales/Customer Names	This section of testimony contains not-public customer data protected under the Minnesota Data Practices Act. Specific protected data includes the name, address or related usage, consisting of “private data on individuals” and “confidential customer data.” As such, any unique information that can identify an individual customer is maintained by Xcel Energy as not-public data and protected from public disclosure.
Volume 2B	
Berger Schedule 7 Vol. 2B Trade Secret in Entirety Maplewood Existing Fire Water System Assessment	<p>Schedule 7 is a proprietary study, prepared by an external consultant, which the Company has designated as trade secret information in its entirety as defined by Minn. Stat. § 13.37, subd. 1(b). Because this information derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, Xcel Energy maintains this information as a trade secret.</p> <p>Further, the information contained in this study contains plant- and safety-specific information that is considered security information under Minn. Stat. § 13.37, subd. 1(a) because its disclosure is likely to substantially jeopardize the security of the discussed peaking plants against tampering, illegal disclosure, or physical injury. Since Xcel Energy has classified the entire document as trade secret information, we provide the following description of the excised material as required by Minn. Rule 7829.0500, subp. 3:</p> <ol style="list-style-type: none"> 1. Nature of the Material: Maplewood Propane/Air Plant Fire Water System Assessment; 2. Author: Jensen Hughes on behalf of Campos EPC;

NOT-PUBLIC AND HIGHLY CONFIDENTIAL INDEX

Item / Location	Justification
	<p>3. Importance: Contains a proprietary study and analysis prepared by a third party, which contains plant-specific security information; and</p> <p>4. Date the Information was Prepared: October 2021.</p>
<p>Berger Schedule 8 Vol. 2B Trade Secret in Entirety Maplewood and Wescott Project Budgets</p>	<p>Schedule 8 contains detailed project budgets, which the Company has designated as trade secret information in its entirety as defined by Minn. Stat. § 13.37, subd. 1(b). Because this information derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, Xcel Energy maintains this information as a trade secret. Since Xcel Energy has classified the entire document as trade secret information, we provide the following description of the excised material as required by Minn. Rule 7829.0500, subp. 3:</p> <p>1. Nature of the Material: Budget information for the fire detection and suppression upgrade projects at the Maplewood and Wescott peaking plants;</p> <p>2. Author: Xcel Energy, in conjunction with Campos EPC;</p> <p>3. Importance: Contains not-public, proprietary information, and</p> <p>4. Date the Information was Prepared: Second quarter, 2023.</p>
<p>Berger Schedule 9 Vol. 2B Trade Secret in Entirety Wescott Existing Fire Water System Assessment</p>	<p>Schedule 9 is a proprietary study, prepared by an external consultant, which the Company has designated as trade secret information in its entirety as defined by Minn. Stat. § 13.37, subd. 1(b). Because this information derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, Xcel Energy maintains this information as a trade secret.</p> <p>Further, the information contained in this study contains plant- and safety-specific that is considered security information under Minn. Stat. § 13.37, subd. 1(a) because its disclosure is likely to substantially jeopardize the security of the discussed peaking plants against tampering, illegal disclosure, or physical injury. Since Xcel Energy has classified the entire document as trade secret information, we provide</p>

NOT-PUBLIC AND HIGHLY CONFIDENTIAL INDEX

Item / Location	Justification
	<p>the following description of the excised material as required by Minn. Rule 7829.0500, subp. 3:</p> <ol style="list-style-type: none"> 1. Nature of the Material: Wescott LNG Plant Fire Water System Assessment; 2. Author: Jensen Hughes on behalf of Campos EPC; 3. Importance: Contains a proprietary study and analysis prepared by a third party, which contains plant-specific security information; and 4. Date the Information was Prepared: October 2021.
<p>Deselich Schedule 2 Vol. 2B Incentive Plan Details</p>	<p>Schedule 2 contains incentive plan details used to create comprehensive benefits packages for employees which the Company has designated as trade secret information as defined by Minn. Stat. § 13.37, subd. 1(b). Certain information contained in Schedule 2 has not been publicly released because it could put the Company at a disadvantage in the marketplace when competing for employees. Because it derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, Xcel Energy maintains this information as a trade secret.</p>
<p>Deselich Schedule 3 Vol. 2B Trade Secret in Entirety Compensation Analysis</p>	<p>Schedule 3 is a compensation and benefits study, prepared by an external consultant, which the Company has designated as trade secret information in its entirety as defined by Minn. Stat. § 13.37, subd. 1(b). The information contained in Schedule 3 is a proprietary study and analysis prepared by a third-party vendor and provided to the Company on the condition it be protected as trade secret and not publicly released. Because this information derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, Xcel Energy maintains this information as a trade secret. Since Xcel Energy has classified the entire document as trade secret information, we provide the following description of the excised material as required by Minn. Rule 7829.0500, subp. 3:</p> <ol style="list-style-type: none"> 1. Nature of the Material: Competitive Total Direct Compensation Analysis; 2. Author: Willis Towers Watson;

NOT-PUBLIC AND HIGHLY CONFIDENTIAL INDEX

Item / Location	Justification
	<p>3. Importance: Contains a proprietary study and analysis prepared by a third party and provided to the Company on the condition it be protected as trade secret and not publicly released; and</p> <p>4. Date the Information was Prepared: October 2023.</p>
Volume 3	
<p>Required Information Vol. 3, Section IV, Tab 3 Employee Compensation for Lobbying Activities</p> <p>Highly Confidential Information Filed in Docket No. G002/M-23-411</p>	<p>This file contains salary information that has been marked as Highly Confidential. This information is highly sensitive. We believe we have a duty to our employees to protect their private information. This information is also competitively sensitive information as it could put the Company at a disadvantage in the marketplace when competing for employees. Designating this information as Highly Confidential ensures that access to this information is strictly controlled and limited in this proceeding. Access to this information has not been restricted in any way to our regulatory agencies who work to represent the public interest. In addition, the salary information of individuals is designated as trade secret information as defined by Minn. Stat. § 13.37, subd. 1(b), in that this information has not been publicly released. It also derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.</p>
Volume 5	
<p>Budget Documentation Vol. 5(6), pages 17-29 Inflation Trend Analysis</p>	<p>Volume 5 contains proprietary annual economic inflation factors provided by S&P Global that are subject to the confidentiality provisions in the Company's agreements with S&P Global pursuant to which the Company is restricted from providing this information publicly. This information derives independent economic value from not being generally known to the public and which the Company has taken reasonable precautions to maintain as confidential and, therefore, trade secret pursuant to Minn. Stat. § 13.37, subd. 1(b).</p>

NOT-PUBLIC AND HIGHLY CONFIDENTIAL INDEX

Item / Location	Justification
Seeburger Secure File Transfer to the Department of Commerce, Division of Energy Resources, the Office of the Attorney General – Residential Utilities Division, and the Minnesota Public Utilities Commission	
Live Models and Workpapers (Via secure file transfer) Revenue Model CCOSS Model	The live versions of the Revenue Model and Class Cost of Service Study Model represent Company work product. Xcel Energy maintains these models as a trade secret pursuant to Minn. Stat. §13.37, subd. 1(b) based on their economic value from not being generally known and not being readily ascertainable by proper means by other persons who can obtain economic value from its disclosure or use. Parts of these models also contain not-public data on individuals, which is also protected under the Minnesota Data Practices Act. Specific customer data (including the name, address or related usage) in the workpapers consist of “private data on individuals” and “confidential customer data” as recognized under the Minnesota Data Practices Act. As such, any unique information that can identify an individual customer is maintained by Xcel Energy as not-public data and protected from public disclosure.

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

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-23-413
DOCKET NO. G002/M-23-411

SUMMARY OF FILING

On November 1, 2023, Northern States Power Company, doing business as Xcel Energy (Xcel Energy or the Company), filed with the Minnesota Public Utilities Commission (Commission) an application to increase rates for natural gas service to its retail customers in Minnesota (Application). Pursuant to Minn. Stat. § 216B.16, subd 1, Xcel Energy requests a final net increase in gross revenues of \$59.03 million or 9.6 percent effective January 1, 2024, without suspension. In addition, the Company proposes some changes to its rates and terms and conditions of service in its Gas Rate Book, Volume 2D including an increase to the monthly customer charge and an increase in the distribution charge for most customers.

If the Commission elects to suspend the proposed rate increase under Minn. Stat. § 216B.16, subd. 2, the Company requests, pursuant to Minn. Stat. § 216B.16, subd. 3, that an interim gross revenue increase of \$51.2 million or 8.5 percent be effective on January 1, 2024, with final rates becoming effective within 10 months of the date of the Application (unless the review period is extended). The interim revenue request for 2024 will be uniformly billed as a 20.89 percent increase on the base rate portion of customers' bills (exclusive of the base cost of gas and certain rate riders). The difference between the base rate and the overall bill percentage increases results primarily from the exclusion of gas and certain rider costs.

The typical residential gas customer uses 73 therms per month. On average, the proposed final rate change would increase the bill for a typical residential natural gas customer by \$6.93 per month or \$83.16 annually. The interim increase, if the

requested rates are suspended, for that same monthly amount of 73 therms, on average, would be \$6.06 per month or \$72.72 per year.

The proposed rate schedules and a comparison of present and proposed rates are available at:

https://www.xcelenergy.com/company/rates_and_regulations/filings/minnesota_natural_gas_rate_proposal (make sure “Minnesota” is selected in the left corner) and can also be examined during normal business hours at either our General Offices located at 414 Nicollet Mall in downtown Minneapolis or at the Minnesota Department of Commerce, Division of Energy Resources, 85 7th Place East, Suite 280, St. Paul, Minnesota 55101.

CERTIFICATE OF SERVICE

I, Ella Giefer, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

DOCKET NOS. G002/GR-23-413
G002/GR-21-678
Xcel Energy Miscellaneous Natural Gas Service List

Dated this 1st day of November 2023

/s/

Ella Giefer
Regulatory Administrator

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kristine	Anderson	kanderson@greatermngas.com	Greater Minnesota Gas, Inc.& Greater MN Transmission, LLC	1900 Cardinal Lane PO Box 798 Faribault, MN 55021	Electronic Service	No	OFF_SL_23-413_GR-23-413
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Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DGC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_23-413_GR-23-413
George	Crocker	gwllc@nawo.org	North American Water Office	5093 Keats Avenue Lake Elmo, MN 55042	Electronic Service	No	OFF_SL_23-413_GR-23-413

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First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_21-678_21-678
Joseph L	Sathe	jsathe@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-678_21-678
Elizabeth	Schmiesing	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.	225 South Sixth Street Suite 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-678_21-678
Christine	Schwartz	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_21-678_21-678
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-678_21-678
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190 Richfield, MN 55423	Electronic Service	No	OFF_SL_21-678_21-678
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-678_21-678
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_21-678_21-678
Amelia	Vohs	avohs@mncenter.org	Minnesota Center for Environmental Advocacy	1919 University Avenue West Suite 515 St. Paul, MN 55104	Electronic Service	No	OFF_SL_21-678_21-678

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Joseph	Windler	jwindler@winthrop.com	Winthrop & Weinstine	225 South Sixth Street, Suite 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-678_21-678

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
John	Coffman	john@johncoffman.net	AARP	871 Tuxedo Blvd. St. Louis, MO 63119-2044	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
George	Crocker	gwillc@nawo.org	North American Water Office	5093 Keats Avenue Lake Elmo, MN 55042	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
Edward	Garvey	edward.garvey@AESLconsulting.com	AESL Consulting	32 Lawton St Saint Paul, MN 55102-2617	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
Todd J.	Guerrero	todd.guerrero@kutakrock.com	Kutak Rock LLP	Suite 1750 220 South Sixth Street Minneapolis, MN 554021425	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
Annete	Henkel	mui@mutilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St.Paul, MN 55101	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
Michael	Hoppe	lu23@ibew23.org	Local Union 23, I.B.E.W.	445 Etna Street Ste. 61 St. Paul, MN 55106	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
Sarah	Johnson Phillips	sarah.phillips@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Peder	Larson	plarson@larkinhoffman.com	Larkin Hoffman Daly & Lindgren, Ltd.	8300 Norman Center Drive Suite 1000 Bloomington, MN 55437	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 E 7th St St Paul, MN 55106	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency	220 South Sixth Street Suite 1300 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
Christine	Schwartz	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Gas_Xcel Misc Gas

**Notice to Counties and Municipalities
Under Minn. Stat. § 216B.16, Subd. 1**

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

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-23-413
DOCKET NO. G002/M-23-411

NOTICE OF CHANGE IN RATES

On November 1, 2023, Northern States Power Company, doing business as Xcel Energy (Xcel Energy or the Company), filed with the Minnesota Public Utilities Commission (Commission) an application to increase gross retail natural gas rates by \$59.03 million, or 9.6 percent, effective January 1, 2024, sixty (60) days after filing, without suspension, pursuant to Minn. Stat. § 216B.16.

If the Commission elects to suspend the proposed rate increase under Minn. Stat. § 216B.16, subd. 2, the Company requests, pursuant to Minn. Stat. § 216B.16, subds. 3 and 19, that an interim rate increase of \$51.2 million, or an approximate 8.5 percent overall bill increase, be effective on January 1, 2024. The interim revenue request for 2024 will be uniformly billed as a 20.89 percent increase on the base rate portion of customers' bills (exclusive of the base cost of gas and certain rate riders). The interim rates would remain in effect until a final rate level is determined.

The typical residential gas customer uses 73 therms per month. On average, the proposed \$59.03 million rate change would increase the bill for a typical residential natural gas customer by \$6.93 per month or \$83.16 annually. The interim increase, if the requested rates are suspended, for that same monthly amount of 73 therms on average would be \$6.06 per month or \$72.72 per year.

In addition, the Company proposes to implement changes to the Company's Interruptible Service rate schedule and Interruptible Service agreement in addition to certain other tariff revisions in its Gas Rate Book, Volume 2D.

Since the last natural gas rate case in 2021, Xcel Energy has continued to make capital investments in its natural gas system and has continued to incur costs to serve its customers, and recovering these costs is critical to Xcel Energy’s ability to continue to successfully provide safe, reliable, and affordable natural gas service to its customers long into the future. At the same time, unprecedented inflation has affected the cost of our operations, from the cost of materials and supplies to the cost of paying our employees and contractors. In addition, labor shortages, coupled with wage increases and supply chain shortages and delays across industries, have impacted how Xcel Energy must manage its operations and labor.

Typically, final rates become effective within 10 months of the date of the Application, unless the review period is extended by the Commission. The Company anticipates that the review period will be extended in this proceeding. Any over-collection of interim rates during the review period will be refunded with interest to customers in a manner determined by the Commission.

Xcel Energy is requesting this rate increase to meet its current cost of providing natural gas services, including a reasonable return on equity. The following tables contain the effect of the interim and proposed rates increases on customer classes:

Average Monthly Bills

Residential Service

Monthly Therm Use	Present Rates*	Interim Rates	Proposed Rates
10	\$17	\$19	\$20
30	\$33	\$36	\$37
50	\$49	\$54	\$54
73	\$67	\$73	\$74
100	\$89	\$96	\$97
200	\$168	\$182	\$184
300	\$248	\$267	\$270

Small Commercial/Industrial Service

Monthly Therm Use	Present Rates*	Interim Rates	Proposed Rates
50	\$57	\$63	\$68
100	\$93	\$102	\$107
186	\$157	\$169	\$173
200	\$167	\$180	\$183
250	\$203	\$219	\$221
350	\$277	\$297	\$298
500	\$386	\$414	\$413
750	\$570	\$608	\$604
1,000	\$753	\$803	\$796
3,000	\$2,219	\$2,361	\$2,327
5,000	\$3,685	\$3,918	\$3,858

Interruptible Retail Service

Class	Monthly Therm Use	Present Rates*	Interim Rates	Proposed Rates
Small	6,639	\$3,620	\$3,858	\$3,932
Medium	46,065	\$20,958	\$21,836	\$23,163
Large	713,546	\$313,983	\$325,968	\$341,268

Interruptible Transportation Service

(Does not include the cost of natural gas)

I. Class	Monthly Therm Use	Present Rates*	Interim Rates	Proposed Rates
Small	6,639	\$1,248	\$1,491	\$1,559
Medium	195,706	\$19,406	\$22,940	\$28,774
Large	2,098,693	\$71,065	\$85,037	\$93,580

** The present rate levels identified in this application represent the rates authorized in Docket No. G002/GR-21-678.*

Public hearings will be held at various locations in Xcel Energy's natural gas service area. Counties, municipalities, and customers will be notified once the hearings are scheduled.

The proposed rate schedules and a comparison of present and proposed rates are available at:

https://www.xcelenergy.com/company/rates_and_regulations/filings/minnesota_natural_gas_rate_proposal. (Make sure "Minnesota" is selected in the top left-hand corner) and may be examined during normal business hours at either our General Offices located at 414 Nicollet Mall in downtown Minneapolis or at the Minnesota Department of Commerce, Division of Energy Resources, 85 7th Place East, Suite 280, St. Paul, Minnesota 55101.

Those who wish to intervene or testify in this case should contact the Minnesota Office of Administrative Hearings, P.O. Box 64620, St. Paul, Minnesota 55164-0620, Telephone: (651) 361-7900, TTY: (651) 361-7878. Public notice of hearings dates and locations will be published in local newspapers in Xcel Energy's service area.

Questions on the rate increase may be directed to Amber Hedlund at (612) 337-2268. Comments may also be mailed to Amber Hedlund at 414 Nicollet Mall, 401-7th Floor, Minneapolis, MN 55401.

Counties Served by Xcel Energy

Anoka
Benton
Blue Earth
Carver
Cass
Chisago
Clay
Crow Wing
Dakota
Goodhue
Hennepin
Isanti
Kandiyohi
LeSueur
Marshall
McCleod
Meeker
Mille Lacs
Morrison
Polk
Pope
Ramsey
Rice
Scott
Sherburne
Sibley
Stearns
Swift
Wabasha
Waseca
Washington
Winona
Wright

Communities Served by Xcel Energy

Afton	Cleveland
Amador Township	Cleveland Township
Andover	Collegeville Township
Arden Hills	Collinwood Township
Baldwin Township	Columbus
Barclay Township	Cordova Township
Barnesville	Cosmos
Barnesville Township	Cosmos Township
Baxter	Cottage Grove
Bayport	Cromwell Township
Baytown Township	Crosslake
Becker	Darwin
Becker Township	Darwin Township
Bellevue Township	Dassel
Big Lake	Dassel Township
Big Lake Township	Delano
Birchwood	Dellwood
Birchwood Village	Denmark Township
Blaine	Dilworth
Blue Hill Township	Dundas
Bradford Township	Eagan
Brainerd	East Bethel
Breezy Point	East Grand Forks
Bridgewater Township	East Gull Lake
Brockway Township	Elkton Township
Buffalo	Ellsworth Township
Buffalo Township	Elysian
Cannon City Township	Elysian Township
Center City	Fairfield Township
Center Township	Fairview Township
Centerville	Falcon Heights
Chickamaw Beach	Faribault
Chisago City	Featherstone Township
Chisago Lake Township	Fifty Lakes
Circle Pines	First Assessment
Clear Lake	Florence Township
Clear Lake Township	Foley
Clearwater	

Communities Served by Xcel Energy

Forest Lake
Forest Lake Township
Forest Township
Franconia Township
Franklin Township
Gem Lake
Gilman
Gilmanton Township
Glyndon
Glyndon Township
Goodview
Grand Forks Township
Grant
Greenfield Township
Green Isle
Green Isle Township
Green Lake Township
Greenvale Township
Grey Cloud Island Township
Hamburg
Ham Lake
Haven Township
Hawley Township
Hay Creek Township
Hillsdale Township
Hitterdal
Holdingford
Holding Township
Homer Township
Hugo
Humboldt Township
Huntsville Township
Ideal Township
Independence
Inver Grove Heights
Irving Township
Jackson Township
Jamestown Township

Jenkins
Jenkins Township
Kandiyohi
Kandiyohi Township
Kasota Township
Lake City
Lake Edward Township
Lake Elmo
Lake Shore
Lake Township
Landfall
Langola Township
Lauderdale
Lent Township
Le Ray Township
Le Sauk Township
Lilydale
Lindstrom
Lino Lakes
Linwood Township
Little Canada
Loon Lake Township
Louisville Township
Lynden Township
Madison Lake
Mahtomedi
Manhattan Beach
Maplewood
Marine on St. Croix
Martin Lake
Marysville Township
May Township
Mayhew Lake Township
McPherson Township
Mendota
Mendota Heights
Merrifield

Communities Served by Xcel Energy

Minden Township	Rockford Township
Minnesota City	Rockville
Minnetrista	Rollingstone
Mission Township	Rollingstone Township
Montrose	Rosemount
Moorhead	Roseville
Moorhead Township	Royalton
Mounds View	St. Augusta
Mount Pleasant Township	St. Clair
New Brighton	St. Cloud
New London	St. Joseph
New London Township	St. Joseph Township
Newport	St. Michael
Nisswa	St. Paul
North Branch	St. Paul Park
North Branch Township	St. Stephen
Northfield	St. Wendel Township
Northfield Township	Santiago Township
North Oaks	Sartell
North St. Paul	Sauk Rapids
Oakdale	Sauk Rapids Township
Oak Lawn Township	Scandia
Oak Park Heights	Shafer
Oakport Township	Shafer Township
Orrock Township	Shakopee
Oxford Township	Shoreview
Palmer Township	Sibley Township
Pelican Township	Skree Township
Pequot Lakes	South St. Paul
Pillager	Spencer Brook Township
Pine River	Spicer
Pine River Township	Stacy
Pine Springs	Stanford Township
Pleasant Lake	Stillwater
Princeton	Stillwater Township
Red Wing	Sunfish Lake
Rice	Sunrise Township
Riverton Township	

Communities Served by Xcel Energy

Sylvan Township	Zimmerman
Taylors Falls	
Timothy Township	
Ulen	
Vadnais Heights	
Victor Township	
Wabasha	
Wacouta Township	
Waite Park	
Walcott Township	
Walden Township	
Warsaw	
Warsaw Township	
Washington Township	
Washington Lake Township	
Watab Township	
Waterford Township	
Watertown	
Watertown Township	
Waverly	
Webster Township	
Welch Township	
Wells Township	
West Lakeland Township	
West St. Paul	
White Bear Lake	
White Bear Lake Township	
White Bear Township	
Willernie	
Wilson Township (Cass)	
Wilson Township (Winona)	
Winona	
Woodbury	
Woodland Township	
Wyannett Township	
Wyoming	
Young America Township	

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

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-23-413
Docket No. G002/M-23-411

**NOTICE AND PETITION
FOR INTERIM RATES**

I. INTRODUCTION

Northern States Power Company, doing business as Xcel Energy (Xcel Energy or the Company) hereby submits to the Minnesota Public Utilities Commission (Commission) this Petition for Interim Rates (Petition) pursuant to Minn. Stat. § 216B.16 subd. 3, the Commission's Statement of Policy on Interim Rates (Statement of Policy) dated April 14, 1982, and relevant Commission rules, and orders. With this Petition, we request the Commission set interim rates for 2024 consistent with Minn. Stat. § 216B.16, subd. 3.

We are filing a single 2024 test year rate case through which we are requesting to recover our capital and operating and maintenance expenses, as well as a reasonable rate of return, for 2024. Our 2024 deficiency is driven by multiple factors, including our increased investments in core and supporting infrastructure and customer service activities.

We respectfully request Commission approval of our proposed interim rate increase of approximately 8.5 percent, beginning January 1, 2024. Our 2024 interim rate proposal is based on the test year revenue deficiency, with specific interim rate adjustments, that results in an interim revenue deficiency of approximately \$51.2 million compared to present revenues.

The remainder of this Petition is organized as follows:

- *Section II: Interim Rate Request* - explains further several of the key adjustments proposed in calculating our interim rates.

- *Section III: Required Information* - provides the information required by the Commission's policy statements regarding interim rates.

II. INTERIM RATE REQUEST

In this case, we seek a traditional base rate increase reflecting our cost of service for the 2024 test year. Likewise, our interim rate request follows the traditional means of establishing interim rates while the underlying proceeding is pending. While we seek a final increase in gross revenues of \$59.03 million, our proposed interim increase is \$51.2 million due to certain adjustments made pursuant to Minn. Stat. § 216B.16, subd. 3. We respectfully request that the Commission grant our interim rate request for 2024.

We note that our rate request assumes the continued rider recovery treatment of certain other capital projects eligible for recovery through our Gas Utility Infrastructure Cost (GUIC) Rider during the pendency of this rate case. The Company is proposing to roll the rate base and cost components associated with GUIC projects placed in service on or before December 31, 2023 into final rates at the completion of this rate case. Our interim rate request therefore does not include costs otherwise being recovered in the GUIC Rider.

Below we include a complete list and discussion of the adjustments made to the 2024 test year used to develop the interim rates for 2024 in the "Interim Rate Supporting Schedules and Workpapers" tab, Schedule B, parts 1 and 2.

A. 2024 Interim Rate Adjustments

1. *Depreciation Study Transmission, Distribution, and General (TD&G)*

The Company is proposing to include in the general rate petition the impact of Docket No. E,G002/D-22-299, which updates the depreciation rates of transmission, distribution, and general facilities. The interim rate revenue requirement is adjusted to remove the rate base, revenue, and cost components associated with the Company's proposed impacts of this depreciation study.

The Commission subsequently made an oral determination with respect to the TD&G proposal at its agenda meeting on October 26, 2023, which was after the revenue requirements in this proceeding were finalized. The Company will make any necessary further adjustment in Rebuttal; however, a further interim

adjustment would increase the interim revenue deficiency. For these reasons, a further interim adjustment has not been incorporated into the Company's interim rate request.

2. Chamber of Commerce Dues

The Company is proposing to include all costs for Chamber of Commerce dues in its general rate case petition. However, these costs were not included in our revenue requirement in the Company's last fully litigated natural gas rate case, Docket No. G002/GR-09-1153, but were included in the revenue requirement on a reduced basis through a comprehensive settlement agreement in Docket No. G002/GR-21-678. This interim rate adjustment reflects removal of the total expense for Chamber of Commerce dues from the interim rates revenue requirement.

3. Gas Utility Infrastructure Cost Rider Costs

Coincident with final rates, the Company is proposing to include in the general rate revenue requirement the rate base and cost components associated with GUIC capital projects placed in service on or before December 31, 2023. However, until the final determination is made in this proceeding, the projects being requested to roll into final rates will continue to be included in the GUIC rate. The interim rate revenue requirement is being adjusted to remove these rate base and cost components and revenues associated with the roll in of GUIC projects. We have structured our rate request in this way to reduce the interim rate increase and mitigate any potential for overlapping recovery. Company witness Benjamin C. Halama discusses the impact of these adjustments in his Direct Testimony.

4. Annual Incentive Pay Cap

The Company is requesting authorization to recover in the general rate petition incentive costs up to 25 percent of an individual's base pay. The Company has previously been ordered to limit the incentive pay included in base rates to 15 percent of base pay. This interim rate revenue requirement is therefore being adjusted to remove the cost components for the difference between the 25 percent and 15 percent.

5. Environmental Incentive Removal

The Company is requesting authorization to recover in the general rate petition the long-term portion of incentive compensation related to environmental goals. The Company was previously denied recovery of any long-term incentive compensation. This interim rate revenue requirement is therefore being adjusted to remove the cost components associated with the environmental portion of the long-term incentive.

6. *Time-Based Incentive Removal*

The Company is requesting authorization to recover in the general rate petition the long-term portion of incentive compensation related to employee retention. The Company was previously denied recovery of any long-term incentive compensation. This interim rate revenue requirement is being adjusted to remove the cost components associated with the time-based portion of the long-term incentive.

7. *Prepaid Pension Asset and Post-Employment Benefit and Retiree Medical Liabilities*

The Company is requesting authorization in the general rate petition to include the net prepaid pension asset and post-employment benefit and retiree medical liabilities in rate base and to earn a return on the net assets in rate base at the Company's weighted average cost of capital. The Company was previously denied rate base treatment of its prepaid pension asset and post-employment benefit and retiree medical liabilities in the Company's most recent electric rate case. This interim rate adjustment reflects removal of these assets from rate base.

8. *Rate Case Expense*

In preparing the final schedules for the rate case filing, the Company noted an omission in the calculation of the rate case expenses allocated to the regulated utility that would decrease the expense in the cost of service. The Company has made an adjustment to reduce the interim rate request to account for this small error, and will make the adjustment in Rebuttal Testimony.

9. *Xcel Energy Services Inc. (XES) Allocation Labor Hours*

The Company proposes that final rates include allocations of certain XES costs to operating companies based on a three-part general allocator that uses number of employees as one of the three factors. In prior rate proceedings, the number of employees factor was adjusted to use allocated labor hours with overtime. This interim rate revenue requirement adjustment replaces the cost allocation based on employees with the calculation of costs assigned using labor hours.

10. *Change in Accumulated Deferred Income Tax (ADIT) Pro-Rate*

The Company has included the impacts on the change in the ADIT pro-rate calculation in determining the final revenue requirement. The Company has determined ADIT balances are required to be pro-rated in accordance with IRS

Section 1.167(l)-(1)(h)(6) for forward looking test years. Based on that determination, an adjustment was included in the general rate petition. This interim rate base adjustment records the change in the ADIT pro-rate between the level calculated in determining the final revenue requirement and the interim cost of service.

11. Cash Working Capital

The amount of the Cash Working Capital rate base deduction increased for interim rates compared to the amount of Cash Working Capital included in the calculation of the final revenue requirement. The Cash Working Capital amount is determined by applying the various components of the lead/lag study to the test year revenue and expense amounts. Interim adjustments made to the income statement produced a net change in the overall Cash Working Capital requirement. This interim adjustment records the rate base and income statement changes in Cash Working Capital between the level calculated in determining the final revenue requirement and the interim cost of service.

12. Return on Equity

The Interim Rate Statute provides that a utility must calculate its interim rates based on “a rate of return on common equity for the utility equal to that authorized by the Commission in the utility’s most recent rate proceeding.”¹ The Company is seeking a 10.20 percent return on equity as part of final rates. However, interim rates in this proceeding are based on the 9.57 percent ROE approved by the Commission in Docket No. G002/GR-21-678. This interim rate adjustment reflects the change in the cost of capital that results from using the currently proposed capital structure with the last authorized return on equity.

In Docket No. E,G002/DM-22-299, the Company has also proposed to extend the lives of our gas peaking plants based on their recent refurbishment projects, which has the effect of reducing the annual portion of the revenue requirement associated with these facilities. At the time much of this rate case filing was prepared, as noted by Company witness Allison M. Johnson, that decision was still pending before the Commission. However, in the preparation of this case the Company has reflected the plants’ proposed updated service lives in both our final and interim rates consistent with Minn. Stat. § 216B.16, subd. 3, such that no adjustment to the interim revenue requirement is required to achieve this outcome. At the Commission’s October 26, 2023, agenda meeting, the Commission orally approved the proposed life extensions.

¹ Minn. Stat. § 216B.16, subd. 3(b)(1).

III. REQUIRED INFORMATION

We provide the following information Pursuant to the Commission Statement of Policy on Interim Rates and relevant Commission Rules

**1. Name, address, and telephone number of utility and attorneys.
(Policy Statement, Item 1, page 2)**

Northern States Power Company, a Minnesota corporation
414 Nicollet Mall
Minneapolis, MN 55401
(612) 330-5500

Ian M. Dobson
Lead Assistant General Counsel
Xcel Energy Services Inc.
414 Nicollet Mall, 401-8th Floor
Minneapolis, MN 55401
(612) 370-3578

Elizabeth M. Brama
Taft Stettinius & Hollister LLP
2200 IDS Center
80 South Eighth Street
Minneapolis, MN 55402
(612) 977-8624

2. Date of filing and date proposed interim rates are requested to become effective. (Policy Statement, Item 2, page 2)

The date of the submission of this Petition is November 1, 2023. The Petition is submitted as part of the Company's Application for a general natural gas rate increase (Application), which is also being filed November 1, 2023. Pursuant to Minn. Stat. § 216B.16, subd. 3, Xcel Energy requests that, if the Commission suspends the operation of the general rate schedules which accompany the Application pursuant to Minn. Stat. § 216B.16, subd. 2, the proposed interim rates be made effective on January 1, 2024. Interim rates would be subject to refund, pending final Commission determination on the general natural gas rate increase.

**3. Description and need for interim rates.
(Policy Statement, Item 3, page 2)**

The interim rate increase will apply to all of Xcel Energy's natural gas customers in the State of Minnesota. Interim rates are necessary for 2024, because the Company is currently experiencing and projects an increased cost of service, as set forth in the Company's Application. The Company therefore requests interim rates so that it may receive some of the increase in its cost of service for 2024.

Our interim revenues are determined using the 2024 test year revenue requirements. We calculated our proposed interim rates consistent with Commission requirements and precedent. Likewise, we based the interim rate revenue requirement on currently effective Commission Orders. The adjustments reflected in the 2024 interim revenue requirement are identified in Section II of this Petition.

For a full listing, quantification and discussion of the adjustments made to the 2024 test year to develop the interim revenue requirement, see the "Interim Rate Supporting Schedules and Workpapers" tab, Schedule B.

Overall, our final rates with our specific interim adjustments result in an interim revenue deficiency of \$51.2 million, exclusive of the new base cost of gas filed contemporaneously with this Application,² beginning January 1, 2024.

**4. Description and corresponding dollar amount of changes 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.
(Policy Statement, Item 4, page 2)**

A comparison of the changes included in interim rates and a general description of the reasons for the changes as compared with Xcel Energy's most recently approved natural gas rate case (Docket No. G002/GR-21-678) are included with this Petition as Schedule C, under the "Interim Rate Supporting Schedules and Workpapers" tab. A comparison of the changes included in the interim rates and a general description of the reasons for the changes, as compared with 2022, the most recent year for which audited data is available, are included with the Petition as Schedule D.

² See Docket No. G002/MR-23-412.

**5. Effect of the interim rates expressed in gross revenue dollars and as a percentage of test year gross revenues.
(Policy Statement, Item 5, page 2)**

The test year for Xcel Energy's general natural gas rate increase filing is the calendar year ending December 31, 2024. Xcel Energy requests a 2024 interim rate adjustment that will increase Xcel Energy's test year base rate revenues by \$51.2 million, or about 8.5 percent above the test year gross revenues (calculated pursuant to this Commission Policy Statement). To collect this deficiency, an interim rate adjustment will be uniformly billed as a 20.89 percent increase on the base portion of customers' bills (exclusive of the new base cost of gas and certain riders), filed contemporaneously with this application in Docket No. G002/MR-23-412. Schedule 1 under the "Interim Tariff Sheets" tab shows the derivation of the proposed 20.89 percent interim rate adjustment.

The proposed Interim Tariffs list the specific rate elements to which the interim rate increases apply. The Interim Rate Surcharge Rider, Gas Rate Book Section No. 5, Sheet No. 73, lists those charges to which the interim rate increase for 2024 applies and those rate riders to which the interim rate increase does not apply.

Because the interim rate adjustments will not apply to certain rate riders and charges, higher interim rate percent increases are required to collect the interim revenue deficiency.

Xcel Energy proposes that a uniform percentage equal to the proposed interim rate increase needed to recover the interim revenue deficiency be applied to all the base rate elements listed in the Interim Rate Surcharge Rider.

**6. Certification by Chief Executive Officer.
(Policy Statement, Item 6, page 2)**

This Petition contains a certificate signed by Christopher B. Clark, President, Northern States Power Company, a Minnesota corporation, affirming that this Interim Rate Petition complies with Minnesota Statutes. The certificate follows this Petition for Interim Rates in Volume 1 of the Application.

7. Methods and procedures for refunding.

Pursuant to Minn. Stat. § 216B.16, subd. 3, Xcel Energy's Agreement and Undertaking to make appropriate refunds if required is contained in Volume 1 of the Application.

8. Signature and title of the utility officer authorizing the proposed interim rates. (Policy Statement, Item 7, page 2)

The Petition is signed on behalf of Xcel Energy by Christopher B. Clark, President of Northern States Power Company, a Minnesota corporation.

**9. Supporting schedules and workpapers.
(Policy Statement, Items 1-4, page 3)**

The supporting schedules and workpapers described in the Commission's Policy Statement are included along with this Petition under the tab marked "Interim Rate Supporting Schedules and Workpapers" in Volume 1 of the Application. These schedules include the rate base amounts, income statement amounts, revenue deficiencies, capital structures and rates of return required for interim rates as compared to the same information for Xcel Energy's Application for a general natural gas rate increase; to the allowed amounts in Docket No. G002/GR-21-678; and to the most recent actual year 2022.

**10. Interim rate schedules, revenue rate comparisons.
(Minn. R. 7825.3600)**

The rate schedules containing proposed interim rates are included under the tab marked "Interim Tariff Sheets" in Volume 1 of the Application. Consistent with Minn. Stat. § 216B.16, subd. 3, no change has been made in the existing rate design. A uniform percentage equal to the proposed interim rate increase needed to recover the interim revenue deficiency from base rates, exclusive of the updated base cost of gas and certain riders, has been applied to the non-gas revenues (margins) currently being recovered from each customer class.

The Company proposes to not collect the amount of increase in interim rates from customers who have previously entered into a negotiated transportation service contract. The Company will absorb the resulting lost interim revenues.

**11. Customer notice.
(Minn. R. 7829.2400, subpt. 3; Minn. Stat. § 216B.16, subd. 1)**

Pursuant to Minn. R. 7829.2400, subpt. 3 and Minn. Stat. § 216B.16, subd. 1, Xcel Energy proposes to provide interim rate notice to its retail natural gas customers and the counties and municipalities it serves in Minnesota. The proposed notice to counties and municipalities and a proposed customer notice pursuant to Minn. Stat. § 216B.16, subd. 1 are included with this filing. In addition, Xcel Energy will

publish a display advertisement in the newspapers of general circulation in all county seats in Xcel Energy's service territory. The display advertisement will replicate the notice to the counties and municipalities, and will describe the rate schedules applicable to various customer classes.

12. Interim Bills

The Commission's Policy Statement on Interim Rates suggests that changes in interim rates be shown on customer bills as a separate line item "if practical." The interim rate amount will be shown as a separate line item identified as "Interim Rate Adjustment," and will reflect the total amount of the interim charge applied to the bill.

CONCLUSION

Xcel Energy respectfully requests, if the Commission suspends the operation of the general rate schedules that accompany the Application pursuant to Minn. Stat. § 216B.16, subd. 2, that the proposed interim rates for the 2024 test year be made effective on January 1, 2024, subject to refund, pending final Commission action on the Company's general natural gas rates.

Dated: October 31, 2023

Respectfully submitted,

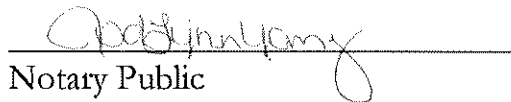


Christopher B. Clark

President

Northern States Power Company, a Minnesota corporation

Subscribed and sworn to before
me this 31 day of October 2023


Notary Public

Xcel Energy Minnesota Natural Gas Rates

Interim Change in Natural Gas Rates Starting January 1, 2024 Until Final Decision is Made

XCEL ENERGY'S RATE INCREASE REQUEST

Xcel Energy has asked the Minnesota Public Utilities Commission (PUC) for permission to increase its natural gas rates by \$59.03 million, or approximately 9.6%. Xcel Energy's last request for an increase to natural gas rates was in 2021.

State law allows Xcel Energy to collect higher rates on an interim (temporary) basis while the PUC reviews Xcel Energy's request. The interim rate increase for 2024 is \$51.2 million, or 8.5%, over current rates. Because this increase only applies to the base rate portion of customers' bills (exclusive of fuel costs and certain rate riders), the interim rate request is uniformly billed as a 20.89% increase of that portion of the bill, or \$6.06 per month for an average residential customer. This increase appears on your bill as an interim rate adjustment.

Typically, final rates become effective within 10 months of the date of the Application, unless the review period is extended by the Commission. If final rates are lower than interim rates, Xcel Energy will refund customers the difference with interest. If final rates are higher than interim rates, Xcel Energy will not charge customers the difference.

WHY IS XCEL ENERGY ASKING FOR AN INCREASE?

A number of factors are driving the need for this case. The Company has continued to make capital investments in its natural gas system since its last rate case and continues to incur costs to serve its customers. Recovering these costs is critical to the Company's ability to continue to provide safe, reliable, and affordable natural gas service to its customers long into the future. At the same time, unprecedented inflation has affected the cost of our operations, from materials and supplies to paying our employees and contractors. In addition, labor shortages, coupled with wage increases and supply chain shortages and delays across industries, have impacted how the Company must manage its operations and labor.

WHAT IS XCEL ENERGY DOING TO CONTROL COSTS?

Xcel Energy's average residential natural gas rates are among the lowest in the nation, and residential natural gas rates will remain among the lowest if this proposal is approved. We are committed to doing all we can to keep costs low for our customers while delivering the safe, reliable energy they depend on. To do so, we are:

- Reviewing and monitoring our business to minimize operating and maintenance cost increases.
- Leading the nation with our energy conservation programs that help customers manage their energy use and save money on their bills.

- Working with local and state agencies that provide energy assistance to low-income customers.

HOW WILL THE RATE CHANGE AFFECT MONTHLY BILLS?

The proposed rate increase will affect individual monthly bills differently, depending on natural gas use and customer type. The proposed rate increase affects only those charges that recover the cost of providing service to our customers – approximately 45% of your total bill. This rate increase does not affect the wholesale cost of the gas, which is passed on to you directly without markup. Your monthly bills will continue to vary due to changes in the wholesale cost of natural gas and individual natural gas use.

The typical residential gas customer uses 73 therms per month. On average, the proposed \$59.03 million rate change would increase the bill for a typical residential natural gas customer by \$6.93 per month or \$83.16 annually.

PROPOSED CHANGES FOR MONTHLY NATURAL GAS BASE RATES

The following chart shows the current and proposed customer charge and distribution charge for each customer class with average natural gas usage.

Customer Class	Present Monthly Customer Charge	Proposed Monthly Customer Charge	Present Distribution Charge (per therm)	Proposed Distribution Charge Ccf (or therm)
Residential	\$9.00	\$11.00	\$0.274927	\$0.376599
Sm. Commercial	\$20.00	\$30.00	\$0.219738	\$0.278538
Lg. Commercial	\$50.00	\$50.00	\$0.184101	\$0.265771
Sm. Demand	\$175.00	\$175.00	\$0.084775	\$0.145368
Sm. Demand - Dmd			\$0.882000	\$0.932000
Lg. Demand	\$275.00	\$275.00	\$0.084775	\$0.145368
Lg. Demand - Dmd			\$0.882000	\$0.932000
Sm. Interruptible Tier I	\$150.00	\$170.00	\$0.148846	\$0.205463
Sm. Interruptible Tier II	\$150.00	\$170.00	\$0.148846	\$0.184917
Med. Interruptible Tier I	\$300.00	\$300.00	\$0.084775	\$0.145368
Med. Interruptible Tier II	\$300.00	\$300.00	\$0.084775	\$0.130831
Lg. Interruptible Tier I	\$450.00	\$450.00	\$0.079765	\$0.130725
Lg. Interruptible Tier II	\$450.00	\$450.00	\$0.079765	\$0.117653
Lg. Firm Transport	\$300.00	\$300.00	\$0.084775	\$0.145368
Lg. Firm Transport - Dmd			\$0.882000	\$0.932000
Sm. Interruptible Transport	\$175.00	\$195.00	\$0.148846	\$0.205463
Med. Interruptible Transport	\$325.00	\$325.00	\$0.084775	\$0.145368
Lg. Interruptible Transport	\$475.00	\$475.00	\$0.079765	\$0.130725
Lg. Interruptible Transport combined with Negotiated	\$300.00	\$300.00	\$0.031725	\$0.031725

The chart below shows the effect of the interim and proposed rate change on monthly bills for customers with average natural gas usage.

Customer Class	Average Monthly Usage in Ccf (or therms)	Average Monthly Bill - Current Rates	Average Monthly Bill - Interim Rates	Average Monthly Bill - Proposed Rates
Residential	73	\$67	\$73	\$74
Sm. Commercial	186	\$157	\$169	\$173
Lg. Commercial	1,311	\$968	\$1,029	\$1,059
Sm. Demand	7,765	\$5,403	\$5,763	\$5,825
Lg. Demand	17,821	\$11,861	\$12,615	\$12,818
Sm. Interruptible	6,639	\$3,620	\$3,858	\$3,932
Med. Interruptible	46,065	\$20,958	\$21,836	\$23,163
Lg. Interruptible	713,546	\$313,983	\$325,968	\$341,268
Lg. Firm Transport**	133,497	\$18,990	\$22,602	\$25,702
Sm. Interruptible Transport**	6,639	\$1,248	\$1,491	\$1,559
Med. Interruptible Transport**	195,706	\$19,406	\$22,940	\$28,774
Lg. Interruptible Transport**	2,098,693	\$71,065	\$85,037	\$93,580

*** Transportation classes bill estimates do not include the cost of gas*

HELP WITH PAYING YOUR BILL

If you are having trouble making regular payments on your Xcel Energy account, contact us as soon as possible. We'll work with you to arrange a payment plan and connect you to other resources that can help.

WHAT IS THE PROCESS FOR REVIEWING XCEL ENERGY'S REQUEST?

The PUC, the Minnesota Department of Commerce - Division of Energy Resources, the Office of the Attorney General - Residential Utilities Division, public interest groups, and large commercial and industrial customer groups will investigate our proposal.

The PUC will hold public hearings and accept written comments about our rate request.

Customers and others will be able to comment on our rate request at the public hearings.

You may add verbal comments, written comments, or both into the record. Notice of the public hearing dates and locations will be published in local newspapers, included in monthly bills, and at:

https://www.xcelenergy.com/company/rates_and_regulations/filings/minnesota_natural_gas_rate_proposal. (Make sure "Minnesota" is selected in the top left-hand corner.)

MORE INFORMATION

Xcel Energy's current and proposed rate schedules are available at:

Xcel Energy

Web: <https://www.xcelenergy.com/MNGasRates>

Phone: 800-895-4999

414 Nicollet Mall

Minneapolis, MN 55401

Minnesota Department of Commerce

Web: <https://www.edockets.state.mn.us/EFiling/search.jsp>

Select 23 in the year field, enter 413 in the number field, click on Search, and the list of documents will appear on the next page.

U.S. Mail: 85 7th Place East, Suite 280, St. Paul, MN 55101

Phone: 651-539-1500 or 800-657-3602

Citizens with hearing or speech disabilities may call through their preferred Telecommunications Relay Service.

Submit Comments

The Minnesota Public Utilities Commission is asking customers to comment on Xcel Energy's request for a rate increase. You may send comments in one of the following ways:

Minnesota Public Utilities Commission

Online: Visit <https://www.mn.gov/puc/consumers/speak-up>

Select Speak Up!, select this docket (23-413), and add your comments to the discussion.

U.S. Mail: 121 7th Place East, Suite 350, St. Paul, MN 55101

Phone: 651-296-0406 or 800-657-3782

Please include in your comments:

1. The specific issues that concern you
2. Any knowledge you have about the issues
3. Your specific recommendation
4. The reason for your recommendation

Important

Comments will be made available to the public on the PUC's website, except in limited circumstances consistent with the Minnesota Government Data Practices Act. The PUC does not edit or delete personally identifying information from submissions.

Northern States Power Company

Docket No. G002/GR-23-413
Docket No. G002/M-23-411
DRAFT – Notice of Interim Rates

xcelenergy.com

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STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

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-23-413
DOCKET NO. G002/M-23-411

AGREEMENT AND UNDERTAKING

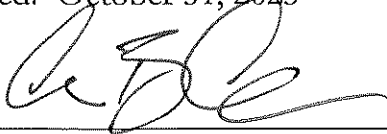
Northern States Power Company, doing business as Xcel Energy, in conjunction with the Notice and Petition for Interim Rates filed with the Minnesota Public Utilities Commission, makes the following unqualified agreement concerning refunding any portion of the requested increase in rates determined by the Commission to be unreasonable.

Pursuant to Minn. R. 7825.3300, Xcel Energy hereby agrees and undertakes to refund to its customers the amount, if any, collected during the interim rate period, plus interest at the current rate as determined by the Commission, computed from the effective date of the interim rates through the date of refund. The refund shall be made in accordance with Minn. Stat. § 216B.16, subd. 3, and in a manner approved by the Commission.

In addition, Xcel Energy agrees to keep such records of sales and billings under the proposed interim rates as will be necessary to compute any potential refund.

This Agreement and Undertaking is made pursuant to authority granted by the Board of Directors of Northern States Power Company.

Dated: October 31, 2023



CHRISTOPHER B. CLARK
PRESIDENT, NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION

CERTIFICATION

As required by the Minnesota Public Utilities Commission's Statement of Policy on Interim Rates dated April 14, 1982, I hereby certify and affirm that the petition of Northern States Power Company, a Minnesota corporation, for approval of Proposed Interim Rates and Final Rates is in compliance with Minnesota Statutes.

Dated: October 31, 2023

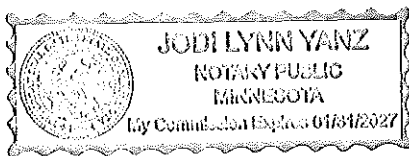


CHRISTOPHER B. CLARK

PRESIDENT, NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION

Subscribed and sworn to before

me this 31 day of October, 2023


Notary Public

2024 INTERIM RATE PETITION SCHEDULES SUPPORTING SCHEDULES AND WORKPAPERS

The Minnesota Public Utilities Commission (the “Commission”), in its Statement of Policy on Interim Rates, encourages any regulated company seeking interim rates to submit to the Commission an interim rate petition as part of its general rate case filing. The interim rate petition should include a cover letter and supporting schedules. The supporting schedules should include the following:

- 1) A schedule showing the interim rate of return calculation. This schedule should show the capital structure and rate of return calculation approved by the Commission in the most recent general rate case; the capital structure and rate of return calculation proposed for interim rates; and a description and corresponding dollar amount of any changes between the two capital structures.

Note:

Schedule C, Part 4 of 4 of this volume contains this information.

- 2) A schedule showing the interim operating income statement. This schedule should show the same operating income statement accounts as filed in the general rate case. Also, the schedule should include the operating income statement approved by the Commission in the most recent general rate case; the equivalent operating income statement corresponding with the most recent actual year for which audited data is available and corresponding with the same period in months as the test year, if the test year is a projected year; and the operating income statement proposed for interim rates. A description of all changes and corresponding dollar amounts between each of the operating income statements should be provided. Work papers should be provided which show how revenues, AFUDC, taxes, expenses, and other income statement components have been determined.

Notes:

Schedule C, Part 2 of 4 of this volume compares the operating income statement approved by the Commission in the most recent general rate case with the income statement for the proposed interim test year, including a description of all changes and corresponding dollar amounts.

Schedule D, part 2 of 3 of this volume compares the operating income statements for the most recent actual year, not adjusted for normal weather, for which audited data is available with the income statement for the test year, as adjusted, for interim rates, including a description of all changes and corresponding dollar amounts.

Schedule E, part 2 of 3 of this volume compares the operating income statement approved by the Commission in the most recent general rate case with the operating income statement for the most recent actual year, not adjusted for normal weather, for which audited data is available, including a description of all changes and corresponding dollar amounts.

Although the Commission's Statement of Policy does not require regulated companies to do so, Xcel Energy has included as Schedule B, Part 2 of 3 of this volume, a comparison of the operating income statement for this general rate case filing with the income statement for the proposed interim test year, including a description of all changes and corresponding dollar amounts.

Workpapers for the above Interim Rate Petition Schedules are located in Volume 4 of this filing.

- 3) A schedule showing the interim proposed rate base. This schedule should show the same rate base accounts as filed in the general rate case. This schedule should include the average rate base approved by the Commission in the most recent general rate case; the equivalent average rate base corresponding with the most recent actual year for which audited data is available and corresponding with the same period in months as the test year, if the test year is a projected test year; and the average rate base proposed for interim rates. A description of all changes and corresponding dollar amounts between each of the rate bases should be provided. Work papers should be provided which show how the rate base components have been determined.

Notes:

Schedule C, Part 1 of 4 of this volume compares the average rate base approved by the Commission in the most recent general rate case with the average rate base proposed for interim rates, including a description of all changes and corresponding dollar amounts.

Schedule D, Part 1 of 3 of this volume compares the average rate base for the most recent actual year for which audited data is available with the average

rate base proposed for interim rates, including a description of all changes and corresponding dollar amounts.

Schedule E, Part 1 of 3 of this volume compares the average rate base approved by the Commission in the most recent general rate case with average rate base for the most recent actual year for which audited data is available, including a description of all changes and corresponding dollar amounts.

Although not required by the Commission's Policy Statement, Xcel Energy has included as Schedule B, Part 1 of 3 of this volume, a comparison of the average rate base for this general rate case filing with the average rate base for the proposed interim test year, including a description of all changes and corresponding dollar amounts.

Workpapers for the above Interim Rate Petition Schedules are located in Volume 4 of this filing.

- 4) A schedule showing revenue deficiency calculations for each of the operating income statements and rate bases requested in (2) and (3) above. The revenue deficiency should be calculated for the actual data and the interim data using the rate of return calculated in (1) above.

Notes:

Schedule C, Part 3 of 4 of this volume shows the revenue deficiency calculations for the most recent general rate case and for the proposed interim rates.

Schedule D, Part 3 of 3 of this volume shows the revenue deficiency calculations for the most recent actual year for which audited data is available and for the proposed interim rates.

Schedule E, Part 3 of 3 of this volume shows the revenue deficiency calculations for the 2022 test year of the most recent general rate case and the most recent actual year for which audited data is available.

Although not required by the Commission's Policy Statement, Xcel Energy has included as Schedule B, Part 3 of 3 of this volume, the revenue deficiency calculations for this general rate case filing and for the proposed interim rates.

Note on Rounding:

The cost of service study on which these supporting schedules are based rounds numbers to the nearest thousand for display purposes. However, the subtotals and subsequent totals in the cost of service study are based on actual values resulting in occasional differences in the totals displayed and the sum of the line items. These supporting schedules were prepared using individual line items with subtotals and totals calculated on each schedule. This results in occasional differences between the subtotals and totals on the cost of service study and those on the supporting schedules.

DEFINITIONS

The following definitions have been used in this filing:

Proposed Interim Test Year

The proposed interim test year information is for the calendar year ending December 31, 2024 and includes the effect of rate making adjustments.

General Rate Case Filing

The general rate case filing information represents the budgets developed for the 2024 calendar year and includes the effects of ratemaking adjustments.

Most Recent General Rate Case

This information represents the financial data for the calendar test year ending December 31, 2022 from Northern States Power Company's last Minnesota gas rate case (Docket No. G002/GR-21-678) and approved by the Commission.

Most Recent Actual Year

This information represents actual financial information for the calendar year ended December 31, 2022. The financial information is not adjusted to project results that may result under normal weather heating and cooling conditions.

Northern States Power Company
Gas Utility - State of Minnesota
2024 INTERIM RATE SCHEDULE
SUMMARY OF REVENUE REQUIREMENTS
(\$000's)

Docket No. G002/GR-23-413
Schedule A
Part 1 of 3

<u>Line No.</u>	<u>Description</u>	<u>2024 Interim Rate Petition Present Rates</u>
1	Average Rate Base	\$1,153,216
2	Operating Income	\$43,193
3	Allowance for funds used during construction	\$2,677
4	Total Available for Return	\$45,870
5	Overall Rate of Return (Line 4 / Line 1)	3.98%
6	Required Rate of Return	7.14%
7	Required Operating Income (Line 1 x Line 6)	\$82,340
8	Income Deficiency (Line 7 - Line 4)	\$36,469
9	Gross Revenue Conversion Factor	1.40335
10	Revenue Deficiency (Line 8 x Line 9)	\$51,179
11	Retail Related Revenues Under Present Rates	\$604,691
12	Percentage Increase Needed in Overall Revenue (Line 10 / Line 11)	8.46%

Northern States Power Company
Gas Utility - State of Minnesota
2024 INTERIM RATE SCHEDULE
STATEMENT OF OPERATING INCOME
(\$000's)

Docket No. G002/GR-23-413
Schedule A
Part 2 of 3

Line No.	Description	2024 Interim Rate Petition Present Rates
<u>Operating Revenues</u>		
1	Retail	597,281
2	Interdepartmental	7,410
3	Other Operating	4,230
4	Total Operating Revenues	608,921
<u>Expenses</u>		
Operating Expenses:		
5	Fuel and Purchased Energy	350,434
6	Power Production	7,927
7	Transmission	623
8	Distribution	39,553
9	Customer Accounting	12,887
10	Customer Service & Information	29,720
11	Sales, Econ Dvlp & Other	50
12	Administrative & General	26,352
13	Total Operating Expenses	467,547
14	Depreciation	71,904
15	Amortizations	918
Taxes:		
16	Property	17,040
17	Deferred Income Tax & ITC	3,926
18	Federal & State Income Tax	973
19	Payroll & Other	3,420
20	Total Taxes	25,359
21	Total Expenses	565,728
22	Operating Income	43,193
23	Allowance for Funds Used During Construction	2,677
24	Total Operating Income	45,870

Note: Revenues reflect calender month sales.

Northern States Power Company
Gas Utility - State of Minnesota
2024 INTERIM RATE SCHEDULE
DETAILED RATE BASE COMPONENTS
(\$000's)

Docket No. G002/GR-23-413
Schedule A
Part 3 of 3

Line No.	Description	2024 Interim Rate Petition Present Rates
	Electric Plant as Booked	
1	Gas Manufactured Plant	75,274
2	Gas Storage	94,123
3	Gas Transmission	121,090
4	Gas Distribution	1,511,327
5	General	148,766
6	Common	123,517
7	TOTAL Utility Plant in Service	2,074,096
	Reserve for Depreciation	
8	Gas Manufactured Plant	19,856
9	Gas Storage	45,901
10	Gas Transmission	32,064
11	Gas Distribution	563,202
12	General	60,933
	Common	61,678
13	TOTAL Reserve for Depreciation	783,635
	Net Utility Plant in Service	
14	Gas Manufactured Plant	55,418
15	Gas Storage	48,223
16	Gas Transmission	89,026
17	Gas Distribution	948,124
18	General	87,833
	Common	61,838
19	Net Utility Plant in Service	1,290,461
20	Utility Plant Held for Future Use	-
21	Construction Work in Progress	34,124
22	Less: Accumulated Deferred Income Taxes	205,062
23	Cash Working Capital	(10,084)
	Other Rate Base Items:	
24	Materials and Supplies	2,318
25	Fuel Inventory	43,755
26	Non-Plant Assets & Liabilities	(4,117)
27	Prepayments and Other Working Capital	1,820
28	Total Other Rate Base Items	33,692
29	Total Average Rate Base	1,153,216

(\$000's)

Line No.	Description	2024 General Rate Case Filing (A)	2024 Interim Rate Petition Present Rates (B)	Change (C) = (B) - (A)
	Electric Plant as Booked			
1	Gas Manufactured Plant	75,274	75,274	-
2	Gas Storage	94,123	94,123	-
3	Gas Transmission	134,424	121,090	(13,334)
4	Gas Distribution	1,611,639	1,511,327	(100,312)
5	General	148,766	148,766	-
6	Common	123,517	123,517	-
7	TOTAL Utility Plant in Service	2,187,742	2,074,096	(113,646)
	Reserve for Depreciation			
8	Gas Manufactured Plant	19,856	19,856	-
9	Gas Storage	45,901	45,901	-
10	Gas Transmission	32,868	32,064	(803)
11	Gas Distribution	565,353	563,202	(2,150)
12	General	59,672	60,933	1,261
13	Common	61,678	61,678	-
14	TOTAL Reserve for Depreciation	785,328	783,635	(1,693)
	Net Utility Plant in Service			
15	Gas Manufactured Plant	55,418	55,418	-
16	Gas Storage	48,223	48,223	-
17	Gas Transmission	101,556	89,026	(12,530)
18	Gas Distribution	1,046,286	948,124	(98,162)
19	General	89,094	87,833	(1,261)
20	Common	61,838	61,838	-
21	Net Utility Plant in Service	1,402,415	1,290,461	(111,953)
22	Utility Plant Held for Future Use	-	-	-
23	Construction Work in Progress	34,124	34,124	-
24	Less: Accumulated Deferred Income Taxes	214,540	205,062	(9,478)
25	Cash Working Capital	(9,998)	(10,084)	(86)
	Other Rate Base Items:			
26	Materials and Supplies	2,318	2,318	-
27	Fuel Inventory	43,755	43,755	-
28	Non-Plant Assets & Liabilities	7,968	(4,117)	(12,086)
29	Prepayments and Other Working Capital	1,820	1,820	-
30	Total Other Rate Base Items	55,862	43,776	(12,086)
31	Total Average Rate Base	1,267,863	1,153,216	(114,647)

**COMPARISON OF PROPOSED 2024 INTERIM RATES
DETAILED RATE BASE COMPONENTS
DESCRIPTION OF CHANGES**

A bridge schedule from the General Rate Petition rate base to the Interim Rate Petition rate base is provided on Schedule B, Part 1 of 3, Page 4 of 4.

Depreciation Study: TD&G.

The Company is proposing to include in the general rate petition the impact of Docket No. E,G002/D-22-299, which updates the depreciation rates of certain transmission, distribution, and generation facilities. The interim rate revenue requirement is adjusted to remove the rate base components associated with the Company's proposed impacts of this depreciation study.

The Commission subsequently made an oral determination with respect to the TD&G proposal at its agenda meeting on October 26, 2023, which was after the revenue requirements in this proceeding were finalized. The Company will make any necessary further adjustment in Rebuttal; however, a further interim adjustment would increase the interim revenue deficiency. For these reasons, a further interim adjustment has not been incorporated into the Company's interim rate request.

GUIC Rider Removal

Minnesota Statute § 216B.1635 (the GUIC Statute) allows a utility to petition the Commission for the recovery of "gas utility infrastructure costs." According to the GUIC statute, GUIC costs can relate to two different types of "gas utility projects"—generally speaking, (1) replacement of natural gas facilities located in the public right-of-way by the construction or improvement of a highway, road, street, public building, or other public work by or on behalf of the United States, the state of Minnesota or a political subdivision or (2) replacement or modification of existing natural gas facilities as required by a federal or state agency.

Prepaid Pension Asset and Post-Employment & Retiree Medical

The Company included the prepaid pension asset and retiree medical accrued liabilities in rate base in this general rate petition. The Company was previously denied recovery of a return on any prepaid pension assets and

accrued liabilities. This interim rate revenue requirement is being adjusted to remove these amounts from rate base.

Accumulated Deferred Income Tax (ADIT) Pro-Rate – IRS Required.

The ADIT balances are required to be pro-rated in accordance with IRS Section 1.167(l)-(1)(h)(6) for forward looking test years, and as such, an adjustment was included in the general rate petition. This interim rate base adjustment records the change in the ADIT pro-rate between the level calculated in determining the final revenue requirement and the interim cost of service.

Cash Working Capital

The cash working capital amount is determined by applying the various components of the lead/lag study to the test year revenue and expense amounts. Interim adjustments made to the income statement produced a net change in the overall cash working capital requirement. This interim rate base adjustment records the change in cash working capital between the level calculated in determining the final revenue requirement and the interim cost of service.

Northern States Power Company
 Gas Utility - State of Minnesota
COMPARISON OF PROPOSED 2024 INTERIM RATES TO GENERAL RATES
DETAILED RATE BASE COMPONENTS
 (\$000's)

No.	Description	Interim Adjustments				Secondary Calculations		2024 Interim Rate Petition Present Rates (1)
		2024 General Rate Case Filing	Depreciation Study: TD&G	GUIC Rider Removal	Prepaid Pension Asset	ADIT Pro-Rate	Cash Working Capital	
		(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	Utility Plant in Service	\$2,187,742	\$0	(\$113,646)	\$0	\$0	\$0	\$2,074,096
2	Less: Reserve for Depreciation	\$785,328	(\$78)	(\$1,615)	\$0	\$0	\$0	\$783,635
3	Net Utility Plant in Service	\$1,402,415	\$78	(\$112,031)	\$0	\$0	\$0	\$1,290,461
4	Utility Plant Held for Future Use	\$0	\$0	\$0	\$0	\$0	\$0	\$0
5	Construction Work in Progress	\$34,124						\$34,124
6	Less: Accumulated Deferred Income Taxes	\$214,540	\$9	(\$6,177)	(\$3,381)	\$71	\$0	\$205,062
7	Cash Working Capital	(\$9,998)	\$0	\$0	\$0	\$0	(\$86)	(\$10,084)
Other Rate Base Items								
8	Materials and Supplies	\$2,318	\$0	\$0	\$0	\$0	\$0	\$2,318
9	Fuel Inventory	\$43,755	\$0	\$0	\$0	\$0	\$0	\$43,755
10	Non-Plant Assets & Liabilities	\$7,968	\$0	\$0	(\$12,086)	\$0	\$0	(\$4,117)
11	Prepayments and Other Working Capital	\$1,820						\$1,820
12	Total Other Rate Base Items	\$55,862	\$0	\$0	(\$12,086)	\$0	\$0	\$43,776
13	Total Average Rate Base	\$1,267,863	\$69	(\$105,854)	(\$8,705)	(\$71)	(\$86)	\$1,153,216

(1) Gas Utility - Minnesota Jurisdiction

COMPARISON OF PROPOSED 2024 INTERIM RATES TO GENERAL RATES
STATEMENT OF OPERATING INCOME

(\$000's)

Line No.	Description	2024 General Rate Case Filing (A)	2024 Interim Rate Petition Present Rates (B)	Change (C) = (B) - (A)
<u>Operating Revenues</u>				
1	Retail	610,396	597,281	(13,115)
2	Interdepartmental	7,410	7,410	-
3	Other Operating	4,230	4,230	-
4	Total Operating Revenues	622,037	608,921	(13,115)
<u>Expenses</u>				
Operating Expenses:				
5	Fuel and Purchased Power	350,434	350,434	-
6	Gas Production and Storage	7,927	7,927	-
7	Gas Transmission	623	623	-
8	Gas Distribution	39,553	39,553	-
9	Customer Accounting	12,887	12,887	-
10	Customer Service and Information	29,720	29,720	-
11	Sales, Econ Dev, & Other	50	50	-
12	Administrative and General	27,550	26,352	(1,197)
13	Total Operating Expenses	468,744	467,547	(1,197)
14	Depreciation	73,521	71,904	(1,617)
15	Amortization	926	918	(7)
Taxes:				
16	Property	18,633	17,040	(1,593)
17	Deferred Income Tax & ITC	5,681	3,926	(1,755)
18	Federal & State Income Tax	1,006	973	(33)
19	Payroll & Other	3,427	3,420	(7)
20	Total Taxes	28,747	25,359	(3,388)
21	Total Expenses	571,938	565,728	(6,210)
22	Operating Income	50,099	43,193	(6,905)
23	AFUDC	2,677	2,677	-
24	Total Operating Income	52,776	45,870	(6,905)

Note: Revenues reflect calendar month sales.

**COMPARISON OF PROPOSED 2024 INTERIM RATES
STATEMENT OF OPERATING INCOME
DESCRIPTION OF CHANGES**

Schedule B, Part 2 of 3, Page 5 of 5, contains a bridge schedule itemizing the changes from General Rate Petition operating income statement to the Interim Rate Petition operating income statement. Seventeen adjustments have been made to bridge the General Petition operating income statement to the Proposed Interim operating income statement.

Depreciation Study: TD&G.

The Company is proposing to include in the general rate petition the impact of Docket No. E,G002/D-22-299, which updates the depreciation rates of transmission, distribution, and generation facilities. The interim rate revenue requirement is adjusted to remove the revenue and cost components associated with the Company's proposed impacts of this depreciation study.

The Commission subsequently made an oral determination with respect to the TD&G proposal at its agenda meeting on October 26, 2023, which was after the revenue requirements in this proceeding were finalized. The Company will make any necessary further adjustment in Rebuttal; however, a further interim adjustment would increase the interim revenue deficiency. For these reasons, a further interim adjustment has not been incorporated into the Company's interim rate request.

Chamber of Commerce Dues

The Company is requesting authorization to recover in the general rate petition the Chamber of Commerce Dues. The Company was previously denied recovery of any Chamber of Commerce Dues. This interim rate revenue requirement is being adjusted to remove the cost components associated with the Chamber of Commerce Dues.

GUIC Rider Removal

Minnesota Statute § 216B.1635 (the GUIC Statute) allows a utility to petition the Commission for the recovery of "gas utility infrastructure costs." According to the GUIC statute, GUIC costs can relate to two different types of "gas utility projects"—generally speaking, (1) replacement of natural gas facilities located in the public right-of-way by the construction or

improvement of a highway, road, street, public building, or other public work by or on behalf of the United States, the state of Minnesota or a political subdivision or (2) replacement or modification of existing natural gas facilities as required by a federal or state agency.

Annual Incentive Compensation (AIP) Cap

The Company is requesting authorization to recover in the general rate petition AIP expenses capped at 25 percent of base pay. In the previous rate case settlement (Docket G002/GR-21-678) AIP recovery was capped at 15 percent of base pay. This interim rate revenue requirement is being adjusted to remove the incremental AIP between the two cap levels.

Environmental Incentive Removal.

The Company is requesting authorization to recover in the general rate petition the long-term portion of incentive compensation related to environmental goals. The Company was previously denied recovery of any long-term incentive compensation. This interim rate revenue requirement is being adjusted to remove the cost components associated with the environmental portion of the long-term incentive.

Time-Based Incentive Removal.

The Company is requesting authorization to recover in the general rate petition the long-term portion of incentive compensation related to employee retention. The Company was previously denied recovery of any long-term incentive compensation. This interim rate revenue requirement is being adjusted to remove the cost components associated with the time-based portion of the long-term incentive.

Prepaid Pension Asset and Post-Employment & Retiree Medical

The Company included the prepaid pension asset and retiree medical accrued liabilities in rate base in this general rate petition. The Company was previously denied recovery of a return on any prepaid pension assets and accrued liabilities. This interim rate revenue requirement is being adjusted to remove these amounts from rate base.

Rate Case Expenses

Rate case expenses are included in this general rate petition, amortized over a three-year period. The Company inadvertently excluded the estimate of the non-regulatory portion of rate case expenses in the calculation. The interim rate revenue requirement is being reduced by the annual amount of rate case expenses estimated for non-regulatory entities.

FTE Employees/XES Allocation on Labor Hours.

In Docket No. E.G-002, AI-10-690, the Commission required the Company to change the formula for the general allocator used in allocating corporate expenses to substitute Allocated Labor Hours with Overtime in place of Number of Employees Fees. This interim rate revenue requirement is being adjusted to comply with this Commission Order.

Accumulated Deferred Income Tax (ADIT) Pro-Rate.

The ADIT balances are required to be pro-rated in accordance with IRS Section 1.167(l)-(1)(h)(6) for forward looking test years, and as such, an adjustment was included in the general rate petition. This interim rate base adjustment records the change in the ADIT pro-rate between the level calculated in determining the final revenue requirement and the interim cost of service.

Cash Working Capital Change

This adjustment calculates the income statement impact of the change in cash working capital between the level included in calculating the final revenue requirement and the interim rate revenue requirement.

Change in Cost of Capital

The final test year revenue requirement includes a higher cost of equity than the last approved cost of equity in Docket No. G002/GR-21-678. This interim rate adjustment is the change in the cost of capital that results from using the currently proposed capital structure with the last authorized return on equity.

		Interim Adjustments								Secondary Calculations					
No.	Description	2024 General Rate Case Filing	Depreciation Study: TD&G	Dues: Chamber of Commerce	GUIC Rider Removal	Incentive Comp	LTI-Environmental	LTI-Time Based	Prepaid Pension Asset	Rate Case Expenses	XES Allocation on Labor Hours	ADIT Prorate for IRS	Cash Working Capital	Change in Cost of Capital	2024 Interim Rate Petition Present Rates (1)
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(8)	(9)	(10)	(11)	(12)	(13)
Operating Revenues															
1	Retail	610,396	-	-	(13,115)	-	-	-	-	-	-	-	-	-	597,281
2	Interdepartmental	7,410	-	-	-	-	-	-	-	-	-	-	-	-	7,410
3	Other Operating	4,230	-	-	-	-	-	-	-	-	-	-	-	-	4,230
4	Total Operating Revenues	622,037	-	-	(13,115)	-	-	-	-	-	-	-	-	-	608,921
Expenses															
Operating Expenses:															
5	Fuel and Purchased Power	350,434	-	-	-	-	-	-	-	-	-	-	-	-	350,434
6	Gas Production and Storage	7,927	-	-	-	-	-	-	-	-	-	-	-	-	7,927
7	Gas Transmission	623	-	-	-	-	-	-	-	-	-	-	-	-	623
8	Gas Distribution	39,553	-	-	-	-	-	-	-	-	-	-	-	-	39,553
9	Customer Accounting	12,887	-	-	-	-	-	-	-	-	-	-	-	-	12,887
10	Customer Service and Information	29,720	-	-	-	-	-	-	-	-	-	-	-	-	29,720
11	Sales, Econ Dev, & Other	50	-	-	-	-	-	-	-	-	-	-	-	-	50
12	Administrative and General	27,550	-	(4)	-	(118)	(125)	(469)	-	-	(481)	-	-	-	26,352
13	Total Operating Expenses	468,744	-	(4)	-	(118)	(125)	(469)	-	-	(481)	-	-	-	467,547
14	Depreciation	73,521	(156)	-	(1,461)	-	-	-	-	-	-	-	-	-	71,904
15	Amortizations	926	-	-	-	-	-	-	-	(7)	-	-	-	-	918
Taxes:															
16	Property	18,633	-	-	(1,593)	-	-	-	-	-	-	-	-	-	17,040
17	Deferred Income Tax & ITC	5,681	17	-	(1,888)	-	-	-	116	-	-	-	-	-	3,926
18	Federal & State Income Tax	1,006	(0)	1	(316)	34	36	135	(66)	2	140	0	1	-	973
19	Payroll & Other	3,427	-	-	-	-	-	-	-	-	(7)	-	-	-	3,420
20	Total Taxes	28,747	17	1	(3,797)	34	36	135	50	2	133	0	1	-	25,359
21	Total Expenses	571,938	(139)	(3)	(5,258)	(84)	(89)	(334)	50	(5)	(348)	0	1	-	565,728
22	Operating Income	50,099	139	3	(7,857)	84	89	334	(50)	5	348	(0)	(1)	-	43,193
23	Allowance for Funds Used During Construction	2,677								-				-	2,677
24	Total Operating Income	52,776	139	3	(7,857)	84	89	334	(50)	5	348	(0)	(1)	-	45,870
Revenue Requirement															
25	Total Rate Base	1,267,863	69	-	(105,854)	-	-	-	(8,705)	-	-	(71)	(86)	-	1,153,216
26	Require Operating Inc (RB * Req Return)	94,836	5	-	(7,918)	-	-	-	(651)	-	-	(4)	(57)	(3,871)	82,340
27	Operating Income	52,776	139	3	(7,857)	84	89	334	(50)	5	348	(0)	(1)	-	45,870
28	Operating Income Deficiency	42,060	(134)	(3)	(60)	(84)	(89)	(334)	(601)	(5)	(348)	(4)	(57)	(3,871)	36,469
29	Revenue Deficiency	59,026	(188)	(4)	(85)	(118)	(125)	(469)	(844)	(7)	(488)	(5)	(73)	(5,439)	51,179

Notes:(1) Gas Utility - Minnesota Jurisdiction

Northern States Power Company

Gas Utility - State of Minnesota

COMPARISON OF PROPOSED 2024 INTERIM RATES TO GENERAL RATES

SUMMARY OF REVENUE REQUIREMENTS

(\$000's)

Docket No. G002/GR-23-413

Schedule B

Part 3 of 3

Page 1 of 1

Line		2024 General	2024 Interim	
No.	Description	Rate Case	Rate Petition	
		Filing	Present Rates	Change
		(A)	(B)	(C) = (B) - (A)
1	Average Rate Base	1,267,863	1,153,216	(114,647)
2	Required Rate of Return	7.48%	7.14%	-0.34%
3	Operating Income Requirement (Line 1 x Line 2)	94,836	82,340	(12,497)
4	Operating Income Under Present Rates	52,776	45,870	(6,905)
5	Operating Income Deficiency (Line 3 - Line 4)	42,060	36,469	(5,591)
6	Gross Revenue Conversion Factor	1.40335	1.40335	-
7	Revenue Deficiency (Line 5 x Line 6)	59,026	51,179	(7,846)

Northern States Power Company
Gas Utility - State of Minnesota
COMPARISON OF PROPOSED 2024 INTERIM RATES TO PRESENT RATES
DETAILED RATE BASE COMPONENTS
(\$000's)

Docket No. G002/GR-23-413
Schedule C
Part 1 of 4
Page 1 of 3

Line No.	Description	General Rate Case Filing Docket No. G002/GR-21-678	2024 Interim Rate Petition Present Rates	Change
		(A)	(B)	(C) = (B) - (A)
	Gas Plant as Booked			
1	Gas Manufactured Plant	9,619	75,274	65,654
2	Gas Storage	66,050	94,123	28,073
3	Gas Transmission	121,439	121,090	(349)
4	Gas Distribution	1,363,661	1,511,327	147,665
5	General	94,564	148,766	54,202
6	Common	90,273	123,517	33,243
7	TOTAL Utility Plant in Service	1,745,607	2,074,096	328,490
	Reserve for Depreciation			
8	Gas Manufactured Plant	889	19,856	18,966
9	Gas Storage	43,072	45,901	2,829
10	Gas Transmission	28,585	32,064	3,479
11	Gas Distribution	523,008	563,202	40,194
12	General	44,102	60,933	16,831
	Common	42,523	61,678	19,156
13	TOTAL Reserve for Depreciation	682,180	783,635	101,455
	Net Utility Plant in Service			
14	Gas Manufactured Plant	8,730	55,418	46,688
15	Gas Storage	22,978	48,223	25,244
16	Gas Transmission	92,853	89,026	(3,828)
17	Gas Distribution	840,653	948,124	107,471
18	General	50,462	87,833	37,371
	Common	47,751	61,838	14,088
19	Net Utility Plant in Service	1,063,427	1,290,461	227,035
20	Utility Plant Held for Future Use	-	-	-
21	Construction Work in Progress	54,299	34,124	(20,175)
22	Less: Accumulated Deferred Income Taxes	201,593	205,062	3,469
23	Cash Working Capital	(13,608)	(10,084)	3,524
	Other Rate Base Items:			
24	Materials and Supplies	1,249	2,318	1,070
25	Fuel Inventory	26,079	43,755	17,677
26	Non-Plant Assets & Liabilities	(4,170)	(4,465)	(295)
27	Prepayments and Other Working Capital	2,079	2,168	89
28	Total Other Rate Base Items	25,236	43,776	18,541
29	Total Average Rate Base	927,760	1,153,216	225,456

**COMPARISON OF PROPOSED 2024 INTERIM RATES TO THE MOST
RECENT COMMISSION APPROVED GENERAL RATE CASE
DETAILED RATE BASE COMPONENTS
DESCRIPTION OF CHANGES**

Total Average Rate Base proposed by NSPM for 2024 interim rates has increased \$225.5 million.

Net Utility Plant in Service has increased \$227 million. The primary driver of this growth has been the additional Company investments in Distribution functional assets. Changes in this functional class accounts for 47 percent of the Net Plant increase.

Net Gas Manufactured Plant has increased by \$46.7 million since the last approved rate case, Net Gas Storage increased \$25.2 million, Net Transmission Plant decreased by \$3.8 million, while the Net Distribution Plant increased by \$107.5 million. Net General Plant increased approximately \$37.3 million with the approximate \$14.1 million increase in Net Common Plant accounts for the remainder of the overall Net Plant increase.

Construction Work in Progress has decreased approximately \$20.2 million as timing of ongoing construction activity exceeded the project completions and in-servicing activities between the two periods.

Accumulated Deferred Income Taxes, a deduction from average Rate Base, increased approximately \$3.5 million.

Since the last General Rate Order, Cash Working Capital requirements, a rate base deduction, have decreased by \$3.5 million, causing an increase to the average Rate Base. Cash Working Capital requirements are calculated by revenue collection (revenue lag) and expense payment (expense lead) principles established first by a Lead/Lag Study, and then applied to the projected Revenues and Operating Costs for the Test Year.

The Other Rate Base category resulted in a net increase to Average Rate Base of approximately \$18.5 million. This increase was driven by an overall increase in Fuel Inventory of approximately \$17.7 million, an increase in Prepayments and Other Working Capital of \$89 thousand. This was offset by a \$0.3 million decrease in Non-Plant Assets and Liabilities.

In summary, the net effect of the increase in Net Plant in Service, \$227.0 million and the decrease in CWIP of approximately \$20.1 million, offset by increases in Accumulated Deferred Income Taxes of \$3.5 million, increase in Cash Working Capital of \$3.5 million and an \$18.5 million increase to Other Rate Base items. In total, Total Average Rate Base for the proposed 2024 interim rate period increases \$225.5 million relative to the most recent approved rate case.

Northern States Power Company
Gas Utility - State of Minnesota
COMPARISON OF PROPOSED 2024 INTERIM RATES TO PRESENT RATES
STATEMENT OF OPERATING INCOME
(\$000's)

Docket No. G002/GR-23-413
Schedule C
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Page 1 of 3

Line No.	Description	General Rate Case Filing Docket No. E002/GR-21-678 (A)	2024 Interim Rate Petition Present Rates (B)	Change (C) = (B) - (A)
<u>Operating Revenues</u>				
1	Retail	780,182	597,281	(182,901)
2	Interdepartmental	-	7,410	7,410
3	Other Operating	5,360	4,230	(1,130)
4	Total Operating Revenues	785,542	608,921	(176,621)
<u>Expenses</u>				
Operating Expenses:				
5	Fuel and Purchased Energy	558,249	350,434	(207,815)
6	Power Production	5,659	7,927	2,268
7	Transmission	2,419	623	(1,797)
8	Distribution	38,359	39,553	1,194
9	Customer Accounting	12,789	12,887	98
10	Customer Service & Information	19,873	29,720	9,847
11	Sales, Econ Dvlp & Other	34	50	16
12	Administrative & General	20,564	26,352	5,788
13	Total Operating Expenses	657,946	467,547	(190,400)
14	Depreciation	51,953	71,904	19,951
15	Amortizations	(311)	918	1,229
Taxes:				
16	Property	17,958	17,040	(918)
17	Deferred Income Tax & ITC	2,652	3,926	1,274
18	Federal & State Income Tax	6,361	973	(5,388)
19	Payroll & Other	2,843	3,420	577
20	Total Taxes	29,814	25,359	(4,455)
21	Total Expenses	739,402	565,728	(173,674)
22	Operating Income	46,140	43,193	(2,947)
23	AFUDC	3,641	2,677	(964)
24	Total Operating Income	49,781	45,870	(3,910)

Notes: Revenues reflect calender month sales.

**COMPARISON OF PROPOSED 2024 INTERIM RATES TO MOST
RECENT COMMISSION APPROVED GENERAL RATE CASE
STATEMENT OF OPERATING INCOME
DESCRIPTION OF CHANGES**

Comparing the Company's test year utility operating income approved by the Commission in Docket No. G002/GR-21-678 with the 2024 test year operating income proposed in the Company's interim rate petition shows a decrease in total operating income of \$3.9 million.

Major components of the change in utility operating income include the following:

Total Operating Revenues decreased approximately \$176.6 million, which is the combination of decreased Retail Revenues of \$175.5 million and Other Operating of \$1.1 million. The Retail Revenue decrease is primarily associated with lower retail sales and lower fuel costs resulting in lower revenues between the test year and the level authorized in Docket No. G002/GR-21-678.

Fuel and Purchased Energy costs have decreased by \$207.8 million compared to the last General Rate Order. Reductions in both gas related fuel costs and purchased power contributed to the decrease. Gas Production operation costs have increased by \$2.3 million associated with increases in gas production operations.

Other Operating Expenses increased by approximately \$15.1 million. The changes that occurred in the various cost functions are Transmission expense decreased approximately \$1.8 million; Distribution expense increased \$1.2 million; Customer Accounting increased \$.098 million; Customer Services and Information increased \$9.8 million; and finally, Administrative and General expense increased approximately \$5.8 million.

Depreciation expense increased approximately \$20.0 million, driven by higher annual depreciation specifically in Gas Distribution.

Amortization costs in the Interim Rate Petition increased \$1.2 million compared with the current level in base rates.

Property Taxes decreased approximately \$0.9 million across all the functional classes.

Deferred Income Taxes have increased by approximately \$1.3 million. Current Federal & State Income Taxes decreased \$5.4 million due to net lower taxable income in the Interim period relative to the 2022 level.

Payroll and other taxes increased approximately \$0.6 million between the two periods.

Compared to the last gas General Rate Order, Allowance for Funds Used During Construction decreased approximately \$1.0 million.

Northern States Power Company
Gas Utility - State of Minnesota
COMPARISON OF PROPOSED 2024 INTERIM RATES TO PRESENT RATES
SUMMARY OF REVENUE REQUIREMENTS
(\$000's)

Docket No. G002/GR-23-413
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Page 1 of 1

Line No.	Description	General Rate Case Filing Docket No. G002/GR-21-678 (A)	2024 Interim Rate Petition Present Rates (B)	Change (C) = (B) - (A)
1	Average Rate Base	\$927,760	\$1,153,216	\$225,456
2	Rate of Return	6.97%	7.14%	0.17%
3	Operating Income Requirement (Line 1 x Line 2)	\$64,665	\$82,340	\$17,675
4	Operating Income Under Present Rates	\$49,781	\$45,870	(\$3,910)
5	Operating Income Deficiency (Line 3 - Line 4)	\$14,884	\$36,469	\$21,585
6	Gross Revenue Conversion Factor	1.40335	1.40335	0
7	Revenue Deficiency (Line 5 x Line 6)	\$20,888	\$51,179	\$30,292

COMPARISON OF PROPOSED 2024 INTERIM RATES TO PRESENT RATES
CAPITAL STRUCTURE AND RATE OF RETURN CALCULATIONS

(\$000's)

Line No.	Capitalization:	Amount (A)	Percent of Total Capitalization (B)	Cost of Capital (C)	Weighted Cost of Capital (D)
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I. Capital Structure and Rate of Return Calculation Approved by the Commission in the
Most Recent General Rate Case (Docket G002/GR-21-678)

1	Long-Term Debt	\$6,873,445	46.89%	4.13%	1.94%
2	Short-Term Debt	\$88,882	0.61%	0.94%	0.01%
3	Long-Term and Short-Term Debt	\$6,962,327	47.50%		1.95%
4	Preferred Stock	\$0	0.00%	0.00%	0.00%
5	Net Common Equity	\$7,695,202	52.50%	9.57%	5.02%
6	Total Equity	\$7,695,202	52.50%		5.02%
7	Total Capitalization	\$14,657,529	100.00%		6.97%

II. Capital Structure and Rate of Return Calculation for Proposed 2024 Interim Rates

8	Long-Term Debt	\$7,716,611	46.87%	4.46%	2.09%
9	Short-Term Debt	\$104,439	0.63%	5.01%	0.03%
10	Long-Term and Short-Term Debt	\$7,821,050	47.50%		2.12%
11	Preferred Stock	\$0	0.00%	0.00%	0.00%
12	Net Common Equity	\$8,643,779	52.50%	9.57%	5.02%
13	Total Equity	\$8,643,779	52.50%		5.02%
14	Total Capitalization	\$16,464,830	100.00%		7.14%

III. Amount of Changes Between I and II

		Amount		Change (C) = (B) - (A)
		Fiscal Year Most Recent General Rate Case Approved (A)	Proposed 2024 Interim Rate (B)	
15	Long-Term Debt	\$6,873,445	\$7,716,611	\$843,166
16	Short-Term Debt	\$88,882	\$104,439	\$15,557
17	Long-Term and Short-Term Debt	\$6,962,327	\$7,821,050	\$858,723
18	Preferred Stock	\$0	\$0	\$0
19	Net Common Equity	\$7,695,202	\$8,643,779	\$948,577
20	Total Equity	\$7,695,202	\$8,643,779	\$948,577
21	Total Capitalization	\$14,657,529	\$16,464,830	\$1,807,301

**COMPARISON OF PROPOSED INTERIM RATES TO MOST RECENT
COMMISSION APPROVED GENERAL RATE CASE
CAPITAL STRUCTURE AND RATE OF RETURN CALCULATIONS
DESCRIPTION OF CHANGES**

The overall combined capitalization ratio (debt and equity) has increased between the periods. The short term/long term debt capitalization ratio reflects no change, as the long-term ratio decreased offset by an increase in the short-term ratio.

The long-term debt portion of the capital structure proposed for use in determining the interim rate revenue requirement increased approximately \$843.2 million, compared to the last gas general rate case filing in Docket No. G002/GR-21-678.

The short-term debt component proposed for use in the interim capital structure increased \$15.6 million, compared to the last gas General Rate Order.

The overall increase in the weighted cost of debt (1.95 percent compared to 2.12 percent) used in the interim revenue requirement calculations is driven by the higher cost of both long-term and short-term debt between the periods.

Common equity increased by approximately \$948.6 million primarily based on the increases in retained earnings.

The weighted cost of equity in the interim rate revenue requirement remains the same as the last gas General Rate Order, as both versions use a 9.57 percent ROE.

Northern States Power Company
Gas Utility - State of Minnesota
COMPARISON OF PROPOSED 2024 INTERIM RATES TO 2022 ACTUAL
DETAILED RATE BASE COMPONENTS
(\$000's)

Docket No. G002/GR-23-413
Schedule D
Part 1 of 3
Page 1 of 2

Line No.	Description	Actual 2022 (A)	2024 Interim Rate Petition Present Rate (B)	Change (C) = (B) - (A)
	Plant in Service as Booked			
1	Gas Manufactured Plant	36,091	75,274	39,182
2	Gas Storage	68,625	94,123	25,498
3	Gas Transmission	114,162	121,090	6,927
4	Gas Distribution	1,418,043	1,511,327	93,284
5	General	90,855	148,766	57,911
6	Common	83,082	123,517	40,435
7	TOTAL Utility Plant in Service	1,810,858	2,074,096	263,238
	Reserve for Depreciation			
8	Gas Manufactured Plant	14,166	19,856	5,690
9	Gas Storage	43,959	45,901	1,941
10	Gas Transmission	29,782	32,064	2,282
11	Gas Distribution	513,581	563,202	49,621
12	General	42,891	60,933	18,042
13	Common	40,581	61,678	21,097
14	TOTAL Reserve for Depreciation	684,961	783,635	98,674
	Net Utility Plant in Service			
15	Gas Manufactured Plant	21,925	55,418	33,493
16	Gas Storage	24,665	48,223	23,557
17	Gas Transmission	84,380	89,026	4,645
18	Gas Distribution	904,462	948,124	43,663
19	General	47,964	87,833	39,869
20	Common	42,500	61,838	19,338
21	Net Utility Plant in Service	1,125,897	1,290,461	164,564
22	Utility Plant Held for Future Use	-	-	-
23	Construction Work in Progress	53,382	34,124	(19,258)
24	Less: Accumulated Deferred Income Taxes	205,940	205,062	(878)
25	Cash Working Capital	(13,602)	(10,085)	3,517
	Other Rate Base Items:			
26	Materials and Supplies	1,786	2,318	532
27	Fuel Inventory	44,180	43,755	(425)
28	Non-Plant Assets & Liabilities	10,052	(4,117)	(14,169)
29	Prepayments and Other Working Capital	2,209	1,820	(389)
30	Total Other Rate Base Items	58,227	43,776	(14,451)
31	Total Average Rate Base	1,017,964	1,153,216	135,251

**COMPARISON OF PROPOSED 2024 INTERIM RATES TO 2022
ACTUAL DETAILED RATE BASE COMPONENTS
DESCRIPTION OF CHANGES**

Total average rate base used to determine the interim rate revenue requirement increased by \$135.3 million from 2022, the most recent actual fiscal year. The net increase is driven by increased net plant in service of \$164.6 million, decreased construction work in progress ("CWIP") of \$19.3 million, decreased accumulated deferred income taxes, (which increases rate base) of approximately \$0.9 million, an increase to cash working capital (which increases rate base) of \$3.5 million and a decrease in other rate base items of \$14.5 million.

The net plant in service, based upon the comparative data provided in Schedule D, Part 1, page 1, identifies increases in net gas manufactured plant of \$33.5 million, and an increase in net gas distribution plant of approximately \$43.7 million. Net common plant increased approximately \$19.3 million. Net general and transmission functional classes have a combined increase totaling \$44.5 million.

Construction work in progress decreased approximately \$19.3 million due to completion of construction projects that have been placed into service.

Accumulated deferred income taxes, a reduction of average rate base, decreased by approximately \$0.9 million.

Cash working capital, a negative rate base component, increased by \$3.5 million compared to the most recent actual fiscal year.

Other rate base items resulted in a collective decrease in average rate base of \$14.5 million. This decrease was driven by non-plant assets & liabilities.

Northern States Power Company
Gas Utility - State of Minnesota
COMPARISON OF PROPOSED 2024 INTERIM RATES TO 2022 ACTUAL
STATEMENT OF OPERATING INCOME
(\$000's)

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Line No.	Description	Actual 2022 (A)	2024 Interim Rate Petition Present Rate (B)	Change (C) = (B) - (A)
<u>Operating Revenues</u>				
1	Retail	861,496	597,281	(\$264,215)
2	Interdepartmental	8,769	7,410	(1,359)
3	Other Operating	2,422	4,230	1,808
4	Total Operating Revenues	\$872,687	\$608,921	(\$263,766)
<u>Expenses</u>				
Operating Expenses:				
5	Fuel and Purchased Energy	\$636,394	350,434	(\$285,960)
6	Power Production	8,594	7,927	(667)
7	Transmission	1,021	623	(398)
8	Distribution	35,757	39,553	3,796
9	Customer Accounting	11,909	12,887	978
10	Customer Service & Information	29,517	29,720	203
11	Sales, Econ Dvlp & Other	64	50	(14)
12	Administrative & General	23,081	26,352	3,271
13	Total Operating Expenses	\$746,338	\$467,547	(\$278,792)
14	Depreciation	\$52,940	\$71,904	\$18,964
15	Amortizations	(\$9,638)	\$918	\$10,556
Taxes:				
16	Property	\$19,769	17,040	(\$2,729)
17	Deferred Income Tax & ITC	4,130	3,926	(204)
18	Federal & State Income Tax	5,758	973	(4,785)
19	Payroll & Other	2,572	3,420	848
20	Total Taxes	\$32,229	\$25,359	(\$6,870)
21	Total Expenses	\$821,869	\$565,728	(\$256,141)
22	Operating Income	\$50,818	\$43,193	(\$7,625)
23	AFUDC	\$3,200	\$2,677	(\$523)
24	Total Operating Income	\$54,018	\$45,870	(\$8,148)

Note: Revenues reflect calender month sales.

**COMPARISON OF PROPOSED 2024 INTERIM RATES
TO 2022 ACTUAL
STATEMENT OF OPERATING INCOME
DESCRIPTION OF CHANGES**

Comparing the operating income used to determine interim rates to actual operating income from 2022, the most recent fiscal year, shows a decrease of \$8.1 million.

Major components of the change in utility operating income include the following:

Total retail gas revenues decreased \$263.8 million, with retail revenues accounting for \$265.6 million of the decrease. Other operating revenue increased the offsetting \$1.8 million between the two years.

Compared to the 2022 fiscal year, the cost of purchased gas decreased by \$286 million. The cost of gas production decreased by \$0.7 million.

Excluding the cost of purchased gas and gas production, other operating expenses have a net increase of approximately \$7.2 million. Transmission expenses decreased \$0.4 million. Distribution expenses increased by \$3.8 million. Customer accounting expenses increased by \$1.0 million, while customer service & information expenses increased by \$0.2 million. Customer sales expenses remained relatively flat between the two periods and administrative & general expenses had an increase of \$3.3 million.

Depreciation expense is projected to increase by \$19.0 million driven by increased plant in service.

Amortizations increased approximately \$10.6 million between the two periods.

Property taxes decreased by \$2.7 million, while payroll & other taxes increased \$0.8 million.

Current federal and state income taxes decreased by approximately \$4.8 million. Deferred income taxes decreased approximately \$0.2 million.

Allowance for funds used during construction increased by approximately \$0.5 million.

The changes described above in aggregate account for the \$8.1 million decrease in utility operating income for the proposed 2024 interim rate revenue requirement compared to the most recent fiscal year.

Northern States Power Company
Gas Utility - State of Minnesota
COMPARISON OF PROPOSED 2024 INTERIM RATES TO 2022 ACTUAL
SUMMARY OF REVENUE REQUIREMENTS
(\$000's)

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Schedule D
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Page 1 of 1

Line No.	Description	Actual 2022 (A)	2024 Interim Rate Petition Present Rate (B)	Change (C) = (B) - (A)
1	Average Rate Base	\$1,017,964	\$1,153,216	\$135,251
2	Required Rate of Return	7.03%	7.14%	0.11%
3	Operating Income Requirement (Line 1 x Line 2)	\$71,563	\$82,340	\$10,777
4	Operating Income Under Present Rates	\$54,018	\$45,870	(\$8,148)
5	Operating Income Deficiency (Line 3 - Line 4)	\$17,545	\$36,469	\$18,924
6	Gross Revenue Conversion Factor	1.40335	1.40335	0
7	Revenue Deficiency (Line 5 x Line 6)	\$24,622	\$51,179	\$26,558

Northern States Power Company
Gas Utility - State of Minnesota
COMPARISON OF 2022 ACTUAL TO LAST APPROVED PRESENT RATES
DETAILED RATE BASE COMPONENTS
(\$000's)

Docket No. G002/GR-23-413
Schedule E
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Line No.	Description	Actual 2022 Adjusted (A)	General Rate Case Filing Docket No. G002/GR-21-678 (B)	Change (C) = (A) - (B)
	Plant in Service as Booked			
1	Gas Manufactured Plant	\$36,091	\$9,619	\$26,472
2	Gas Storage	68,625	66,050	\$2,575
3	Gas Transmission	114,162	121,439	(\$7,276)
4	Gas Distribution	1,418,043	1,363,661	\$54,381
5	General	90,855	94,564	(\$3,709)
6	Common	83,082	90,273	(\$7,191)
7	TOTAL Utility Plant in Service	\$1,810,858	\$1,745,607	\$65,252
	Reserve for Depreciation			
8	Gas Manufactured Plant	\$14,166	\$889	\$13,277
9	Gas Storage	43,959	43,072	\$888
10	Gas Transmission	29,782	28,585	\$1,197
11	Gas Distribution	513,581	523,008	(\$9,427)
12	General	42,891	44,102	(\$1,211)
13	Common	40,581	42,523	(\$1,941)
14	TOTAL Reserve for Depreciation	\$684,961	\$682,180	\$2,781
	Net Utility Plant in Service			
15	Gas Manufactured Plant	\$21,925	\$8,730	\$13,195
16	Gas Storage	24,665	22,978	\$1,687
17	Gas Transmission	84,380	92,853	(\$8,473)
18	Gas Distribution	904,462	840,653	\$63,809
19	General	47,964	50,462	(\$2,498)
20	Common	42,500	47,751	(\$5,250)
21	Net Utility Plant in Service	\$1,125,897	\$1,063,427	\$62,470
22	Utility Plant Held for Future Use	\$0	\$0	\$0
23	Construction Work in Progress	\$53,382	\$54,299	(\$917)
24	Less: Accumulated Deferred Income Taxes	\$205,940	\$201,593	\$4,347
25	Cash Working Capital	(\$13,602)	(\$13,608)	\$6
	Other Rate Base Items:			
26	Materials and Supplies	\$1,786	\$1,249	\$537
27	Fuel Inventory	44,180	\$26,079	18,102
28	Non-Plant Assets & Liabilities	10,052	(\$4,170)	14,223
29	Prepayments and Other Working Capital	2,209	\$2,079	130
30	Total Other Rate Base Items	\$58,227	\$25,236	\$32,992
31	Total Average Rate Base	\$1,017,964	\$927,760	\$90,204

**COMPARISON OF 2022 ACTUALS TO THE MOST RECENT
COMMISSION APPROVED RATE CASE
2022 TEST YEAR
DETAILED RATE BASE COMPONENTS
DESCRIPTION OF CHANGES**

The total average rate base from the most recent fiscal year ended 2022 was higher by approximately \$90.2 million when compared to the 2022 test year approved in Docket No. G002/GR-21-678.

The comparison of the net utility plant in service shows actuals were higher by approximately \$62.5 million.

The \$62.5 million difference in net utility plant in service is attributed to increases in the net distribution totaling approximately \$63.8 million. Meanwhile, net transmission plant decreased by approximately \$8.5 million.

Construction work in progress varied from the approved level by approximately \$0.9 million.

Accumulated deferred income taxes, a deduction from average rate base, had a \$4.3 million increase on an actual basis from the projected level in the 2022 test year. Accumulated deferred income taxes are mainly caused by timing differences between book and tax depreciation on plant in service investment.

Cash working capital requirements, which reduces rate base, came in approximately \$6,000 higher between the two periods.

The other rate base category resulted in an increase to average Rate Base of \$33.0 million, due mainly to higher actual balances for fuel inventory and non-plant assets & liabilities.

The net effect of the higher net plant in service of approximate \$62.5 million, the approximate \$0.9 million decrease in CWIP, the \$4.3 million increase in accumulated deferred income taxes, the higher cash working capital rate base deduction of approximately \$6,000 and the higher other rate base items of \$33.0 million accounts for the net \$90.2 million increase in total average rate base between the two periods.

Northern States Power Company
Gas Utility - State of Minnesota
COMPARISON OF 2022 ACTUAL TO LAST APPROVED PRESENT RATES
STATEMENT OF OPERATING INCOME
(\$000's)

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Line No.	Description	Actual 2022 Adjusted (A)	General Rate Case Filing Docket No. E002/GR-21-678 (B)	Change (C) = (A) - (B)
<u>Operating Revenues</u>				
1	Retail	\$861,496	\$780,182	\$81,314
2	Interdepartmental	8,769	0	8,769
3	Other Operating	2,422	5,360	(2,938)
4	Total Operating Revenues	\$872,687	\$785,542	\$87,145
<u>Expenses</u>				
Operating Expenses:				
5	Fuel and Purchased Energy	\$636,394	\$558,249	\$78,145
6	Power Production	8,594	5,659	2,935
7	Transmission	1,021	2,419	(1,398)
8	Distribution	35,757	38,359	(2,602)
9	Customer Accounting	11,909	12,789	(880)
10	Customer Service & Information	29,517	19,873	9,645
11	Sales, Econ Dvlp & Other	64	34	30
12	Administrative & General	23,081	20,564	2,517
13	Total Operating Expenses	\$746,338	\$657,946	\$88,392
14	Depreciation	\$52,940	\$51,953	\$987
15	Amortizations	(\$9,638)	(\$311)	(\$9,327)
Taxes:				
16	Property	\$19,769	\$17,958	\$1,812
17	Deferred Income Tax & ITC	4,130	2,652	1,478
18	Federal & State Income Tax	5,758	6,361	(604)
19	Payroll & Other	2,572	2,843	(271)
20	Total Taxes	\$32,229	\$29,814	\$2,415
21	Total Expenses	\$821,869	\$739,402	\$82,467
22	Operating Income	\$50,818	\$46,140	\$4,678
23	AFUDC	\$3,200	\$3,641	(\$441)
24	Total Operating Income	\$54,018	\$49,781	\$4,237

Note: Revenues reflect calender month sales, and 2020 data is not weather normalized.

**COMPARISON OF THE 2022 ACTUALS TO THE MOST RECENT
COMMISSION APPROVED RATE CASE
STATEMENT OF OPERATING INCOME
DESCRIPTION OF CHANGES**

Comparing the Company's actual total operating income for 2022 to the Company's last approved Minnesota gas rate case in Docket No. G002/GR-21-678, shows an increase of \$4.2 million in operating income.

Major components of the change in utility operating income include the following:

Actual 2022 total operating revenues increased by approximately \$87.1 million when compared to the level approved in the 2022 test year. Retail gas revenues increased by approximately \$90.1 million. Other operating revenue decreased by \$2.9 million.

Actual 2022 purchased gas costs increased by \$78.1 million compared to the 2022 test year approved in the last General Rate Order. The changes in the other various cost functions are: gas production expenses increased by \$2.9 million, transmission expenses decreased by approximately \$1.4 million and distribution expenses decreased by approximately \$2.6 million. The customer accounting, sales, and administrative and general expenses had a combined increase of approximately \$1.7 million. There was a \$9.6 million increase in the customer services and information cost function.

Depreciation expense increased by approximately \$1.0 million, and amortizations decreased by approximately \$9.3 million.

Property taxes increased \$1.8 million between the two periods. Payroll and other taxes were down roughly \$0.3 million between the two periods.

The combination of deferred and current income taxes increased approximately \$0.9 million.

Actual allowance for funds used during construction decreased approximately \$0.4 million compared to the 2022 test year.

The changes described above help to account for the \$4.2 million increase in utility operating income between the two periods.

Northern States Power Company
Gas Utility - State of Minnesota
COMPARISON OF 2022 ACTUAL TO LAST APPROVED PRESENT RATES
SUMMARY OF REVENUE REQUIREMENTS
(\$000's)

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Line No.	Description	Actual 2022 Adjusted (B)	General Rate Case Approved E002/GR-21-678 (A)	Change (C) = (A) - (B)
1	Average Rate Base	\$1,017,964	\$927,760	\$90,204
2	Required Rate of Return	7.03%	6.97%	-0.06%
3	Operating Income Requirement (Line 1 x Line 2)	\$71,563	\$64,665	\$6,898
4	Operating Income Under Present Rates	\$54,018	\$49,781	\$4,237
5	Operating Income Deficiency (Line 3 - Line 4)	\$17,545	\$14,884	\$2,661
6	Gross Revenue Conversion Factor	1.40335	1.40335	0
7	Revenue Deficiency (Line 5 x Line 6)	\$24,622	\$20,888	\$3,734

Northern States Power Company
Gas Utility - State of Minnesota
Interim Rate Increase
Dollars in thousands (\$000s)

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(1)	Interim Revenue Deficiency	\$51,179,344
(2)	Late Pay Increase	\$136,470
(3)	Interim Revenue Deficiency Net of Late Pay Revenue Increase	\$51,042,874
(4)	Present Revenue Under Present Rates	\$617,806,462
(5)	less GUIC	-\$13,115,270
(6)	Retail Total Revenues	\$604,691,192
(7)	less Fuel Cost Revenues	\$350,434,214
(8)	less CIP	-\$9,928,962
(9)	Present Base Rate Revenues	\$244,328,017
(10)	Interim Increase - % Retail Total Revenue - (1) / (6)	8.46%
(11)	Interim Increase - % Retail Base Rate Revenue - (3) / (9)	20.89%

Northern States Power Company
Gas Utility - State of Minnesota
INTERIM RATE CALCULATIONS
Test Year Ending December 31, 2024

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<u>Class</u>	<u>Item</u>	<u>Unit</u>	<u>Quantity</u>	<u>Rate</u>	<u>Present Revenue</u>	<u>Increase</u>	<u>Interim Increase</u>
Residential	Cust	Bill	5,447,768	\$9.00	\$49,029,916		
	<u>Comm</u>	<u>Thm</u>	<u>396,701,840</u>	<u>\$0.274927</u>	<u>\$109,064,047</u>		
	Total				\$158,093,963	20.89%	\$33,027,609
Sm Comm	Cust	Bill	297,097	\$20.00	\$5,941,948		
	Comm	Thm	55,404,283	\$0.219738	\$12,174,426		
	<u>CIP Exempt</u>	<u>Thm</u>	<u>4,045</u>	<u>(\$0.023947)</u>	<u>(\$97)</u>		
	Total				\$18,116,278	20.89%	\$3,784,694
Lg Comm	Cust	Bill	138,236	\$50.00	\$6,911,790		
	Comm	Thm	181,266,049	\$0.184101	\$33,371,261		
	<u>CIP Exempt</u>	<u>Thm</u>	<u>67,914</u>	<u>(\$0.023947)</u>	<u>(\$1,626)</u>		
	Total				\$40,281,424	20.89%	\$8,415,243
Sm/Lg Demand	Cust	Bill	1,761		\$467,364		
	Dmd	Thm	3,462,474	\$0.882000	\$3,053,902		
	Comm	Thm	29,685,548	\$0.084775	\$2,516,592		
	<u>CIP Exempt</u>	<u>Thm</u>	<u>274,475</u>	<u>(\$0.023947)</u>	<u>(\$6,573)</u>		
	Total				\$6,031,286	20.89%	\$1,260,004
Sm Inter	Cust	Bill	1,873	\$150.00	\$280,969		
	<u>Comm</u>	<u>Thm</u>	<u>12,435,808</u>	<u>\$0.148846</u>	<u>\$1,851,020</u>		
	Total				\$2,131,989	20.89%	\$445,397
Med/Lg Inter	Cust	Bill	946		\$289,126		
	Comm	Thm	67,595,309		\$5,601,697		
	<u>CIP Exempt</u>	<u>Thm</u>	<u>320,248</u>	<u>(\$0.023947)</u>	<u>(\$7,669)</u>		
	Total				\$5,883,155	20.89%	\$1,229,057
Retail Total					\$230,538,095	20.89%	\$48,162,004
Transportation	Cust	Bill	312		\$97,800		
	Dmd	Thm	694,821		\$612,832		
	Comm	Thm	122,849,184		\$6,406,432		
	<u>CIP Exempt</u>	<u>Thm</u>	<u>23,639,249</u>	<u>(\$0.023947)</u>	<u>(\$566,089)</u>		
	Total				\$6,550,975	20.89%	\$1,368,572
Generation	Cust	Bill	108		\$31,200		
	Dmd	Thm	23,160,000		\$3,776,193		
	<u>Comm</u>	<u>Thm</u>	<u>321,848,595</u>		<u>\$3,431,555</u>		
	Total				\$7,238,947	20.89%	\$1,512,298
Rate Total					\$244,328,017	20.89%	\$51,042,874
Late Pay @			0.2674%		\$0		\$136,470
Total Rev					\$244,328,017	20.95%	\$51,179,344
Interim Revenue Increase Over Present Retail Revenues							\$51,179,344

Note: Total interim increase was adjusted to reflect an increase in late payment revenues and then allocated to class based on current margin contribution.

DOCKET NO. G002/GR-23-413

INTERIM TARIFF SHEETS

Minnesota Gas Rate Book - MPUC No. 2

Sheet No. 1-1, revision 13
Sheet No. 5-1_TOC, revision 7
Sheet No. 5-1, revision 13
Sheet No. 5-2, revision 13
Sheet No. 5-3.1, revision 10
Sheet No. 5-6, revision 12
Sheet No. 5-11, revision 10
Sheet No. 5-17, revision 10
Sheet No. 5-30, revision 4
Sheet No. 5-73, original

Interim Tariffs Redline

MINNESOTA GAS RATE BOOK - MPUC NO. 2

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~~42th~~^{13th} Revised Sheet No. 1

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

RESIDENTIAL FIRM SERVICE

Section No. 5

RATE CODE: 101

~~12th~~13th Revised Sheet No. 1

AVAILABILITY

This rate is available to any residential customer, as defined in Class Definitions in Section 4, for domestic use of natural gas service.

DETERMINATION OF CUSTOMER BILLS

Customer bills under this rate are based on the distribution cost and the cost of gas that vary with customer usage determined in Terms, in addition to a monthly minimum charge equal to the monthly customer charge. Details regarding these specific charges are listed below.

DETERMINATION OF COST OF GAS

The billed Cost of Gas is the below Base Cost of Gas for each unit of customer usage determined in Terms adjusted by the Purchased Gas Adjustment as provided for in the Purchased Gas Adjustment Clause. See additional information on the Purchased Gas Adjustment Clause in this section.

MONTHLY MINIMUM CHARGE

Customer Charge as listed below.

RATE

Customer Charge per Month \$9.00

Distribution Charge per Therm \$0.274927

Base Cost of Gas per Therm

April - October \$0.703975

November - March \$0.772967

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

(Continued on Sheet No. 5-1.1)

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

COMMERCIAL FIRM SERVICE

Section No. 5

RATE CODES: SMALL 102 & 108; LARGE 118 & 125

~~42th~~13th Revised Sheet No. 2

AVAILABILITY

This rate is available to any firm commercial or industrial customer as defined in Class Definitions in Section 4 for general use of natural gas service with peak daily demand requirements of less than 500 Therms.

Customer's rate will be based on annual usage:

- Small – less than 6,000 Therms; and
- Large – at least 6,000 Therms.

Customers with peak daily demand requirements of 500 Therms or more must take service under Commercial Demand Billed Service.

DETERMINATION OF CUSTOMER BILLS

Customer bills under this rate are based on the distribution cost and the cost of gas that vary with customer usage determined in Therms, in addition to a monthly minimum charge equal to the monthly customer charge. Details regarding these specific charges are listed below.

DETERMINATION OF COST OF GAS

The billed Cost of Gas is the below Base Cost of Gas for each unit of customer usage determined in Therms adjusted by the Purchased Gas Adjustment as provided for in the Purchased Gas Adjustment Clause. See additional information on the Purchased Gas Adjustment Clause in this section.

MONTHLY MINIMUM CHARGE

Customer Charge as listed below.

RATE	SMALL	LARGE	
Customer Charge per Month	\$20.00	\$50.00	<u>R</u>
Distribution Charge per Therm	\$0.219738	\$0.184101	<u>R</u>
Base Cost of Gas per Therm			
April - October	\$0.713770	\$0.713770	<u>R</u>
November - March	\$0.782763	\$0.782763	<u>R</u>

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

THERM ADJUSTMENT

Customer's Therm usage shall equal their Ccf consumption adjusted to reflect 1,000 Btu per cubic foot, a base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit. For additional information regarding metering and billing adjustments, see section 6.

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

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N

(Continued on Sheet No. 5-2.1)

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Northern States Power Company, a Minnesota corporation
Minneapolis, Minnesota 55401

INTERIM

MINNESOTA GAS RATE BOOK - MPUC NO. 2

COMMERCIAL DEMAND BILLED SERVICE (Continued)

Section No. 5

RATE CODES: SMALL 119, LARGE 103

~~9th~~10th Revised Sheet No. 3.1

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

~~ND~~
~~ND~~
~~ND~~

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

THERM ADJUSTMENT

Customer's Therm usage shall equal their Ccf consumption adjusted to reflect 1,000 Btu per cubic foot, a base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit. For additional information regarding metering and billing adjustments, see section 6.

(Continued on Sheet No. 5-4)

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

LARGE FIRM TRANSPORTATION SERVICE (Continued)
RATE CODE 104

Section No. 5
~~11th~~12th Revised Sheet No. 6

RATE (Continued)

Returning to the Fixed Rate. A customer who has been on the flexible rate for at least six months can give the Company notice that in an additional six months customer wishes to return to the fixed rate. The notice is made void if the customer thereafter voluntarily uses an alternate fuel or service for price reasons.

Flexible Rate Exemption. The Company shall not offer or impose the flexible rate in competition with indigenous biomass energy.

Non-Agreement Penalties. If Company and customer cannot agree to a flexible distribution charge and customer nonetheless uses gas, then customer shall be charged the maximum allowable flexible distribution charge, plus all other applicable charges and penalties.

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

ND
ND
ND

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

THERM ADJUSTMENT

Customer's Therm usage shall equal their Ccf consumption adjusted to reflect 1,000 Btu per cubic foot, a base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit. For additional information regarding metering and billing adjustments, see Section 6.

SUPERCOMPRESSIBILITY ADJUSTMENT

For customers served at 25 PSIG or greater, an adjustment factor or correction device shall be used to correct gas consumption measurements for supercompressibility.

(Continued on Sheet No. 5-6.1)

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

INTERRUPTIBLE SERVICE (Continued)
RATE CODES: SMALL 105 & 111, MEDIUM 106, LARGE 120

Section No. 5
~~9th~~^{10th} Revised Sheet No. 11

RATE (Continued)

Flexible Distribution Charge.

Small Volume Company and customer will agree to a price between \$0.015702 and \$0.281989 per Therm.

Medium Volume Company and customer will agree to a price between \$0.006236 and \$0.163314 per Therm.

Large Volume Company and customer will agree to a price between \$0.005007 and \$0.154522 per Therm.

The most recently approved Conservation Cost Recovery Charge (CCRC) will be added to the minimum rate unless the customer has received a Conservation Improvement Program (CIP) exemption. Unless otherwise agreed, a five day notice of price change shall be provided.

Service on the Flexible Rate. Customers are normally served on the fixed rate but will be placed on the flexible rate if: (1) the customer requests flexible rate service, (2) for pricing reasons, the customer uses a non-gas alternate energy supply/service from a supplier not regulated by the Commission, or (3) the customer uses gas from a supplier not regulated by the Commission.

Returning to the Fixed Rate. A customer who has been on the flexible rate for at least six months can give the Company notice that in an additional six months customer wishes to return to the fixed rate. The notice is made void if the customer thereafter voluntarily uses an alternate fuel or service.

Flexible Rate Exemption. The Company shall not offer or impose the flexible rate in competition with indigenous biomass energy.

Non-Agreement Penalties. If Company and customer cannot agree to a flexible distribution charge and customer nonetheless uses gas, then customer shall be charged the maximum allowable flexible distribution charge, plus all other applicable charges and penalties.

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

THERM ADJUSTMENT

Customer's Therm usage shall equal their Ccf consumption adjusted to reflect 1,000 Btu per cubic foot, a base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit. For additional information regarding metering and billing adjustments, see Section 6.

SUPERCOMPRESSIBILITY ADJUSTMENT

For customers served at 25 PSIG or greater, an adjustment factor or correction device shall be used to correct gas consumption measurements for supercompressibility.

(Continued on Sheet No. 5-11.1)

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)
RATE CODES: SMALL 123, MEDIUM 107, LARGE 124

Section No. 5

~~9th~~^{10th} Revised Sheet No. 17

Flexible Distribution Charge

Small Volume Company and customer will agree to a price between \$0.015702 and \$0.281989 per Therm.

Medium Volume Company and customer will agree to a price between \$0.006236 and \$0.163314 per Therm.

Large Volume Company and customer will agree to a price between \$0.005007 and \$0.154522 per Therm.

The most recently approved Conservation Cost Recovery Charge (CCRC) will be added to the minimum rate unless the customer has received a Conservation Improvement Program (CIP) exemption. Unless otherwise agreed, a five day notice of price change shall be provided.

Service on the Flexible Rate. Customers are normally served on the fixed rate but will be placed on the flexible rate if: (1) the customer requests flexible rate service, (2) for pricing reasons, the customer uses a non-gas alternate energy supply/service from a supplier not regulated by the Commission, or (3) the customer uses gas from a supplier not regulated by the Commission.

Returning to the Fixed Rate. A customer who has been on the flexible rate for at least six months can give the Company notice that in an additional six months customer wishes to return to the fixed rate. The notice is made void if the customer thereafter voluntarily uses an alternate fuel or service for price reasons.

Flexible Rate Exemption. The Company shall not offer or impose the flexible rate in competition with indigenous biomass energy.

Non-Agreement Penalties. If Company and customer cannot agree to a flexible distribution charge and customer nonetheless uses gas, then customer shall be charged the maximum allowable flexible distribution charge, plus all other applicable charges and penalties.

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

(Continued on Sheet No. 5-17.1)

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

**SMALL VOLUME FLEX INTERRUPTIBLE TRANSPORTATION
OF CUSTOMER OWNED GAS (CLOSED) (Continued)
RATE CODE 157**

Section No. 5
~~3rd~~4th Revised Sheet No. 30

DETERMINATION OF CUSTOMER BILLS

Customer bills under this rate are based on the distribution cost that varies with customer usage determined in Terms, in addition to a monthly minimum charge equal to the monthly customer charge. Details regarding these specific charges are listed below.

MONTHLY MINIMUM CHARGE

The minimum monthly charge is the customer charge. If mutually agreed, the customer may be subject to a minimum annual commodity quantity at the agreed to distribution rate in lieu of a fixed monthly or annual distribution charge.

RATE

Monthly Customer Charge	\$32.00
Commodity Charge	Negotiated Rate not Less than \$0.05000 per Mcf Negotiated Rate not More than \$2.7678 per Mcf
Default Rates	When the Company and the customer cannot reach a negotiated price agreement, the rate shall be \$2.7678 per Mcf.

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

ND
ND
ND

In addition, customer bills under this rate are subject to the following adjustments and/or changes.

THERM ADJUSTMENT

Customer's Therm usage shall equal their Ccf consumption adjusted to reflect 1,000 Btu per cubic foot, a base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit. For additional information regarding metering and billing adjustments, see Section 6.

SUPERCOMPRESSIBILITY ADJUSTMENT

For customers served at 25 PSIG or greater, an adjustment factor or correction device shall be used to correct gas consumption measurements for supercompressibility.

RESOURCE ADJUSTMENT

All customer bills under this rate are subject to the adjustment provided for in the Conservation Improvement Program Adjustment Rider, the State Energy Policy Rate Rider and the Gas Utility Infrastructure Cost Rider.

SURCHARGE

In certain communities, customer bills under this rate are subject to surcharges provided for in the Surcharge Rider. See additional information on the Surcharge Rider in this section.

(Continued on Sheet No. 5-31)

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

INTERIM RATE SURCHARGE RIDER

Section No. 5
Original Sheet No. 73

AVAILABILITY

The 20.89% Interim Rate Surcharge applies to:

1. Residential Firm Service
2. Commercial Firm Service
3. Commercial Demand Billed Service
4. Large Firm Transportation Service
5. Interruptible Service
6. Interruptible Transportation Service
7. Small Volume Flex Interruptible Service of Customer Owned Gas (closed)

The 20.89% Interim Rate Surcharge does not apply to:

8. Negotiated Transportation Service
9. Purchased Gas Adjustment Clause
10. Conservation Improvement Program Adjustment Rider
11. Surcharge Rider No 1 Franchise and Other City Fees
12. New Area Surcharge and Extension Surcharge Riders
13. Limited Firm Service
14. Daily Balancing Service Rider
15. End User Allocation Service Rider
16. State Energy Policy Rider
17. Gas Utility Infrastructure Cost Rider
18. Low Income Energy Discount Rider

This temporary Interim Rate Surcharge Rider will expire when final rates become effective.

RATE

Each rate schedule that the Interim Rate Surcharge applies to contains the following text:

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

The 20.89% adjustment may be applied to each bill prior to any applicable Cost of Gas charges and surcharges. If the total amount of the rate increase approved at the end of this rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the Commission determines that the total amount of final rates should be higher than the total amount of the interim rates, the Company will not charge customers for the difference between the interim rates and the final rates for the period starting with the implementation of interim rates and ending with the issuance of the Commission's decision establishing final rates.

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Interim Tariffs Clean

MINNESOTA GAS RATE BOOK - MPUC NO. 2

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MINNESOTA GAS RATE BOOK – MPUC NO. 2

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N

RESIDENTIAL FIRM SERVICE
RATE CODE: 101

Section No. 5
13th Revised Sheet No. 1

AVAILABILITY

This rate is available to any residential customer, as defined in Class Definitions in Section 4, for domestic use of natural gas service.

DETERMINATION OF CUSTOMER BILLS

Customer bills under this rate are based on the distribution cost and the cost of gas that vary with customer usage determined in Therms, in addition to a monthly minimum charge equal to the monthly customer charge. Details regarding these specific charges are listed below.

DETERMINATION OF COST OF GAS

The billed Cost of Gas is the below Base Cost of Gas for each unit of customer usage determined in Therms adjusted by the Purchased Gas Adjustment as provided for in the Purchased Gas Adjustment Clause. See additional information on the Purchased Gas Adjustment Clause in this section.

MONTHLY MINIMUM CHARGE

Customer Charge as listed below.

RATE

Customer Charge per Month	\$9.00
Distribution Charge per Therm	\$0.274927
Base Cost of Gas per Therm	
April - October	\$0.703975
November - March	\$0.772967

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

COMMERCIAL FIRM SERVICE

Section No. 5

RATE CODES: SMALL 102 & 108; LARGE 118 & 125

13th Revised Sheet No. 2

AVAILABILITY

This rate is available to any firm commercial or industrial customer as defined in Class Definitions in Section 4 for general use of natural gas service with peak daily demand requirements of less than 500 Therms.

Customer's rate will be based on annual usage:

- Small – less than 6,000 Therms; and
- Large – at least 6,000 Therms.

Customers with peak daily demand requirements of 500 Therms or more must take service under Commercial Demand Billed Service.

DETERMINATION OF CUSTOMER BILLS

Customer bills under this rate are based on the distribution cost and the cost of gas that vary with customer usage determined in Therms, in addition to a monthly minimum charge equal to the monthly customer charge. Details regarding these specific charges are listed below.

DETERMINATION OF COST OF GAS

The billed Cost of Gas is the below Base Cost of Gas for each unit of customer usage determined in Therms adjusted by the Purchased Gas Adjustment as provided for in the Purchased Gas Adjustment Clause. See additional information on the Purchased Gas Adjustment Clause in this section.

MONTHLY MINIMUM CHARGE

Customer Charge as listed below.

RATE	SMALL	LARGE
Customer Charge per Month	\$20.00	\$50.00
Distribution Charge per Therm	\$0.219738	\$0.184101
Base Cost of Gas per Therm		
April - October	\$0.713770	\$0.713770
November - March	\$0.782763	\$0.782763

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

THERM ADJUSTMENT

Customer's Therm usage shall equal their Ccf consumption adjusted to reflect 1,000 Btu per cubic foot, a base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit. For additional information regarding metering and billing adjustments, see section 6.

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

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INTERIM

MINNESOTA GAS RATE BOOK - MPUC NO. 2

COMMERCIAL DEMAND BILLED SERVICE (Continued)

Section No. 5

RATE CODES: SMALL 119, LARGE 103

10th Revised Sheet No. 3.1

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

N
N
N

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

THERM ADJUSTMENT

Customer's Therm usage shall equal their Ccf consumption adjusted to reflect 1,000 Btu per cubic foot, a base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit. For additional information regarding metering and billing adjustments, see section 6.

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LARGE FIRM TRANSPORTATION SERVICE (Continued)
RATE CODE 104

Section No. 5
12th Revised Sheet No. 6

RATE (Continued)

Returning to the Fixed Rate. A customer who has been on the flexible rate for at least six months can give the Company notice that in an additional six months customer wishes to return to the fixed rate. The notice is made void if the customer thereafter voluntarily uses an alternate fuel or service for price reasons.

Flexible Rate Exemption. The Company shall not offer or impose the flexible rate in competition with indigenous biomass energy.

Non-Agreement Penalties. If Company and customer cannot agree to a flexible distribution charge and customer nonetheless uses gas, then customer shall be charged the maximum allowable flexible distribution charge, plus all other applicable charges and penalties.

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

N
N
N

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

THERM ADJUSTMENT

Customer's Therm usage shall equal their Ccf consumption adjusted to reflect 1,000 Btu per cubic foot, a base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit. For additional information regarding metering and billing adjustments, see Section 6.

SUPERCOMPRESSIBILITY ADJUSTMENT

For customers served at 25 PSIG or greater, an adjustment factor or correction device shall be used to correct gas consumption measurements for supercompressibility.

(Continued on Sheet No. 5-6.1)

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

INTERRUPTIBLE SERVICE (Continued)
RATE CODES: SMALL 105 & 111, MEDIUM 106, LARGE 120

Section No. 5
10th Revised Sheet No. 11

RATE (Continued)

Flexible Distribution Charge.

Small Volume Company and customer will agree to a price between \$0.015702 and \$0.281989 per Therm.

Medium Volume Company and customer will agree to a price between \$0.006236 and \$0.163314 per Therm.

Large Volume Company and customer will agree to a price between \$0.005007 and \$0.154522 per Therm.

The most recently approved Conservation Cost Recovery Charge (CCRC) will be added to the minimum rate unless the customer has received a Conservation Improvement Program (CIP) exemption. Unless otherwise agreed, a five day notice of price change shall be provided.

Service on the Flexible Rate. Customers are normally served on the fixed rate but will be placed on the flexible rate if: (1) the customer requests flexible rate service, (2) for pricing reasons, the customer uses a non-gas alternate energy supply/service from a supplier not regulated by the Commission, or (3) the customer uses gas from a supplier not regulated by the Commission.

Returning to the Fixed Rate. A customer who has been on the flexible rate for at least six months can give the Company notice that in an additional six months customer wishes to return to the fixed rate. The notice is made void if the customer thereafter voluntarily uses an alternate fuel or service.

Flexible Rate Exemption. The Company shall not offer or impose the flexible rate in competition with indigenous biomass energy.

Non-Agreement Penalties. If Company and customer cannot agree to a flexible distribution charge and customer nonetheless uses gas, then customer shall be charged the maximum allowable flexible distribution charge, plus all other applicable charges and penalties.

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

N
N
N

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

THERM ADJUSTMENT

Customer's Therm usage shall equal their Ccf consumption adjusted to reflect 1,000 Btu per cubic foot, a base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit. For additional information regarding metering and billing adjustments, see Section 6.

SUPERCOMPRESSIBILITY ADJUSTMENT

For customers served at 25 PSIG or greater, an adjustment factor or correction device shall be used to correct gas consumption measurements for supercompressibility.

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INTERRUPTIBLE TRANSPORTATION SERVICE (Continued)
RATE CODES: SMALL 123, MEDIUM 107, LARGE 124

Section No. 5
10th Revised Sheet No. 17

Flexible Distribution Charge

Small Volume Company and customer will agree to a price between \$0.015702 and \$0.281989 per Therm.

Medium Volume Company and customer will agree to a price between \$0.006236 and \$0.163314 per Therm.

Large Volume Company and customer will agree to a price between \$0.005007 and \$0.154522 per Therm.

The most recently approved Conservation Cost Recovery Charge (CCRC) will be added to the minimum rate unless the customer has received a Conservation Improvement Program (CIP) exemption. Unless otherwise agreed, a five day notice of price change shall be provided.

Service on the Flexible Rate. Customers are normally served on the fixed rate but will be placed on the flexible rate if: (1) the customer requests flexible rate service, (2) for pricing reasons, the customer uses a non-gas alternate energy supply/service from a supplier not regulated by the Commission, or (3) the customer uses gas from a supplier not regulated by the Commission.

Returning to the Fixed Rate. A customer who has been on the flexible rate for at least six months can give the Company notice that in an additional six months customer wishes to return to the fixed rate. The notice is made void if the customer thereafter voluntarily uses an alternate fuel or service for price reasons.

Flexible Rate Exemption. The Company shall not offer or impose the flexible rate in competition with indigenous biomass energy.

Non-Agreement Penalties. If Company and customer cannot agree to a flexible distribution charge and customer nonetheless uses gas, then customer shall be charged the maximum allowable flexible distribution charge, plus all other applicable charges and penalties.

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

N
N
N

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**SMALL VOLUME FLEX INTERRUPTIBLE TRANSPORTATION
OF CUSTOMER OWNED GAS (CLOSED) (Continued)
RATE CODE 157**

Section No. 5
4th Revised Sheet No. 30

DETERMINATION OF CUSTOMER BILLS

Customer bills under this rate are based on the distribution cost that varies with customer usage determined in Terms, in addition to a monthly minimum charge equal to the monthly customer charge. Details regarding these specific charges are listed below.

MONTHLY MINIMUM CHARGE

The minimum monthly charge is the customer charge. If mutually agreed, the customer may be subject to a minimum annual commodity quantity at the agreed to distribution rate in lieu of a fixed monthly or annual distribution charge.

RATE

Monthly Customer Charge	\$32.00
Commodity Charge	Negotiated Rate not Less than \$0.05000 per Mcf Negotiated Rate not More than \$2.7678 per Mcf
Default Rates	When the Company and the customer cannot reach a negotiated price agreement, the rate shall be \$2.7678 per Mcf.

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

N
N
N

In addition, customer bills under this rate are subject to the following adjustments and/or changes.

THERM ADJUSTMENT

Customer's Therm usage shall equal their Ccf consumption adjusted to reflect 1,000 Btu per cubic foot, a base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit. For additional information regarding metering and billing adjustments, see Section 6.

SUPERCOMPRESSIBILITY ADJUSTMENT

For customers served at 25 PSIG or greater, an adjustment factor or correction device shall be used to correct gas consumption measurements for supercompressibility.

RESOURCE ADJUSTMENT

All customer bills under this rate are subject to the adjustment provided for in the Conservation Improvement Program Adjustment Rider, the State Energy Policy Rate Rider and the Gas Utility Infrastructure Cost Rider.

SURCHARGE

In certain communities, customer bills under this rate are subject to surcharges provided for in the Surcharge Rider. See additional information on the Surcharge Rider in this section.

(Continued on Sheet No. 5-31)

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

INTERIM RATE SURCHARGE RIDER

Section No. 5
Original Sheet No. 73

AVAILABILITY

The 20.89% Interim Rate Surcharge applies to:

1. Residential Firm Service
2. Commercial Firm Service
3. Commercial Demand Billed Service
4. Large Firm Transportation Service
5. Interruptible Service
6. Interruptible Transportation Service
7. Small Volume Flex Interruptible Service of Customer Owned Gas (closed)

The 20.89% Interim Rate Surcharge does not apply to:

8. Negotiated Transportation Service
9. Purchased Gas Adjustment Clause
10. Conservation Improvement Program Adjustment Rider
11. Surcharge Rider No 1 Franchise and Other City Fees
12. New Area Surcharge and Extension Surcharge Riders
13. Limited Firm Service
14. Daily Balancing Service Rider
15. End User Allocation Service Rider
16. State Energy Policy Rider
17. Gas Utility Infrastructure Cost Rider
18. Low Income Energy Discount Rider

This temporary Interim Rate Surcharge Rider will expire when final rates become effective.

RATE

Each rate schedule that the Interim Rate Surcharge applies to contains the following text:

INTERIM RATE ADJUSTMENT

A 20.89% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 1, 2024.

The 20.89% adjustment may be applied to each bill prior to any applicable Cost of Gas charges and surcharges. If the total amount of the rate increase approved at the end of this rate case is lower than the total amount of interim rates collected, the Company will refund the difference with interest, and if the Commission determines that the total amount of final rates should be higher than the total amount of the interim rates, the Company will not charge customers for the difference between the interim rates and the final rates for the period starting with the implementation of interim rates and ending with the issuance of the Commission's decision establishing final rates.

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