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Evidentiary Hearing Opening Statement
Case No. PU-12-813



I am a Public Utility Analyst with the North Dakota Public Service Commission and am appearing on behalf of advocacy staff. The purpose of my testimony is to express concerns on the part of the advocacy staff as to NSP's spending that has caused the Company to ask for increases from customers for a 2008, 2011, 2012 and now a 2013 test period.

In the Company's rebuttal, Vice President McCarten states that the Company is considering the ratepayer and points to their offer to spread the 2008 market losses in their pension plan over multiple years. Yet this is a very small component of the rate case and we don't know how postponing this small amount may affect a future increase. She also points to two projects, the Black Dog Repowering and the Prairie Island uprate that the Company cancelled as cost reduction programs. However, the primary reason the Company cancelled these projects was because the load growth that necessitated them didn't materialize.

And, when questioned by Commissioner Fedorchak Ms. McCarten indicated that the Company will have at least two more years of significant spending as they complete their nuclear projects and the CAPX2020 projects. In summary, the Company has not alleviated our concerns regarding cost control.