

**Opening Statement of Ms. Sara Cardwell
on behalf of
Advocacy Staff, North Dakota Public Service Commission
Case No. PU-17-120**

Good morning, Commissioner Christmann, Commissioner Fedorchak, Commissioner Kroshus, and others here today. My name is Sara Cardwell and I am representing Advocacy Staff in this proceeding. I am here today to support the Settlement Agreement between Xcel Energy and Advocacy Staff granting conditional prudence for the seven projects that make up Xcel Energy's 1,550 MW Wind Portfolio.

When the Company submitted this filing, I was very skeptical as to whether or not this was a prudent course of action by the Company. This is a lot of wind to be adding to the Company's system. However, based on the Company's analysis and the analysis done by our consultant, I find that adding these resources to the NSP System is prudent and that doing so will drive down overall system costs. I do not believe that the Commission would be making the correct decision on behalf of the NSP customers in North Dakota if we deny the Company's application and subject customers to higher costs as a result.

We all understand that these resources do not strictly conform to the Commission's "need plus least cost" planning paradigm. However, we have approved wind projects previously under these same conditions. That is, the Commission has previously recognized wind projects that will lower overall costs for customers and the Commission should approve these projects as well.



I know the Commission has expressed concerns in the past about the impact that wind has on more traditional resources. However, these projects as well as many others in the MISO footprint will be built and, denying prudence for these projects would only deny substantial, long-term cost savings for customers and not stop these projects or other projects from being built.

In addition to cost savings, the settlement agreement provides safeguards that protect these savings for customers. If the Company is able to complete these projects under budget, 100% of the savings will flow to customers. If the Company does not complete these projects within the budgets set, the Company will have to come back before the Commission and prove that the additional expenditures are prudent before those costs can be passed onto customers. Lastly, if the projects are not completed on time and thereby do not receive 100% of the PTCs, the Company is at risk for those costs. No loss of PTCs will be passed on to customers.

Initially, the Company expressed such confidence in their cost estimates that they indicated if the projects were completed under budget, the Company should be allowed to keep 100% of those savings. Mr. Heidell recommended a 60/40 split of those benefits. Ultimately, the settlement passes 100% of the benefits of coming in under budget to customers, which is more in line with traditional ratemaking. In a similar fashion, allowing the Company to request further cost recovery if the projects are not completed within their budget is also consistent with traditional ratemaking.

Thus, I recommend the Commission adopt the Settlement Agreement. I look forward to addressing any questions you may have.

Thank you.