



**Opening Statement of Aakash H. Chandarana
on behalf of
Northern States Power Company
Case Nos. PU-17-120 and PU-17-372**

Good mornings Commissioners Kroshus, Christman, and Fedorchack. My name is Aakash Chandarana and I am the Regional Vice President for Xcel Energy. I am here today to provide testimony supporting the settlement agreement between Xcel Energy and Advocacy Staff granting advanced determinations of prudence, with conditions, for the Company's 1,850 MW of wind projects.

Overall, the Company's 1,850 MW of wind additions is a large portfolio of projects but they are prudent. With wind pricing the lowest we have seen yet, the ability to capture production tax credits before they are fully phased out, and our ability to leverage large supplier relationships have allowed us to secure pricing for each of these projects that, in aggregate, will likely lower system costs by over \$1 billion during the lives of the projects. For no other reason than the cost savings, these projects are prudent.

Advisory Staff and their consultant recognized the prudence of capturing the cost savings for our North Dakota customers, but in negotiations, requested conditions to ensure that these benefits are actually captured. Therefore, Xcel Energy has agreed to conditions in the settlement agreement that, among other things, generally cap the capital costs of our projects to mitigate cost uncertainty and require

the Company to insulate customers should the PTCs, for whatever reason, not be available for the projects.

Recognizing the advantages for customers of our wind additions and the reasonableness of Staff's interest in protecting customers in reasonable ways, the Company has agreed to these conditions. Therefore, I ask that the Commission approve the Settlement Agreement today.

I look forward to answering your questions regarding these important projects.

Thank you.