

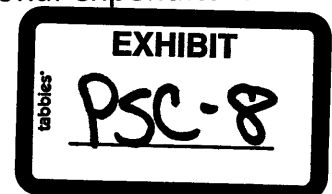
**Opening Statement of Victor Schock  
on behalf of  
Advocacy Staff, North Dakota Public Service Commission  
Case Nos. PU-17-120 and PU-17-372**

Good morning Commissioners. My name is Victor Schock 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 nine projects that make up Xcel Energy's 1,852.4 MW Wind Portfolio.

When the Company submitted these filings, I was skeptical as to whether or not this was a prudent course of action by the Company. This is a large amount of wind to be adding to the Company's system in a short timeframe. However, based on the Company's analysis and the analysis done by Mr. Heidell, I find that adding these resources to the NSP System is prudent and doing so will lower overall system costs.

The Commission has expressed concerns in the past about the impact of wind generation on more traditional resources. However, these projects along with many others in the MISO footprint will be built regardless of the Commission's decision in these cases. Therefore, denying prudence for these projects would only deny long-term cost savings for NSP's North Dakota customers and not prevent these projects or others 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 budget, 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 the PTCs as planned, the Company is at risk for those costs. No loss of PTCs will be passed on to customers. These provisions are in line with traditional ratemaking principals and this Commission's historical decisions.

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

Thank you.