

BEFORE THE  
NORTH DAKOTA PUBLIC SERVICE COMMISSION

*Northern States Power Company*

*Advance Prudence – 98.9 Mower Co. Wind Facility, Application, Case No. PU-19-310*

TESTIMONY IN SUPPORT OF SETTLEMENT AGREEMENT  
OF  
VICTOR SCHOCK

ON BEHALF OF THE  
NORTH DAKOTA PUBLIC SERVICE COMMISSION  
ADVOCACY STAFF

April 20, 2020

1 Q: Provide your name and qualifications.

2 A: My name is Victor Schock. I am a Public Utility Analyst for the North Dakota  
3 Public Service Commission (Commission). I have 15 years of accounting  
4 experience and five years of utility regulatory experience.

5

6 Q: Did you prepare direct testimony in this proceeding?

7 A: Yes. I filed Direct Testimony on behalf of advocacy staff (Staff) summarizing  
8 my findings and concerns about Northern States Power Company's (NSP)  
9 Advanced Determination of Prudence (ADP) for the proposed purchase and  
10 operation of the 98.9 MW Mower County Wind Facility (Project).

11

12 Q: What is the purpose of your testimony?

13 A: I am filing this testimony in support of the settlement agreement between NSP  
14 and Staff filed with the Commission on April 8, 2020.

15

16 Q: What is the main point of the settlement agreement?

17 A: The settlement agreement, if approved by the Commission, grants conditional  
18 approval of the ADP requested by NSP in this proceeding.

19

20 Q: What are the additional terms of the settlement agreement?

21 A: The settlement caps the allowed expenditure at an agreed upon amount that is  
22 marked as trade secret in the Joint Stipulation filed in this case. If the total  
23 purchase price and transaction expenses for the Project come in above the  
24 cap, NSP would bear the burden to prove that the amount above the cap is  
25 reasonable and prudent. Additionally, the settlement protects ratepayers in the  
26 event NSP fails to obtain 100% of PTC value for the Project.

27

28 Q: Why is the expenditure cap important?

29 A: The cap ensures that in the event the final Project costs more than anticipated,  
30 customers will only pay the amount that was used in the cost benefit analysis,

1 unless NSP is able to prove that the additional costs were reasonable and  
2 prudent in a future proceeding.

3

4 Q: What protection does the settlement provide for ratepayers in regards to PTCs?

5 A: The settlement ensures customers will not pay additional costs in the event the  
6 Project does not qualify for 100% of PTC value. However, there is a provision  
7 whereby if the Project does not qualify for 100% of PTC value due to pandemic  
8 related factors outside of NSP's reasonable control, they may come back to the  
9 commission in a future proceeding to seek recovery. While this provision is a  
10 real possibility, staff is comfortable with the provision because NSP would need  
11 to prove the additional costs due to the lack of PTCs are prudent in a future  
12 proceeding. This ensures that in the event this provision is triggered, a thorough  
13 review can be completed.

14

15 Q: Do you believe the settlement results in the best deal for North Dakota  
16 ratepayers?

17 A: Yes. The settlement contains protections for ratepayers that helps ensure they  
18 will recognize the cost savings described by NSP.

19

20 Q: Does this conclude your testimony?

21 A: Yes it does.