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Rebuttal Testimony  
Bria E. Shea

State of North Dakota  
before the  
North Dakota Public Service Commission

In the Matter of the Application of Northern States Power Company  
for an Advance Determination of Prudence  
for the 98.9 MW Mower County Wind Facility

Case No. PU-19-310  
Exhibit\_\_\_\_(BES-2)

**Policy**

April 24, 2020

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**I. INTRODUCTION**

1

2

3 Q. PLEASE STATE YOUR NAME AND TITLE.

4 A. My name is Bria E. Shea. I am the Director, Regulatory and Strategic Analysis,  
5 for Northern States Power Company – Minnesota (NSP or Xcel Energy or  
6 the Company).

7

8 Q. ARE YOU THE SAME BRIA E. SHEA WHO SUBMITTED PRE-FILED DIRECT  
9 TESTIMONY IN THIS PROCEEDING?

10 A. Yes.

11

12 Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY IN THIS  
13 PROCEEDING?

14 A. The purpose of my Rebuttal Testimony is to respond to the Direct Testimony  
15 of Commission Analyst Mr. Victor Schock filed in this Case and provide  
16 support for the Settlement Agreement between Commission Advocacy Staff  
17 and the Company regarding the Company's request for an Advance  
18 Determination of Prudence (ADP) for the Company to acquire, own and  
19 operate the repowered Mower County Wind Facility (Mower County or  
20 Project).

21

22 Q. PLEASE SUMMARIZE THE RECOMMENDATIONS YOU MAKE IN YOUR REBUTTAL  
23 TESTIMONY.

24 A. In my testimony, I recommend that the Commission approve the Settlement.

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1 Q. HOW IS YOUR TESTIMONY STRUCTURED?

2 A. My testimony covers the following topics:

- 3 • Section II provides an overview of Mr. Schock's testimony and the
- 4 Company's responses to Mr. Schock's recommended conditions;
- 5 • Section III discusses the Settlement Agreement entered into by the
- 6 Company and Commission Advocacy Staff;
- 7 • Section IV concludes my Rebuttal Testimony

8

9 **II. RESPONSE TO MR. SCHOCK'S RECOMMENDATION**

10

11 Q. HAVE YOU REVIEWED MR. SCHOCK'S DIRECT TESTIMONY?

12 A. Yes.

13

14 Q. PLEASE BRIEFLY SUMMARIZE MR. SCHOCK'S RECOMMENDATIONS.

15 A. Mr. Schock recommended that the Commission grant the ADP for the  
16 Company's purchase of the repowered Mower County Wind Facility (the  
17 Project), subject to certain conditions.

18

19 Q. WHAT CONDITIONS DID MR. SCHOCK RECOMMEND?

20 A. Mr. Schock recommended that the ADP be subject to the following  
21 conditions: (1) the purchase price be capped at the purchase price the  
22 Company provided in its Application; (2) North Dakota ratepayers be held  
23 harmless in the event the Company does not obtain one hundred percent of  
24 the federal production tax credit (PTC) for the Project; and (3) the Company  
25 provide quarterly construction progress reports to the Commission until the  
26 Project is in-service, indicating the development status of the Project.

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1 Q. DOES THE COMPANY AGREE WITH MR. SCHOCK'S RECOMMENDATION AND  
2 PROPOSED CONDITIONS?

3 A. Xcel Energy agrees that the Mower Project is prudent and that an ADP should  
4 be granted. The conditions Mr. Schock has proposed for the ADP in this  
5 Case are similar to the conditions the Company agreed to in the Settlement  
6 Agreement for our 1,550 MW wind portfolio in Case No. PU-17-120.  
7 Consequently, the Company is comfortable accepting these conditions in  
8 principle. However, the Company believes clarifications are necessary relating  
9 to Mr. Schock's recommended cost cap and PTC condition.

10

11 Q. PLEASE DESCRIBE THE COMPANY'S CLARIFICATION TO MR. SCHOCK'S  
12 RECOMMENDED COST CAP.

13 A. Mr. Schock recommended that the purchase price for the Project be capped  
14 at the amount the Company represented in its Application. The Company  
15 agrees with this proposal; however, the Company has and will prudently incur  
16 other costs to manage the Project over and above the purchase price that it  
17 should be able to reflect in rates. These costs were included in the  
18 cost/benefit analysis in the Application, which showed savings for customers.  
19 Consequently, the Company and Staff have agreed to include these costs in  
20 the recommended cap.

21

22 Q. PLEASE DESCRIBE AND QUANTIFY THESE ADDITIONAL MANAGEMENT COSTS.

23 A. These costs include: attorneys' fees for negotiating and executing the  
24 transaction; fees for engineering and technical services; project management  
25 costs; project engineering costs; costs of internal support services such as  
26 environmental, land rights, and regulatory costs; and amounts for



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1 the event that the Company is unable to capture 100 percent of the PTCs for  
2 the Project due to delays that could be caused by the pandemic.

3

4 Q. HAS THE COMPANY DISCUSSED THESE CLARIFICATIONS WITH ADVOCACY  
5 STAFF?

6 A. Yes. We raised these issues informally with Advocacy Staff. Based on those  
7 discussions, the Company and Advocacy Staff entered into the Settlement for  
8 this Case which was filed with the Commission on April 8, 2020.

9

10

**III. SETTLEMENT**

11

12 Q. PLEASE DESCRIBE THE SETTLEMENT.

13 A. The Settlement in this Case adopts Mr. Schock's Direct Testimony  
14 recommendations and the Company's proposed clarifications that I described  
15 earlier in my Rebuttal Testimony. As I previously mentioned, the Settlement  
16 is structured similarly to the Settlement Agreement for our 1,550 MW Wind  
17 Portfolio in Case No. PU-17-120.

18

19 Q. THE COMPANY AND ADVOCACY STAFF ALSO FILED A JOINT STIPULATION.  
20 PLEASE EXPLAIN THIS DOCUMENT.

21 A. The Joint Stipulation identifies the amount of the capitalized cost cap  
22 consistent with Mr. Schock's recommendation. This amount is equal to the  
23 Company's purchase price for the Project identified in its Application and the  
24 Company's estimated management costs that I discussed above. This amount  
25 was provided in the Joint Stipulation so that it may be kept Trade Secret until  
26 such time as the transaction closes. I note that only the Company's actual

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1 capital expenditures will be eligible for inclusion in rates. Filing a Joint  
2 Stipulation in this manner is consistent with the practice adopted in Case No.  
3 PU-17-120 and approved by the Commission.

4

5

**IV. CONCLUSION**

6

7 Q. PLEASE SUMMARIZE YOUR RECOMMENDATIONS.

8 A. I recommend the Commission adopt the Settlement in this Case.

9

10 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

11 A. Yes, it does.