

ORIGINAL



414 Nicollet Mall

Minneapolis, MN 55401



March 26, 2021

— VIA E-MAIL & FEDERAL EXPRESS —

Steven M. Kahl, Executive Director
North Dakota Public Service Commission
State Capitol Building
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0480

**RE: 2021 ELECTRIC RATE CASE UPDATE
CASE NO. PU-20-441
OAH FILE NO. 20200422**

Dear Mr. Kahl:

Northern States Power Company, a Minnesota corporation doing business as Xcel Energy (Xcel Energy or the Company), hereby submits an original and seven (7) copies of an update to its pending electric rate case in Case No. PU-20-441 (Rate Case Update). As explained in my March 3, 2021 letter filed in this Case, this Rate Case Update is necessary due to the inadvertent duplication of “Gas Demand” costs in our rate case data, causing the North Dakota Electric revenue requirement deficiency reflected in the 2021 Test Year to be overstated by just over \$3 million in our initial Notice.

In this filing, the Company submits revised and verified Direct Testimony and supporting schedules to correct this error, as well as Supplemental Testimony to provide additional information related to the Gas Demand cost duplication and its impact on the Company’s requested general rate increase. The Company separately filed an Interim Rate Correction and revised interim tariff sheets in this Case on March 12, 2021, with a proposed effective date of April 1, 2021. The Commission approved the Interim Rate Correction in a special meeting on March 19, 2021.

The correction of the \$3 million expense duplication reduces the Company’s requested increase to North Dakota electric retail revenues from \$22.2 million to \$19.2 million, or from 10.8 percent to 9.3 percent. Under the revised requested

68 PU-20-441 Filed: 3/29/2021 Pages: 6
Letter updating pending electric rate case and
enclosing revised prefiled testimony

Northern States Power Company

Greg Chamberlain

increase proposed in this Rate Case Update, a residential customer using 750 kWh per month would see a monthly bill increase of \$7.35, or 8.75 percent compared to rates in effect in 2020.

This Rate Case Update has been organized into the following sections, which are enclosed with this Cover Letter:

- Revised Supporting Revenue Requirement Schedules, comprised of a deficiency summary, the proposed increase by customer class, a comparison of present and proposed rates, typical monthly bill impacts, and a North Dakota jurisdictional cost of service summary (Vol. 1);
- Revised Tariffs, reflecting the changes in both legislative (redline) and regular format (Vol. 2);¹
- Twelve Revised Workpapers to replace those submitted on November 5, 2020 (Vol. 3);
- Revised Direct Testimony of four witnesses; and
- Supplemental Direct Testimony of one witness.

Specifically, the Company is providing the following Revised Direct Testimony with this Rate Case Update:

- Policy
- Overall Revenue Requirements – 2021 Test Year (with revised schedules)
- Class Cost of Service Study (with revised schedules)
- Rate Design (with revised schedules)

The Revised Direct Testimony is provided in full in regular (non-redline) format so that each respective piece of Direct Testimony filed with the original Notice can be readily replaced. Redline copies showing the revisions to each piece of testimony

¹ Due to the number of Tariff Sheets affected by this Rate Case Update, the Company is providing all proposed revisions to our North Dakota Electric Rate Book with this Rate Case Update. The legislative versions of the proposed Revised Tariff Sheets are redlined against the currently effective Tariffs and applicable Interim Tariffs effective January 5, 2021, as approved by the Commission in its December 16, 2020 Order on Interim Rates in Case No. PU-20-441.

are also being provided to facilitate easy comparison between the original and revised testimony.²

In addition to the Revised Direct Testimony described above, the Company also encloses Supplemental Revenue Requirements testimony, which provides additional information related to the cost duplication and the impact of its removal on the Company's requested rate increase.

While the discovery and removal of this expense duplication ultimately reduces the Company's overall requested increase, it has highlighted the need for us to implement process improvements to avoid a similar issue in the future. The Company is taking steps to prevent this type of inadvertent error in the future, and will refund any over-collected interim rates as provided in our March 12, 2021 filing.

Please contact me at greg.p.chamberlain@xcelenergy.com or Dave Sederquist at dave.sederquist@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

GREG P. CHAMBERLAIN
REGIONAL VICE PRESIDENT, REGULATORY & GOVERNMENT AFFAIRS
NORTHERN STATES POWER COMPANY (MINNESOTA)

Enclosures

cc: Hope L. Hogan, Administrative Law Judge
John M. Schuh, Advisory Counsel, Public Service Commission
Mitchell D. Armstrong, Special Assistant Attorney General
Brian Johnson, Special Assistant Attorney General
Jon C. Lengowski, Special Assistant Attorney General
John B. Coffman, Attorney for AARP
David A. Tschider, Attorney for AARP
Julie A. Clark, Attorney for Walmart, Inc.

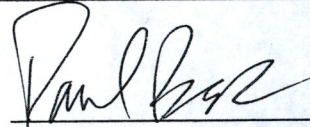
² Note the Schedules to Revised Direct Testimony are only provided with the regular (non-redline) testimony, because the Schedules indicate the values that have been revised in this filing.

by Federal Express, addressed to the following individuals:

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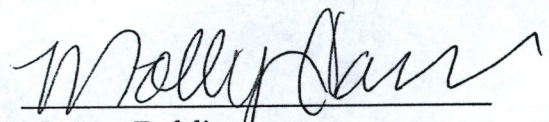
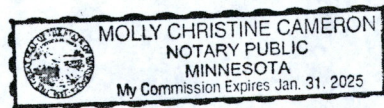
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Paul K. Beck

Subscribed and sworn before me this 26th day of March, 2021.



Notary Public
Hennepin County, Minnesota