



SMITH PORSBORG
Schweigert Armstrong Moldenhauer & Smith
ATTORNEYS AT LAW

September 24, 2021

VIA E-MAIL AND HAND-DELIVERY

Public Service Commission
Attention: Steve Kahl
600 East Boulevard Avenue, Dept. 480
Bismarck, ND 58505-0480

In re: Northern States Power Company
Advance Prudence – Four Repowered Wind Projects
PU-20-425
Advance Prudence – 120 MW Northern Wind Facility
PU-21-093
OAH File No.: 20200420


Dear Mr. Kahl:

Enclosed for filing in the above-referenced matter please find the original and seven copies of the following:

1. Testimony in Support of Settlement Agreement of Victor Schock;
2. Verification; and
3. Affidavit of Service.

Sheldon A. Smith*
 Scott K. Porsborg*
 Suzanne M. Schweigert*
 Mitchell D. Armstrong*
 Stacy M. Moldenhauer*
 David J. Smith*
 Brian D. Schmidt*
 Tyler J. Malm*
 Austin T. Lafferty*
 Jon C. Lengowski*

Thank you for your attention to this matter.

Respectfully,

 MITCHELL D. ARMSTRONG
 Special Assistant Attorney General for
 PSC Advocacy Staff

amh
 enclosures
 cc: Zeviel Simpser (w/ enc.) (via e-mail and U.S. Mail)
 ALJ Timothy Dawson (w/ enc.) (via e-mail and U.S. Mail)
 John Schuh (w/ enc.) (via e-mail and Hand Delivery)

PSC.5

* Licensed in North Dakota
 ■ Licensed in Minnesota
 ● Licensed in South Dakota
 * Board Certified Civil Trial
 Specialist by National Board
 of Trial Advocacy

VIA EMAIL & HAND-DELIVERY

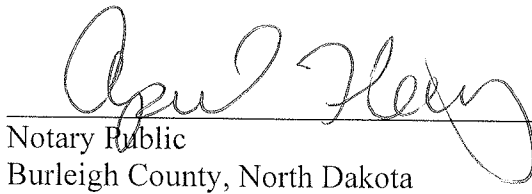
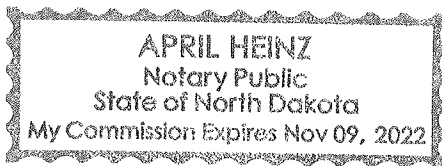
John Schuh
General Counsel
Public Service Commission
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0480

and depositing the same, with postage prepaid, in the United States mail at Bismarck,
North Dakota.



Anna Heinen

Subscribed and sworn before me this 24th day of September, 2021.



Notary Public
Burleigh County, North Dakota

BEFORE THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION

*Northern States Power Company
Advance Prudence – Four Repowered Wind Projects,
Application, Case No. PU-20-425*

*Northern States Power Company
Advance Prudence – 120 MW Northern Wind Facility,
Application, Case No. PU-21-93*

TESTIMONY IN SUPPORT OF SETTLEMENT AGREEMENT
OF
VICTOR SCHOCK

ON BEHALF OF THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION
ADVOCACY STAFF

September 24, 2021

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 17 years of accounting
4 experience and seven years of utility regulatory experience.

5

6 I received a Bachelor of Science Degree in Accounting from Dickinson State
7 University in 2007. I have testified before the commission on damage
8 prevention, advanced determination of prudence, certificate of public
9 convenience and necessity, and rate cases. Prior to my work with the
10 Commission, I completed hundreds of financial reviews of both public and
11 private companies as well as government entities in my work as a Credit &
12 Collections Manager with Unisys Corporation.

13

14 Q: What is the purpose of your testimony?

15 A: I am filing this testimony in support of the settlement agreement between NSP
16 and Staff filed with the Commission on September 23, 2021.

17

18 Q: What are the main points of the settlement agreement?

19 A: The settlement agreement, if approved by the Commission, grants conditional
20 approval of the ADP requested by NSP for the Border Winds, Grand Meadows,
21 Nobles and Pleasant Valley wind projects, but does not grant advanced
22 prudence to Northern Winds.

23

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

25 A: The settlement caps the allowed expenditures at agreed upon amounts that
26 are identified in the trade secret Joint Stipulation filed in this case. If the total
27 purchase price and transaction expenses for the four repowered wind projects
28 come in above the cap, NSP would bear the burden to prove that the amounts
29 above the cap are reasonable and prudent. Additionally, the settlement protects
30 ratepayers in the event any of the projects have material contract modifications,

1 and also ensures that North Dakota customers get their share of Production
2 Tax Credits (PTCs) and Renewable Energy Credits (RECs).

3

4 Q: Why is the expenditure cap important?

5 A: The cap ensures that in the event the final Project costs more than anticipated,
6 customers will only pay the amount that was used in the cost benefit analysis,
7 unless NSP is able to prove that the additional costs were reasonable and
8 prudent in a future proceeding.

9

10 Q: What protection does the settlement provide for ratepayers in regards to PTCs
11 and RECs?

12 A: The settlement ensures North Dakota customers receive their full share of both
13 PTCs and RECs. The RECs in particular have been an area of concern in other
14 recent ADP applications from NSP, so Staff felt it was important to clarify these
15 benefits will flow to North Dakota customers.

16

17 Q: How is the Northern Wind project treated in this settlement?

18 A: As part of the settlement, NSP agrees not to pursue an ADP for the Northern
19 Wind project. Staff feels this is an appropriate result given the fact that our
20 analysis did not show Northern Wind to provide cost savings to North Dakota
21 customers. Because prudence is not being sought, Staff and NSP have agreed
22 it is appropriate to treat this project as a disputed resource in the same manner
23 as other disputed resources have recently been treated in Case No. PU-20-
24 441.

25

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

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

30

31

- 1 Q: Does this conclude your testimony?
- 2 A: Yes it does.

