



Direct Testimony and Schedules  
Allen D. Krug

Before the North Dakota Public Service Commission  
State of North Dakota

In the Matter of the Application of Northern States Power Company  
for Authority to Increase Rates for Electric Service in North Dakota

Case No. PU-24-\_\_\_\_  
Exhibit\_\_\_\_(ADK-1)

Policy

December 2, 2024

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1 **I. INTRODUCTION**

2

3 Q. PLEASE STATE YOUR NAME AND TITLE.

4 A. My name is Allen D. Krug. I am Associate Vice President, State Regulatory  
5 Policy for Northern States Power Company – Minnesota (NSP, the Company,  
6 or Xcel Energy).

7

8 Q. PLEASE SUMMARIZE YOUR QUALIFICATIONS AND EXPERIENCE.

9 A. I have worked for Xcel Energy since 1998, initially as a Manager of Renewable  
10 Energy and Energy Contract Coordinator. I then served as a Regulatory  
11 Consultant for a number of years before becoming Regional Vice President,  
12 Regulatory Administration in 2008. I began my current position in 2013. Prior  
13 to joining the Company, I worked for over a decade at the Minnesota  
14 Department of Commerce, first as a Statistical Analyst and later as a Supervisor  
15 in the Electric Regulatory Unit. My statement of qualifications is provided as  
16 Exhibit\_\_\_(ADK-1), Schedule 1.

17

18 Q. FOR WHOM ARE YOU TESTIFYING?

19 A. I am testifying on behalf of Northern States Power Company, a Minnesota  
20 corporation (NSP, Xcel Energy, or the Company). NSP is a wholly owned  
21 subsidiary of Xcel Energy Inc.

22

23 Q. WHAT ARE YOUR CURRENT RESPONSIBILITIES?

24 A. In my current role, I develop regulatory strategy for NSP across North Dakota,  
25 South Dakota, and Minnesota.

1 Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?

2 A. The purpose of my testimony is to present the Company's overall rate case to  
3 the Commission. My testimony provides an overview of our Application,  
4 summarizes the need for a general electric rate increase, explains key  
5 developments since the Company's last North Dakota rate case, and introduces  
6 the Company-sponsored witnesses.

7

8 Q. PLEASE DESCRIBE HOW YOUR TESTIMONY IS ORGANIZED.

9 A. My testimony is organized in the following sections:

- 10 • Case Overview;
- 11 • Company Overview and Key Drivers;
- 12 • Allocation of Costs;
- 13 • Rate Case Components;
- 14 • Proposed Changes to Rate Recovery;
- 15 • Other Issues;
- 16 • Introduction of Company Witnesses; and,
- 17 • Conclusion.

18

19 Q. WHAT IS THE COMPANY FILING IN SUPPORT OF ITS APPLICATION?

20 A. In addition to our Application, we are filing testimony, exhibits, and work  
21 papers in support of our request. We reviewed all North Dakota Public Service  
22 Commission Rules and Orders from prior rate cases (and other relevant  
23 proceedings) to ensure we have complied with the Commission's requirements.  
24 My Exhibit\_\_(ADK-1), Schedule 2 lists the relevant statutes, rules, and  
25 Commission directives, the action the Company has taken to address each  
26 Commission directive, and the location in our Application or supporting  
27 documents of the relevant content.

1 **II. CASE OVERVIEW**

2  
3 Q. PLEASE SUMMARIZE THE COMPANY’S REQUEST IN THIS PROCEEDING.

4 A. In this case, Xcel Energy seeks authority from the Commission to increase our  
5 retail electric base rate revenues by approximately \$44.6 million, or 19.3 percent.  
6 We base this request on a 2025 future test year as allowed by North Dakota law.  
7 The test year revenue reflects a Return on Equity (ROE) of 10.30 percent and  
8 an overall Rate of Return (ROR) of 7.56 percent. Under our proposal, a typical  
9 residential customer would see a monthly bill increase of about \$22.34 per  
10 month. I note, however, that as Company witness Benjamin C. Halama  
11 discusses, new nuclear production tax credits are available. The Company did  
12 not include them in its 2025 test year given the program’s novelty. However,  
13 the Company is forecasting that it may receive several million dollars in such  
14 credits, the value of which will be returned to customers. Company witness  
15 Halama proposes in his testimony that these amounts be credited to customers  
16 through the Bill Credit Rider.

17  
18 Q. WHY IS THE COMPANY SEEKING A RATE INCREASE AT THIS TIME?

19 A. It has been a little over four years since the Company last filed an electric rate  
20 case. In that time, NSP has made material investments, including investments  
21 in the distribution system in North Dakota and in generation and transmission  
22 assets. The Company has also faced increased costs in some areas, which is  
23 consistent with the inflationary pressures that have impacted many sectors of  
24 the economy since 2020. While Xcel Energy made reasonable efforts to control  
25 costs and inflation has moderated recently, prices have not gone back down and  
26 the cumulative impact requires us to seek rate relief. General and intangible  
27 capital investments, including investments in information technology, fleet

1 modernization, and improvements to the facilities the Company uses to operate  
2 our system are also contributing to the need for this rate case.

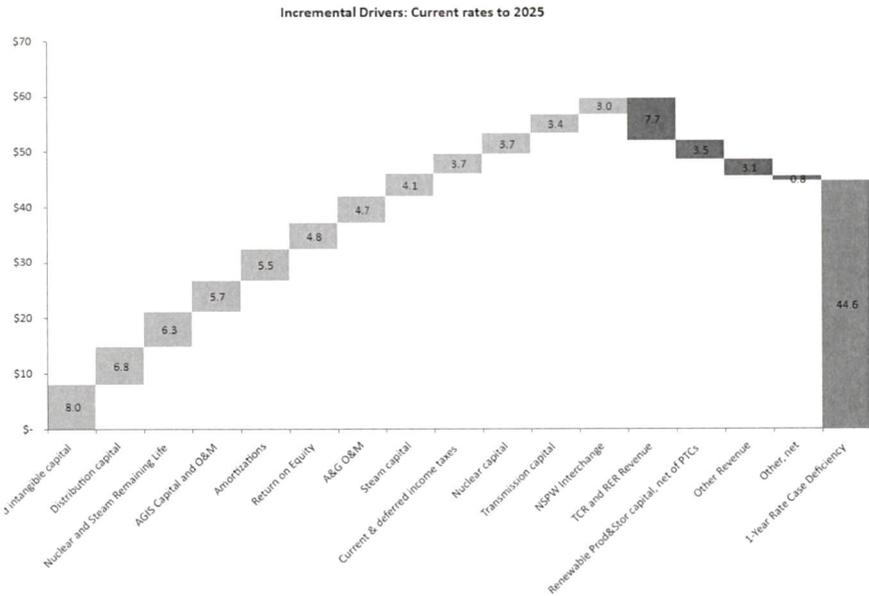
3  
4 Q. ARE CHANGES IN THE EXPECTED LIVES OF GENERATION PLANTS AN ISSUE IN  
5 THIS CASE?

6 A. Yes. In this case, we are seeking permission to adjust the remaining lives of our  
7 coal units and one of the plants in our nuclear fleet as well as to recover the  
8 undepreciated costs of Unit 2 of the Sherburne County Generating Station  
9 (Sherco), which was retired in 2023. The Company has previously informed the  
10 Commission of these various changes, including in resource plan filings, the  
11 prior rate case (for coal facilities), and in a now-withdrawn Advance  
12 Determination of Prudence filing related to extending the life of the Monticello  
13 Nuclear Generating Plant. I would also note that, while the retirement of coal-  
14 fueled units contributes to the revenue deficiency, it is partially offset by the  
15 change in depreciation resulting from the proposed increase in the service life  
16 of Monticello, and these changes are only one factor contributing to the need  
17 for this rate case.

18  
19 As I noted above, it has been four years since we last filed a rate case, and there  
20 have been various investments, increased costs, and other developments in the  
21 intervening years and in the projected test year. It is the cumulative impact of  
22 those factors that is driving the need for the rate case, not any single factor.  
23 Figure 1, below, identifies the key categories of costs driving our revenue  
24 deficiency compared to current rates (i.e., those established using a 2025 test  
25 year). I will discuss key drivers in Section III below.

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**Figure 1**



**III. COMPANY OVERVIEW AND KEY DRIVERS**

- Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?
- A. In this section, I describe the Company and cover key Company developments since the last rate case that provide context for our need for rate relief.
- Q. PLEASE DESCRIBE THE COMPANY.
- A. The Company serves approximately 1.5 million electricity customers in North Dakota, South Dakota, and Minnesota. The Company is part of an integrate system of generation and transmission that serves the upper Midwest, including Xcel Energy’s operations in Wisconsin and Michigan served by NSP-Wisconsin (collectively, the NSP System). Our combined system operations include power generation facilities with a gross maximum capacity of approximately 10,000

1 MW, more than 8,400 miles of transmission lines, and approximately 548  
2 transmission and distribution substations.

3

4 Q. HOW DOES THE INTEGRATED NSP SYSTEM HELP XCEL ENERGY TO MEET ITS  
5 CUSTOMERS' NEEDS?

6 A. Our integrated NSP System helps to provide cost-effective, reliable, and safe  
7 service to all our customers in the Upper Midwest, including those in North  
8 Dakota. Our customers across the five states in our Midwest service area derive  
9 benefits from an integrated system and a comprehensive approach to planning  
10 for and meeting customers' needs. The diversity of our energy supply supports  
11 our customers by reducing the risk of significant increases in customer bills due  
12 to cost, regulatory, or supply issues that can occur for any one energy source.  
13 Our customers also benefit from the fact that many significant business costs  
14 can be spread over a larger base, thus lowering the average cost of service.

15

16 Q. WHEN WAS THE COMPANY'S LAST ELECTRIC RATE CASE?

17 A. The Company filed its last electric rate case, Case No. PU-20-441, on November  
18 6, 2020. That case used a 2021 future test year.

19

20 Q. WHAT LEVEL OF CAPITAL INVESTMENTS HAS THE COMPANY MADE SINCE ITS  
21 LAST ELECTRIC RATE CASE?

22 A. Xcel Energy has made and is planning to make capital investments since our  
23 last rate case that result in an increase of \$152.71 million to the Company's  
24 North Dakota electric rate base. During that same period, the Company has  
25 spent and is planning to spend \$460.9 million on capital investments physically  
26 located in North Dakota."

1 Q. HOW WAS THAT LAST ELECTRIC RATE CASE RESOLVED?

2 A. The parties to the case entered into a Settlement Agreement, which the  
3 Commission approved in an Order dated August 18, 2021. Pursuant to the  
4 approved Settlement, the Commission approved an increased revenue  
5 requirement of \$7.1 million (3.4 percent) and an ROE of 9.50 percent. The  
6 Settlement also provided for an earnings share mechanism.

7

8 Q. WHAT HAVE BEEN XCEL ENERGY'S NORTH DAKOTA ELECTRIC EARNINGS IN  
9 RECENT YEARS?

10 A. In 2023, our weather-normalized jurisdictional electric return on equity was 9.40  
11 percent. For 2024, it is forecasted to be 6.89 percent. Absent a rate increase, the  
12 forecasted return in 2025 is 2.45 percent. With that level of projected return for  
13 both 2024 and 2025, the Company must seek additional revenue.

14

15 Q. PLEASE DISCUSS THE GENERAL AND INTANGIBLE CAPITAL ADDITIONS.

16 A. The investments in these categories consist largely of investments in our fleet  
17 and supporting infrastructure, investments in new service centers, information  
18 technology (IT) investments, including the replacement of aging and outdated  
19 software and investments in newer systems to help enhance our ability to  
20 efficiently manage our business, and improvements to the Company's facilities.  
21 These investments are also discussed by Company witness Mark P. Moeller.

22

23 Q. PLEASE DISCUSS THE FLEET ASSETS AND THE FUNCTION SERVED BY THE FLEET  
24 ORGANIZATION.

25 A. The fleet assets are the cars, trucks, trailers, and construction equipment, and  
26 supporting facilities such as garages and fuel depots that the Company uses to  
27 support its provision of safe and reliable service. The fleet organization is

1 responsible for planning, procuring, maintaining, and retiring those assets. The  
2 construction, maintenance, and repair of the NSP System necessitates regular  
3 travel, which in turn requires the use of vehicles. Because the Company must  
4 be in a position to swiftly and safely respond to emergencies, it is imperative  
5 that the Company's vehicles be safe and reliable. The Company also uses  
6 various types of construction equipment to perform the regular work of  
7 maintaining the safety and reliability of our electric distribution system.

8  
9 Q. WHAT TYPES OF FLEET INVESTMENTS ARE CONTRIBUTING TO THE NEED FOR  
10 THIS RATE CASE?

11 A. The most significant portions of the Company's fleet investments are asset  
12 replacements and additions made to the fleet. NSP recently analyzed the cost of  
13 fleet ownership and determined that a somewhat younger fleet would produce  
14 a reduction in the total fleet ownership costs. As a result, the Company is  
15 making fleet replacements which will lower the average age of the fleet, increase  
16 reliability, and reduce fueling and maintenance expenses.

17  
18 Q. YOU HAVE DISCUSSED FLEET REPLACEMENTS, BUT WHY IS THE COMPANY  
19 ADDING VEHICLES TO THE FLEET?

20 A. The Company is adding some additional fleet assets in response to business  
21 needs and to reduce expenses for renting certain vehicles. From 2020 to 2022,  
22 the Company paused its fleet additions and studied use of the existing fleet to  
23 make sure existing vehicles are fully utilized. Based on that analysis, the  
24 Company determined that some additional vehicles are needed.

25  
26 Q. OTHER THAN VEHICLE REPLACEMENTS AND ADDITIONS, WHAT OTHER TYPES  
27 OF FLEET CAPITAL INVESTMENTS IS THE COMPANY MAKING?

1 A. Those two categories are the largest portions of the fleet capital additions by a  
2 significant margin, but there are also some investments in the areas of fueling  
3 infrastructure and garage tools. The garage tools additions include the purchase  
4 and installation of cranes, air compressors, and other infrastructure at fleet  
5 service centers. The fueling infrastructure includes investments in charging  
6 infrastructure for electric vehicles.

7

8 Q. WHAT ARE THE PROPERTY SERVICES AND ENTERPRISE SECURITY CAPITAL  
9 ADDITIONS?

10 A. The additions in this area consist of investments in security infrastructure and  
11 additions to buildings and facilities.

12

13 Q. ARE THERE ANY PARTICULAR PROPERTY SERVICES OR ENTERPRISE SECURITY  
14 PROJECTS TO WHICH YOU WOULD LIKE TO DRAW ATTENTION?

15 A. Yes. The initial phase of construction for our new Grand Forks Service Center  
16 began in the Spring of 2024. The new service center, which is being built in  
17 response to growth in the Grand Forks area, is an addition of just over \$31  
18 million on a Company-wide basis. Construction is scheduled to be complete in  
19 2025. Other significant projects include the development of new service centers  
20 in Minneapolis, Minnesota, St. Cloud, Minnesota, and Chanhassen, Minnesota.

21

22 Q. WHAT ARE THE DISTRIBUTION CAPITAL INVESTMENTS?

23 A. These are capital additions made to our distribution system in North Dakota.  
24 The most significant types of capital additions in this area are projects to  
25 improve asset health and reliability, infrastructure added to serve new  
26 customers, and investments made to increase the capacity of our distribution  
27 system. Significant investments include the replacement of the Larimore

1 Substation, the Company's investment in increasing its stock of reserve  
2 transformers, and the replacement of underground cable. Company witness  
3 Moeller also discusses these and other capital investments.

4

5 Q. PLEASE DESCRIBE THE REPLACEMENT OF THE LARIMORE SUBSTATION.

6 A. The substation was located in Larimore, North Dakota. It was a 4kV substation  
7 and the Larimore area was one of the last 4kV areas in the Company's North  
8 Dakota service territory. There are approximately 800 customers in the area who  
9 primarily rely on electricity for their heating needs. The substation was  
10 approaching the end of its service life. The Company replaced it with a new 12.5  
11 kV substation, the Turtle River Substation, and upgraded associated distribution  
12 lines.

13

14 Q. WHAT ARE THE RESERVE TRANSFORMER PURCHASES?

15 A. The Company made investments to increase its quantity of both reserve  
16 substation transformers and distribution service transformers. When substation  
17 transformers fail, the Company responds by using mobile transformers to  
18 quickly restore power to customers. That, however, is a temporary solution. The  
19 substation transformers need to be replaced, and the mobile transformers freed  
20 up so they can be used for other emergencies and for planned substation  
21 maintenance and upgrade work. However, substation transformers are a long  
22 lead time item. That is, they must be ordered well in advance. Accordingly, the  
23 Company keeps a stock of transformers in reserve so that it can promptly  
24 replace those that fail. Some distribution transformers are kept on hand to be  
25 able to serve increased customer load or if existing equipment needs to be  
26 replaced.

1 Q. PLEASE DISCUSS THE UNDERGROUND CABLE REPLACEMENT.

2 A. In the prior rate case, the Company noted that it had prioritized replacing older  
3 underground cable that had been failing. That effort has continued. These  
4 replacements and other asset health and reliability investments, including pole  
5 replacements, improve system reliability for our customers.

6

7 Q. PLEASE DISCUSS THE NUCLEAR AND STEAM REMAINING LIVES.

8 A. I briefly discussed this in Section I above, but I will touch upon it again. This is  
9 the result of adjustments made to the service lives of coal-fueled generating  
10 units and the Monticello nuclear facility. The coal-fueled units include the Allen  
11 S. King plant located in Oak Park Heights, Minnesota, which is scheduled to  
12 retire in 2028, and the three Sherco units located in Sherburne County,  
13 Minnesota. Sherco Unit 2 was retired at the end of 2023, Unit 1 is scheduled  
14 for closure in 2026, and Unit 3's closure is scheduled for 2030. Conversely, the  
15 Company is proposing to extend the service life of the Monticello nuclear  
16 facility to 2040.

17

18 In his testimony, Company witness Christopher J. Shaw explains why these  
19 retirement and life extension decisions were prudent. Based on some initial  
20 survey work we have done with our North Dakota customers; these decisions  
21 also are apparently supported by the majority of our North Dakota customers.  
22 The Company occasionally conducts market research of our customers, and in  
23 a recent survey of utility customers in North Dakota, individuals who identified  
24 themselves as Xcel Energy customers were provided a short description of the  
25 Company's plan to reach 100 percent carbon-free electricity by 2050, including  
26 the plan to close all of the Company's coal plants by 2030. When asked whether  
27 they would describe this approach as the right kind of plan or the wrong plan

1 for North Dakota, approximately 78 percent of responders indicated that they  
2 believed it was the right kind of plan. While this is, of course, just a survey of a  
3 sample of our customers, and is not in any way a substitute for the analysis and  
4 evidence presented by Company witness Shaw or thoughtful policymaking in  
5 general, it does provide some additional support that adjusting the remaining  
6 lives of our nuclear and steam units is in the public interest.

7

8 Q. WHAT ARE THE AGIS DRIVERS?

9 A. The Company's Advanced Grid Intelligence and Security (AGIS) initiative is a  
10 group of related investments in the technology we use to operate the  
11 distribution system. It includes the advanced metering infrastructure (AMI)  
12 smart meters, the field area network (FAN) used to communicate with those  
13 meters, and the advanced distribution management system (ADMS) used to  
14 operate our electrical distribution system. Company witness Chad S. Nickell  
15 discusses these and other AGIS related investments in his testimony and  
16 explains that the need for AGIS was driven by the Company's need to replace  
17 aging meters that had been in place since the 1990s. One of the outcomes agreed  
18 to in the Commission-approved settlement that resolved the prior rate case was  
19 that AGIS capital and operations, and maintenance (O&M) expenses were  
20 placed in a deferral. The Company is allowed by the terms of the settlement to  
21 propose a reasonable amortization period for recovery of the deferral in a  
22 future rate case assuming that the foundational AGIS investments are either in  
23 service or are forecasted to be during the rate case test year. As Company  
24 witness Nickell explains in his testimony, the foundational AGIS investments  
25 are largely in service and the remainder, some of the meters, are forecasted to  
26 be installed during the 2025 test year. The AGIS case driver shown on Figure 1

1           thus consists of both the Company's proposed recovery of the AGIS deferral,  
2           test year AGIS capital additions, and test year AGIS O&M.

3

4   Q.   WHAT ARE THE AMORTIZATIONS AND COST OF CAPITAL DRIVERS?

5   A.   Company witness Halama discusses the amortizations in his Direct Testimony.  
6           The cost of capital represents the impact of the Company's proposed increase  
7           to its return on equity, which is supported by Company witness Josh C. Nowak  
8           in his testimony.

9

10  Q.   PLEASE DISCUSS THE A&G O&M DRIVER?

11  A.   This represents our increased administrative and general expenses. As I  
12           discussed above, the Company was impacted by material inflation since we last  
13           filed a general electric rate case. In particular, labor costs and the costs of the  
14           Company's insurance have increased. While Xcel Energy works to control costs,  
15           some increase was unavoidable.

16

17  Q.   WHAT IS THE STEAM CAPITAL?

18  A.   This driver is the result of an increase to the cost of removal for steam  
19           generation assets. Company witness Moeller discusses the cost of removal  
20           estimates in his testimony.

21

22  Q.   WHAT IS THE INCOME TAX DRIVER?

23  A.   The increase in taxes is a result of the capital additions reflected in other case  
24           drivers discussed above. Income tax increases are merely a function of increased  
25           capital investments and the related additional revenue.

1 Q. WHAT IS THE NUCLEAR CAPITAL DRIVER?

2 A. This driver consists of capital investments at our Prairie Island and Monticello  
3 Nuclear Generating Stations. These plants are an important source of reliable  
4 baseload generation for the NSP System. The most significant projects are dry  
5 cask storage additions, the Prairie Island baffle-former bolt replacement project,  
6 and investments made in response to a groundwater issue at the Monticello  
7 facility.

8

9 Q. PLEASE DISCUSS THE DRY CASK STORAGE.

10 A. With the Federal government's Yucca Mountain storage facility on hold for the  
11 foreseeable future, and no apparent alternative permanent storage facility, the  
12 Company continues to rely on safe on-site dry cask storage of spent fuel for the  
13 time being. As a result, the Company continues to invest in new casks and  
14 associated infrastructure.

15

16 Q. WHAT IS THE BAFFLE FORMER BOLT REPLACEMENT?

17 A. These bolts are used to hold together the horizontal supports for the cores at  
18 both Prairie Island units. They are inspected in accordance with Nuclear  
19 Regulatory Commission standards. The decision was made based on the age of  
20 the bolts and an analysis of worst-case conditions to replace them. This  
21 replacement will avoid the need for additional inspections or replacements  
22 through the end of the current license period. It removes the risk that  
23 inspections which would otherwise be required during that period result in the  
24 need for unplanned replacements, which could increase the scope and duration  
25 of future outages.

1 Q. WHAT ARE THE GROUNDWATER PROJECTS?

2 A. In November 2022, the Company discovered a leak of tritiated water at  
3 Monticello. Tritium is a naturally occurring radioactive form of hydrogen that  
4 is present in the atmosphere and that is also a byproduct of producing electricity  
5 at nuclear power plants. The leak was confirmed to not represent a health or  
6 safety issue, but did need to be addressed. The Company replaced the water  
7 pipe in question and also proactively replaced two additional pipes in a similar  
8 position. Additional capital work involved installing a barrier wall and  
9 monitoring wells to address the impacted groundwater. These efforts have been  
10 productive, and rates of tritium are declining.

11

12 Q. PLEASE DISCUSS THE TRANSMISSION CAPITAL.

13 A. As Company witness Halama explains in his testimony, this driver is largely the  
14 result of rolling into base rates projects for which the Company was already  
15 obtaining cost recovery through the Transmission Cost Recovery (TCR) rider.

16

17 Q. WHAT IS THE NSPW INTERCHANGE?

18 A. These are the North Dakota portion of amounts due under the FERC  
19 jurisdictional Interchange Agreement between the Company and NSP  
20 Wisconsin. This includes the impact of the Wheaton Repowering Project, which  
21 is the construction of a new natural gas combustion turbine and reciprocating  
22 internal combustion engine (RICE) generating facility at the existing Wheaton  
23 Generating Station in the town of Wheaton in Chippewa County, Wisconsin.  
24 The new CT will have a nominal capacity of 210 MW and the five RICE  
25 generators will each have a nominal capacity of 9 MW. The project is due to  
26 come into service in 2025.

1 Q. PLEASE DISCUSS THE REVENUES SHOWN ON FIGURE 1 AS PARTIALLY  
2 OFFSETTING THE OTHER CASE DRIVERS.

3 A. Company witness Halama discusses them in his Direct Testimony. I will note  
4 that the largest is revenue currently collected using the TCR and Renewable  
5 Energy Rider (RER). The Company is seeking to roll these revenues and the  
6 associated investments into base rates.

7

8

#### IV. ALLOCATION COSTS

9

10 Q. HOW DOES THE COMPANY ALLOCATE SYSTEM COSTS AMONG AND BETWEEN  
11 JURISDICTIONS?

12 A. The Company directly assigns many costs to particular state jurisdictions. For  
13 example, capital and O&M costs for portions of the electric distribution system  
14 that only serve customers in North Dakota are directly assigned to North  
15 Dakota. For those costs incurred by areas of the Company to support  
16 operations in more than one jurisdiction, the Company uses a variety of  
17 allocation factors. The Company's allocation methodologies used in this rate  
18 case are set forth in the Company's Cost Assignment and Allocation Manual  
19 (CAAM), which is Schedule 14 to Company witness Halama's Direct  
20 Testimony.

21

22 Q. ARE THERE ANY PARTICULAR ALLOCATORS WHICH YOU WOULD LIKE TO  
23 DISCUSS?

24 A. Yes. The Company uses a 12 coincident peak (12 CP) allocator to assign certain  
25 types of costs including fixed capacity related expenses, plant, plant related  
26 items, fixed production expenses, purchase power demand expense, and  
27 transmission costs.

1 Q. IS 12 CP ALLOCATOR ALSO USED FOR THESE PURPOSES IN THE COMPANY'S  
2 OTHER JURISDICTIONS?

3 A. Yes. The 12 CP allocator is used in North Dakota, South Dakota, and  
4 Minnesota.

5

6 Q. HAS THE COMMISSION PREVIOUSLY CONSIDERED USE OF THE 12 CP  
7 ALLOCATOR?

8 A. Yes. In Case No. PU-12-813, a prior rate case, there was a dispute in testimony  
9 regarding which allocator was appropriate, with Advocacy Staff's witness  
10 recommending 1 CP allocator and the Company proposing the 12 CP allocator.  
11 In a Commission-approved settlement,<sup>1</sup> the parties agreed to retain a third-party  
12 to conduct a study on the issue and make a recommendation. In the resulting  
13 study, the third-party consultant recommended not changing the 12 CP  
14 allocator.<sup>2</sup> In a subsequent settlement approved by the Commission, a  
15 rebuttable presumption was established that the 12 CP allocator is appropriate  
16 for allocating system costs between North Dakota, South Dakota, and  
17 Minnesota. By the terms of the relevant provision, the rebuttable presumption  
18 expires on December 31, 2025. The settlement also provides that Staff is to  
19 notify the Company if it plans to challenge the rebuttal presumption as early as  
20 possible and to work in good faith regarding the appropriate allocation  
21 methodology.<sup>3</sup>

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<sup>1</sup> Order Adopting Settlement, Case No. PU-12-813, Feb. 26, 2018, Revised Second Amended Comprehensive Settlement Agreement at Section II.C.

<sup>2</sup> Compliance Filing, Case No. PU-12-813, Apr. 2015, Review of Jurisdictional Allocation Methods for Production and Transmission Costs at 5 (“we did not find compelling reasons to change the allocation method”).

<sup>3</sup> Order Approving Settlement, Case No. PU-12-813, Mar. 9, 2016, First Revised Negotiated Agreement at Section V.D.

1 Q. HAS ADVOCACY STAFF PROVIDED NOTICE THAT IT WILL SEEK TO CHALLENGE  
2 THE USE OF THE 12 CP ALLOCATOR?

3 A. It has not formally provided such a notice. However, it is my understanding that  
4 in informal conversations, Staff has expressed an interest in examining the 12  
5 CP allocator in this case. Given that, we are providing the Direct Testimony of  
6 Company witness Steven W. Wishart with respect to the 12 CP allocator to  
7 provide context and to fully inform the record. In his testimony, Company  
8 witness Wishart explains why the continued use of the 12 CP method is most  
9 appropriate for the Company.

10

11

## V. RATE CASE COMPONENTS

12

### A. Test Year

13  
14 Q. WHAT INFORMATION IS THE COMPANY PROVIDING TO SUPPORT ITS 2025 TEST  
15 YEAR IN THIS CASE?

16 A. Consistent with N.D.C.C. § 49-05-4.1, the Company includes the following with  
17 this filing to substantiate its 2025 test year:

18 1) A comparison of forecast data to historical period data to demonstrate  
19 the reliability and accuracy of the utility's forecast including a comparison  
20 of the prior years' forecast or budgeted data to actual data for those  
21 periods is provided in the Direct Testimony of Company witness  
22 Halama.

23 2) A statement that the public utility's forecast is reasonable, reliable, and  
24 was made in good faith and that all basic assumptions used in making or  
25 supporting the forecast are reasonable, evaluated, identified, and justified  
26 to allow the Commission to test the appropriateness of the forecast is  
27 provided in the Direct Testimony of Company witness Halama.

1           3) A statement that the accounting treatment that has been applied to  
2           anticipate events and transactions in the forecast is the same as the  
3           accounting treatment to be applied in recording the events once they  
4           have occurred. This information is provided in the Direct Testimony of  
5           Company witness Halama.

6

7           **B.     Rate of Return**

8           Q.   WHAT RATE OF RETURN IS THE COMPANY PROPOSING IN THIS APPLICATION?

9           A.   Our proposed revenue requirement reflects an overall ROR on investment of  
10          7.56 percent, based on a capital structure of 52.50 percent common equity,  
11          46.71 percent long-term debt, and 0.79 percent short-term debt, with an ROE  
12          of 10.30 percent.

13

14          **C.     Revenue Requirement**

15          Q.   WHAT TOTAL REVENUE REQUIREMENT IS THE COMPANY PROPOSING IN THIS  
16          RATE CASE?

17          A.   The Company is proposing a total revenue requirement of \$274.93 million. The  
18          revenue deficiency sought in this rate case is \$44.56 million.

19

20          **D.     Rate Design**

21          Q.   PLEASE DESCRIBE THE PROPOSED RATE DESIGN FOR THIS CASE.

22          A.   We are not proposing any material changes to the current rate design. Company  
23          witness Nicholas N. Paluck discusses this further and identifies some minor  
24          proposed rate design changes in his Direct Testimony.



1 Q. ARE THERE DIFFERENT TYPES OF LTI?

2 A. Yes. LTI can be earned via three separate components: 1) environmental  
3 performance, 2) total shareholder return, and 3) time-based.

4  
5 Q. WHAT IS THE COMPANY'S PROPOSAL FOR HOW LTI SHOULD BE ADDRESSED IN  
6 THIS RATE CASE?

7 A. The Company is proposing that it be allowed to recover the environmental and  
8 time-based portion of its LTI expenses. Environmental LTI is the portion of  
9 the LTI program tied into the achievement of the Company's environmental  
10 goals. The technologies implemented by Xcel Energy will result in efficiencies,  
11 allow for a lower cost of capital, and remove fuel costs, in addition to  
12 environmental and other benefits. Time-based LTI is the portion of the LTI  
13 program tied to the length of key employees' service with the Company.  
14 Customers benefit from the Company's ability to retain the institutional  
15 knowledge and capabilities of key employees.

16

17 Q. WHY IS IT REASONABLE FOR THE COMPANY TO RECOVER TIME-BASED AND  
18 ENVIRONMENTAL LTI IN RATES?

19 A. These components for earning LTI are key to effective management of the  
20 Company, consistent with key customer-focused goals of environmental  
21 excellence and efficient management, and are necessary for the retention of key,  
22 senior leaders. Our customers benefit from our ability to retain key employees  
23 Company witness Halama discusses the impacts on the rate case of allowing for  
24 rate recovery of LTI.

25

26 Q. WHAT CHANGES IS THE COMPANY PROPOSING WITH REGARD TO CHARITABLE  
27 CONTRIBUTIONS AND ORGANIZATIONAL DUES?

1 A. The Company is proposing that it be allowed to recover 100 percent of the cost  
2 of membership dues for the Greater North Dakota Chamber of Commerce.  
3 Such dues are a common business expense. Moreover, participation in the  
4 Chamber of Commerce can facilitate important discussions between Xcel  
5 Energy and other members of the North Dakota business community,  
6 including industrial and commercial clients, to the benefit of the Company and  
7 its customers.

8  
9 The Company also proposes that cost recovery of 50 percent of charitable  
10 contributions benefitting North Dakota be allowed. Charitable contributions  
11 are a normal and expected expense for a business, particularly for a corporation  
12 of Xcel Energy's size and prominence in the community, and the Company's  
13 request is moderate in that it encompasses only half the cost of those donations  
14 that directly benefit North Dakota. For a limited set of contributions –  
15 donations made to North Dakota state and local economic development entities  
16 – the Company is seeking to recover 100 percent of costs. Company witness  
17 Halama provides the rate impact of these changes in his Direct Testimony and  
18 Schedules. The impact on rates of the Company's proposal will be quite modest,  
19 and these dues and contributions benefit North Dakota.

20

21 Q. WHAT CHANGES IS THE COMPANY PROPOSING WITH REGARD TO AVIATION  
22 EXPENSES?

23 A. The Company is proposing that it be allowed to recover 50 percent of the  
24 jurisdictionally allocated portion of its aviation expenses. These are the O&M  
25 expenses associated with Xcel Energy's airplanes.

1 Q. WHY IS IT REASONABLE FOR A PORTION OF THE AVIATION EXPENSES TO BE  
2 RECOVERABLE IN CUSTOMER RATES?

3 A. These are business expenses the Company incurs as part of its normal  
4 operations. The use of the corporate airplanes allows for efficient transportation  
5 of key employees that require significant travel, including by allowing them to  
6 work while traveling to a degree that would otherwise be impracticable. The  
7 Company removes any non-business travel from the trips for which it seeks  
8 recovery and is only requesting 50 percent of the expenses to bring them closer  
9 in line with the costs of travel using commercial airlines.

10

11

## VII. OTHER ISSUES

12

13 Q. WHAT IS THE PURPOSE OF THIS SECTION OF YOUR TESTIMONY?

14 A. In this section of my testimony, I discuss issues that are not formally part of  
15 this rate case, but that the Commission may wish to consider along with it.  
16 These issues arise out of a dispute with Staff regarding the amount of refunds  
17 due for 2021 and 2022 as a result of the earnings share mechanism agreed to in  
18 settling Case No. PU-20-441.

19

20 Q. PLEASE DESCRIBE THE ISSUES.

21 A. These issues arise out of a disagreement with Staff regarding the proper method  
22 to use in calculating the refund due to customers. Both sides agree that an  
23 overearning amount of \$14,541,425 (\$7,107,218 for 2021 and \$7,434,207 for  
24 2022) should be refunded to customers, and the Company has filed a request to  
25 that effect in Case No. PU-24-362 on October 25, 2024; however, there is  
26 disagreement as to whether additional sums should be refunded.

1 Q. WHAT IS THE NATURE OF THE DISAGREEMENT WITH STAFF?

2 A. The issues in dispute relate to (1) revenues earned from Planning Reserve  
3 Auctions (PRAs) conducted by the Midcontinent Independent Systems  
4 Operator (MISO) and (2) Staff concerns with how COVID-related weather  
5 normalization adjustments were made in 2021 and 2022.

6

7 Q. WHAT IS THE NATURE OF THE PRA ADJUSTMENTS?

8 A. At the PRA auctions, market participants buy and sell capacity to ensure that  
9 each load serving entity will have enough capacity to cover their peak load plus  
10 a reserve margin in each of the four seasons. In calculating jurisdictional  
11 earnings, the Company has excluded revenue earned from selling capacity in  
12 these auctions from disallowed resources.

13

14 Q. WHAT ARE DISALLOWED RESOURCES?

15 A. Disallowed resources are those generation resources which the Commission has  
16 not approved for cost recovery in North Dakota. The Company's position is  
17 that North Dakota customers should not be credited with this specific revenue  
18 as they are not paying the associated expenses.

19

20 Q. WHAT IS THE NATURE OF THE COVID ADJUSTMENTS?

21 A. The Company implemented adjustments to our jurisdictional allocation  
22 methodology to account for the increased use of air conditioning in summer  
23 months by customers working from home during the COVID pandemic.

1 Q. WHAT IS STAFF'S POSITION?

2 A. There are differences regarding how the size of the credit should be calculated.  
3 As for the COVID adjustments, Staff does not agree with our weather  
4 normalization methodology utilized for that issue.

5  
6 Q. ARE EITHER OF THESE ISSUES FORMALLY IN THE RATE CASE?

7 A. No. The dispute regarding the calculation of the refunds due for 2021 and 2022  
8 arises out of a past year's rate case and does not involve test year expenses or  
9 revenues.

10

11 Q. GIVEN THAT, WHY ARE YOU RAISING THESE ISSUES IN THIS TESTIMONY?

12 A. The Company and Staff have discussed resolving their dispute in this matter.  
13 The Company also previously indicated to the Commission that it planned to  
14 address the issue in this proceeding. As the dispute does not involve test year  
15 revenues or expenses, the Company anticipates bringing a motion in the near  
16 future to formally consolidate it with this rate case.

17

18 **VIII. INTRODUCTION OF COMPANY WITNESSES**

19

20 Q. WHO ARE THE WITNESSES FOR THE COMPANY IN THIS PROCEEDING?

21 A. In addition to my Policy testimony, the Company sponsors Direct Testimony  
22 from the following witnesses:

- 23 • Benjamin C. Halama, who sponsors the overall revenue requirement for  
24 the case. Company witness. Halama sponsors the schedules supporting  
25 our income statement, rate base, revenue deficiency, and jurisdictional  
26 allocations.

- 1 • Joshua C. Nowak, of Concentric Energy Advisors, who sponsors  
2 testimony on the ROE, ROR, and proposed capital structure.
- 3 • Benjamin S. Levine, who sponsors testimony regarding the Company's  
4 sales forecast.
- 5 • Mark P. Moeller, who sponsors testimony regarding the Company's  
6 capital additions, accumulated depreciation, and capital roll-forward.
- 7 • Chad S. Nickell, who sponsors testimony regarding the Company's  
8 Advanced Grid Intelligence and Security Initiative (AGIS).
- 9 • Christopher J. Shaw, who sponsors testimony regarding the Company's  
10 resource planning.
- 11 • Steven W. Wishart, of Concentric Energy Advisors, who sponsors  
12 testimony regarding the use of the 12 coincident peak demand allocator.
- 13 • Christopher J. Barthol, who sponsors testimony regarding the  
14 Company's class cost of service study.
- 15 • Nicholas N. Paluck, who sponsors testimony regarding the Company's  
16 proposed rate design.

17

18 Together, these witnesses provide the information and explanations to allow  
19 the Commission to evaluate and approve our Application.

20

21

## IX. CONCLUSION

22

23 Q. PLEASE SUMMARIZE THE COMPANY'S REQUEST TO THE COMMISSION.

24 A. We respectfully request that the Commission approve:

- 25 • Our requested rates that provide a net incremental revenue requirement  
26 increase of \$44.56 million; and

1           • An overall ROR of 7.56 percent, based on an average common equity  
2           ratio of 52.50 and an ROE of 10.30 percent.

3

4 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

5 A. Yes, it does.

# Al Krug

414 Nicollet Mall, 401-7th  
Floor Minneapolis, MN 55401  
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612-330-6270 (W)

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## *EDUCATION*

1980 University of California, Los Angeles  
MA, Economics

1978 Queens College, City University of New York  
BA, Economics

## *WORK EXPERIENCE*

2013-Present **Xcel Energy Services, Inc., Minneapolis MN**  
*Associate Vice President, State Regulatory Policy*

- Develop regulatory strategy for NSPM.

2008-2013 **Xcel Energy Services, Inc., Minneapolis MN**  
*Regional Vice President, Regulatory Administration*

- Coordinate regulatory compliance and strategy for NSPM.

2003-2008 **Xcel Energy Services, Inc., Denver, Colorado**  
*Regulatory Consultant*

- Develop regulatory strategy for Commercial Operations.
- Coordinate compliance activity.
- Coordinate internal and external audits of trading activity.

1998-2003 **Xcel Energy Services, Inc., Minneapolis, MN**  
*Manager Renewable Energy/Regulatory Contract Coordinator*

- Develop corporate strategies for renewable energy development.
- Represent Company at state regulatory and legislative proceedings regarding renewable energy issues.
- Negotiate purchased power contracts for renewable energy.
- Manage Energy Market's regulatory interactions with internal and external stakeholders

1994-1998

**Minnesota Department of Commerce, St. Paul, MN  
Supervisor, Electric Regulatory Unit**

- Manage regulatory staff to participate in state regulatory proceedings before the Minnesota Public Utilities Commission.
- Submit expert testimony in regulatory proceedings.
- Represent the Department of Commerce before the Minnesota legislature.

1982-1994

**Minnesota Department of Commerce, St. Paul, MN  
*Principal Statistical Analyst***

- Submit expert testimony in regulatory proceedings.
- Perform economic and statistical analysis to support regulatory and energy policy initiatives.

**FILING REQUIREMENT COMPLIANCE TABLE**

Application of Northern States Power Company, for )  
Authority to Increase Rates for Electric Service in )  
North Dakota )

Case No. PU-24-\_\_\_\_

RELEVANT FILING STATUTES AND REGULATIONS		
Statute/ Regulation	Required Information	Section and Page of Application
<b>N.D.C.C. 49-05-04. Application for increase of rates – Information required – Fee.</b>	Any public utility requesting an increase in its rates above the maximum approved or prescribed by the commission shall furnish the commission:	
	1. The original cost of all its property.	Consistent with Commission precedent, <sup>1</sup> the Company is providing capital roll-forward reports. See Mark Moeller, Sec. II(A) and (B), Exhibit____(MPM-1), Schedules 2a & 2b.
	2. The date of the acquisition of said property.	See above.
	3. The amount of money invested in said property.	See above.
	4. The amount of stock outstanding.	Joshua Nowak, Exhibit____(JCN-1), Schedule 11.
	5. The amount of bonds outstanding against said property.	Joshua Nowak, Exhibit____(JCN-1), Schedules 11.
	6. All books, papers, and memoranda of the utility showing the financial condition thereof.	Volume 3, Test Year Work Papers.
	7. Its total monthly salaries and wage expense for such time as the commission may request.	Volume 3, Test Year Work Papers.
	8. An itemized statement of its expenditures.	Volume 3, Test Year Work Papers.
	9. The details of its profit and loss account.	Volume 3, Test Year Work Papers.
	10. All other books, papers, vouchers, and accounts which the commission shall ask to have produced as evidence at the hearing.	N/A. See Volume 3, Test Year Work Papers.

<sup>1</sup> See PU-12-813, NSP Test Year Workpapers, Sec. III, Tab P3.B; PU-17-398, Otter Tail Power Rate Base Schedule B-3; PU-20-379, Montana-Dakota Utilities Co. Workpapers, Statement B-1.

<b>RELEVANT FILING STATUTES AND REGULATIONS</b>		
<b>Statute/ Regulation</b>	<b>Required Information</b>	<b>Section and Page of Application</b>
	<p>11. An application fee in the amount of one hundred seventy-five thousand dollars. Upon request of the commission and with the approval of the emergency commission, the applicant shall pay such additional fees as are reasonably necessary for completion of the application process by the commission. The commission shall pay the expenses of investigating a rate increase application under this section from the application fee paid by the public utility in accordance with section 49-02-02. The commission may waive or reduce the fee.</p>	<p>Application Cover Letter, p. 2.</p> <p>The application fee is being sent to the Commission with the Application.</p>

<b>RELEVANT FILING STATUTES AND REGULATIONS</b>		
<b>Statute/ Regulation</b>	<b>Required Information</b>	<b>Section and Page of Application</b>
<b>N.D.C.C. 49-05-04.1. Test year – Public utility rate filings.</b>	1. A public utility, at its option, may use any one of the following twelve-month periods as its test year for rate filings with the commission:	
	a. A historical test year, which may be either the latest twelve-month period for which actual data is available at the time of filing new schedules or the latest calendar or fiscal year for which actual data is available at the time of filing new schedules.	N/A
	b. A current test year, which is any consecutive twelve-month period ending not later than twelve months after the date new schedules are filed. A public utility selecting a current test year also shall file data for the twelve-month period immediately preceding the current test year selected and that period is the “historical period” for the public utility.	N/A
	c. A future test year, which is any consecutive twelve-month period ending no later than twenty-four months after the date new schedules are filed. A public utility selecting a future test year must file data for the twelve consecutive months immediately preceding the future test year and that period is the “current period” for the public utility.	Benjamin Halama, Exhibit____(BCH-1), Secs. II and III, Schedule 3.
	2. A public utility selecting a current or future test year shall present the following information:	
	a. A comparison of forecast data to historical period data to demonstrate the reliability and accuracy of the utility's forecast including a comparison of the prior years' forecast or budgeted data to actual data for those periods.	Benjamin Halama, Exhibit____(BCH-1), Schedules 10 and 12.

<b>RELEVANT FILING STATUTES AND REGULATIONS</b>		
<b>Statute/ Regulation</b>	<b>Required Information</b>	<b>Section and Page of Application</b>
	b. A statement that the public utility's forecast is reasonable, reliable, and was made in good faith and that all basic assumptions used in making or supporting the forecast are reasonable, evaluated, identified, and justified to allow the commission to test the appropriateness of the forecast.	Benjamin Halama, Exhibit____(BCH-1), Sec. III.
	c. A statement that the accounting treatment that has been applied to anticipated events and transactions in the forecast is the same as the accounting treatment to be applied in recording the events once they have occurred.	Benjamin Halama, Exhibit____(BCH-1), Sec. III.
<b>N.D.C.C. 49-05-04.1. Test year – Public utility rate filings. (cont.)</b>	3. The public utility may update its filing for material changes as actual data becomes available up to thirty days before the hearing. Except for good cause shown, a public utility may not submit more than one updated filing before the hearing. In the absence of an updated filing by the public utility, the commission may require a public utility to update its filing when the commission staff introduces evidence that a material change has occurred.	N/A
	4. A public utility may propose estimated or calculated adjustments to the selected historical or current test year for all known and measurable changes in operating results as measured in the test year. The adjustments must be made in the same context and format as the information was provided in the original filing. The adjustments may reflect material changes in plant investment, operating revenues, expenses, and capital structure if the changes occurred during the selected historical or current test year or are reasonably certain to occur subsequent to the selected test year within twelve months from the date of the rate filing.	N/A

<b>RELEVANT FILING STATUTES AND REGULATIONS</b>		
<b>Statute/ Regulation</b>	<b>Required Information</b>	<b>Section and Page of Application</b>
<b>N.D.C.C. 49-05-04.2. Rate adjustment — Federal environmental mandate costs</b>	1. The commission may approve, reject, or modify a tariff filed under section 49-05-06, which provides for an adjustment of rates to recover jurisdictional capital costs and associated operating expenses incurred by a public utility to comply with federal environmental mandates on existing electricity generating stations. For purposes of this section, federal environmental mandates are limited to any requirements under the Clean Air Act, the Clean Water Act, or any other federal law or rule designed to protect the environment.	N/A
<b>N.D.C.C. 49-05-04.3. Rate adjustment — Transmission facility costs.</b>	1. The commission may approve, reject, or modify a tariff filed under section 49-05-06 which provides for an adjustment of rates to recover jurisdictional capital and operating costs incurred by a public utility for new or modified electric transmission facilities.	N/A
<b>N.D.C.C. 49-05-05. Changes in tariff rates — Notice to commission — Filing fee.</b>	No change shall be made by any public utility in any tariffs, rates, joint rates, fares, tolls, schedules, classifications, or service which have been filed and published by any public utility, except after thirty days' notice to the commission. The notice shall state plainly the changes proposed and except for services must be accompanied by a fifty-dollar filing fee.	Notice of Change in Rates for Electric Service, Secs. II(C), III, and IV.

RELEVANT FILING STATUTES AND REGULATIONS		
Statute/ Regulation	Required Information	Section and Page of Application
N.D.C.C. 49-05-06(2) [Interim Rates]	2. Notwithstanding that the commission may suspend a filing and order a hearing, a public utility may file for interim rate relief as part of its general rate increase application and filing. If interim rates are requested, the commission shall order that the interim rate schedule take effect no later than sixty days after the initial filing date and without a public hearing. The interim rate schedule must be calculated using the proposed test year cost of capital, rate base, and expenses, except that the schedule must include:	
	a. A rate of return on common equity for the public utility equal to that authorized by the commission in the public utility's most recent rate proceeding;	Alternative Petition for Interim Rates, Sec. III.  9.50 percent ROE per Case No. PU-20-441, SETTLEMENT AGREEMENT (approved in Order dated 08/18/21), Section I, p. 2.
	b. Rate base or expense items the same in nature and kind as those allowed by a currently effective commission order in the public utility's most recent rate proceeding; and	Alternative Petition for Interim Rates, Sec. III.
	c. No change in existing rate design.	Alternative Petition for Interim Rates, Sec. IV.
	3. In ordering an interim rate schedule, the commission may require a bond to secure any projected refund required by subsection 4. The terms of the bond, including the amount and surety, are subject to the commission's approval.	N/A
	4. As ordered by the commission, the utility shall promptly refund to persons entitled thereto all interim rate amounts collected by the public utility in excess of the final rates approved by the commission plus reasonable interest at a rate to be determined by the commission.	N/A

RELEVANT FILING STATUTES AND REGULATIONS		
Statute/ Regulation	Required Information	Section and Page of Application
N.D.A.C. 69-02-02-04. Application.	An application is a proceeding seeking some right, privilege, or authorization which the commission may give under statutory or other authority administered by it.	
	1. <b>Contents.</b> Applications must be in writing and must:	Notice of Change in Rates for Electric Service.
	a. Set forth the full name and post-office address of the applicant;	Notice of Change in Rates for Electric Service, Sec. II(A).
	b. State clearly and concisely the authorization or permission sought; and	Notice of Change in Rates for Electric Service, Sec. I.
	c. Cite by appropriate reference the statutory provision or other authority under which the commission authorization or permission is sought.	Notice of Change in Rates for Electric Service, Sec. I.
	2. <b>Number of copies.</b> An original and seven copies of an application must be filed.	Application Cover Letter, p. 1.
	3. <b>Articles of incorporation or partnership agreement.</b>	Notice of Change in Rates for Electric Service, Sec. II(D).
	a. Corporations. If the applicant is a corporation, a certified copy of its articles of incorporation must be annexed to the application. An original certificate of good standing must also be filed.	N/A
	b. Partnerships. If the applicant is a partnership, the partnership agreement and any fictitious name certificate must be filed.	N/A
c. If the applicant's articles of incorporation or partnership agreement have already been filed with the commission in some prior proceeding, it is sufficient if this fact is stated in the application and reference is made to the case number and number of the prior proceeding.	The Company's articles of incorporation were filed in the Corporate Documents Case No. PU-09-664 on September 30, 2009.	

<b>RELEVANT FILING STATUTES AND REGULATIONS</b>		
<b>Statute/ Regulation</b>	<b>Required Information</b>	<b>Section and Page of Application</b>
	4. Financial statement. Whenever the commission requires the filing of a financial statement by any utility, the applicant shall file consolidated financial statements for the most recent fiscal year using generally accepted accounting principals [sic] or, if applicable, accounting standards required by federal regulatory jurisdictions. Each financial statement must include:	Benjamin Halama, Exhibit____(BCH-1), Schedule 5, 6, 11.
	a. A balance sheet of the form and style usually followed in the industry.	Benjamin Halama, Exhibit____(BCH-1), Schedule 5.
	b. An income statement of the form and style usually followed in the industry.	Benjamin Halama, Exhibit____(BCH-1), Schedule 11.
	c. If available, an independent accountant's financial opinion.	N/A
	d. Any other information requested by the commission.	N/A

<b>RELEVANT FILING STATUTES AND REGULATIONS</b>		
<b>Statute/ Regulation</b>	<b>Required Information</b>	<b>Section and Page of Application</b>
<b>N.D.A.C. 69-02-04-01. Notice.</b>	<p>[...]                      An electric, gas, or telecommunications public utility shall provide individual customer notice as required below by billing insert, newsletter, or other appropriate method approved by the commission. The notice must indicate the place and date of the commencement of any hearing, informal hearing, or public input session that has been ordered by the commission, and that the public is invited to attend. Subject to the power of the commission to modify its contents and when applicable, the notice must include a summary sheet describing the absolute dollar and percentage impact of any proposed rate or price changes by the various classes of services offered by the utility and must include a list of the utility's business office locations where the proposed rate or price schedules and a comparison of present and proposed rates or prices can be examined by the public. The notice must also contain in bold type the following statement when applicable: The rate changes described in this notice have been requested by (specific utility).</p>	<p>Notice of Change in Rates for Electric Service, Sec. III.</p>
	<p>For electric and gas utilities, individual customer notice is required for an application for approval of a rate increase, purchase or sale, merger, or acquisition filed by the utility, and applications by the utility for alternative regulation. For electric and gas utilities, the commission may require the utility to provide individual customer notice to potentially affected customers in other rate proceedings, complaint cases, advance determination of prudence cases, and fuel and purchased gas adjustment proceedings.</p>	<p>Notice of Change in Rates for Electric Service, Sec. III.</p>

RELEVANT FILING STATUTES AND REGULATIONS		
Statute/ Regulation	Required Information	Section and Page of Application
	[...] The individual customer notices required by this section are separate from and in addition to any other customer notices required by law or rule, unless the commission authorizes the utility to satisfy multiple notice requirements with one notice.	Notice of Change in Rates for Electric Service, Sect. III.
<b>N.D.A.C. 69-09-02-01. Rates and regulations to be filed.</b>	1. Schedules of rates and charges for the furnishing of electric service, and rules and regulations pertaining thereto, shall be filed with the commission by each utility. The provisions thereof shall be definite and so stated as to minimize ambiguity or the possibility of misinterpretation. The rate schedules, or the rules and regulations, shall include, together with such other information as may be deemed pertinent, the following: <b>[details omitted]</b>	Current Electric Rate Book; Application, Volume 2; Nicholas Paluck, Exhibit____(NNP-1), Schedule 2;
	2. Any proposed change in rates or charges for the furnishing of electric service, or rules and regulations pertaining thereto, shall be filed with the commission not less than thirty days prior to the effective date thereof. The filing shall include a statement indicating the reason for the proposed change, the number of customers affected, the estimated increase or decrease in annual revenue and the basis for the estimate, and the existing rate schedules or rules and regulations, if any, to be superseded.	Notice of Change in Rates for Electric Service, Sec. II(B); Application, Volume 2.; Benjamin Halama, Exhibit____(BCH-1), Sec. II; Nicholas Paluck, Exhibit____(NNP-1), Schedules 2 and 5; Benjamin Levine, Exhibit____(BSL-1), Sect. II, Schedule 3.
	3. Special contracts for the sale of electric energy to customers shall be filed with the commission showing the name and address of the customer, the point where energy is delivered, the rate to be charged, term of contract, load conditions, voltage of delivery, and other provisions of the contract.	N/A

<b>RELEVANT FILING STATUTES AND REGULATIONS</b>		
<b>Statute/ Regulation</b>	<b>Required Information</b>	<b>Section and Page of Application</b>
	4. Standard contract forms for the sale of electric energy for streetlighting, municipal water pumping, or other services, shall be filed with the commission showing availability, rates, and all other terms and conditions thereof.	<i>See</i> Current Electric Rate Book at Section 5.

<b>RATE CASE COMPLIANCE ITEMS</b>		
<b>Case No.</b>	<b>Required Information</b>	<b>Section and Page of Application</b>
<b>PU-400-92-399</b> <b>1992 ELECTRIC RATE</b> <b>CASE</b> FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER (12/15/92) Finding 118	Long-term incentive compensation was treated as a shareholder expense.	Benjamin Halama, Exhibit____(BCH-1), Sec. VIII(1). Company is requesting changes to recovery of certain long-term incentive compensation costs. Allen Krug, Exhibit____(GPC-1), Sec. VI.  Alternative Petition for Interim Rates, p. 2.
<b>PU-400-92-399</b> <b>1992 ELECTRIC RATE</b> <b>CASE</b> FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER (12/15/92) Findings 130 and 131	Only organizational dues related to North Dakota electric operations were included.	Benjamin Halama, Exhibit____(BCH-1), Sec. VIII(2); rate request is consistent with this decision.

RATE CASE COMPLIANCE ITEMS		
Case No.	Required Information	Section and Page of Application
<p><b>PU-07-776</b> <b>2007 ELECTRIC</b> <b>RATE CASE</b> SETTLEMENT AGREEMENT (12/22/08) Section C, pg. 7; Section E, pgs. 10-11</p>	<p>The Company will use the principles adopted in Case No. PU-07-776 in establishing depreciation rates for use in North Dakota, including:</p> <ul style="list-style-type: none"> <li>• Extend the service lives of the Sherco Generating Station, Angus C. Anson, Granite City, High Bridge, Inver Hills, and Key City;</li> <li>• Reduce the depreciation rates for its transmission and distribution assets to affect an adjustment in the reserve balance, thereby recalibrating the balance to be more in line with theoretically calculated levels;</li> <li>• Recover removal costs in depreciation rates for transmission and distribution based on a net present value methodology rather than on a future cost methodology (using Staff's alternative five-year historical average for the purposes of this case);</li> <li>• No continued accruals to the existing escrow account for Monticello;</li> <li>• Use a remaining life for the Prairie Island nuclear generating plant that assumes approval of the requested life extension for this facility.</li> </ul>	<p>Benjamin Halama, Exhibit____(BCH-1), Sec. VIII(4); Mark Moeller, Exhibit____(MPM-1), Sec. III. Company is proposing to update the service lives of Sherco Units 1, 2 and 3 to reflect updated retirement dates. <i>See</i> Christopher Shaw, Exhibit____(CJS-1), Secs. III and IV; Mark Moeller, Exhibit____(MPS-1), Sec. III(A).</p>
<p><b>PU-07-776</b> <b>2007 ELECTRIC</b> <b>RATE CASE</b> SETTLEMENT AGREEMENT (12/22/08) Section C, pg. 8</p>	<p>Unless directed otherwise by the Commission, rate recovery -- past, present, and future -- for the removal and retirement of Company utility property will be used solely for the retirement of the Company's utility property and recognized as a regulatory liability.</p>	<p>Company actions have and will comply with this directive; no new discussion necessary at this time.</p>

<p><b>PU-07-776</b> <b>2007 ELECTRIC</b> <b>RATE CASE</b> SETTLEMENT AGREEMENT (12/22/08) Section C, pg. 8</p>	<p>The Company will submit to the Commission the various depreciation studies and related documents that are periodically filed with the Minnesota Public Utilities Commission. Such filings include:</p> <ul style="list-style-type: none"> <li>• Annual Review of Remaining Lives,</li> <li>• Average Service Life and Vintage Group Filing (every five years),</li> <li>• Triennial Review of Nuclear Decommissioning.</li> </ul>	<p><i>See</i> Mark Moeller, Exhibit____(MPM-1), Sec. IV, Schedule 5.</p> <p>The 2013 Remaining Lives Study was filed in Case No. PU-07-776 (11/01/13).</p> <p>The 2014, 2015 and 2017 studies were filed in Case No. PU-12-813 (03/07/14, 05/27/15, and 02/21/17, respectively).<sup>2</sup></p> <p>The 2018 study was filed in PU-07-776 (02/21/18) and Supplemented (03/20/18).</p> <p>The 2017 Transmission, Distribution and General (TD&amp;G) Study was filed on 08/15/17 and no Case Number was issued.</p> <p>The 2018 Annual TD&amp;G Report was filed in Case No. PU-07-776 (08/08/18).</p> <p>The 2019 Annual TD&amp;G Report was filed in Case No. PU-07-776 (8/2/19).</p> <p>The 2020 Annual TD&amp;G Study was filed in Case No. PU-07-776 (08/04/20) and Supplemented (08/21/20).</p>
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<sup>2</sup> The 2016 Remaining Lives Study was not filed due to Regulatory Lag in Minnesota.

		<p>The 2021 Annual TD&amp;G Study was filed in Case No. PU-07-776 (08/05/21).</p> <p>The 2024 Annual TD&amp;G Study was filed in Case No. PU-07-776 (09/16/24).</p> <p>Minnesota 2012 – 2014 Triennial Decommissioning Accrual Filing and Supplemental Filing were submitted in Case No. PU-07-776 (01/09/12, 12/10/12, and 03/31/14).</p> <p>Minnesota 2016 – 2018 Triennial Decommissioning Accrual Filing and Supplemental Filings were submitted in Case No. PU-07-776 (03/31/15), (04/13/16) and (04/07/17).</p> <p>Minnesota 2019 - 2021 Triennial Nuclear Decommissioning Accrual filing was submitted in Case No. PU-07-776 (12/06/17, 04/09/18, 04/02/19, 07/17/19, and 04/02/20).</p> <p>Minnesota 2022 – 2024 Triennial Nuclear Decommissioning Accrual filing was submitted in Case No.</p>
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RATE CASE COMPLIANCE ITEMS		
Case No.	Required Information	Section and Page of Application
		PU-07-776 (03/10/21, 04/06/21, 02/18/22, 04/01/22, 03/23/23, and 03/22/24).
<b>PU-07-776</b> <b>2007 ELECTRIC</b> <b>RATE CASE</b> SETTLEMENT AGREEMENT (12/22/08) Section I, pg. 14	The Company will remove test year expenses related to Renewable Development Fund research and development grants and disbursements.	Benjamin Halama, Exhibit____(BCH-1), Sec. VIII(5).
<b>PU-07-776</b> <b>2007 ELECTRIC</b> <b>RATE CASE</b> SETTLEMENT AGREEMENT (12/22/08) Section J, pg. 14	The Company will remove 50 percent of test year charitable contributions	Benjamin Halama, Exhibit____(BCH-1), Sec. VIII(5).
<b>PU-07-776</b> <b>2007 ELECTRIC</b> <b>RATE CASE</b> SETTLEMENT AGREEMENT (12/22/08) Section K, pg. 14	For cost recovery purposes, incentive compensation costs are capped at 15 percent of base salary.	Benjamin Halama, Exhibit____(BCH-1), Sec. VIII(5).  Company is requesting recovery of certain additional incentive compensation expenses. Allen D. Krug, Exhibit____(ADK-1), Sec. VI.

<b>RATE CASE COMPLIANCE ITEMS</b>		
<b>Case No.</b>	<b>Required Information</b>	<b>Section and Page of Application</b>
<p><b>PU-07-776</b> <b>2007 ELECTRIC</b> <b>RATE CASE</b> SETTLEMENT AGREEMENT (12/22/08) Section A, pgs. 5-6</p>	<p>The Company commits to keeping the Commission and its Staff informed on a timely basis of any major changes in its Resource Plan or significant legislative initiatives under consideration in another jurisdiction.</p>	<p>The Company has endeavored to keep the Commission and Staff informed on a timely basis, including through the new North Dakota resource planning process. The Company's 2024 Integrated Resource Plan was filed on 04/08/24 in Case No. PU-24-160.</p>
<p><b>PU-07-776</b> <b>2007 ELECTRIC</b> <b>RATE CASE</b> SETTLEMENT AGREEMENT (12/22/08) Section A, pg. 4</p>	<p>Xcel Energy agrees to provide to the Commission its Minnesota-filed Resource Plans for the integrated NSP System</p> <p>The Company agrees to provide an alternative system-wide resource plan (the "North Dakota version") that strictly meets both Federal and North Dakota environmental and renewable requirements for the same time period addressed by the Minnesota Resource Plan.</p> <p>Xcel Energy agrees to file the complete resource plan and updated North Dakota version on a schedule that corresponds to its overall Resource Planning cycle.</p>	<p>The North Dakota and Minnesota resource plans were filed with the Commission in Case No. 24-160. The North Dakota plan was filed on 04/08/2024 and the Minnesota plan was filed on 04/11/2024.</p>

<b>RATE CASE COMPLIANCE ITEMS</b>		
<b>Case No.</b>	<b>Required Information</b>	<b>Section and Page of Application</b>
<p><b>PU-07-776</b> <b>2007 ELECTRIC RATE CASE SETTLEMENT AGREEMENT</b> (12/22/08) Section A, pg. 6</p>	<p>In this first and all future Ten-Year Plans, the Company will include and describe the current five-year action plan for generation and transmission facilities and its anticipated schedule for Advance Determination of Prudence filings.</p> <p>The Company agrees to file a summary of the key generating and transmission investments or purchase agreements that it intends to construct or enter into within the next five years with its annual Ten-Year Plan. This summary will provide an anticipated schedule of future applications for Advance Determination of Prudence that the Company would commit to filing with the Commission.</p>	<p>2013 10-Year Plan filed in Case No. PU-13-790 (09/13/13);</p> <p>2014 10 Year Plan filed in Case No. 14-517 (07/01/14);</p> <p>2016 10-Year Plan filed in Case No. 16-489 (07/01/16);</p> <p>2018 10-Year Plan filed in Case No. PU-18-259 (07/18/18); and</p> <p>2020 10-Year Plan filed in Case No. PU-20-304 (07/01/20).</p> <p>2022 10-Year Plan filed in Case. No. PU-22-310 (07/01/22).</p> <p>2024 10-Year Plan filed in Case. No. PU-24-268 (07/01/24).</p> <p>Note: statute was changed from annual to biennial in 2013.</p>
<p><b>PU-07-776</b> <b>2007 ELECTRIC RATE CASE SETTLEMENT AGREEMENT</b> (12/22/08) Section A, pg. 5</p>	<p>The Company agrees to meet with the Commission and Staff as necessary to conduct updates on its resource planning efforts and decisions and discuss the Ten-Year Plan filed in that year.</p>	<p>The Company has met with the Commission and with Staff including in connection with its resource plan in Case No. PU-24-160 and in connection with various ADP proceedings.</p>

<p><b>PU-07-776</b> <b>2007 ELECTRIC</b> <b>RATE CASE</b> SETTLEMENT AGREEMENT (12/22/08) Section B, pg. 6</p>	<p>The Company agrees to seek an Advance Determination of Prudence finding from the Commission for all proposed new construction, rehabilitation, or acquisition of an energy conversion facility, renewable energy facility, transmission facility or proposed energy purchase in which: 1) the Company proposes to allocate all or part of the related costs to the North Dakota jurisdiction for recovery in electric rates; and 2) the capacity of the generation facility or purchase is at least 50 MW; and/or the length of the transmission facility is at least 50 miles long. Also, the Company will identify its proposed cost-allocation methodology in the ADP petition as an item for which a determination of prudence by the Commission is requested.</p>	<p>This requirement was removed in an amendment to the Settlement Agreement approved by the Commission in Case No. PU-23-366 on 02/21/2024.</p> <p>Prior to that amendment, the Company filed the following ADPs subsequent to the last rate case filing:</p> <ul style="list-style-type: none"> <li>• Northern Wind (PU-21-093);</li> <li>• Sherco Solar (PU-21-152);</li> <li>• MinnDakota Wind PPA (PU-22-410);</li> <li>• Monticello Nuclear Extension PU-23-064 (withdrawn);</li> <li>• 345kV Transmission Line (PU-23-142) (withdrawn);</li> <li>• Sherco Solar 3 (PU-23-182) (withdrawn);</li> <li>• Brookings 2<sup>nd</sup> Circuit (PU-23-295) (withdrawn); and</li> <li>• 345kV Big Stone to</li> </ul>
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RATE CASE COMPLIANCE ITEMS		
Case No.	Required Information	Section and Page of Application
		Sherburne (PU-23-329) (withdrawn).
<b>PU-07-776</b> <b>2007 ELECTRIC</b> <b>RATE CASE</b> SETTLEMENT AGREEMENT (12/22/08) Section B, pg. 7	<p>To the extent the ADP processes outlined in Case No. 07-776 reveal continued concern with individual resource decisions or cost assignments to jurisdictions, the Company commits to working with Commission Staff on alternative resource evaluation approaches.</p> <p>When appropriate, the Company will advocate for cost recovery statutes that directly assign costs and benefits of any mandated expenditures to the jurisdiction imposing the mandate.</p>	This topic was addressed in depth in the RTF proceeding conducted in Case Nos. PU-12-813, et al., which has been closed. Discussions with staff regarding resource evaluation approaches have occurred in individual ADP proceedings and can now occur in connection with the integrated resource planning matter (PU-24-160).
<b>PU-07-776</b> <b>2007 ELECTRIC</b> <b>RATE CASE</b> SETTLEMENT AGREEMENT (12/22/08) Section B, pg. 7	The Company will reflect its North Dakota depreciation rates in its annual North Dakota earnings reports.	The Company has reflected its approved North Dakota depreciation rates in its earnings reports. <i>See, e.g.,</i> 2024 earnings report filed in Case No. PU-24-179.

RATE CASE COMPLIANCE ITEMS		
Case No.	Required Information	Section and Page of Application
<p><b>PU-12-813, et al.</b> <b>2012 ELECTRIC RATE CASE</b> REVISED SECOND AMENDED SETTLEMENT AGREEMENT (02/25/14) Section III.A. at p. 22-23</p>	<p>The Parties agree to extend the Company's amortization period for unrecognized pension costs reflecting, among other things, costs associated with the 2008 market downturn. The Company's pension costs are determined under the Aggregate Cost Method, a pension funding method based on guidelines provided by the Internal Revenue Service. The method does not comply with SFAS 87 but is allowed as a permitted exception under SFAS 71 since it has received regulatory approval. The Parties agree that the Company will move from the current "percent of compensation" based amortization period of approximately 10 years to a 20-year amortization period. The appropriate ratemaking treatment will include a return on the unamortized balance.</p>	<p>Benjamin Halama, Exhibit____(BCH-1), Sec. VIII(8).</p>
<p><b>PU-12-813, et al.</b> <b>2012 ELECTRIC RATE CASE</b> REVISED SECOND AMENDED SETTLEMENT AGREEMENT (02/25/14) Section III.B pg. 22</p>	<p>The Parties agree that for purposes of determining the overall test year revenue requirement and future regulatory reporting, Annual Incentive Plan costs above 15 percent of base pay will be excluded.</p>	<p>Benjamin Halama, Exhibit____(BCH-1), Sec. VIII(5).</p> <p>The Company is requesting recovery of certain additional incentive compensation expenses. Allen D. Krug, Exhibit____(ADK-1), Sec. VI.</p>
<p><b>PU-12-813</b> <b>2012 ELECTRIC RATE CASE</b> REVISED SECOND AMENDED SETTLEMENT AGREEMENT (02/25/14) Section III.D, pgs. 23-24</p>	<p>In the Settlement Agreement resolving a previous rate application (Case No. PU-07-776), the Parties agreed that the Company would pass to customers 85 percent of the margins realized from wholesale electricity sales from Company-owned (asset-based) generation. The Company currently passes 100 percent of the jurisdictional allocation of these margins to its Minnesota and South Dakota customers. The Parties agree that the Company will, beginning January 1, 2014, pass through 100 percent of wholesale asset-based margins to North Dakota customers as well.</p>	<p>Benjamin Halama, Exhibit____(BCH-1), Sec. VIII(6).</p>

RATE CASE COMPLIANCE ITEMS		
Case No.	Required Information	Section and Page of Application
<p><b>PU-12-813, et al.</b> <b>2012 ELECTRIC RATE CASE</b> REVISED SECOND AMENDED SETTLEMENT AGREEMENT (02/25/14) Section V.A pgs. 27-28</p>	<p>As a condition of this Revised Second Amended Settlement, the Parties agree that the Company will pass 100 percent of North Dakota jurisdictional net REC proceeds to North Dakota customers for all sales on and after January 1, 2014</p>	<p>Monthly 2024 Fuel Clause Adjustment filings are in Case No. PU-24-011 and contain information on REC sales and crediting to customers.</p> <p>This item was also updated by the Settlement in Case No. PU-20-441 with respect to disallowed PPAs and resources.</p>
<p><b>PU-12-813, et al.</b> <b>2012 ELECTRIC RATE CASE</b> REVISED SECOND AMENDED SETTLEMENT AGREEMENT (02/25/14) Section VII.B pgs. 30-31</p>	<p>NSP will footnote the North Dakota portion of its Asset Retirement Obligation in its annual report of regulated earnings. Will also notify the PSC of any new depreciable life studies or revisions filed with MPUC. The depreciation lives and rates presented in the Rate Case will be the ones in effect upon approval of this Revised Second Amended Settlement.</p>	<p>The Company has complied with this requirement. <i>See</i>, Case No. PU-24-179, Docket No. 2 at p. 57.</p>
<p><b>PU-12-813, et al.</b> <b>2012 ELECTRIC RATE CASE, VARIOUS CASE ADPS</b> FIRST REVISED NEGOTIATED AGREEMENT (02/22/16)  ORDER APPROVING SETTLEMENT (03/09/16) Section V.D</p>	<p>The Parties agree that the conclusions of the Allocator Study filed with the Commission on April 27, 2015, support the continued use of the 12 CP jurisdictional allocation method. To that end, this Agreement establishes a rebuttable presumption that the 12 CP jurisdictional allocation method is appropriate for allocating applicable system costs between North Dakota, South Dakota and Minnesota.</p> <p>In the event that circumstances have sufficiently changed such that Staff believes it is appropriate to rebut the rebuttable presumption established in this paragraph: 1) Staff will notify NSP of its intentions as early as possible; and 2) Staff will work in good faith with NSP to reach agreement on an appropriate allocation methodology in light of the rebuttable presumption established in this paragraph. The provisions of this paragraph expire on December 31, 2025.</p>	<p>The Company addresses the jurisdictional allocation method in the testimony of Steven W. Wishart, Exhibit ____ (SWW-1).</p>

RATE CASE COMPLIANCE ITEMS		
Case No.	Required Information	Section and Page of Application
<p><b>PU-20-441</b> <b>2021 ELECTRIC RATE CASE</b></p> <p>SETTLEMENT AGREEMENT (6/29/21) Sec. I.A.3, p. 5</p>	<p>Within 60 days after the approval of this Settlement, the Company will make a compliance filing to the Commission providing for the specific design. of the AGIS deferral. This Settlement is without prejudice to the prudence of the Company's investment in AGIS and makes no determination thereupon. The Company may request to begin recovery of the AGIS deferral and propose a reasonable amortization period in its next rate case, assuming the foundational elements are already, or are forecasted to be, in service during the applicable test year.</p>	<p>The Company's compliance filing was made in Case No. PU-20-441 on 09/17/21.</p> <p>Recovery of the deferral is addressed by Benjamin Halama, Exhibit____(BCH-1), Sec. VII(12).</p>
<p><b>PU-20-441</b> <b>2021 ELECTRIC RATE CASE</b></p> <p>SETTLEMENT AGREEMENT (6/29/21) Sec. I.B.1, p. 9</p>	<p>This earnings-sharing mechanism will be in effect for all calendar years prior to the Company's next rate case test year, unless a future settlement or Commission Order determines otherwise.</p>	<p>The earnings share mechanism has been in effect and is addressed in the Company's annual reports.</p> <p>See Case Nos. PU-24-179 (05/01/2024) (2023 Annual Report), PU-23-168 (05/01/23) (2022 Annual Report), PU-22-183 (05/02/2022) (2021 Annual Report)</p>
<p><b>PU-20-441</b> <b>2021 ELECTRIC RATE CASE</b></p> <p>SETTLEMENT AGREEMENT (6/29/21) Sec. II., p. 11</p> <p>ORDER ON SETTLEMENT (8/18/21) Order Point 3</p>	<p>The Company will file compliance tariff pages setting forth the revised electric rates and tariffs provided by this Settlement Agreement within at least thirty (30) days from the date of approval of this Settlement.</p> <p>NSP shall file compliance tariff pages setting forth the revised electric rates and tariffs consistent with this Order within thirty (30) days of this Order.</p>	<p>See Compliance Filing in Case No. PU-20-441 (09/17/21), and Errata to the Compliance filing (09/22/21)</p>

<b>RATE CASE COMPLIANCE ITEMS</b>		
<b>Case No.</b>	<b>Required Information</b>	<b>Section and Page of Application</b>
<p><b>PU-20-441</b> <b>2021 ELECTRIC RATE CASE</b></p> <p>SETTLEMENT AGREEMENT (6/29/21) Sec. IV., p. 12</p>	<p>Since the Parties have agreed to a base rate increase for 2021 that is lower than the current interim increase, this Settlement will result in an interim rate refund for North Dakota customers. Interim rates went into effect on January 5, 2021, and were subsequently updated on April 1, 2021. Parties agree that the interim rate level effective as of April 1, 2021, will remain in effect until final rates are implemented. At the time of this Settlement Agreement, the final amount of interim revenues collected is not available. The estimated interim rate refund of approximately \$5,041,000 (plus interest) results in an average refund of approximately \$26 per residential customer. The refund is expected to be issued to customers beginning approximately 30-60 days from the implementation of final rates.</p>	<p>See Compliance Filing in PU-20-441 (03/10/22).</p>
<p><b>PU-20-441</b> <b>2021 Electric Rate Case</b></p> <p>ORDER ON SETTLEMENT (8/18/21) Order Point 4</p>	<p>NSP shall issue an interim rate refund to its customers as provided for in the Settlement.</p>	<p>See Compliance Filing in PU-20-441 (03/10/22).</p>

<b>OTHER COMPLIANCE ITEMS</b>		
<b>Case No.</b>	<b>Required Information</b>	<b>Section and Page of Application</b>
<b>PU-07-774</b> <b>Accounting for Nuclear Refueling Costs</b> ORDER CHANGING ACCOUNTING TREATMENT (02/13/08)	Northern States Power Company shall amortize nuclear refueling costs over the life of the installed fuel.	Benjamin Halama, Exhibit____(BCH-1), Sec. XIII(3).
<b>PU-08-171</b> <b>DEMAND SIDE MGMT &amp; COST RECOVERY TARIFF</b> ORDER (11/05/2008) Order Point 2	NSP is authorized to record expenditures to further promote its existing Savers Switch and Peak & Energy Control Service load management programs in a deferred account for amortization in NSP's next general rate case. The amount deferred may not exceed \$266,904 per year.	This program ended in 2018 and with all costs fully amortized and recovered.
<b>PU-08-908 and PU-08-910</b> <b>Merricourt Wind Project ADP and CPCN</b> ORDER ON APPLICATION FOR ADP AND CPCN (08/12/09) Order Point 4	NSP will report to the extent possible, as part of its annual 10-year plan, all reductions in the energy produced at its base load generation units that would not have occurred except for the existence of wind generation. The report will include the time of event, length of the event, base load plant affected, and the amount of energy not produced at the base load plant during the event.	2024 10-Year Plan filed in Case No. PU-24-268 (07/01/2024), pp. 21-22.  Filed with prior 10-Year Plans in Case Nos. PU-11-385 (06/30/11), PU-12-448 (06/29/12), PU-14-517 (07/01/14); PU-16-489 (07/01/16), PU-18-259 (07/02/18), PU-20-304 (07/01/20), and PU-22-310 (03/01/2022).  Notice of cancellation was submitted in Case Nos PU-08-908 and PU-08-910 on April 8, 2011.

<b>OTHER COMPLIANCE ITEMS</b>		
<b>Case No.</b>	<b>Required Information</b>	<b>Section and Page of Application</b>
<b>PU-08-908 and            PU-08-910            Merricourt Wind            Project ADP and            CPCN</b> ORDER ON APPLICATION FOR ADP AND CPCN (08/12/09) Order Point 5	NSP will report, as part of its next 10-year plan, on the impacts and costs associated with taking coal plant production up and down to accommodate wind resources during off peak hours.	2024 10-Year Plan filed in Case No. PU-24-268 (07/01/2024), pp. 21-22.  Filed with prior 10-Year Plans in Case Nos. PU-11-385 (06/30/11), PU-12-448 (06/29/12), PU-14-517 (07/01/14); PU-16-489 (07/01/16), PU-18-259 (07/02/18), PU-20-304 (07/01/20), and PU-22-310 (07/01/2022).  Notice of cancellation was submitted in Case Nos PU-08-908 and PU-08-910 on April 8, 2011.

<b>OTHER COMPLIANCE ITEMS</b>		
<b>Case No.</b>	<b>Required Information</b>	<b>Section and Page of Application</b>
<b>PU-10-19</b> ORDER (09/08/10) Order Point 5	NSP shall file an annual report with the Commission documenting the results of its REC sales. This report can be included as a part of its annual progress reporting requirement toward meeting the renewable energy and recycled energy objective as required under North Dakota Century Code Section 49-02-34.	Annual reports were filed in Case Nos: <ul style="list-style-type: none"> <li>▪ PU-13-508 (06/26/13);</li> <li>▪ PU-14-524 (06/30/14);</li> <li>▪ PU-15-475 (06/30/15);</li> <li>▪ PU-17-060 (06/30/16);</li> <li>▪ PU-17-274 (06/30/17);</li> <li>▪ PU-18-221 (06/29/18);</li> <li>▪ PU-19-223 (06/25/19);</li> <li>▪ PU-20-285 (06/26/20);</li> <li>▪ PU-21-293 (06/29/21);</li> <li>▪ PU-22-263 (06/30/22);</li> <li>▪ PU-23-251 (06/28/23);</li> <li>and</li> <li>▪ PU-24-258 (06/28/24).</li> </ul>
<b>PU-15-095</b> <b>ADP FOR 100MW</b> <b>AURORA SOLAR</b> FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER (09/16/15)	ADP denied because it is not a least-cost resource. NSP shall not recover costs associated with the Geronimo Solar PPA through its North Dakota Fuel Clause Rider without specific approval of the Commission.	Company is not making any request with regard to Aurora Solar in this rate case.
<b>PU-16-458</b> <b>2015 PPA COSTS</b>	Commission reviewed NSP's annual list of new PPAs less than 50 MW and ordered NSP to exclude cost of School Sisters of Notre Dame solar facility from Fuel Cost Adjustment Rider because it is not least cost.	The Company does not make any request with regard to the School Sisters of Notre Dame in this rate case.

STATE OF NORTH DAKOTA  
BEFORE THE  
PUBLIC SERVICE COMMISSION

NORTHERN STATES POWER COMPANY )  
2025 ELECTRIC RATE INCREASE )  
APPLICATION )

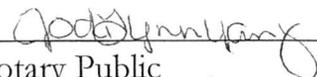
Case No. PU-24-\_\_\_\_

**AFFIDAVIT OF  
Allen D. Krug**

I, the undersigned, being first duly sworn, depose and say that the foregoing is the Direct Testimony of the undersigned, and that such Direct Testimony and the exhibits or schedules sponsored by me to the best of my knowledge, information and belief, are true, correct, accurate and complete, and I hereby adopt said testimony as if given by me in formal hearing, under oath.

  
\_\_\_\_\_  
Allen D. Krug

Subscribed and sworn to before me, this 21 day of November, 2024.

  
\_\_\_\_\_  
Notary Public  
My Commission Expires: 1/31/2027

