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Direct Testimony and Schedules
Tamra Newman

Before the Minnesota Public Utilities Commission
State of Minnesota

In the Matter of the Application of Northern States Power Company
for Authority to Increase Rates for Natural Gas Service in Minnesota

Docket No. G002/GR-25-356
Exhibit____(TN-1)

Employee Compensation and Benefits

October 31, 2025

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I. INTRODUCTION

Q. PLEASE STATE YOUR NAME AND OCCUPATION.

A. My name is Tamra Newman. I am the Director of Compensation for Xcel Energy Services Inc., which is the service company affiliate of Northern States Power Company, a Minnesota corporation (the Company), and an operating company of Xcel Energy Inc. (Xcel Energy).

Q. PLEASE SUMMARIZE YOUR QUALIFICATIONS AND EXPERIENCE.

A. As Director of Compensation, my responsibilities include designing, developing, and implementing broad-based compensation programs, which include base pay, incentive strategy and administration, as well as managing recognition programs. The goals of these programs are to attract, retain, and motivate talented employees at all levels throughout the organization. My statement of qualifications is included as Exhibit____(TN-1), Schedule 1.

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

A. I support the Company's request to recover in natural gas rates the costs of our employee compensation and benefits, which are elements of the Xcel Energy Total Rewards Program.

Q. PLEASE PROVIDE A SUMMARY OF YOUR TESTIMONY.

A. To provide safe and reliable gas service for our customers, meet their changing needs, and work towards achieving Xcel Energy's Net-Zero Energy Provider goals, the Company must be able to attract, retain, and motivate high-quality employees. To help achieve this goal, the Company is requesting recovery of

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1 amounts necessary to provide a competitive total rewards package for
2 employees.

3
4 The Company establishes base pay and incentive compensation using a market-
5 based benchmarking approach to balance competitive compensation and
6 affordability. The Company also provides holistic benefits programs (health,
7 wellness, and retirement) for employees that are consistent with common
8 market practices.

9
10 In summary, we are requesting to recover the necessary and reasonable costs
11 required to maintain and invest in our employees to keep the workforce focused
12 on delivering safe and reliable gas service for our customers.

13
14 Q. HOW IS YOUR TESTIMONY STRUCTURED?

15 A. My testimony is structured as follows:

- 16 • Section II outlines the evolving utility landscape and basic needs of our
17 workforce.
- 18 • Section III provides an overview of Total Rewards and the components
19 for which the Company is, and is not, seeking recovery.
- 20 • Section IV covers the Company's cost to provide our active employees
21 with health and wellness benefits.
- 22 • Section V describes the retirement benefits the Company offers.

23
24 Q. ARE ANY OTHER WITNESSES ADDRESSING ISSUES RELATED TO COMPENSATION
25 AND BENEFITS?

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1 A. Yes. Company witness Richard R. Schrubbe is providing testimony related to
2 benefit expenses and Company witness Benjamin C. Halama describes
3 adjustments made to the incentive program expenses.
4

5 **II. BUSINESS MODEL CHANGES AND WORKFORCE NEEDS**
6

7 **A. Changes in the Company's Business Model**

8 Q. PLEASE BRIEFLY EXPLAIN HOW THE COMPANY'S BUSINESS MODEL IS EVOLVING.

9 A. In today's environment, customers expect more than reliable and affordable gas
10 service. We strive to deliver new programs and products to customers to help
11 them manage their carbon emission from natural gas use. For example, one gas
12 business goal is to tighten our own system to reduce methane emissions and
13 achieve net-zero methane emission by 2030. These changes will impact our
14 workforce.
15

16 Q. WHAT IMPACT DO YOU EXPECT THESE CHANGES WILL HAVE ON THE
17 WORKFORCE?

18 A. Our employees will need to develop new skillsets and adapt to a rapidly
19 changing environment. They look to the Company to provide necessary
20 training. Many positions will increasingly use automated processes to complete
21 certain repetitive tasks and require individuals in role shift to focus on higher-
22 value, more consultative work. Field workers will continue to focus on
23 construction, maintenance, storm restoration, and the like.
24

25 Q. HAS THE COMPANY MADE CHANGES TO ITS WORKFORCE?

26 A. In 2023, Xcel Energy implemented workforce actions to align resources with
27 evolving business and customer needs and to streamline the organization for

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1 long-term success. In December 2023, approximately 400 bargaining employees
2 retired under a Voluntary Retirement Program, and in November 2023, about
3 150 non-bargaining employees were separated through an involuntary
4 severance program. These changes occurred across all operating entities. The
5 Company continues to balance its workforce to meet operational and customer
6 needs. While some jobs were eliminated due to shifts in business, technology,
7 and operational priorities, others were backfilled or reassigned. The effects of
8 these actions are reflected in the Company's 2023 actual expenses; however,
9 costs for these programs are not included in the Company's rate request.

10
11 **B. Labor Market Competition**

12 Q. PLEASE DESCRIBE THE CURRENT COMPETITION IN THE LABOR MARKET.

13 A. The labor market remains highly competitive, particularly for candidates with
14 specialized technical skills and utility experience. Xcel Energy competes for
15 talent locally, regionally, and nationally—both within the utility industry and
16 across other sectors. For many critical roles, the Company must hire
17 experienced employees who can contribute immediately, rather than entry-level
18 employees who require additional time and training.

19
20 Q. PLEASE DESCRIBE THE LABOR MARKET IN MINNESOTA.

21 A. Minnesota has a highly competitive labor market, particularly in the Twin Cities,
22 which rank among the top regions in the country for Fortune 500 companies
23 per capita. Xcel Energy competes with major Minnesota-based employers such
24 as 3M, Best Buy, General Mills, Target, and UnitedHealth Group, as well as
25 companies across the country, for employees in engineering, information
26 technology, cybersecurity, accounting and finance, human resources, and other
27 specialized disciplines.

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1
2 In addition, Xcel Energy competes with two other investor-owned electric and
3 gas utilities and three investor-owned natural gas utilities serving Minnesota,
4 along with approximately 50 cooperatives and more than 120 municipal utilities
5 for industry-specific talent.

6
7 Q. WHAT IMPACT HAS THE REGIONAL AND NATIONAL LABOR MARKET HAD ON THE
8 COMPANY?

9 A. Minnesota had a 3.6 percent unemployment rate as recently as August 2025,
10 below the national average of 4.3 percent.¹ Minnesota's labor market is strong
11 for workers, based on "low unemployment, significant wage growth and high
12 labor force participation," which creates a challenging environment for
13 employers who are looking to hire.²

14
15 **III. OVERVIEW OF TOTAL REWARDS PROGRAM**

16
17 Q. WHAT ARE THE OBJECTIVES OF XCEL ENERGY'S TOTAL REWARDS PROGRAM?

18 A. The Total Rewards Program is designed to offer a market-competitive
19 compensation and benefits package to Xcel Energy employees that would be
20 necessary to attract, retain, and motivate employees for any company. Xcel
21 Energy is responsible for providing customers with safe and reliable gas service
22 every hour of the day and therefore it is critical to remain market competitive.

¹ Minnesota Department of Employment and Economic Development, "State and National Employment and Unemployment," accessed on Oct. 9, 2025, available at: <https://mn.gov/deed/data/current-econ-highlights/state-national-employment.jsp>.

² Minnesota Department of Employment and Economic Development, "Minnesota Job Market, Labor Force Shift in July," Aug. 14, 2025, accessed on Oct. 14, 2025, available at: <https://mn.gov/deed/newscenter/press-releases/?id=1045-701757>.

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1
2 Q. WHAT ARE THE ELEMENTS OF THE TOTAL REWARDS PROGRAM AT XCEL
3 ENERGY?

4 A. The Total Rewards Program includes the following components:

- 5 • **Total compensation** consists of base pay, the Annual Incentive
6 Program (AIP), Long-Term Incentive (LTI) Program, and an employee
7 recognition program.
- 8 • **Employee health and wellness** consists of medical, pharmacy, dental,
9 disability, vision, and life insurance coverage for our active employees
10 and their families, plus employee time-off, long-term disability, workers'
11 compensation, and medical benefits for retirees.
- 12 • **Retirement** consists of defined pension plans and defined contribution
13 401(k) savings plans.

14
15 Q. WHAT IS THE LEVEL OF COSTS THAT THE COMPANY IS FORECASTING FOR 2025
16 AND 2026?

17 A. Table 1 sets forth Total Rewards Program costs on a State of Minnesota Gas
18 Jurisdiction basis the 2026 Test Year as well as 2022-2024 actuals and 2025
19 forecast (six months of actuals and six months of forecast). The changes in
20 Qualified Pension expense are discussed in Company witness Schrubbe's Direct
21 Testimony.

22

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Table 1
Total Rewards Program Costs
State of Minnesota Gas Jurisdiction
(\$ Millions)

Type of Benefit	2022	2023	2024	2025 Forecast	2026 Test Year
Total Compensation					
Base Pay (1)	\$ 33.5	\$ 37.4	\$ 37.8	\$ 40.5	\$ 43.5
Annual Incentive Program (AIP)	\$1.70	\$1.60	\$1.33	\$0.92	\$2.51
AIP Disallowances (2)	\$(0.26)	\$(0.07)	\$(0.07)	\$(0.15)	\$(0.18)
Long Term Incentive (LTI)	\$0.61	\$0.50	\$0.53	\$1.07	\$1.25
LTI Disallowances (3)	\$(0.31)	\$(0.10)	\$0.06	\$(0.31)	\$(0.26)
Recognition	\$0.08	\$0.08	\$0.12	\$0.07	\$0.10
Employee Health and Wellness					
Active Health Care	\$3.8	\$4.7	\$6.4	\$4.9	\$4.7
Retiree Medical	\$0.0	\$0.2	\$0.2	\$0.2	\$0.2
Misc. Ben., Life, LTD	\$0.3	\$0.5	\$0.4	\$0.4	\$0.5
Retirement					
Qualified Pension	\$0.9	\$1.1	\$1.0	\$1.1	\$1.1
401(k) Match	\$2.1	\$2.4	\$2.3	\$2.3	\$2.4

(1) Base Pay includes productive, non-productive, overtime, premium, and other compensation for bargaining and non-bargaining employees and does not include regulatory treatment.

(2) AIP Disallowances reflect a 25% base pay cap in each year for consistency with the 2026 Test Year.

(3) LTI Disallowances reflect the financial LTI performance goal.

Q. HOW DO THE PROGRAM EXPENSE AMOUNTS IN 2026 COMPARE TO THE ACTUAL AMOUNTS INCURRED IN PRIOR YEARS?

A. Exhibit____(TN-1), Schedule 2 to my testimony contains a comparison of the pension and benefit expense amounts in 2026 to the amounts of actual expense in 2022 through 2024 and the forecasted amount for 2025.

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1 Q. IS THE COMPANY SEEKING TO INCLUDE ALL OF THE NECESSARY AND
2 REASONABLE COSTS OF THE TOTAL REWARDS PROGRAM IN ITS RATE REQUEST?

3 A. No. The Company is not requesting recovery of certain elements of its Total
4 Rewards Program related to AIP and LTI. Details on the specifics of our
5 recovery request for AIP and LTI are addressed in those respective sections of
6 my testimony.

IV. TOTAL COMPENSATION

10 Q. HOW IS TOTAL COMPENSATION DETERMINED FOR BARGAINING AND NON-
11 BARGAINING EMPLOYEES?

12 A. Bargaining employee compensation is set through collective bargaining
13 agreements that reflect negotiations between the Company and its unions,
14 balancing employee interests with the Company's operational and financial
15 goals.

17 Non-bargaining employee compensation is based on external market data from
18 independent surveys used by mid- and large-sized employers. The Company
19 aligns internal roles with comparable positions in other organizations and
20 generally targets the market median to ensure competitive and equitable pay.

22 Q. WHAT COMPENSATION COMPONENTS ARE NON-BARGAINING EMPLOYEES
23 ELIGIBLE TO RECEIVE?

24 A. Non-bargaining employees are eligible for a compensation package that may
25 include multiple components as summarized below. The respective
26 compensation components vary by job. Each compensation component and
27 the total compensation for each position is targeted at the market median.

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Non-exempt employees receive their total compensation through base pay, overtime, and recognition awards. Total compensation for exempt employees is base salary and pay-at-risk in the form of incentive compensation under AIP and possibly LTI. This design aligns compensation opportunities with an employee's level of responsibility and influence on the Company's operations and results. A recap of the compensation structure is outlined in Table 2 below.

Table 2
Compensation Structure Summary

Compensation Components	Non-Exempt Employees	Exempt Employees
Base Pay	✓	✓
AIP	—	✓
LTI*	—	✓
Recognition Awards	✓	✓

*LTI does not apply to all exempt employees.

A. Base Pay

Q. WHAT COSTS ARE INCLUDED IN THE COMPANY'S BASE PAY AMOUNTS IN TABLE 1?

A. The base pay amounts in the table above include the base pay for bargaining and non-bargaining employees, non-productive, overtime, and premium time expense.

Q. HOW IS BASE PAY ESTABLISHED FOR NON-BARGAINING EMPLOYEES?

A. Through the benchmarking process of using independent compensation survey data, a competitive pay range is established for each job. Base pay for non-bargaining employees is established within the respective pay range assigned for the job and further incorporates individual experience and performance.

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1
2 Q. HOW DOES THE COMPANY DETERMINE THE ANNUAL BUDGET FOR BASE PAY
3 INCREASES?

4 A. For non-bargaining employees, the annual budget is determined using our
5 current workforce base pay and target merit increase percentage based on
6 several factors, including:

- 7 • Review of external base pay increase projection surveys;
- 8 • Comparison of increase rate percent of non-bargaining employees to
9 negotiated wage increase rate percent for our bargaining employees;
- 10 • Economic conditions; and
- 11 • Company budget limitations.

12
13 For bargaining unit employees, the general wage increases are part of the
14 negotiation process and are included in the collective bargaining agreements.
15

16 Q. HOW DOES A NON-BARGAINING EMPLOYEE EARN AN ANNUAL BASE PAY
17 INCREASE?

18 A. Managers determine the annual base pay increase for each employee on their
19 teams based on individual performance, position in the assigned pay range, and
20 comparisons to other employees in the same or similar jobs with comparable
21 performance. This process provides a balance between budget limits, pay for
22 performance, maintaining competitive pay to market, and appropriate level of
23 internal equity amongst employees.
24

25 Q. DOES THE BASE PAY BUDGET AMOUNT INCLUDE PAID TIME OFF (PTO)?

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1 A. Yes. The Company's base pay expense is incurred through regular pay for time
2 worked or PTO for time away from work. The base pay budget amount in Table
3 1 also includes costs for overtime pay.

4
5 Q. WHAT IS INCLUDED IN THE COMPANY'S 2026 BUDGET FOR BASE PAY INCREASES
6 FOR NON-BARGAINING EMPLOYEES?

7 A. The Company administered a 3.0 percent increase in 2025 and has budgeted a
8 3.0 percent increase for the 2026 test year.

9
10 Q. WHY IS A 3.0 PERCENT BASE PAY INCREASE FOR NON-BARGAINING EMPLOYEES
11 FOR 2026 APPROPRIATE?

12 A. The Company regularly compares its total cash compensation levels, including
13 base pay increases and programs, to companies within and outside of the utility
14 industry. Surveys demonstrate that a base pay increase greater than the
15 Company's request has been projected in the market recently. Five independent
16 survey sources³ projected 2026 base pay increases to fall within the following
17 ranges:

- 18 • 3.4 – 3.8 percent for all utilities on a national basis; and
- 19 • 3.4 – 4.3 percent for all companies on a national basis.

20
21 The Company used available data for 2026 to develop its test year budget for
22 2026. While the data above indicates that higher pay increases are projected in

³ Exhibit____(TN-1), Schedule 3 (WorldatWork "2025-2026 Salary Budget Survey"; The Conference Board "2025 Salary Increase Budget Survey Results; WTW, "2025 General Industry Salary Budget Survey"; Mercer "2025/2026 US Compensation Planning Survey Report"; and Aon Hewitt "2025 Salary Increase and Turnover Study-United States.")

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1 2026, we budgeted a conservative 3.0 percent for 2026 to balance competitive
2 pay and affordability.

3
4 Q. DOES BASE PAY ALONE PROVIDE COMPENSATION THAT IS COMPETITIVE WITH
5 THE MARKET FOR THE COMPANY'S EXEMPT, NON-BARGAINING EMPLOYEE
6 POPULATION?

7 A. No. Base pay alone would put the Company significantly behind the
8 competitive positioning when compared to the labor market. Prevalent market
9 practice is to provide a mix of base pay and incentive compensation, which is
10 pay-at-risk.

11
12 By designing compensation to include both base pay and incentive components
13 to align with market practice, the Company can continue to reasonably attract
14 and retain employees to deliver on the commitments to customers while
15 keeping fixed labor costs low.

16
17 **B. Annual Incentive Program**

18 Q. PLEASE DESCRIBE THE COMPANY'S ANNUAL INCENTIVE PLAN.

19 A. The Company's AIP is a form of incentive compensation offered to exempt,
20 non-bargaining employees, subject to certain requirements as outlined in
21 Exhibit____(TN-1), Schedule 4.

22
23 Q. WHAT IS THE ROLE OF INCENTIVE COMPENSATION?

24 A. Incentive compensation, also known as pay-at-risk, is a component of an
25 employee's total compensation. Incentive compensation typically represents a
26 smaller component of the total compensation package for most employees, and
27 it is designed to align the focus and execution of key, strategic business goals. It

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is considered pay-at-risk because this form of compensation is not earned unless pre-established business goals are achieved. Therefore, higher-level roles have a larger portion of their total compensation as pay-at-risk. This approach and the established annual incentive target opportunity is based on the necessary competitive total cash compensation for each job as determined by independent third-party compensation survey data. Table 3 below outlines examples of various splits between base pay and annual incentive target.

Table 3
Compensation Pay Mix Example
(Base Salary and Annual Incentive)

Example Job	Base Pay %	Annual Incentive Target %	Total Cash Compensation %
Job 1	88%	12%	100%
Job 2	85%	15%	100%
Job 3	80%	20%	100%
Job 4	70%	30%	100%

The use of incentive compensation by employers is a standard practice throughout the United States and in nearly every industry. According to the 2025 (based on 2024 data) WTW Compensation Study of investor-owned utility companies, provided as Exhibit____(TN-1), Schedule 5, 100 percent of companies in both the national sample and the revenue-based sample maintain an annual incentive plan. The widespread use of incentive compensation is due to two fundamental benefits: (1) it promotes high, sustainable employee performance; and (2) it reduces fixed labor costs.

Q. HOW DOES XCEL ENERGY’S AIP DESIGN REFLECT THE COMPANY’S PAY-FOR-PERFORMANCE PHILOSOPHY?

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1 A. The Company's long-standing pay-for-performance philosophy further
2 correlates compensation paid with work expectations, behaviors, and
3 performance. Employees performing below their respective target level will
4 receive a lower AIP payout or no payout. Therefore, AIP promotes higher
5 performance, sets clearer expectations, and recognizes and drives continuous
6 improvement. We believe practicing greater pay differentiation helps to
7 motivate employees and raise performance levels to deliver strong services to
8 our customers while keeping costs low.

9
10 Q. HOW DO EMPLOYEES EARN AIP?

11 A. Each eligible, exempt employee has a targeted annual incentive opportunity
12 expressed as a percentage of base pay, which is a common market practice on
13 how AIP is structured as part of total compensation. The employee receives the
14 incentive for achievement related to pre-determined individual performance
15 goals and for the Company's achievement of Corporate Key Performance
16 Indicators (KPIs). See Schedule 4 for detailed information on the Company's
17 KPIs.

18
19 Q. HOW DO THE COMPANY'S KPI GOALS BENEFIT CUSTOMERS?

20 A. Table 4 summarizes the alignment of the Company's KPI goals and benefits to
21 customers. The Company measures its results using industry standard
22 benchmark data and internal performance measurements.

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Table 4
Corporate KPIs and Customer Benefit

Corporate Scorecard KPI (2025)	Customer Benefit
Customer Experience: Medallia customer feedback studies - Measure of customer experience by weighing key recent and direct customer experiences	Ensure we are effectively serving customers through the use of an industry-standard customer feedback survey
Electric System Reliability: SAIDI - System Average Interruption Duration Index - Measures the average number of minutes a customer's electric service is interrupted across our service territories	Maintain the electric system to limit service interruptions to customers and act swiftly and safely to restore electric service outages when they occur
Public Safety: Gas emergency response using American Gas Association benchmark - Percentage of gas emergencies responded to in 60 minutes or less	Timely dispatch of response team to gas emergencies to protect the public and service assets and minimize service interruptions
Employee Safety: Measure will reflect the effectiveness of safety efforts when working around high energy hazards, including serious injury or fatality performance	Promote safe working conditions for employees and promote an office safety culture for all who serve customers
Organizational Health: Percentage of offers made using diverse interview panel, Executive Sponsorship program participation and employee Culture Index results	Ensure our employee base is healthy and engaged, as well as representative of our customer base to identify customer needs and service opportunities
Generation Availability: Equivalent availability factor - Ability to maximize electric generation from free wind fuel to offset generation from traditional carbon emitting resources	Use renewable electric production wind assets when possible, which help reduce fuel expenses and lower customer bills

Q. DOES THE COMPANY MONITOR ITS AIP DESIGN TO DETERMINE WHETHER IT SHOULD MAKE IMPROVEMENTS?

A. Yes. The Company regularly examines its compensation programs, including AIP, to determine effectiveness and market competitive pay.

Q. HAS THE COMPANY MADE ANY DESIGN CHANGES TO THE INCENTIVE COMPENSATION PORTION OF THE TOTAL REWARDS PROGRAM SINCE ITS 2024 GAS RATE CASE (DOCKET NO. G002/GR-23-413)?

A. No.

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Q. HOW DOES INCENTIVE COMPENSATION REDUCE FIXED LABOR COSTS?

A. Incentive compensation lowers fixed labor costs by shifting a portion of total pay from guaranteed base pay to performance-based incentive compensation. Base pay represents a fixed cost that increases annually, while incentive compensation (or “pay-at-risk”) is only paid when Company and individual performance goals are achieved.

As shown in Table 5, if an employee’s total compensation is \$100,000 and all of it is base pay, a 3 percent increase raises costs by \$3,000. However, if the same \$100,000 of total compensation is instead provided through base pay of \$80,000 and 25 percent incentive pay, a 3 percent increase on that base pay amount adds only \$2,400 to fixed costs. By maintaining a portion of pay as performance-based, the Company reduces its ongoing fixed labor costs and better aligns expenses with actual performance outcomes. Lower fixed pay levels also reduce related benefit expenses, creating additional cost efficiency.

Table 5
Example Fixed Cost and Incentive Compensation (AIP)

	Total Compensation without AIP	Total Compensation with AIP
Competitive Market Median Total Compensation	\$100,000	
Fixed Cost - Base Pay	\$100,000	\$80,000
AIP Target Opportunity	0%	25%
AIP Paid at Target-level Performance	\$0	\$20,000
Total Compensation	\$100,000	\$100,000
Base Pay Increase (3.0%)	\$3,000	\$2,400
Fixed Cost plus Base Pay Increase	\$103,000	\$82,400

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1 Q. DO YOU BELIEVE IT IS APPROPRIATE TO RECOVER AIP COSTS IN RATES?

2 A. Yes. AIP is a core component of total compensation for our exempt employees.
3 Without AIP, the Company's compensation levels would fall well below market,
4 negatively affecting our ability to attract, retain, and motivate employees. To
5 remain competitive, the Company would need to add this compensation directly
6 to base pay, which would immediately increase fixed labor costs. Shifting
7 incentive compensation into base pay would also be inconsistent with our
8 commitment to strong, sustainable business performance for customers.

9
10 *1. AIP Recovery Cap*

11 Q. HOW HAS THE COMPANY LIMITED ITS REQUEST TO RECOVER THE COST OF THE
12 AIP?

13 A. We are requesting recovery of only the target-level AIP amount, subject to a 25
14 percent recovery cap of base pay. See the Direct Testimony of Company witness
15 Halama for a description of this AIP adjustment. Table 6 provides an example
16 showing how total AIP costs for all eligible employees compare to the total
17 approved AIP recovery amount.

18
19 Q. WHY IS THE COMPANY PROPOSING A 25 PERCENT AIP RECOVERY CAP IN THIS
20 RATE CASE?

21 A. Any cap on the Company's ability to recover AIP at the market-based target
22 level compensation increases the Company's cost exposure that may create
23 challenges in attracting and retaining talent if total compensation falls below
24 market levels. While the proposed 25 percent cap still excludes the AIP total
25 market-based target opportunity for many Company jobs, it represents an
26 amount closer to the Company's actual target-level expense.

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2. *AIP Expense*

Q. WHAT ARE THE AIP EXPENSES IN THE COMPANY'S RATE REQUEST?

A. We are requesting recovery of the individual AIP target up to a 25 percent cap of base pay as shown in Table 6.

Table 6
AIP Expense
State of Minnesota Gas Jurisdiction
(\$ Millions)

Calendar Year	Total AIP	Amount over 25% Cap	AIP Capped at 25% of Base Pay
2026 Test Year	\$ 2.51	\$ (0.18)	\$ 2.34

Q. IS THE COMPANY PROPOSING ANY CHANGES TO THE CALCULATION OF THE AIP AMOUNT INCLUDED IN THE ANNUAL COMPLIANCE FILING?

A. Yes. The Company proposes to calculate the AIP refund amount in this annual compliance filing based on the total actual AIP paid in that year to the AIP amount approved in base rates. This would provide the opportunity to effectively deliver AIP awards to employees using our pay for performance program with amounts that have already been limited by both individual AIP target level and the capping mechanism.

Comparing the approved AIP amount, which is individually derived and capped (i.e., the "aggregate amount") to the actual jurisdictional amount of AIP paid to employees will continue to ensure customers only fund the level of AIP expense authorized by the Commission. This simplified comparison has been approved for other utilities and was previously approved for the Company.

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If the Company's actual AIP payouts are less than the approved aggregate amount, the difference will be refunded to customers. If actual payouts meet or exceed the approved amount, no refund will be required and any amounts above the aggregate are funded by shareholders. Table 7 provides an example showing how total AIP costs for all eligible employees compare to the total approved AIP recovery amount.

Table 7
AIP Example Payout

	Base Pay	AIP Target %	AIP Target Amount	Approved AIP for Recovery (25% cap)
Employee 1	\$110,000	15%	\$16,500	\$16,500
Employee 2	\$135,000	25%	\$33,750	\$33,750
Employee 3	\$150,000	30%	\$45,000	\$37,500
Total AIP Target Amount			\$95,250	
Total Approved AIP for Recovery				\$87,750

Amount funded by shareholders: $\$95,250 - \$87,750 = \$7,500$

C. Long-Term Incentive Program

Q. PLEASE DESCRIBE LONG-TERM INCENTIVE (LTI) COMPENSATION?

A. LTI compensation is a structured reward system aimed at motivating and retaining key employees over a time period greater than 12 months by aligning their rewards with the long-term goals of the Company. While the form of compensation can be structured in a variety of ways, the Company uses performance stock units and restricted stock units for this component of our market-competitive pay package.

Q. ARE LTI PROGRAMS COMMONLY USED IN THE UTILITY INDUSTRY?

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1 A. Yes. LTI programs are widely used compensation vehicles for both executives
2 and non-executive employees. A 2025 WTW study (electric and gas utilities
3 only) reports 100 percent of the 53 utility companies submitting survey data
4 provide LTI as a component of total compensation for executive roles and
5 nearly 82 percent provided LTI to non-executive roles. A 2025 Pearl Meyer
6 survey of executive pay practices indicated nearly 96 percent of the 121 publicly
7 traded companies in the study grant LTI.⁴ Additionally, a 2021 WorldatWork
8 study identified LTI programs across 94 percent of over 420 publicly traded
9 companies, and 74 percent of those companies administer LTI using a
10 combination of performance and time-based awards.⁵ Additionally, similar to
11 AIP, LTI is pay-at-risk, and this component of total compensation lowers fixed
12 costs.

13
14 While the prevalence of LTI compensation is a well-established component of
15 total compensation, the amount of LTI compensation is based on market data.
16 The Company uses market data to establish the LTI offered to eligible
17 employees. and administers this portion of its compensation program by
18 aligning long-term priorities and retention of key employees necessary to
19 progress toward its long-term goals.

20
21 Q. WHY ARE CERTAIN JOBS ELIGIBLE FOR LTI?

22 A. Employees eligible for LTI are in roles that have a higher level of influence on
23 the Company's direction, strategy, and innovation. This form of market-based
24 compensation is used to create stability among leadership and key talent through

⁴ Exhibit____(TN-1), Schedule 6 (2025 Pearl Meyer Executive Pay Practices - excerpt).

⁵ Exhibit____(TN-1), Schedule 7 (2021 WorldatWork Incentive Pay Practices - excerpt).

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1 the retentive nature of the program requirements. The leadership and decisions
2 made by these individuals have the greatest potential to have a significant impact
3 on our customers through the programs and policies they put in place. As a
4 result, a portion of the total compensation for these individuals is pay-at-risk
5 tied to LTI goals designed to drive long-term sustainability of operations and
6 financial health of the Company.

7
8 Q. HAVE THERE BEEN ANY DESIGN CHANGES TO THE LTI PERFORMANCE GOALS
9 SINCE THE COMPANY'S LAST GAS RATE CASE?

10 A. Yes. Beginning with the 2025-2027 grant, Xcel Energy's LTI Program, for
11 executives, will include new performance goals, two of which are Public Safety
12 goals, in addition to a financial goal, and the existing Environmental goal,
13 described below. The total result of these performance goals is subject to
14 modification based on relative total shareholder return (rTSR) performance.
15 The intent of the redesign was to add greater operational focus to high priority
16 and risk items. The combination of all the performance goals and modifier will
17 continue to make up 70 percent of the total LTI grant for the eligible employee
18 group. The 2025-2027 grant remained unchanged for all other LTI participants.

19
20 Q. PLEASE LIST THE COMPANY'S LTI GOALS.

21 A. The Company's LTI program is structured to include performance goals and
22 time-based grants or time-based vesting with relative modifier. Going forward
23 in my testimony, these will be referred to as "time-based LTI." The
24 performance goals include:

- 25 1. Financial (earnings per share (EPS));
- 26 2. Emissions Reduction (Environmental);
- 27 3. Public Safety;

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1 a. Nuclear Operations Ratings;

2 b. Wildfire Mitigation; and

3 4. Relative Total Shareholder Return, acting as a modifier.

4
5 Q. HAS THE COMPANY INCLUDED THE FINANCIAL GOAL EXPENSE IN ITS
6 RECOVERY REQUEST?

7 A. No. The Company is not seeking recovery of the performance LTI expense tied
8 directly to the LTI financial goal.

9
10 Q. PLEASE DESCRIBE THE ENVIRONMENTAL LTI GOAL.

11 A. The Company's Environmental LTI goal is related to its long-established
12 commitment to reducing carbon emissions below 2005 levels. This
13 environmental goal helps provide direction, set the expectations, and drive
14 employee behavior and decisions, while providing customers with both the
15 commitment and measured progress tied to lower carbon emissions while
16 delivering safe and reliable service. The Company believes the environmental
17 goal is so important that its leaders will not receive a portion of their market-
18 based compensation if the environmental goal is not achieved. The Company
19 has tied a portion of its pay-at-risk LTI compensation to progress on its
20 environmental goal for approximately 20 years.

21
22 Q. PLEASE DESCRIBE THE TWO NEW PUBLIC SAFETY LTI GOALS.

23 A. Our new public safety performance goals include a Nuclear Operations Rating
24 goal and Wildfire Mitigation goals.

25
26 The Nuclear Operations Rating goal is based on the public safety scoring of the
27 World Association of Nuclear Operators Plant Industry Index and the Nuclear

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1 Regulatory Commission's Reactor Oversight Process. While this goal ties LTI
2 compensation to our Nuclear Operations outcome, the efforts to maintain this
3 level of operational excellence and safety will cascade across many of our
4 operational areas of generation, transmission, and distribution of electric and
5 gas services, ensuring safe and reliable service to customers.

6
7 The Wildfire Mitigation goals are based on completion of specified measures in
8 the wildfire mitigation plans filed with the public utilities' commissions. These
9 goals are tied to energy system upgrades, hardening efforts, and advanced
10 monitoring technologies to ensure stability, safety, and reliability of service to
11 customers and updating safety protocols to halt service when emergent
12 situations develop. Again, while these efforts tie market-based LTI
13 compensation to specific goals, similar operational excellence actions are being
14 incorporated across the enterprise to better protect and serve customers.

15
16 Q. PLEASE DESCRIBE THE COMPANY'S TIME-BASED LTI.

17 A. The main purpose of time-based LTI is related to retention of eligible
18 employees to ensure long-term planning efforts are effectively implemented and
19 strategic initiatives have stable leadership throughout. Our time-based LTI
20 compensation is aligned with the competitive market and requires a three-year
21 vesting period (service commitment) to receive payment. Time-based LTI
22 makes up 30 percent of the LTI grant for the executive level employees and is
23 the sole form of LTI provided to eligible non-executive employees. Eligible
24 employees are required to maintain Company standards of performance, as they
25 provide stable operational leadership across their respective business areas.
26 Time-based LTI compensation benefits customers by retaining experienced
27 employees in positions to provide a high-level of service and increase

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1 productivity and efficiency of operations. This form of compensation reduces
2 costs associated with hiring and training new employees who are necessary for
3 operational stability.

4
5 Q. IS THE COMPANY SEEKING RECOVERY OF LTI COMPENSATION?

6 A. Yes. LTI is a necessary compensation element of total compensation for certain
7 employee groups within and outside of the utility industry labor market when
8 competing for talent. As with AIP, LTI reduces fixed labor costs as it is pay-at-
9 risk. Furthermore, LTI aligns individuals in key roles on business decision-
10 making through multi-year performance goals to deliver not only meaningful
11 benefits to the customers but also sustainable results over time. The Company
12 is seeking recovery of LTI compensation related to three of the Performance
13 goals (Environmental, Nuclear Operations, and Wildfire Mitigation) and time-
14 based LTI described in detail above.

15
16 Q. WHAT AMOUNTS FOR THE COMPANY'S ENVIRONMENTAL, PUBLIC SAFETY, AND
17 TIME-BASED LTI IS THE COMPANY SEEKING TO RECOVER IN THE 2026 TEST
18 YEAR BUDGET?

19 A. The requested grant value (100 percent, no performance adjustments) for the
20 respective years are as follows in Table 8. The Environmental and Public Safety
21 LTI amounts are combined in the table below as performance based LTI.

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Table 8
Performance and Time Based LTI Expenses
State of Minnesota Gas Jurisdiction
(\$ Millions)

Year	Performance LTI*	Time-Based LTI	Combined Total**
2022 Actual	\$0.06	\$0.24	\$0.29
2023 Actual	\$0.25	\$0.25	\$0.40
2024 Actual	\$0.29	\$0.29	\$0.58
2025 Forecast	\$0.18	\$0.57	\$0.75
2026 Test Year	\$0.34	\$0.64	\$0.98

*Performance prior to 2025 only includes Environmental LTI.

**Rounding may create minor differences in the Combined Total.

D. Recognition Programs

Q. PLEASE SUMMARIZE XCEL ENERGY'S RECOGNITION PROGRAMS.

A. Xcel Energy's recognition programs are designed to foster a culture where employees feel valued and appreciated, which supports engagement, productivity, and retention. The programs include a Years-of-Contribution Program, a Corporate Recognition Program, and the Spot-On Award Program.

The Years-of-Contribution Program recognizes employee loyalty and cumulative career service at five-year milestones. The Corporate Recognition Program provides managers with tools such as thank-you cards, nominal gift cards, or small tokens of appreciation to acknowledge individual and team contributions. The Spot-On Award Program enables timely recognition of employees or teams for exceptional performance or significant accomplishments shortly after they occur.

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1 Q. WHAT AMOUNTS FOR THE RECOGNITION PROGRAMS ARE INCLUDED IN THE
2 2026 TEST YEAR BUDGET?

3 A. The program amounts are as follows in Table 9.

4
5 **Table 9**
6 **Recognition O&M Expense**
7 **State of Minnesota Gas Jurisdiction**
8 **(\$ Millions)**

Year	Amount
2022 Actual	\$0.08
2023 Actual	\$0.08
2024 Actual	\$0.12
2025 Forecast	\$0.07
2026 Test Year	\$0.10

9
10 **E. Third-Party Compensation Study**

11 Q. HOW DOES THE COMPANY ESTABLISH THAT ITS COMPENSATION PROGRAMS ARE
12 NECESSARY AND REASONABLE?

13 A. The Company uses independent, third-party compensation studies to evaluate
14 the competitiveness and reasonableness of its total rewards programs for all
15 non-bargaining employees. Xcel Energy benchmarks its jobs against companies
16 with whom it competes for talent. The independent WTW Compensation Study
17 provides an objective assessment of the Company's total compensation relative
18 to the current labor market and confirms that pay levels are consistent with
19 market practices. I provide the 2025 study as Schedule 5.

20
21 Q. PLEASE DESCRIBE THE SPECIFIC ELEMENTS OF THE 2025 WTW COMPENSATION
22 STUDY.

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1 A. The 2025 WTW Compensation Study evaluated Xcel Energy's compensation
2 programs to assess market competitiveness across multiple dimensions. The
3 study compared:

- 4 • Base salary and total cash compensation (base salary plus target annual
5 incentive) to market benchmarks;
- 6 • Total direct compensation (base salary, target annual incentive, and long-
7 term incentive) to market total direct compensation;
- 8 • Annual and long-term incentive targets to market levels; and
- 9 • Xcel Energy's overall positioning relative to the median and average
10 levels of compensation within the comparison group.

11
12 The study used two comparison groups. The first included a broad sample of
13 investor-owned utilities across the United States. The second group included
14 investor-owned utilities similar in revenue size to Xcel Energy. In total, 53
15 companies participated at the executive level and a comparable number at the
16 management and professional levels.

17
18 Q. WHAT ARE THE RESULTS AND CONCLUSION FROM THE 2025 WTW
19 COMPENSATION STUDY?

20 A. The 2025 WTW Compensation Study found that Xcel Energy's compensation
21 structure is well aligned with the market, providing a competitive balance of
22 base pay and incentive opportunity. The study confirmed that without annual
23 and long-term incentives, Xcel Energy's total cash compensation would fall
24 below the utility market and place the Company at a disadvantage in attracting
25 and retaining talent. With the inclusion of incentive opportunities, overall
26 compensation levels fall within an acceptable range of the market median—

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generally within 5 percent—consistent with Xcel Energy’s pay-for-performance philosophy.

As shown in Table 10, Xcel Energy’s compensation levels are generally aligned with market medians for both utilities of similar size and utilities across the nation, with some variation by pay element due to differences in plan design and performance emphasis

Table 10
Compensation Study Comparison

Compensation Elements	Xcel Energy vs. Utilities with Similar Revenues *	Xcel Energy vs. Utilities Across the Nation
XE Base Salary vs. Market Base Salary	Above Market by 0.6%	Above Market by 1.2%
Base Salary Only (excludes Target AIP for XE) vs. Utility Target Total Cash Compensation	Below Market by 13.7%	Below Market by 12.4%
Target Total Cash Compensation (Base Salary + Target AIP)	Above Market by 0.9%	Above Market by 2.6%
Target Total Direct Compensation (Base Salary + Target AIP + Target LTI)	Above Market by 1.5%	Above Market by 5.1%

* Primary comparison group using median pay components

Q. IS THE WTW COMPENSATION STUDY THE ONLY STUDY THE COMPANY RELIES UPON FOR PURPOSES OF BENCHMARKING?

A. No. The Company routinely refers to various third-party surveys to ensure compensation is set appropriately and competitively. The WTW study provided with my Direct Testimony was created as a comparison summary of our compensation levels with those companies in the electric and gas utility market.

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V. HEALTH AND WELLNESS PROGRAMS AND COSTS

Q. WHAT DO YOU DISCUSS IN THIS SECTION OF YOUR TESTIMONY?

A. I describe the health and wellness programs that the Company offers to eligible employees.

Q. WHY ARE HEALTH AND WELLNESS BENEFITS NECESSARY?

A. The health and wellness benefits are important elements of the Total Rewards Program. Without these benefits, the Company would not be able to attract, retain, and motivate qualified employees. For any employer like Xcel Energy, providing health and wellness coverage to employees is a necessity rather than optional. For example, the State of Minnesota most recently also recognizes the importance of health and wellness programs through the Earned Sick and Safe Time.

Q. WHAT HEALTH AND WELLNESS PROGRAMS DOES THE COMPANY OFFER?

A. The Company's health and wellness programs consist of employer subsidized medical, pharmacy, and dental plans. Basic life coverage, short-term and long-term disability, paid time-off (including vacation and sick time) are all paid by the Company with no employee cost share.

We summarize our health and wellness programs in Exhibit____(TN-1), Schedule 8.

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A. Medical and Pharmacy Plan

Q. PLEASE DESCRIBE THE COMPANY'S MEDICAL AND PHARMACY PLAN FOR EMPLOYEES AND THEIR FAMILIES.

A. The Company offers employees a High Deductible Health Plan (HDHP) with a Health Savings Account (HSA), along with pharmacy coverage. All plan participants are subject to an annual deductible based on coverage level selected. After a plan participant satisfies that deductible, the Plan begins to share costs incurred. The HSA is a tax-advantaged medical savings account that the Company offers to employees as a vehicle to save for out-of-pocket costs under the HDHP.

Q. WHAT IS THE SHARING RATIO AFTER THE DEDUCTIBLE IS MET?

A. After the participant meets the deductible, the plan covers 90 percent of costs for the bargaining population, and 80 percent of costs for non-bargaining employees. Bargaining employees cover 25 percent of active healthcare costs for themselves and dependents; non-bargaining employees cover 25 percent of healthcare costs for themselves and 30 percent for their dependents.

Q. HOW DOES THE COMPANY MANAGE THE COSTS OF THE HEALTH AND WELLNESS BENEFITS?

A. The Company is always working to control costs as much as possible when healthcare expenses continue to go up annually across the U.S. Contracts with benefit vendors are monitored and renegotiated on an ongoing basis. These negotiations focus on administrative fee reductions, performance guarantees, rebates, and improved discounts on provider networks. Below are examples of ways the Company has effectively balanced the approach of providing competitive benefits while keeping costs low for employees and the Company:

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- 1 • HDHP medical plan to encourage participating employees to make (1)
- 2 healthier life choices; and (2) informed consumer choices when utilizing
- 3 healthcare providers.
- 4 • Telemedicine for routine medical visits as an alternative to a traditional,
- 5 higher cost in-person doctor's office visit.
- 6 • Pharmacy coverage requires employees fill prescriptions with generic
- 7 drugs when available unless there is medical need to use a brand name.
- 8 • A personalized diabetes management program for non-bargaining
- 9 employees, and an online stress management program.
- 10 • To promote cost savings the plan subsidizes in-network service providers
- 11 who have negotiated rates with the medical provider at a higher cost
- 12 share than out-of-network service providers, encouraging employees to
- 13 stay in-network when possible.
- 14 • A monthly surcharge when spouses and domestic partners of non-
- 15 bargaining employees enroll in the Company's medical plan while eligible
- 16 for healthcare coverage elsewhere.
- 17 • A monthly surcharge for non-bargaining employees and their
- 18 spouses/domestic partners who are tobacco users. This group of
- 19 participants tends to have higher healthcare expenses than non-tobacco
- 20 users.

21

22 Although it is difficult to identify direct savings from these changes, the intent

23 of the plan modifications was to mitigate cost increases on a long-term basis.

24 Based upon the cost trends discussed in Company witness Schrubbe's Direct

25 Testimony, it appears that our efforts to slow the pace of healthcare cost

26 increases are succeeding.

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Q. WHY IS IT REASONABLE FOR CUSTOMERS TO BEAR PART OF THE COSTS FOR ACTIVE HEALTH AND WELLNESS BENEFITS FOR EMPLOYEES AND THEIR FAMILIES?

A. Employers, like Xcel Energy, are required by the Patient Protection and Affordable Care Act to offer full-time employees health insurance. Additionally, without these programs, the Company will not be able to compete for talent within and outside of the utility industry.

B. Retiree Medical Plan

Q. PLEASE DESCRIBE THE COMPANY’S RETIREE MEDICAL BENEFIT.

A. For bargaining employees who retired prior to 2000 and non-bargaining employees who retired prior to 1999, the Company provides subsidized medical and pharmacy coverage at varying levels based on the year in which the employee retired. Employees who retired after those dates receive access to medical coverage but are responsible for 100 percent of the cost. Company witness Schrubbe’s Direct Testimony outlines the retiree medical expenses.

Q. WHY IS IT REASONABLE FOR RETIREE MEDICAL EXPENSE TO BE INCLUDED IN RATES?

A. Our retirees contributed greatly to the success and reliability of our Company and to the products, services, and infrastructure that our customers use today. The Company continues to pursue aggressive benefit designs that manage or reduce our retiree expenses while fulfilling our obligations to them for their past service with the Company and to our customers.

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VI. EMPLOYEE RETIREMENT PROGRAMS

Q. WHAT RETIREMENT BENEFITS DOES XCEL ENERGY OFFER ITS EMPLOYEES?

A. Xcel Energy provides eligible employees the following retirement benefits:

- A defined benefit pension plan, which is also referred to as a qualified pension plan; and
- A 401(k) defined contribution plan.

We summarize changes made to the retirement plan in Exhibit____(TN-1), Schedule 9.

Q. IS THE COMPANY SEEKING RECOVERY OF COSTS ASSOCIATED WITH ALL OF THE RETIREMENT BENEFITS OFFER TO EMPLOYEES?

A. Yes. It is appropriate and reasonable to incur these costs as part of operating a Gas utility. These retirement benefits are offered by the majority, if not all, companies across the utility industry.

A. Defined Benefit Plan

Q. PLEASE DESCRIBE THE COMPANY'S DEFINED BENEFIT PLAN.

A. The Company currently provides a cash balance pension plan to all benefit eligible new hires and rehires. The Company contributes five percent of an employee's eligible annual pay to this plan each year. Under a defined benefit plan, employees do not contribute to the plan. Contribution is solely the responsibility of the Company. Starting in 2011, legacy pension plans have been closed to new participants across bargaining and non-bargaining employees.

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1 Employees are either on a cash balance pension plan or a legacy pension plan,
2 not both.

3
4 Q. WOULD IT BE REASONABLE TO ELIMINATE THE DEFINED BENEFIT PENSION
5 PLAN AND RELY ENTIRELY ON A DEFINED CONTRIBUTION PLAN?

6 A. No. Our retirement program is cost-effective and helps us manage our
7 workforce appropriately for the following reasons:

- 8 • The defined benefit pension plan, along with our defined contribution
9 plan, aligns with our Total Rewards Program strategy to provide a shared
10 responsibility between employee and employer to accumulate retirement
11 assets.
- 12 • By providing a pension plan in which the employee can count on a
13 defined amount of retirement benefits, we are able to manage an orderly
14 transition of employees into retirement. This provides Xcel Energy an
15 opportunity to effectively manage our workforce at the end of the
16 employees' careers, appropriately prepare for knowledge transfer, and
17 manage our training and succession planning.
- 18 • Pension plans can be a less expensive vehicle for delivering retirement
19 benefits compared to a defined contribution plan, in both the short-term
20 and the long-term. The Company can utilize investment earnings to fund
21 future benefit obligations, which reduces future cash flow requirements.
22 In a defined contribution plan, those earnings on the Company's
23 contributions belong to the employee.
- 24 • Studies show more employees value the security of retirement benefits.

25
26 **B. Defined Contribution Plan**

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1 Q. PLEASE DESCRIBE THE COMPANY'S DEFINED CONTRIBUTION PLAN.

2 A. The Company's defined contribution plan is a 401(k) savings plan. A match of
3 50 cents on the dollar up to eight percent of an employee's base pay is provided
4 by the Company when the employee participates in the plan. Our 401(k) savings
5 plan, including the Company's match, is competitive to the general industry and
6 slightly below the common practice of comparable companies in the utility
7 industry. Company witness Schrubbe's Direct Testimony outlines the 401(k)
8 expenses.

9

10 Q. WHAT DO YOU CONCLUDE REGARDING THE COMPANY'S RETIREMENT
11 PROGRAM?

12 A. The Company provides a retirement program that is comparable to the relevant
13 market in which we compete for talent, but it reflects considerable cost savings
14 through plan changes described above in my Direct Testimony. We strive to
15 maintain the ability to attract and retain employees with balancing the cost to
16 ensure our Minnesota customers continue to benefit from those changes.

17

18 **VII. CONCLUSION**

19

20 Q. PLEASE SUMMARIZE YOUR TESTIMONY AND RECOMMENDATIONS.

21 A. The Company offers a conservative, yet comprehensive, Total Rewards package
22 to employees with the goal of providing market competitive levels of
23 compensation and benefits. The Company follows industry best practices
24 related to the design and maintenance these programs.

25

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1 I recommend the Commission approve the Total Rewards expenses outlined in
2 Table 1 to support the Company in providing customers with the safe, reliable
3 service and energy they deserve and expect from our Company.

4

5 Q. DOES THIS CONCLUDE YOUR TESTIMONY?

6 A. Yes, it does.

Statement of Qualifications
TAMRA NEWMAN
Director, Compensation

I am employed by Xcel Energy Services Inc. (XES), as Director of Compensation. XES is a wholly-owned subsidiary of Xcel Energy Inc.(Xcel Energy), and provides an array of support services to Northern States Power Company and the other utility operating company subsidiaries of Xcel Energy on a coordinated basis. As Director of Compensation, my responsibilities include designing, developing, and implementing broad-based compensation programs, which include base pay, incentive strategy and administration, as well as managing recognition programs. The goals of these programs are to attract, retain, and motivate talented employees at all levels throughout the organization.

Since entering the compensation field in 2013, I have worked across the utility industry and the private sector. My role includes partnering with legal and regulatory teams to ensure compensation programs are defensible, competitive, and aligned with enterprise-wide talent and business strategies.

I hold a Bachelor's degree in Psychology and stay current with evolving compensation practices through ongoing professional development and industry engagement.

I have not previously filed direct testimony in the Northern States Power Minnesota Gas Jurisdiction.

MN Gas 2026 Test Year

Expense Amount for State of Minnesota Gas Jurisdiction O&M (\$ millions)					
Type of Benefit	2022 Actual	2023 Actual	2024 Actual	2025 Forecast	2026 Test Year
Base Pay (1)	\$33.50	\$34.50	\$35.50	\$36.50	\$37.50
AIP(2)	\$1.45	\$1.54	\$1.26	\$0.77	\$2.34
LTI(3)	\$0.29	\$0.40	\$0.58	\$0.75	\$0.98
Qualified Pension	\$0.93	\$1.12	\$1.04	\$1.14	\$1.12
401(k) Match	\$2.14	\$2.42	\$2.31	\$2.34	\$2.42
Active Health Care	\$3.77	\$4.74	\$6.45	\$4.95	\$4.74
Retiree Medical	\$0.00	\$0.24	\$0.19	\$0.23	\$0.24
Misc. Ben., Life, LTD	\$0.31	\$0.48	\$0.40	\$0.37	\$0.48
Recognition	\$0.08	\$0.08	\$0.12	\$0.07	\$0.10

- (1) Base Pay includes productive, non-productive, overtime, premium, and other compensation for bargaining and non-bargaining employees and does not include regulatory treatment.
(2) AIP Disallowances reflect a 25% base pay cap in each year for consistency with the 2026 Test Year.
(3) LTI Disallowances reflect the financial LTI performance goal

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Schedule 3 – 2025/2026 Salary Increase Survey Results

Schedule 3 is analyses of salary information prepared by third-party consultants, which the Company has designated as trade secret in its entirety as defined by Minn. Stat. § 13.37, subd. 1(b). The information contained in Schedule 3 is proprietary analyses prepared by third-party consultants and provided to the Company on the condition it be protected as trade secret and not publicly released. Because this information derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by other people who can obtain economic value from its disclosure or use, Xcel Energy maintains this information as trade secret. Since Xcel Energy has classified the entire document as trade secret information, we provide the following description of the excised material as required by Minn. Rule 7829.0500, subp. 3:

1. **Nature of the Material:** 2025/2026 Salary Increase Survey Results
2. **Authors:** AON, The Conference Board, Mercer, WorldatWork, and WTW
3. **Importance:** Schedule 3 are analyses of salary information prepared by third-party consultants and provided to the Company on the condition it be protected as trade secret and not publicly released.
4. **Date the Information was Prepared:** Results were published between July 2025 – November 2025.

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Northern States Power Company
2025 AIP Document

Docket No. G002/GR 25-356
Exhibit____(TN-1), Schedule 4
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**XCEL ENERGY NON-BARGAINING, EXEMPT EMPLOYEE
ANNUAL INCENTIVE PROGRAM**

Program Year: January 1 – December 31, 2025

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Northern States Power Company
2025 AIP Document

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Northern States Power Company
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INTRODUCTION

Xcel Energy Inc. (individually and collectively with its affiliates and subsidiaries, “Xcel Energy” or “the Company”) offers a market-based total cash compensation package. Your total cash compensation includes your base salary and the opportunity to earn an annual incentive when the Company achieves its goals.

- Base salary is the fixed component of your total cash compensation. Generally, it does not change unless you have a change in your job (such as a promotion), change in your status (such as full time to part time), or have a change in pay (such as an earned base pay increase).
- Xcel Energy’s Annual Incentive Program (the “Program”) is the variable component of your total cash compensation.
- Variable compensation is not guaranteed pay as it is subject to achievement of goals, including your own performance, and your contribution to team or Company results.

The Program will be in effect from January 1 to December 31, 2025 (the “Program Year”), unless amended to end at an earlier date or terminated. In order for the Program to pay out year-end incentive awards in the Program Year, Xcel Energy must meet certain operating goals and an affordability objective. Your incentive award is primarily based on corporate goal achievement and discretionary based on your individual contributions and performance.

The purpose of this document is to provide a high-level overview of the annual incentive program components and to outline the eligibility and administrative framework of the program. Detailed information regarding the program components can be found at [HR – All Employees - Annual Incentive \(service-now.com\)](#)

PURPOSE OF THE PROGRAM

Incentive Programs are a variable portion of employee total cash compensation and are directly aligned with the achievement of certain corporate KPIs in addition to your individual contributions and performance.

Xcel Energy uses the Program to align employees’ goals with corporate and business area objectives, and to recognize and reward employees for results that contribute to the achievement of Xcel Energy’s key performance indicators (or KPIs), including those focused on reliability, our customers and our employees. It is also used to motivate employees to enhance the customer experience, innovate and drive continuous improvement.

The Program also supports the Company’s position as an employer of choice by:

- Offering a market-competitive total cash compensation package;
- Fostering the growth and development of employees; and
- Enabling the Company to attract, retain, motivate and reward employees whose performance and contribution meets or exceeds Company expectations.

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2025 AIP Document

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PARTICIPATION

The Program applies to regular, full and part-time status employees who are exempt, non-bargaining employees.

Newly hired or rehired employees must be actively employed by and working for Xcel Energy on or before December 31 of the Program Year to be eligible to participate in the Year-End Award portion of the Program for that Program Year.

Participants must also be actively employed by Xcel Energy on the day Program award payments are made in order to receive an incentive award under the program.

- Exceptions to active employment on the date awards are paid include Involuntary Termination (with severance); Retirement; Death; Disability; or Qualified Leave of Absence.

For additional information regarding participation in the Program, see "Program Administration" beginning on page 7.

PERFORMANCE COMPONENTS

The Program for 2025 is based on two performance components, Corporate and Individual:

Level	Component	Timing of Opportunity
Corporate	Corporate Scorecard KPIs	Year-end
Individual	a) Year-End Award individual contributions and performance that can be aligned to your performance goals as determined with your manager	Year-end
	b) I Deliver Award	Time Relevant
	c) Innovator Award	Time Relevant

INCENTIVE TARGETS

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Incentive targets are based on salary grade and correspond to varying weights or percentages for the corporate and individual performance components, as shown below.

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Salary Plans and Grades ¹				Incentive Target	Components Weights ²	
Exempt	SLG	Engineer	Trader		Corporate	Individual
N, O	--	--	--		10%	90%
--	--	A, B	--			
P, Q	--	C	001		20%	80%
--	--	D, E	--		30%	70%
R, S, T	--	--	002- 006			
U, V	--	--	--		40%	60%
--	All	--	--		50%	50%

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DATA ENDS]

¹ Does not represent all salary plans. Other grades and salary structures will be mapped accordingly. Eligibility for each participant is determined by salary plan or grade as tracked in the Human Resources information systems and not based on job title.

² Generally no award will be paid to an employee who was or is on a Performance Improvement Plan (PIP) or was or is part of any other performance improvement or disciplinary process during or after the Program Year. However, managers will have the discretion to provide awards to these employees in situations where the employee has demonstrated sufficient improvement in performance.

The year-end incentive is subject to proration based on an employee's eligible position(s) during the Program Year. For additional information on prorated awards, see page 9.

For an employee on a Developmental (or Rotational) Assignment, their annual incentive target percentage is based on the salary grade of the job held prior to accepting the Developmental (or Rotational) Assignment position.

The payout range for achievement of year-end incentive award goals (unless otherwise noted on the scorecard) can be anywhere from zero percent (0%) to one hundred fifty percent (150%), as noted on the following page. In no circumstance will the year-end incentive paid exceed 150% of the employee's year-end incentive opportunity.

There is no maximum payout restriction for the I Deliver and Innovator awards. That could result in an employee earning a total annual incentive payout greater than 150% of their incentive target by earning one or more of these awards based on superior contributions and performance.

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PROGRAM COMPONENTS

Corporate Scorecard – KPI

Key Performance Indicator	2025 Goal			
	Threshold	Target	Maximum	Weight
Customer Experience (<i>CX Index</i>)	739	749	754	20%
Electric System Reliability (<i>SAIDI-P</i>)	105	99	93	20%
Public Safety (<i>Gas Emergency Response</i>)	93.0%	97.0%	98.0%	20%
Employee Safety¹ (<i>Safety Culture & SIF</i>)	Declining	Steady/ Improving	Significant Improvement	20%
Organizational Health (<i>People & Culture</i>)	100	200	300	10%
Generation Availability (<i>Wind Equivalent Availability Factor</i>)	94.5%	96.0%	97.5%	10%

¹ If, during the year, there was an employee fatality caused by a workplace injury that occurred in the course of business and the Company has achieved threshold or better performance, the SIF KPI result's contribution to the corporate scorecard performance will be decreased to threshold (7 SIFs).

If, during the year, an employee fatality caused by a workplace injury does not occur and the following two conditions are met:

- 1) No employee has direct personal contact with an energized primary (voltage) electric system that results in a DART recordable injury; and
- 2) No employee experiences an unplanned natural gas ignition while working on Company owned equipment that results in a DART recordable injury.

Then, if the Company has achieved target or better performance, the SIF KPI result's contribution to the corporate scorecard performance will be increased to maximum (2). If the Company has achieved results at threshold or better but below target, the SIF KPI result's contribution to the corporate scorecard performance will be increased to target (5).

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Results are calculated in this manner:

Goal Achievement	Corporate Component Payout
Below Threshold	0%
Threshold	50%
Threshold to Target	50.01 % - 99.99% (based on a linear interpolation)
Target	100%
Target to Maximum	100.01% - 149.99% (based on a linear interpolation)
Maximum	150%

Results will be rounded to the second decimal.

The Individual Component

The purpose of the Individual Component is to focus and reward employees for their individual performance and contribution to team or Company results during the Program Year and to motivate them to enhance the customer experience, innovate and drive continuous improvement. The Individual Component is comprised of three separate opportunities: Year-End Award, I Deliver Award and the Innovator Award.

Year-End Award: Your manager has discretion to determine your year-end individual component award from within a range of 0% to 150% of your year-end individual opportunity based on your contributions and performance over the Program Year.

Having an individual award range allows management to recognize and differentiate employees based on their level of contribution and performance, consistent with the Company's pay-for-performance philosophy. Differentiation occurs at all levels based on relative contribution and performance as well as the AIP budget available to the business area.

The Year-End Award represents the largest portion of an eligible employee's individual component opportunity.

I Deliver Award: Eligible employees or teams can be nominated for an I Deliver award. These awards allow management to provide timely rewards to eligible employees and teams who deliver greater than expected results that have an impact at a team or department level and are linked to supporting the Company strategy. The exceptional work should stand out compared to what is expected from the individual in the course of performing their job and link to a benefit for our customers. Nominations are reviewed and approved by a designated group of management on a monthly basis.

Innovator Award: Eligible employees or teams can be nominated for an Innovator award. These awards provide rewards to eligible employees or teams who implement innovative, high-impact solutions or processes that result in measurable savings or significant customer benefits at a Company-wide level. All Innovator Award nominations are reviewed and approved by a designated group of management on an annual basis.

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FUNDING THE PROGRAM

A prudent element of the Program is making sure the Company has the ability to pay for the annual incentives. Before the Year-End Award component of the Program will pay, an affordability trigger must be met as described below.

Earnings Per Share Determines Affordability

An affordability trigger, based on EPS at \$3.75, must be achieved before any Year-End Award can be paid. The 2025 EPS is based on continuing operations and shall be adjusted to exclude the positive or negative earnings impacts for any one-time, unusual events if the impact of the event exceeds \$20 million on an after-tax basis.

The funding allocated to the I Deliver and Innovator awards are not subject to an affordability trigger.

The Corporate Scorecard results can be multiplied by a funding factor based on EPS. The funding factor is selected by the CEO from an assessment of results and is within the following guidelines:

- 0% for \$3.74 or less (No Awards Paid)
- 50% - 100% for \$3.75 to \$3.77
- 100% - 150% for \$3.78 or greater

In no case will a Year-End Award payment be greater than 150% of the year-end incentive opportunity. However, an employee could earn a total annual incentive payout greater than 150% of their incentive target if they are nominated and earn one or more I Deliver or Innovator awards during the course of the program year.

PROGRAM ADMINISTRATION

Effective date of Program	The Annual Incentive Program covers a performance period of January 1 to December 31, 2025 and becomes effective at the start of that performance period (January 1). This is defined as the Program Year. The scorecard goals, as defined by the KPIs, are communicated to employee participants at or near the start of the performance period.
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Approval and Timing of Payment	After the 2025 financial statements are released, the Governance, Compensation & Nominating Committee of the Xcel Energy Inc. Board of Directors will review financial and corporate results. Actual Year-End Award payments will be made as soon as administratively feasible following the end of the relevant Program Year.
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I Deliver and Innovator awards are reviewed and approved by Company management on a periodic basis. Award payments will be made as soon as administratively feasible after awards have been approved.

Form of Payment	Annual incentive awards are paid in cash and payment will be made separately from the normal payment of wages. No deferrals can be made
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to the 401(k) Retirement Savings Program from annual incentive awards. Eligible employees may defer all or a portion of their Year-End Awards into the Xcel Energy Deferred Compensation Plan ("DCP," see descriptions for details on eligibility). In addition, the Company, at its discretion, may allow deductions to be made from year-end incentive payments to Health Savings Accounts (HSA) as allowable under IRS regulations. The Company will deduct all legally required withholdings on cash payments, DCP deferral elections and/or HSA deduction. Awards under \$100 will not be paid.

Eligibility

You must be considered a regular, non-bargaining exempt (full- or part-time) employee of Xcel Energy at any point during the Program Year.

Non-Exempt employees are not eligible for the Year-End and I Deliver awards but are eligible to receive an Innovator Award. Funding for Innovator Awards for non-exempt employees will come from sources outside of the Program.

Bargaining Unit employees, employees considered "temporary" and/or are interns, and independent contractors are not eligible to participate in the Program.

Status Changes. If an employee's status changes from:

- Temporary to regular status on or before December 31 of the Program Year, the year-end portion of the incentive will be prorated based on the number of days worked after becoming a regular status employee.
- Temporary to regular status after December 31, the employee will not be eligible to participate in the year-end portion of the incentive for that Program Year.
- Non-bargaining to bargaining or vice versa, the year-end incentive will be prorated based on the number of days worked in an eligible non-bargaining status.

Hired or Rehired During Program Year. New employees, including independent contractors hired as employees, hired or rehired during the Program Year must be hired or rehired and actively employed by and working for Xcel Energy on or before December 31 of the Program Year to be eligible to participate in the year-end portion of the incentive for that year.

It is recommended an employee has completed at least one quarter of employment before being nominated for an I Deliver or Innovator award.

Employed on Last Day of Program Year and Date of Payment. You must be an active employee of Xcel Energy on December 31, 2025, and you must have continuous service through the day the year-end incentive award is paid, unless one of the following applies:

- Retirement, death, long-term disability (LTD), Qualified Leave of Absence (paid or unpaid military leave and personal leave),

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involuntary termination with severance – Eligible for a prorated year-end incentive award based on individual performance during the length of qualifying active service (number of calendar days of service divided by number of calendar days in the Program Year) during the Program Year. Final Year-End Awards will be calculated and paid at the same time Year-End Awards are paid to active participants. Deferral and payment elections become null and void.

Employed on Date of Payment. You must have continuous service through the date I Deliver and Innovator awards are paid, unless one of the following applies:

- Retirement, death, long-term disability (LTD), Qualified Leave of Absence (paid or unpaid military leave and personal leave), involuntary termination with severance. I Deliver and Innovator awards will be paid at the same time these awards are paid to active participants.

If you are terminated for any other reason (e.g., voluntary resignation or involuntary termination for cause) during the Program Year, you lose all rights to any incentive through the date of your termination and will receive no award.

Generally, no award will be paid to an employee who was or is on a Performance Improvement Plan (PIP) or was or is part of any other performance improvement or disciplinary process during or after the Program Year. However, managers will have the discretion to provide awards to these employees in situations where the employee has demonstrated sufficient improvement in performance.

If you participate in any other Xcel Energy incentive or commission program, or any incentive program established specifically as an alternative to this Program, you are not eligible to participate in the Xcel Energy Non-bargaining Exempt Employee Annual Incentive Program without prior approval. Additionally, I Deliver and Innovator Awards cannot be used to reward employees for actions covered under another type of program or agreement. The Executive Vice President, Chief Human Resources Officer or their designee or successor will resolve any disputes related to Program participation and administration.

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Calendar Days All references in this Program booklet to number of calendar days will be based on 365 days in the year (including leap years).

Award Proration

This list contains the most common proration scenarios. As additional situations arise that impact award proration, they will be administered consistent with the scenarios outlined below and program administration practices.

Year-end incentive awards for the Program Year are prorated as follows:

- An eligible employee who is hired or who is transferred to/from/between an eligible position(s) during the Program Year is eligible for a Year-End Award based on the number of calendar days employed in a qualifying position. Award basis (incentive target and salary grade) is described on page 4.
- An eligible employee who retires, dies, qualifies for long-term disability (LTD), takes a leave of absence or is involuntarily terminated with severance is eligible for a Year-End Award based on the number of calendar days actively employed by Xcel Energy in an AIP eligible position.
- An eligible employee who changes from full-time to part-time status, or vice versa, is eligible for a Year-End Award based on the period within each status. An award range attributable to the full-time service period will be calculated in the same manner as awards are calculated for other full-time employees. In addition, an award range for the part-time service will be calculated in the same manner as other part-time employees. The results of these calculations will be added together and paid as one incentive award.
- An eligible employee who changes salary plans, incentive targets or has an annual salary change will receive a Year-End Award calculated for each period. The results of these calculations will be added together and paid as one incentive award.
- An employee who voluntarily resigns from Xcel Energy during the Program Year but is rehired and actively working on or before December 31 of the Program Year, forfeits any year-end incentive through the date the employee resigned. However, the employee is eligible for a prorated Year-End Award based on the number of days worked from the rehire date through the end of the Program Year, as long as the employee remains continuously employed through the date the year-end incentive payment is made.

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INCENTIVE AWARD PROGRAM RELATED INFORMATION

**Chief Executive
Officer**

The Chief Executive Officer (or designee) will have full discretion and final authority to adopt, amend, alter or rescind the Program without advance notice for any reason at their sole discretion based upon financial or operating conditions or otherwise.

**No Right to
Continued
Employment**

No individual shall have any claim or right to be granted an award under the Program, and the granting of an award shall not be construed as giving the participant the right of continued employment with Xcel Energy.

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Schedule 5 – Willis Towers Watson Competitive Total Direct Compensation Analysis – Including Nuclear Positions

Schedule 5 is a compensation study, prepared by an external consultant, which the Company has designated as trade secret information in its entirety as defined by Minn. Stat. § 13.37, subd. 1(b). The information contained in Schedule 5 is a proprietary study and analysis prepared by a third-party vendor and provided to the Company on the condition it be protected as trade secret and not publicly released. Because this information derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, Xcel Energy maintains this information as a trade secret. Since Xcel Energy has classified the entire document as trade secret information, we provide the following description of the excised material as required by Minn. Rule 7829.0500, subp. 3:

1. **Nature of the Material:** A compensation study prepared by a third-party consultant.
2. **Authors:** The study was prepared by Willis Towers Watson.
3. **Importance:** Schedule 5 is a compensation study prepared by an external consultant. The information contained in this schedule is not the work product of Xcel Energy, and we are only able to allow its release under the condition that it be protected as trade secret and will not be publicly released.
4. **Date the Information was Prepared:** July 2024.

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Schedule 6 – Pearl Meyer Executive Pay Practices in 2026 Summary

Schedule 6 is an analysis of compensation survey information prepared by a third-party consultant, which the Company has designated as trade secret in its entirety as defined by Minn. Stat. § 13.37, subd. 1(b). The information contained in Schedule 6 is a proprietary analysis prepared by a third-party consultant and provided to the Company on the condition it be protected as trade secret and not publicly released. Because this information derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by other people who can obtain economic value from its disclosure or use, Xcel Energy maintains this information as trade secret. Since Xcel Energy has classified the entire document as trade secret information, we provide the following description of the excised material as required by Minn. Rule 7829.0500, subp. 3:

1. **Nature of the Material:** An analysis of compensation survey information prepared by a third-party consultant.
2. **Authors:** Pearl Meyer
3. **Importance:** Schedule 6 is an analysis of compensation survey information prepared by a third-party consultant and provided to the Company on the condition it be protected as trade secret and not publicly released.
4. **Date the Information was Prepared:** October 2025

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Schedule 7 – WorldatWork Incentive Pay Practices: Publicly-Traded Companies

Schedule 7 is a study of incentive pay practices at publicly-traded companies, prepared by third-party vendor, which the Company has designated as trade secret information in its entirety as defined by Minn. Stat. § 13.37, subd. 1(b). The information contained in Schedule 7 is a proprietary study and analysis prepared by a third-party vendor and provided to the Company on the condition it be protected as trade secret and not publicly released. Because this information derives independent economic value from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, Xcel Energy maintains this information as a trade secret. Since Xcel Energy has classified the entire document as trade secret information, we provide the following description of the excised material as required by Minn. Rule 7829.0500, subp. 3:

1. **Nature of the Material:** An analysis of incentive pay practices at publicly-traded companies
2. **Authors:** WorldatWork
3. **Importance:** Schedule 7 is an incentive pay study prepared by a third-party vendor. The information contained in this schedule is not the work product of Xcel Energy, and we are only able to allow its release under the condition that it be protected as trade secret and will not be publicly released.
4. **Date the Information was Prepared:** July 2021

Dental, Vision, Life insurance, and Disability Summary

Dental Plan – Bargaining employees are offered one dental plan option that includes orthodontia coverage. Non-Bargaining employees have the choice of two dental plans, one that includes orthodontia coverage and one that does not. All three plans use a common design with an upfront deductible (ranging from \$25 to \$150) and an annual benefit limit that caps the amount of coverage provided by the plan (ranging from \$1,000 to \$2,000). The additional orthodontia benefit (\$1,500 or \$2,500) is a lifetime amount, and the plans provide greater coverage for using in-network dental providers who participate in the Delta Dental network. Employees pay a monthly premium that represents 25 percent of the total cost for Bargaining or 30 percent of the total cost for Non-Bargaining.

Vision Plan – the vision plan for both bargaining and non-bargaining employees provides annual coverage allowances for eye exams, glasses or contact lenses, plus access to discounts on additional services through the Vision Services Plan (VSP) provider network. Employees pay a monthly premium that covers the full cost of this benefit.

Disability Benefits – Disability benefits for both bargaining and non-bargaining employees include both short-term and long-term disability income replacement programs for employees who are unable to work due to medical conditions. Both programs are administered by The Hartford. Short-term disability provides income replacement after a one-week elimination period is met. Weeks two through thirteen are supplemented at 100 percent, and weeks fourteen through twenty-six are supplemented at 70 percent. Long-term disability is for illness that extends beyond twenty-six weeks and provides 60 percent income replacement. Bargaining employees have the option to buy an additional 10 percent of income replacement. This is a fully insured plan.

Life Insurance – Life insurance for both bargaining and non-bargaining employees includes Company-provided coverage equal to one times base salary. Employees are given the option to purchase additional benefits at the full cost. These include higher levels of life insurance, accidental death and dismemberment insurance, as well as those coverages for their eligible dependents.

Retirement Program Summary

Dates	Defined Benefit Plan (Pension)	Defined Contribution Plan (401(k))
Pre-1999	Traditional formula for non-bargaining and bargaining employees	100% match on the first \$900 of employee deferrals
1999/2000	Non-bargaining and bargaining employees had choice between Pension Equity and Traditional formulas Access to retiree medical only. Retirement Spending Account (RSA) and Social Security Supplement (SSS) added as components to pension plan Pension Equity formula for all newly hired non-bargaining and bargaining employees	100% match on the first \$900 (currently \$1,400) if under Traditional formula 100% match on the first 3% of employee deferrals plus 50% match on the next 2% of employee deferrals (4% employer contribution based on employee contribution of 5%) if under Pension Equity formula
2007	No change in plan	50% match on first 8% of employee deferrals (4% employer contribution based on employee contribution of 8%)
2008 to 2010	Newly hired bargaining employees had choice between Pension Equity and Traditional formulas	No change in plan
2011	Newly hired/rehired and employees transferring into a bargaining position go into the 5% Cash Balance formula	No change in plan
2012	Newly hired/rehired non-bargaining employees go into the 5% Cash Balance formula	No change in plan
2017	Employees transferring into a non-bargaining position go into the 5% Cash Balance formula	No change in plan
2018	Elimination of Retirement Spending Account for non-bargaining employees	No change in plan
2023	Elimination of Social Security Supplement for non-bargaining employees who did not elect to retire by December 31, 2023	No change in plan
2025	No change in plan	Effective January 1, 2025, the retirement plan match for non-bargaining employees transitioned from an annual match to a per-paycheck match