

Rebuttal Testimony
Allen D. Krug

Before the Minnesota Public Utilities Commission
State of Minnesota

In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy
for a Certificate of Need for Additional Dry Cask Storage at the
Prairie Island Nuclear Generating Plant Independent Spent Fuel Storage Installation

Docket No. E002/CN-24-68
Exhibit____(ADK-2)

Policy

March 17, 2025

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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, d/b/a Xcel Energy (Xcel Energy
6 or the Company).

7

8 Q. HAVE YOU PREVIOUSLY PROVIDED TESTIMONY IN THIS PROCEEDING?

9 A. Yes. I filed Direct Testimony on behalf of Xcel Energy presenting the
10 Company's overall case to the Minnesota Public Utilities Commission
11 (Commission) in support of our Certificate of Need Application (Application)
12 requesting additional dry cask storage at the Prairie Island Nuclear Generating
13 Plant (Prairie Island Plant or the Plant) Independent Spent Fuel Storage
14 Installation (ISFSI). To support our request and inform the Commission's
15 decision, I provided a general overview of the Company's proposal, briefly
16 introduced the Company's other witnesses in this proceeding, and explained
17 why the Prairie Island Plant remains a vital generation resource for the
18 Company. I also explained that to extend the life of the Plant, the Company
19 will need to expand the existing ISFSI site and apply for a 20-year Subsequent
20 License Renewal (SLR) with the Nuclear Regulatory Commission (NRC). My
21 testimony supported the conclusion that expansion of the ISFSI (Project),
22 allowing the Prairie Island Plant to continue playing a critical role in the
23 Company's long-term carbon-free generation resource mix, will benefit Xcel
24 Energy customers and meets the Commission's criteria for granting a
25 Certificate of Need.

26

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

1 A. My Rebuttal Testimony responds to the Direct Testimony filed by the
2 Minnesota Department of Commerce -- Division of Energy Resources
3 (Department), the only other party filing testimony in this matter. Specifically,
4 in response to the Direct Testimony of Department witness Dr. Steve Rakow,
5 I provide the Company's response to the Department's recommendation that
6 the Commission apply certain conditions to any Certificate of Need granted
7 in this matter. Dr. Rakow recommends the inclusion of certain conditions the
8 Commission ordered in its Order Granting Application with Conditions
9 approving the Certificate of Need for Additional Dry Cask Storage at the
10 Monticello Nuclear Generating Plant Independent Spent Fuel Storage
11 Installation in Docket No. E002/CN-21-668.

12 13 **II. RESPONSE TO DEPARTMENT RECOMMENDATION**

14
15 Q. AS YOU NOTED ABOVE, THE DEPARTMENT RECOMMENDS THAT CERTAIN
16 CONDITIONS BE APPLIED. WHAT ARE THOSE CONDITIONS?

17 A. The Department recommends what it refers to as "ratepayer protections,"
18 identical to those approved by the Commission in the Monticello Nuclear
19 Generating Plant Certificate of Need proceeding.¹ Specifically, the
20 Commission's Order in Docket No. E002/CN-21-668 at Order Point 2
21 required the following:

- 22 • Xcel Energy must justify any costs, including those of operations and
23 maintenance, ongoing capital expense, revenue requirements related to

¹ *In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for a Certificate of Need for Additional Dry Cask Storage at the Monticello Nuclear Generating Plant Independent Spent Fuel Storage Installation in Wright County*, MPUC Docket No. E002/CN-21-668, ORDER GRANTING APPLICATION WITH CONDITIONS (October 17, 2023).

capital including in the rate base, insurance expense, land-lease expense, and property tax expense.

- The Commission will otherwise hold Xcel Energy accountable for the price and terms used to evaluate the project.
- Ratepayers will not be put at risk for any assumed benefits that do not materialize.
- Xcel Energy's customers must be protected from risks associated with the non-deliverability of accredited capacity, energy, or both, from the project. The Commission may adjust Xcel's recovery of costs associated with this project in the future if actual production varies significantly from assumed production over an extended period.
- Certain reporting requirements.

Q. HOW DOES THE COMPANY RESPOND TO THESE PROPOSED CONDITIONS?

A. Xcel Energy views these conditions as reasonably requiring the Company to report and justify variances from the Project's predicted costs and benefits, in order to recover the costs of the Project from customers. The Company understands and agrees that it will bear the burden of proof in any future regulatory proceeding related to the recovery of the costs associated with the Project and will need to demonstrate the reasonableness of those costs. Moreover, the Company agrees to clearly account for all costs incurred for the Project.

Q. DOES THE COMPANY AGREE WITH THE DEPARTMENT'S RECOMMENDATION THAT CONDITIONS SIMILAR TO THOSE APPLIED IN THE COMMISSION'S ORDER IN DOCKET NO. E002/CN-21-668 AT ORDER POINT 2 SHOULD BE APPLIED TO PRAIRIE ISLAND AND THE ISFSI?

A. Yes.

III. CONCLUSION

1

2

3 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

4 A. Yes, it does.