

Xcel Energy - 2013 Rate Case

Minnesota Public Utilities Commission, Docket No. E-001/GR-13-868

Oral Argument: March 19, 2015, 9:30 am

Deliberations: March 26, 2015, 9:30 am

Deliberation Outline

I. ALJ Report

1. Adopt the ALJ's Report and recommendation in its entirety.
2. Adopt the ALJ's Report and recommendation with modification to one or more of the following issues and to the extent the ALJ's Report is consistent with the decisions made by the Commission at this meeting.

Note: Staff has attempted to clearly identify the parties' positions next to the decision alternatives in the deliberation outline next. If the Commission adopts the ALJ's Report and recommendation in its entirety and does not wish to modify the ALJ's recommendation or modify (or clarify) the ALJ's findings or conclusions, it does not need to separately affirm the ALJ's findings, conclusions or recommendation decision under each specific issue. Please also note that when only one alternative is listed, that does not mean that is the only alternative available. Every decision has a theoretical alternative. It usually means that parties did not provide a clear alternative to the one they recommend.

II. Financial (Volume II – Morrissey)

A. Pension-Related Decision Alternatives

(Please see staff briefing papers, Volume II, pp. 1-46)

Note: The Decision Alternatives denoted as "Staff" in this document are offered to broaden options for the Commission and do not necessarily represent Staff recommendations.

1. Qualified Pension Discount Rate Assumption

- a) Direct the Company to use a five year average of discount rates (5.05 percent) determined under Financial Accounting Standard

(FAS) 87 as the approved discount rate to determine its XES Plan pension costs for ratemaking purposes; **or** (ALJ, Xcel Exception)

- b) Approve the Company's 2014 discount rate of 4.74 percent determined under Financial Accounting Standard (FAS) 87 as the discount rate to determine its XES Plan pension costs for ratemaking purposes; **or** (Xcel Rebuttal)
- c) Direct the Company to use the Expected Return on Assets (EROA) value (7.25 percent) as the discount rate to determine its XES Plan pension costs for ratemaking purposes; and adopt the Department's revisions to ALJ Finding 126: (DOC)

126. As a result, the Administrative Law Judge ~~reaches a different conclusion in this case.~~ conclude that the record in this case demonstrates that both FAS 87 and the ACM are designed to ensure accurate reporting of pension expense but use different methodologies. For that reason, use of the FAS 87 bond matching discount rate will help ensure that the XES Plan, which is subject to FAS 87, is fully funded. In addition, the record demonstrates that the Company's calculation of its FAS 87 discount rate was based on objective criteria and is similar to the rates used by other utilities. Finally, as the Company noted, if the discount rate had been equal to the EROA since the inception of the XES Plan, customers would have paid more in pension expense through the years because the service cost and interest cost elements of the FAS 87 calculation would have been higher. For these reasons, the Administrative Law Judge concludes the use of the FAS 87 discount rate is more reasonable than use of the EROA rate as the discount rate for the XES Plan. For ratemaking purposes until the next rate case, and in order for the Commission to examine pension ratemaking issues more closely in a generic docket, the Commission concludes that it is reasonable to use the same discount rate as the EROA rate because the rates cover the same period of time for pension assets and pension liabilities. Therefore, for the XES plan, as for the NSPM plan, the Commission will use a discount rate of 7.25 percent which is equal to the EROA rate;

(and, optionally)

- d) Allow the Company, when calculating the recoverable pension cost, to exclude the artificial liability gain created from the change in the discount rate benchmark from the FAS 87 specified base (i.e., currently effective settlement or high-quality fixed-income investments) to the Expected Return on Assets base. (Staff)
- e) Direct the Company to apply the Commission-approved discount rate point of reference when determining the XES Plan cost subject to deferral (or reversal) in subsequent years (i.e., non-rate case test-

years) as the 2012 mitigation is continued (Docket E-002/GR-12-96). (Staff)

2. Optional Revisions to ALJ Findings on Pension Discount Rate

- a) Delete the entire sentence, “For that reason, use of the FAS 87 bond-matching discount rate will help ensure that the XES Plan, which is subject to FAS 87, is fully funded”, from ALJ Report Finding 126. Finding 126 would then read as follows: (Staff)

126. As a result, the Administrative Law Judge reaches a different conclusion in this case. The record in this case demonstrates that both FAS 87 and the ACM are designed to ensure accurate reporting of pension expense but use different methodologies. ~~For that reason, use of the FAS 87 bond matching discount rate will help ensure that the XES Plan, which is subject to FAS 87, is fully funded.~~ In addition, the record demonstrates that the Company’s calculation of its FAS 87 discount rate was based on objective criteria and is similar to the rates used by other utilities. Finally, as the Company noted, if the discount rate had been equal to the EROA since the inception of the XES Plan, customers would have paid more in pension expense through the years because the service cost and interest cost elements of the FAS 87 calculation would have been higher. For these reasons, the Administrative Law Judge concludes the use of the FAS 87 discount rate is more reasonable than use of the EROA rate as the discount rate for the XES Plan.

- b) Adopt the Department’s revisions to ALJ finding 104: (DOC)

104. At a high level, both the ACM and FAS 87 attempt for financial reporting purposes and not pension funding purposes to determine the present value of future benefits and estimated earnings in the pension trust that have accumulated to determine the unfunded obligation. The present value of this unfunded obligation and the current-period earned value are the basis for determining the under or overfunded status of the pension fund, which is a component of the current- period pension expense accrual. Thus, both the ACM and FAS 87 accounting methods use are affected by the discount rate to calculate the pension liability and both methods use the expected return on assets or EROA assumptions to calculate estimated pension earnings. [footnote: Ex. 429 at 131-132 (Campbell Direct)] In addition, as discussed above, both methods provide for a smoothed recognition of unrealized gains and losses in plan asset earnings, such that the level of expense will change more gradually. [footnote omitted]

- c) Adopt the Department’s revisions to ALJ finding 113: (DOC)

113. The Company's calculation of the pension expense for the XES Plan uses the discount rate provided by FAS 87, the accounting method prescribed for the

XES Plan. The primary source for the discount rate is a bond-matching study that is performed by the Company as of December 31 of each year. The study includes a matching bond for each of the individual projected payout durations within the plan based on projected actuarial experience. The study was selected and performed by Xcel rather than by an independent entity or actuary. [Ex. 429 at 112-113 and NAC-22 (Campbell Direct) (actuarial certificate stating that Xcel selected assumptions)]. The bonds used in the study must meet certain well-established criteria, and the Company employs numerous tests to validate the reasonableness of the discount rate produced by the bond-matching study. [footnotes omitted]

3. Qualified Pension Fund 2008 Market Loss

- a) Reduce the 2008 Market Loss amount currently included in the test-year pension cost by one-half when determining the allowable pension cost level in this proceeding; and adopt the Department's revisions to ALJ Findings 149, 151, 152 and 158, as follows:
(DOC)

149. That additional information requested by the Commission and the other evidence in the record demonstrate that the Company's proposed treatment of gains and losses, including the 2008 Market Loss, in calculating its test year qualified pension expense is not reasonable. The record shows the Company's treatment of the 2008 Market Loss is consistent with the Company's long standing practice of including both market gains and losses in its calculation of the pension expense, but it does not demonstrate reasonable grounds for Xcel to have experienced so little recovery (i.e. offsetting market gains) in the value of its pension asset during the recent, significant market recovery. ~~While this approach results in a significant pension expense in the 2014 test year, ratepayers have received much more substantial benefits from this approach in prior years. As the Company demonstrated, the cumulative benefit to customers of recognizing both gains and losses has been approximately \$332 million on a Minnesota jurisdictional basis from 2000 to 2014.~~

151. These facts do not demonstrate that the Company's approach fairly allocates both the gains and the losses to ratepayers.

~~152. In addition, the Administrative Law Judge concludes that none of the grounds set forth by the Department provide a reasonable basis for reducing the amount of the 2008 Market Loss reflected in the 2014 test year expense.~~

158. For these reasons, the ~~Commission~~ Administrative Law Judge concludes that the Company's ~~approach of recognizing pension gains and losses is reasonable, and the Company's~~ proposed phase-in and amortization of the 2008 Market Loss should not fully be included in the 2014 test year expense. ~~It would~~

~~not be reasonable to exclude the effects of the 2008 Market Loss when ratepayers have benefited substantially from past market gains.~~ The Department's recommendation to reduce the amount included in the test year expense related to the 2008 Market Loss by 50 percent is ~~not~~ supported by the record. [footnote: 450 at 6 (Campbell Opening).]

or

- b) Do not adjust the 2008 Market Loss amount included in the test-year pension cost when determining the allowable pension cost level. (Xcel, ALJ)

4. Optional Issues Related to 2008 Market Loss

- a) Clarify the Commission's September 3, 2013 Order in Docket No. E002/GR-12-961 with respect to the inclusion of 2008 market loss in future cases:
 - (1) The 2008 Market Loss inclusion in determining approved recoverable pension costs was limited to the Company's 2012 rate case, Docket No. E-002/GR-12-961 and not allowed to be carried over into future rate cases; (DOC) **or**
 - (2) The 2008 Market Loss inclusion in determining approved recoverable pension costs was qualified as limited to the Company's 2012 rate case, Docket No. E-002/GR-12-961, in that it was subjected to future case filing requirements to improve transparency and to substantiate its inclusion in future test years. This decision reserved the opportunity for the Commission and the parties' to revisit the issue in any utility's rate case; (Staff) **or**
 - (3) Some other interpretation offered by the Commission. (Staff)
- b) Require the Company to deposit into the pension fund, at a minimum, the ratemaking approved pension cost amount each year until the Commission directs it to do otherwise. (Optional, Staff)
- c) Expand the generic pension inquiry, from the Commission's October 28, 2014 Order in Docket G-011/GR-13-617, to include discussion on pension investment risk/rewards and ratepayer impacts. (Optional, Staff)

5. Optional Revisions to ALJ Findings on 2008 Market Loss

- a) Adopt the Department's revision to ALJ Finding 150, as follows:
(DOC)

150. In addition, as a result of recognizing pension asset earnings and losses, the pension expense recovered in rates has historically been well below the Service Cost (the actual cost of providing the pension benefit to Company employees). For example, as shown in the figure below, for the NSPM Plan, the pension expense has been below the Service Cost in every year since 2000. [Table 2 omitted] This fact, however, does not relieve Xcel of the obligation to demonstrate that it was reasonable for Xcel to have experienced so little recovery in the value of its pension asset during the recent, significant market recovery.

- b) Adopt the Department's revision to ALJ Finding 153, as follows:
(DOC)

153. The Department's argument that the Company's approach is not symmetrical is correct in that Xcel's approach allows rates to increase when there is positive pension expense but not to decrease when pension expense is negative. Additionally, contrary to the Company's claim that it includes both market losses and market gains, and despite the financial market returning to above 2007 market levels, the Company has not included material market gains to offset material market losses, as expected based on recent financial market performance. to fails to recognize the benefit to ratepayers of having the returning any excess to the pension fund. It would be inequitable to recognize the gains, but not the losses, in calculating the Company's pension expense for ratemaking purposes.

- c) Adopt the Department's revision to delete ALJ Finding 154, as follows: (DOC)

~~154. The Department's suggestion that the pension expense may be larger than necessary because the Company may not have reasonably managed its assets lacks proof in the record. The Department's claim is not based on any empirical evidence such as a comparison of the performance of the Company's pension assets to the performance of other pension funds of a comparable size. Nor has the Department demonstrated that a reasonable pension fund manager would have managed the assets differently. Rather, the Department has only expressed a general concern about the performance of the assets. This vague concern does not demonstrate that the Company's test year qualified pension expense is unreasonable and should be reduced as recommended by the Department.~~

- d) Adopt the Department's revision to delete ALJ Finding 155, as follows: (DOC)

~~155. Similarly, there is no evidence in the record to support the contention that the Company's pension expense should be reduced because the Company's retirement benefits are "generous" as claimed by the Department. To the contrary, the record shows that the Company's benefits are comparable to those of its peers, and its benefits for its new employees are lower than many of its peers. In addition, providing a competitive level of benefits is necessary for the Company to attract and retain the skilled employees who are needed to provide reliable service to ratepayers. [citations omitted]~~

- e) Adopt the Department's revision to delete ALJ Finding 156, as follows: (DOC)

~~156. Likewise, the Department is mistaken when it claims that the Company is seeking "to get recovery of all of the 2008 market loss from ratepayers in the short term. As the Company explained, the Company is not seeking to recover all of the 2008 Market Loss in the short term. Rather, under FAS 87 and ACM, the loss is both phased in and amortized resulting in recovery over the long term. [citations omitted]~~

- f) Adopt the Department's revision to delete ALJ Finding 157, as follows: (DOC)

~~157. Finally, contrary to the Department's assertion, there is no benefit to the shareholders from this longstanding approach to calculating pension expense because the Company does not pay out the gains to shareholders. Instead, the gains help to reduce rate increases by limiting the future pension expense. [citation omitted]~~

- g) Adopt an alternative revision to ALJ Finding 157, as follows: (Staff)

~~157. Finally, contrary to the Department's assertion, there is no benefit to the shareholders from this longstanding approach to calculating pension expense because the Company The pension fund does not pay out the gains to shareholders. Instead, the gains help to reduce rate increases by limiting the future pension expense. [citation omitted]~~

6. Qualified Pension Mitigation Alternatives

- a) Permit the 2012 rate case (Docket No. E-002/GR-12-961) qualified pension mitigation to continue (XES Plan capped at 2011 qualified pension cost level). (ALJ, Xcel, DOC)

- b) Decide not to implement any of the proposed additional qualified pension expense mitigation plans; **or** (ALJ, Xcel Exception)
- c) Adopt the Company's five-year pension mitigation proposal, alternative one¹, which sets rates to a five-year average of the projected qualified pension expense level calculated using the Company's current assumptions, including a XES Plan discount rate of 4.74 percent and an expected return on assets (EROA) of 7.25 percent. The difference between this normalized amount and each year's actual qualified pension expense amount, calculated using respective plan's accounting method (ACM or FAS 87), would be deferred and amortized over a period of time approved by the Commission. The Company would provide annual compliance reports, would reflect the deferred amount in rate base and the normalized rate amount would be revisited near the end of the five year period; **or** (Xcel Rebuttal)
- d) Adopt the Company's five-year pension mitigation proposal, alternative two, which sets rates to a five-year average of the projected qualified pension expense level calculated using the Company's current assumptions, including a XES Plan discount rate of 4.74 percent and an expected return on assets (EROA) of 7.25 percent. The difference between this normalized amount and the lower of either that year's actual qualified pension expense amount (calculated using respective plan's accounting method - ACM or FAS 87), or the 2014 study's projected expense for that year (Table 3, Column B), would be deferred. The normalized amount may be revisited prior to five-year term end, either through a rate case or outside of a rate case. Amortization may also begin prior to five-year term end. The Company would provide annual compliance reports and would reflect the deferred amount in rate base; **or** (Xcel Rebuttal)
- e) Adopt the Department's modifications to the Company's five-year pension mitigation proposal, alternative two, which sets rates to a five-year average of the projected qualified pension expense level calculated using a discount rate equal to the expected return on assets (EROA) of 7.25 percent. The difference between this normalized amount and the lower of either that year's actual qualified pension expense amount (calculated using by setting the discount rate to equal the EROA), or the 2014 study's projected expense for that year (Table 3 , Column B), would be deferred. Deferred amounts are not included in rate base and future recovery

¹ Ex. 83, pp. 31-34 (Schrubbe Rebuttal)

of any deferred amounts is not presumed granted, rather the Company will be required to make a case and show why the amortized deferred amount should be allowed rate recovery; (DOC conditional) **or**,

- f) Approve the qualified pension expense level in rates that is the average of the annual projected qualified pension expense over the expected rate life (Xcel expects a two-year rate case life²) wherein each year's projected expense amounts subject to averaging are calculated using the Commission-approved assumptions and the most proximate measurement date applicable to each year. Direct the Company to provide schedules for each year's qualified pension cost calculation, using similar layout provided in Exhibit 83, RRS-1, Schedule 3, within 10 days of the Commission's decision to assist in preparation of the Order; **or** (Staff, option 1)
- g) Approve a 2014 Xcel qualified pension expense level in rates calculated using the Commission-approved discount rate. Direct that the excess of the 2014 amount allowed in rates over future years' qualified pension expense, also calculated using the Commission approved discount rate point-of-reference, is to be applied toward the recovery of the accumulated deferred XES Plan costs resulting from the 2012 rate case mitigation cap. Clarify that "future years" is to mean 2015 and each subsequent year's qualified pension expense if not a rate case test-year. Clarify that the recoverable XES Plan expense amount is to be calculated using the proximate measurement date appropriate for each operating year (12/31/2013 for 2014; 12/31/2014 for 2015, etc.) until the next rate case. Require the Company to file annual compliance reports which provides pension plans' cost calculation reports, the XES Plan accumulated deferred balance and the excess rate level recovery applied toward satisfying the deferral. Deferred amounts are not included in rate base. (Staff, option 2)

7. Prepaid Pension Asset

- a) Determine that the qualified pension asset and associated deferred tax amounts should be removed from rate base; **or** (Staff)
- b) Approve the Company qualified pension asset and associated deferred tax amounts rate base request (a net rate base increase of \$53.7 million); **or** (Xcel)

² Ex. 88 at 142 (Heuer Direct)

- c) Determine that the qualified pension asset and associated deferred tax amounts, should be included in rate base, **and** the pension asset is to reflect: (Staff)
 - (1) The cumulative difference between actual cash deposits made by the Company reduced by the recognized qualified pension cost determined under ACM/FAS 87 method since plan inception, not to exceed the Company's filed request; **or**
 - (2) The cumulative difference between actual cash deposits made by the Company that did not exceed the minimum funding requirements, reduced by the recognized qualified pension cost determined under ACM/FAS 87 method since plan inception, but not to exceed the Company's filed request; **or**
 - (3) The difference between the fair value of the qualified pension fund and the projected qualified pension obligation (FAS 87 reporting), not to exceed the Company's filed request; **or**
 - (4) Determined in another manner specified by the Commission.
- d) Clarify that the Commission decision on the rate base treatment of a qualified pension asset (or liability) is decided on a case-by-case manner. (Staff)

8. Pension-Related Future Case Filing Requirements

- a) Direct the Company in the initial filing its next rate case to address why the Company's target asset allocations for its pension fund are reasonable, including ages of retirees and employees. The Company is to provide an update to its existing Exhibit 31, Schedule 1 (Tyson Rebuttal) and expand it to include this demographic information. (ALJ, DOC, Xcel)
- b) Direct the Company in the initial filing of its next rate case to provide testimony on its investment strategies and target asset allocations for the qualified pension fund and the justifications for those decisions, for the period from 2007 to the date of its next filing. (ALJ, DOC, Xcel)

- c) Direct the Company in the initial filing its next rate case to provide copies of the actuarial reports used to determine employee benefit costs, including its schedules denoting each subsidiary's cost assignments for each benefit. The Company should also include workpapers that show the derivation of the jurisdictional portion of each benefit cost. (Staff)
- d) Direct the Company in the initial filing its next rate case to provide testimony that identifies and discusses each non-qualified employee benefit cost included in its test years. (Staff)
- e) Direct the Company in the initial filing of its next rate case to include testimony identifying the basis used for its requested rate base impact related to pensions. Additional schedules should be included that reflect the underlying calculation of the qualified pension asset (or liability) balances requested for rate base inclusion. (Staff)
- f) Direct the Company in the initial filing of its next rate case to include testimony providing historical summary and discussion of the basis used for its pension cost request for ratemaking in each case, starting with the rate case filed prior to the merger forming Xcel Energy, Inc., and for each case filed since the merger. The overview shall discuss both its electric and gas rate case filings. The Company's discussion shall include explanation of its rationale for changing the basis of test-year pension cost request from one case to the next. The Company shall also provide a comparison between the calculated financial pension cost amount (ACM/FAS 87) and actual cash contribution amounts, on a total company and jurisdictional basis, from 1992 to current year. (Staff)

B. Retiree Medical Expenses (FAS 106)

(Please see staff briefing papers, Volume II, pp. 47-54)

1. Retiree Medical 2008 Market Loss

- a) Adopt the Department's recommendation and reduce the 2008 Market Loss amortized amount included in the retiree medical benefit cost by 50-percent; **or** (DOC)
- b) Determine that the requested 2008 Market Loss amortized amount may be included in the calculated retiree medical benefit cost. (Xcel, ALJ)

2. Retiree Medical Discount Rate

- a) Determine that the discount rate used to calculate retiree medical benefit costs for ratemaking purposes shall be set to equal 7.11 percent, the weighted average expected return on assets (EROA) of the postretirement benefit fund; **or** (DOC)
- b) Determine that the discount rate used to calculate retiree medical benefit costs for ratemaking purposes shall be set to equal 4.82 percent, the FAS 106 based rate measured on December 31, 2013; **or** (Xcel, ALJ)
- c) Determine that the discount rate used to calculate retiree medical benefit costs for ratemaking purposes shall be set to equal 5.08 percent, the five year average of the FAS 106 based discount rates. (Staff)

3. Optional Levelized Ratemaking

- a) Approve the retiree medical benefit cost level in rates that is the calculated average of the annual projected benefit cost over the expected rate life (Xcel expects a two-year rate case life³). Each year's projected cost amount subject to averaging is to be calculated using the Commission-approved assumptions and the most proximate measurement date applicable to each year. Direct the Company to provide schedules for each year's retiree medical benefit cost calculation within 10 days of the Commission's decision to assist in preparation of the Order. (Staff)

4. Optional Future Filing Requirement

- a) Direct the Company in the initial filing of its next electric rate case to discuss the cost components of the postretirement benefits plans cost (other than pensions) affecting Minnesota rates, particularly the drivers of the amortization of net gain/loss amount and the reasons this component amount has varied since its last rate case (E-002/GR-13-868). (Staff)

³ Ex. 88 at 142 (Heuer Direct)

- b) Direct the Company in the initial filing of its next electric rate case to provide the report of future years' actuarial cost projections of the postretirement benefits (other than pensions), clearly identifying the assumptions and measurement point used to develop these projections. (Staff)

C. Paid Leave/Total Labor (2014)

(Please see staff briefing papers, Volume II, pp. 55-58)

- 1. Adopt the ALJ's finding that the Company has shown its total labor test year cost is reasonable and no adjustment is necessary; **or** (Xcel, ALJ)
- 2. Adopt the Department's recommended \$5.6 million reduction to the Company's jurisdictional total labor test year cost. (DOC)

D. Corporate Aviation Costs (2014)

(Please see staff briefing papers, Volume II, pp. 59-77)

- 1. Determine that the Company's recovery request of 50-percent of its jurisdictional corporate aviation costs is reasonable, subject to other Commission decided adjustments; (Xcel, ALJ) **or**
- 2. Determine that a corporate aviation flight cost recovery limit of \$300 per one-way trip is reasonable, subject to other Commission decided adjustments. (OAG)
- 3. Determine that the Company's 50-percent cost reduction to the jurisdictional corporate aviation costs captures the removal of flight costs that were incurred for reasons other than the provision of utility service; **or** (Xcel, ALJ)
- 4. Determine that the Company's 50-percent cost reduction to the jurisdictional corporate aviation costs does not capture the removal of flight costs that were incurred for reasons other than for the provision of utility service and the Commission shall strike ALJ Finding 559. The Commission finds that corporate aviation costs shall be further adjusted by the cost of flights categorized by the following business purpose reasons (Table 12): (OAG)
 - a) Personal Travel (36 total company flights); **or** (OAG)
 - b) Personal Travel (34 total company flights); (Xcel corrected number)

- c) Investor Relations/Shareholder Meetings (91 total company flights); (OAG)
 - d) Aviation Use (42 total company flights). (OAG)
5. Determine that the following reported corporate flight travel business purposes are insufficient and do not permit the Commission to determine if the expense was reasonably and necessarily incurred for the provision of utility service, therefore fails to meet the requirements of Minnesota Statute § 216B.16 Subd. 17: (OAG)
- a) Business Area Travel;
 - b) Director Travel;
 - c) Manager Travel;
 - d) Xcel Executive Business Travel.

And

6. Strike ALJ Findings 562 and 563 and replace ALJ Finding 562 to read: (OAG)

562. Minnesota law requires Xcel to provide information about the “business purpose” of each flight before recovery is permissible. Xcel did not meet this requirement because the “business purpose” descriptions in Xcel’s flight log do not provide any information to determine the true business purpose of the flights. Moreover, the testimony of Xcel’s employees demonstrates that Xcel has no oversight ensuring that flights are for a valid purpose. Because Xcel has not demonstrated that the flights coded as Executive Business Travel, Director Travel, Manager Travel and Business Area Travel have a “business purpose” that indicates they are necessary for the provision of utility service, they must be disallowed.

7. Require the Company to adjust the corporate aviation costs further by the cost of flights for each flight with the stated description (Table 12) : (OAG)
- a) Business Area Travel (1,668 total company flights);
 - b) Director Travel (615 total company flights);
 - c) Manager Travel (55 total company flights);

d) Xcel Executive Business Travel (831 total company flights).

8. Modify ALJ Finding 564 to read: (OAG)

564. The Commission orders the Company to provide more detailed information about the business purpose of its flights may want to consider whether more specific Business Purpose codes should be implemented by the Company for use in future rate cases. To the extent that the Commission believes additional detail regarding the Business Purpose for each passenger trip should be provided in future rate case filings, the The Administrative Law Judge respectfully recommends that the Commission specify the level of detail that must be provided, and ensure that the Company has sufficient time to change its data systems to comply in a timely manner. The Commission also orders the Company to create internal systems to review flight requests so that flights are only scheduled for reasons that are necessary for the provision of utility service. The Commission further orders the Company to keep accurate records of the actual business purpose for flights that are scheduled, rather than reducing all flights to a generic "code."

9. Determine that the Company substantially complied with and has resolved Order Point 48 from the Commission Order issued September 3, 2013 in Docket No. E-002/GR-12-961; or (Xcel, ALJ)

10. Determine that the Company did not satisfactorily comply with Order Point 48 from the Commission Order issued September 3, 2013 in Docket No. E-002/GR-12-961 and that ALJ Findings 565 and 566 shall be stricken. (OAG)

11. Direct the Company to ensure that its travel policy document clearly reflects the current corporate aviation cost allocation process. (Staff)

12. Modify ALJ Finding 558, in order to reflect that the Commission adjusted the Company's requested corporate aviation amount, to read: (OAG)

558. Based on the record in this case, the Administrative Law Judge Commission concludes that the Company has not demonstrated that it is reasonable to include \$954,425, or 50 percent of the approximately \$1.9 million that the Company has budgeted in 2014 for corporate aviation costs on a Minnesota electric jurisdictional basis. The Company's request is based on a detailed analysis of its costs, and properly considers increased productivity and employee time savings. The Company's request is also consistent with Commission precedent.

E. Pleasant Valley and Border Winds – 2015 Step

(Please see staff briefing papers, Volume II, pp. 78-88)

1. Recovery Approach

- a) Determine that cost recovery for the Pleasant Valley and Border Winds facilities shall be reflected in base rates; **or** (Xcel, DOC)
- b) Determine that cost recovery for the Pleasant Valley and Border Winds facilities shall be reflected in the Renewable Energy Standard (RES) Rider and modify ALJ Finding 586 to read: (MCC, not opposed: Xcel, DOC)

586. The determination of whether to include the Pleasant Valley and Borders Wind project costs in the 2015 Step or RES rider depends upon whether the Commission seeks to limit the amount of funds recovered through riders or whether the Commission seeks to moderate the effects of the 2015 Step by including these costs in the RES rider. ~~Either approach would result in~~ Because RES rider recovery reduces 2015 costs for ratepayers it results in most reasonable treatment of these costs and shall be used in this case.

- c) If base rate recovery, then consider the following:
 - (1) Direct the Company to include in base rates the Production Tax Credits associated with the operation of the Pleasant Valley and Border Winds facilities, in the amount disclosed in non-public Exhibit 432, Schedule NAC-7, which reduces the 2015 Step revenue requirement by \$11.093 million. Permit true-up of the Production Tax Credits for these facilities in the Renewable Energy Standard Rider. (DOC, OAG, Xcel)
 - (2) Decide that the Pleasant Valley and Border Winds facilities rate base is to be determined using the average of the beginning- and end-of-year plant balances (consistent with other capital treatment); **or** (Xcel, DOC)
 - (3) Decide that the Pleasant Valley and Border Winds facilities rate base is to be determined using the 13-month weighted average. (MCC)

- d) If RES Rider recovery, then consider the following:
 - (1) Clarify that the recoverable Pleasant Valley and Border Winds project costs through the Renewable Energy Standard Rider may begin with these projects' 2015 revenue requirements and that Xcel shall not include project activity from prior years in the rider. (Staff)
 - (2) Direct the Company to adjust Construction Work in Progress and other rate case components to remove the Pleasant Valley and Border Winds project costs from base rates. (Staff)
 - (3) Direct the Company in its next rate case filing to include the Pleasant Valley and Border Winds projects in base rates and to adjust the Renewable Energy Standard Rider accordingly. (Staff)

2. Future Reporting Requirements

- a) Require the Company to notify the Commission and to report and capture potential cost reductions or other forms of compensation that may be granted to Xcel Energy due to contract changes or contractors' failure to meet contract terms for either the Pleasant Valley or the Border Wind projects. Clarify that such cost reductions and compensation payments will be subject to Commission review for potential credits or refunds to ratepayers. (Staff)
- b) Require the Company in its next Renewable Energy Standard (RES) Rider filing, or by September 1, 2015, to report the results of stakeholder discussions and proposals for alternative cost-recovery formulas for the Pleasant Valley and Border Winds project designed to allocate risks and create incentives. (MCC, Xcel)

F. Annual Incentive Compensation Program

(Please see staff briefing papers, Volume II, pp. 88-92)

1. Determine that the Company has adequately complied with Order Point 30 issued in the prior electric rate case (Order issued September 3, 2013 in Docket No. E-002/GR-12-961); **or** (ALJ, Xcel)

2. Make a different determination.
3. Direct the Company in its future rate cases to provide Annual Incentive Program (Plan) documents when rate recovery is sought. (Staff)

G. FERC Cost Comparison Study – KPI Benchmarks

(Please see staff briefing papers, Volume II, pp. 92-95)

1. Determine that, at this time, the Company’s key performance indicator (KPI) for non-fuel operations and maintenance (O&M) growth management sufficiently addresses concerns raised by MCC and the Department relating to non-fuel O&M costs; **or** (ALJ, Xcel)
2. Make no determination as to whether the Company’s KPI target to restrict increases in its recoverable non-fuel O&M costs sufficiently addresses concerns raised by the parties. (Staff)
3. Require the Company, in the next rate case, to present a new key performance indicator (KPI) for transmission O&M costs; **or** (ALJ, MCC)
4. Take no action on the development of a new key performance indicator (KPI) for transmission O&M costs. (Xcel)
5. Require the Company, in the next rate case, to provide a comparison study of its transmission O&M costs by using appropriate peer companies, along with justification for why certain utilities were included or excluded; **or** (ALJ, MCC)
6. Do not require refinement of the peer benchmarking study of transmission O&M costs. (Xcel)

H. Transmission Business Area – Cost Controls

(Please see staff briefing papers, Volume II, pp. 96-99)

1. Cap Xcel’s transmission project cost recovery to be limited to the projects’ cost included in the Certificate of Need stage of project review; **or** (MCC)
2. Take no action on capping transmission project cost recovery in this proceeding. (Xcel, ALJ)
3. Require the Company, in the next electric rate case, to propose a new Vice Presidential level cost control key performance indicator (KPI) for overall transmission costs; **or** (ALJ, MCC)

4. Take no action on the development of a VP level transmission area cost control, key performance indicator. (Xcel)

I. Active Health Care and Welfare Costs (2014) – Resolved

(Please see staff briefing papers, Volume II, pp. 99-101)

1. Direct the Company in its next rate case to provide historical active health care costs since 2011 for each calendar year, including both the per book amount and the actual claims expense. The Company shall include information detailing the annual year-end Incurred But Not Reported (IBNR) accruals and subsequent reversals. (DOC)

J. Resolved Financial Issues (Vol. II)

(Please see staff briefing papers, Volume II, pp. 101-106)

1. Post-Employment Benefits - Long-Term Disability and Workers' Compensation (FAS 112) (2014) - Parties agreed on a \$421,463 reduction in revenue requirements (the combined effect of the O&M and capital adjustments).
2. Nuclear Cash-Based Retention Program (2014) - Parties agreed on a \$516,466 reduction in revenue requirements.
3. Withdrawal of the Hollydale Transmission Project (2014) - Parties agreed on a \$388,000 rate base reduction which results in a \$43,000 reduction in the revenue requirement.
4. Big Stone Brookings Cost Correction (2014) - Parties agreed on a \$145,000 reduction in revenue requirements and a \$299,000 increase in rate base.
5. Bargaining Unit Wage Increase Correction (2014) - Parties agreed on a \$405,000 reduction in revenue requirements.

III. Cost of Capital (Vol. III – Kaml)

A. Capital Structure Alternatives

(Please see staff briefing papers, Volume III, pp. 4-6)

Some Commission alternatives for the capital structure are:

1. Use the Company's proposed capital structure comprised of 52.50 percent common equity, 45.60 percent long-term debt, and 1.90 percent short-term debt for 2014 and 52.50 percent common equity, 45.61 percent long-term debt, and 1.89 percent short-term debt for 2015. (Xcel, DOC, ALJ)
2. Determine that the Company's proposed 2014 capital structure comprised of 52.50 percent common equity, 45.60 percent long-term debt, and 1.90 percent short-term debt should be used for both years.
3. Determine that the Company's proposed 2015 capital structure comprised of 52.50 percent common equity, 45.61 percent long-term debt, and 1.89 percent short-term debt should be used for both years.
4. Determine that the equity percentage allowed in Xcel's capital structure should be limited to the ratio employed by the parent company, Xcel Energy, Inc. (XEI); 47.5 percent in 2014 and 49.0 percent in 2015. (ICI Group)
5. Determine that another capital structure is more appropriate.

B. Cost of Debt Alternatives

(Please see staff briefing papers, Volume III, pp. 6-7)

Some Commission alternatives for the cost of debt are:

1. Long Term Debt

- a) Adopt XCEL's proposed cost of long-term debt of 4.90 percent for 2014. (XCEL, DOC, ALJ)
- b) Adopt XCEL's proposed cost of long-term debt of 4.94 percent for 2015. (XCEL, DOC, ALJ)
- c) Adopt some other cost of long-term debt that the Commission considers more appropriate for 2014 or 2015.

2. Short-term Debt

- a) Adopt XCEL's proposed cost of short-term debt of 0.62 percent for 2014. (XCEL, DOC, ALJ)
- b) Adopt XCEL's proposed cost of short-term debt of 1.12 percent for 2015. (XCEL, DOC, ALJ)
- c) Adopt some other cost of short-term debt that the Commission considers more appropriate.

C. Cost of Equity Options

(Please see staff briefing papers, Volume III, pp. 7-60)

1. Comparable Groups

- a) Find that the companies in the Department's proxy groups have similar risks to Xcel. (DOC)
- b) Find that the companies in Xcel's proxy groups have similar risks to Xcel. (Xcel)
- c) Find that the companies in the ICI Group's proxy group have similar risks to Xcel. (ICI Group)
- d) If the Commission makes this finding it may want to adopt the ICI Group's proposal to strike Finding 355.
- e) Find that the companies in the ICI Group's proxy group are not sufficiently comparable to Xcel to be reliable. (DOC, Xcel, ALJ)
- f) Make no determination.

2. Weighting of Comparable Groups

- a) Find that the weighting of the proxy group results should be 60 percent electric comparable group and 40 percent combination comparable group as utilized by the Department. (DOC, ALJ)
- b) Find that the weighting of the of the proxy group results should be 80 percent electric comparable group and 20 percent combination comparable group as utilized by Xcel. (Xcel)
- c) Make no determination.

3. Method for Determining Cost of Equity

a) Models

- (1) Find that the discounted cash flow method, utilizing the Two Growth DCF model when appropriate, checked for reasonableness, is appropriate for estimating the cost of equity for Xcel in this proceeding. (Xcel, DOC, ALJ)
- (2) Find that the discounted cash flow method is appropriate for estimating the cost of equity for Xcel in this proceeding. (ICI Group)
- (3) Find that it is not necessary to utilize a Two Growth DCF model to estimate the cost of equity for Xcel.
- (4) Find that a combination of methods should be used for estimating the cost of equity for Xcel in this proceeding.
- (5) Make no determination on the specific method for determining the cost of equity.

b) Decisions in Other Jurisdictions

- (1) Determine that the review of the authorized return on equity in other jurisdictions could be useful when determining the appropriate return on equity in this proceeding. (Commercial Group)
- (2) Determine that it is not appropriate to rely on the authorized return on equity in other jurisdictions when determining the appropriate return on equity in this proceeding. (DOC)

4. Growth Rate

a) Source of Growth Rate Estimate

- (1) Find that a single source of data is not sufficient for the determination of the growth rates to use in the DCF. (Xcel, ALJ)
- (2) Find that a single source of data may be sufficient for determining the growth rate to use in the DCF. (ICI Group)

If the Commission makes this finding it may want to consider adopting the ICI Group's proposal to strike the portion of Finding 376 addressing the use of a single source of data.

- (3) Make no finding regarding the number of sources necessary to determine the growth rate to use in the DCF.
- b) Factors for Determining the Growth Component
- (1) Determine that the record supports the use of the EPS growth rate as the most appropriate factor to estimate the growth rate component for the DCF model in this proceeding. (Xcel, DOC, ALJ)
 - (2) Determine that the record supports the use of multiple factors to estimate the projected growth rate component for the DCF model in this proceeding. (ICI Group)
 - (3) Make no determination regarding the appropriate factor (dividends, earnings, or sustainable growth) to use when determining the growth rate component in the DCF model.

5. Dividend Yield

- a) Determine that, to avoid irrelevant historical prices and short-term aberrations in the capital market, it is appropriate use recent closing prices, such as 30 days, to calculate the dividend yield for a discounted cash flow analysis in this proceeding. (DOC)

If the Commission makes this determination it may want to consider the Department's proposed modifications to Findings 380 and 382.

- b) Determine that, to avoid irrelevant historical prices and short-term aberrations in the capital market, it is appropriate to use an average of the daily closing prices over a longer time period, such as six months, to calculate the dividend yield for a discounted cash flow analysis in this proceeding. (Xcel)
- c) Determine that, to avoid irrelevant historical prices and short-term aberrations in the capital market, the authorized ROE should be based on data from more than the 30-day period used in the Department's Surrebuttal Testimony. (ALJ)

- d) Determine that some other time period is appropriate for calculating the dividend yield to use in a discounted cash flow analysis in this proceeding.
- e) Make no determination.

6. Flotation Cost

- a) Make no specific determination regarding flotation costs.
- b) Determine that the cost of equity should not reflect a flotation cost. (ICI Group)
- c) Find that the flotation cost adjustment of 2.926 percent used by the Department and Xcel is appropriate. (Xcel, DOC, ALJ)

7. Effect of a Multi-Year Rate Plan

- a) Find that a Multi-Year Rate Plan increases the financial risk for Xcel. (Xcel, ALJ)
- b) Find that a Multi-Year Rate Plan does not increase the financial risk for Xcel. (DOC)

If the Commission makes this finding it may want to modify Finding 383 as proposed by the Department.

- c) Find that there is not sufficient information to determine whether a Multi-Year Rate Plan increases or decreases the financial risk for Xcel and direct Xcel, in its next rate case, to include an analysis of the effect that a Multi-Year Rate Plan has on the cost of capital for Xcel.
- d) Take no action.

8. Cost of Equity

- a) Adopt a cost of equity of 10.25 percent as requested by the Company. (Xcel recommendation)
- b) Adopt a cost of equity of 9.83 as contained in Xcel's proposed changes to the ALJ recommendation. (Xcel proposed change to the ALJ recommendation)

If the Commission adopts this option, it may want to consider adopting Xcel's proposed changes to findings 373 and 385.

- c) Adopt the Department's recommended cost of equity of 9.64 percent. (DOC)

If the Commission adopts the Department's recommendation it may want to adopt the Department's recommended changes to Finding 373 and 385.

- d) Adopt the ICI Group's recommended cost of equity of percent 9 percent. (ICI Group)

If the Commission adopts the ICI's position, it may also want to adopt the ICI Group's recommendation to remove ALJ Findings 373 and replace it with the proposed modified Finding as discussed above.

- e) Adopt the ALJ's recommendation of 9.77. (ALJ)
- f) Adopt some other cost of equity the Commission considers appropriate.

9. Adjustment for Decoupling

- a) Determine that there does not need to be an adjustment to the ROE if the Commission approves a decoupling mechanism. (Xcel, DOC, CEI, ALJ)
- b) Determine that there needs to be an adjustment to the ROE if the Commission approves a decoupling mechanism for Xcel. (AARP)

If the Commission makes this decision, it will need to determine how much of an adjustment should be made. The AARP recommended a 10 basis point adjustment. The Commission may also want to adopt the AARP's recommendation to strike Findings 366 through 373, 389 and 390.

10. Adjustment for CWIP

- a) Find that there does not need to be an adjustment to the Company's ROE to reflect the amount of CWIP included in rate base. (Xcel, DOC, ALJ)

- b) Find that if CIWP is included in rate base it transfers risk from NSP shareholders to ratepayers that should be reflected in the cost of equity. (Commercial Group)

If the Commission makes this finding it would need to determine how to reflect that risk reduction in the cost of equity.

- c) Make no finding.

D. Overall Cost of Capital

(Please see staff briefing papers, Volume III, pp. 60-61)

If the Commission has made specific findings regarding capital and the component costs, it does not need to make a specific finding on the overall cost of capital. However, to avoid possible confusion or questions regarding the Commission's decision, it may want to adopt a specific overall Rate of Return for this proceeding.

Some Commission options regarding the overall cost of capital are:

1. Take no specific action.
2. Adopt an overall cost of capital of 7.38 percent for 2014 and 7.40 percent for 2015 as reflected by the ALJ recommendations.
3. Adopt an overall cost of capital of 7.62 percent for 2014 and 7.65 percent as recommended by Xcel.
4. Adopt an overall cost of capital of 7.31 percent for 2014 and 7.34 for 2015 as recommended by the Department.
5. Adopt an overall cost of capital of 6.77 percent for 2014 and 6.86 percent for 2015 reflecting the ICI Group's recommended cost of equity.
6. Determine that some other overall cost of capital is appropriate and have the staff calculate the proper value, based on the component parts, for inclusion in the order.

IV. Sales Forecast & Class Cost of Service Study (Vol. IV – Krishnan)

A. Sales Forecast

(Please see staff briefing papers, Volume IV, pp. 1-8)

1. Adopt the weather-normalized sales data in the January 16, 2015 compliance filing for rate-making purposes.
2. Adopt the weather-normalized sales data in the Xcel witness Peppin rebuttal testimony for rate-making purposes.
3. Adopt the Department's sales forecast in Department witness Shah's surrebuttal testimony.

B. Class Cost of Service Study

(Please see staff briefing papers, Volume IV, pp. 8-50)

1. Classification of Fixed Production Plant - Plant Stratification Method versus Straight Fixed Variable Method

- a) Adopt the ALJ's conclusion - the Company's continued use of the Plant Stratification method is reasonable.
- b) Adopt the position taken by MCC in its Exceptions - the Company's use of the Plant Stratification method should be changed to the Straight Fixed Variable method.

2. Classification of Fixed Production Plant - Proposed Modifications to the Plant Stratification Method

- a) Adopt the ALJ's conclusion. (XLI's proposed changes to the Plant Stratification methodology are not reasonable. As explained by the other parties, comparing the cost of a new peaking plant to the depreciated value of other types of generating plants, as XLI has recommended, is not analytically sound.)
- b) Adopt XLI's position and recommendation. (Xcel's plant stratification analysis should be based on depreciated replacement value, and that XLI's proposed modifications to the CCOSS are consistent with cost causation principles and yield a more just and reasonable allocation to the C&I Demand class.)

3. Classification of Nobles and Grand Meadow Wind Facilities' Costs

- a) Adopt the ALJ's findings and recommendation. (Find the Company's use of the Plant Stratification method for the proper classification and allocation of the Company's production plant, including costs of Company-owned wind generation. The application of the Plant Stratification method to wind generation continues to be the most reasonable alternative shown in the record. Require the Company to modify its 2014 and 2015 Step CCOSSs to classify the costs of the Grand Meadow and Nobles wind farms on the same basis as its other fixed production plant costs using the Plant Stratification method.)
- b) Adopt Xcel's exceptions and modifications. (Find it is reasonable to classify the Grand Meadow and Nobles generation facilities on the same basis as other production plant using the Plant Stratification method and the Nobles and Grand Meadow generation facilities as 100% Capacity.)
- c) Adopt the MCC's exceptions and recommendation. (Require the Company to modify its 2014 and 2015 Step CCOSSs to classify the costs of the Grand Meadow and Nobles wind farms on the same basis as it does in the RES rider, with the Percent of Base Revenue method.)
- d) Adopt the OAG's exceptions and recommendation. (Require the Company to modify its 2014 and 2015 Step CCOSSs to classify the costs of the Grand Meadow and Nobles wind farms as energy on the same basis as its other fixed production plant costs using the Plant Stratification method.)

4. Updating of Fixed Production Plant Cost Data

- a) Adopt the ALJ's finding and recommendation and require Xcel to update its CCOSS results using 2013 cost data for Pleasant Valley and Border Winds as well as for all other production plant costs in its Plant Stratification analysis.
- b) Take some other action

5. Use of the D10S Capacity Allocator for Allocating the Capacity-Related Portion of Fixed Production Plant

- a) Adopt the ALJ's conclusion in finding 717 that the OAG has not developed a sufficient record in this proceeding to support the viability of its recommendation.
- b) Adopt the OAG's recommendation and incorporate language into the Order to suggest that neither the OAG nor the ALJ could recommend a specific adjustment to the CCOSS because of Xcel's claim that it could not calculate a capacity allocator using MISO's system peak. Further, acknowledge in the Order that the calculation of the D10S allocator based on Xcel's own system peak is a deficiency and encourage Xcel to work with MISO and other parties to find a way to recalculate D10S on the basis of MISO peak.

6. Allocation of Other Production Operation and Maintenance (O&M) Costs

- a) Adopt the ALJ's finding and recommendation and require the Company to modify its 2014 and 2015 CCOSSs to use the Location method rather than the Predominant Nature method.
- b) In addition, Staff recommends that the Commission retain the present requirement established in docket, E-002/GR-12-961, In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota, Findings of Fact, Conclusions, and Order, September 3, 2013, ¶ 49:

In the initial filing of its next rate case, Xcel shall refine its Class Cost of Service Study cost allocation method by identifying any and all Other Production O&M costs that vary directly with the amount of energy produced based on Xcel's analysis. If Xcel's analysis shows that such costs exist, then Xcel should classify these costs as energy-related and allocate them using appropriate energy allocators, while allocating the remainder of Other Production O&M costs on the basis of the Production Plant.

- c) Staff also recommends that the Commission incorporate the following language from the Findings of Fact, Conclusions, and Order in the Matter of an Application by CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Minnesota Gas For

In its next rate case the Company's class cost of service study shall include an explanatory filing identifying and describing each allocation method used in the study and detailing the reasons for concluding that each allocation method is appropriate and superior to other allocation methods considered by the Company, whether those methods are based on the Manual of the National Association of Regulatory Utility Commissioners or the Company's specific system requirements, its experience, and its engineering and operating characteristics. The Company shall also explain its reasoning in cases in which it did not consider alternative methods of allocation or classification.

- d) Adopt Xcel's position as noted in Xcel's Exceptions and find the Company's use of the predominant nature method in its proposed CCOSSs is reasonable.
- e) Adopt MCC's position as noted in MCC's Exceptions and approve Xcel's use of the Predominant Nature method.

7. Use of the Minimum Distribution System

- a) Adopt the ALJ's findings and recommendation and also incorporate the OAG's recommendation that Xcel provide parties with data sufficient to verify and reproduce its minimum system study. (For example, require Xcel to file a zero-intercept analysis of distribution costs in its next rate case. In addition, because the Minimum Size method is a useful cross check of the Zero-Intercept method, Xcel should also file an updated Minimum Distribution System study as a comparative analysis.)
- b) Adopt Xcel's recommendation stated in Xcel's Exception to the ALJ's Report. (For example, Xcel will file a zero-intercept analysis in its next rate case only if it feels it is able to collect appropriate data, etc.)

8. Allocation of Economic Development Discounts

- a) Adopt the ALJ's conclusion and recommendation. (The Company's use of the present revenue allocator in its CCOSS is the most reasonable of the three proposals for allocating the cost of

economic discounts because the discounts benefit all customers. Recovering the costs based on present revenues recognizes that keeping these large customers on the system provides an overall benefit to all customers. Neither the straight energy method nor the present base revenue method better reflect the benefit of the retention of large customers.)

- b) Adopt the OAG's exception presented above. (The proposal of the OAG and the DOC to allocate cost of economic discounts on the basis of a straight kWh energy allocator is the most reasonable of the three proposals for allocating the cost of economic discounts because the discounts benefit all customers. This proposal recognizes that the costs of providing these economic discounts are caused by the amount of energy consumed by large customers.)

9. Allocation of Interruptible Rate Discounts

- a) Adopt the ALJ's recommendation. (XLI has brought forward no new evidence or argument to support a finding that the Company's treatment of interruptible service credits is unreasonable. Therefore, the Administrative Law Judge recommends that the Commission reject XLI's proposed change to the allocation of interruptible rate discounts.)
- b) Adopt XLI's position stated in its exceptions. (The Company's allocation of interruptible rate credits violates CCOSS revenue-to-cost matching principles. Interruptible rate participants pay a lower rate for a level of service that is subject to curtailment and are shown as contributing less to revenue, while the costs are allocated among all classes as if they received firm service.)

V. Revenue Decoupling (Volume V – Bahn)

A. Implementation of a Decoupling Mechanism

(Please see staff briefing papers, Volume V, pp. 3-10)

1. Approve the Xcel's proposed RDM
2. Do not approve Xcel's proposed RDM
3. Approve Xcel's proposed RDM with modifications

B. Design of the Decoupling Mechanism

(Please see staff briefing papers, Volume V, pp. 11-36)

1. Three-Year Pilot vs. Ongoing Program

- a) Approve Xcel's RDM as a three-year Pilot; or
- b) Approve Xcel's RDM as an ongoing program.

2. RDM Billing Rate Increases if Xcel Fails to Achieve Energy Savings Equal to 1.2 Percent of Retail Sales

- a) Do not allow RDM billing rate increases if Xcel fails to achieve energy saving equal to 1.2 percent of retail sales; or
- b) Take no action.

3. Full vs. Partial Decoupling

- a) Approve Xcel's proposed partial RDM; or
- b) Modify Xcel's proposed partial RDM to be a full RDM.

4. CAP on RDM Billing Rate Increase – Type and Size

- a) Approve a cap on RDM billing rate increases as a percentage of base revenues, excluding fuel and all applicable riders;
- b) Approve a cap on RDM billing rate increases as a percentage of total revenues, including fuel and all applicable riders;
- c) Do not approve a cap;

5. Type of Cap – Hard Cap vs. Soft Cap

- a) Approve a hard cap on RDM Billing Rate Increases; or
- b) Approve a soft cap on RDM Billing Rate Increases.

6. Size of Cap

- a) Approve a 2% cap;
- b) Approve a 3% cap;
- c) Approve a 5% cap;
- d) Approve a 10% cap.

7. Calculation of the RDM Adjustment

- a) Calculate the RDM deferral as a percentage of the Company's total residential energy revenue, rather than approving a per-kWh charge through which to collect the RDM shortfall (ECC Proposal); or
- b) Take no action.

8. Customer Protections (AARP Proposals)

- a) Require Xcel to make a filing assuring the Commission of the specific ways in which:
 - (1) Xcel will produce incremental energy savings, beyond those called for in the triennial CIP plan,
 - (2) Performance requirements that are established directly linking any RDM ratemaking treatment to proven utility-sponsored DSM savings, and
 - (3) Programs adopted in fulfillment of the Company's DSM commitments which assure that all residential customers can participate in DSM equally.
- b) Take No Action.

VI. Rate Design (Volume VI – Twite & Mackenzie)

A. Class Revenue Apportionment

(Please see staff briefing papers, Volume VI, pp. 6-14)

1. Adopt the ALJ's recommendation to use the Department's recommended class revenue apportionment with the modifications described in paragraph 776 of the ALJ's Report. (ALJ)
2. Reject the ALJ's recommendation and adopt Xcel's recommended class revenue apportionment as set forth in its Rebuttal testimony. (Xcel)
3. Reject the ALJ's recommendation and adopt Xcel's alternative class revenue apportionment as set forth in its Exceptions. (Xcel alternate)
4. Modify Finding 775 of the ALJ Report as proposed on pages 36 and 37 of Xcel's Exceptions to the ALJ's Report. (Xcel)
5. Reject the ALJ's recommendation and adopt the Department's recommended class revenue apportionment as set forth in its Surrebuttal testimony. (The Department)
6. Reject the ALJ's recommendation and adopt the OAG's proposal to proportionally increase revenues as set forth in Exhibit 375 (Nelson Direct). (OAG)
7. Modify Findings 775 and 776 of the ALJ Report as proposed on pages 27 and 28 of the OAG's Exceptions to the ALJ's Report. (OAG)
8. Reject the ALJ's recommendation and require Xcel to rerun the CCOSS according to the Commission's final specifications. Set class revenue responsibility to match the cost of service for that class as determined by the Commission-approved CCOSS. (MCC, XLI)

B. Revenue Apportionment Adjustment Calculation

(Please see staff briefing papers, Volume VI, pp. 14-17)

1. If the Commission alters Xcel's requested revenue requirement, adjust the class revenue apportionment using the formula described in Exhibit 105 (Huso Direct). (ALJ, Department, Xcel)
2. If the Commission alters Xcel's requested revenue requirement, adjust the class revenue apportionment using the formula described in Staff's comment on page 13. (Staff adjustment alternative)

C. Customer Charge

(Please see staff briefing papers, Volume VI, pp. 19-29)

1. Adopt the ALJ's recommendation to maintain the existing customer charges for Residential and Small General Service customers. (ALJ, AARP, CEI, ECC, OAG)
2. Reject the ALJ's recommendation and increase the customer charge for both Residential and Small General Service customers by \$0.50. (Department)
3. Reject the ALJ's recommendation and increase the customer charge by \$1.25 for Residential customers and by \$1.50 for Small General Service customers. (Xcel)
4. Modify Findings 812, 813 and 814 of the ALJ Report as proposed on pages 38 and 39 of Xcel's Exceptions to the ALJ's Report. (Xcel)

D. Interruptible Service Discount

(Please see staff briefing papers, Volume VI, pp. 30-36)

1. Reject the ALJ's recommendation and maintain current levels of interruptible service discounts.
2. Adopt the ALJ's recommendation to increase the Level C Performance Factor interruptible service discounts by three percent, and institute corresponding increases for the other performance factors to maintain the current relationship between tiers. (ALJ, Department)
3. Reject the ALJ's recommendation and increase interruptible service discounts by: 6% for classes 1-B, 2-B, and 2-C; 5.9% for class 1-C; 5.4% for class 1-SN; and 1.6% for class 2-A. (Xcel)
4. Modify Finding 828 of the ALJ Report as proposed on pages 37 and 38 of Xcel's Exceptions to the ALJ's Report. (Xcel)
5. Reject the ALJ's recommendation and increase the interruptible service discount for Short Notice interruptible service customers by 21.8%. (XLI)
6. Reject the ALJ's recommendation and increase interruptible service discounts by: 27.6% for class 1-B; 27.5% for classes 1-C and 2-B; 27.4% for class 2-C; 25.0% for class 1-SN; and 7.4% for class 2-A. (MCC)

7. Modify Findings 824, 825, 827 and 828 of the ALJ Report as proposed on pages 14 to 16 of the MCC's Exceptions to the ALJ's Report. (MCC)
8. Reject the ALJ's recommendation and increase or decrease interruptible service discounts by some other amount.

E. Inclining Block Rate

(Please see staff briefing papers, Volume VI, pp. 37-41)

1. Adopt the ALJ's recommendation to approve the process outlined in the IBR Stipulation Agreement (Exhibit 135) with the modifications suggested in paragraph 841 of the ALJ's report. (ALJ)
2. Reject the ALJ's recommendation and approve the process outlined in the IBR Stipulation Agreement (Exhibit 135). (CEI, the Department, ECC, SRA, Xcel)
3. Reject the ALJ's recommendation and replace the process outlined in the IBR stipulation Agreement with a general docket on rate design alternatives for Xcel's residential electric customers as described in the OAG's Exceptions. (OAG's secondary position).
4. Reject the ALJ's recommendation and take no action on IBR. (OAG)
5. Modify Finding 841 of the ALJ Report as proposed on pages 33 and 34 of the OAG's Exceptions to the ALJ's Report. (OAG)

F. Coincident Peak Billing

(Please see staff briefing papers, Volume VI, pp. 42-44)

1. Adopt the ALJ recommendation to deny MCC's proposal for coincident peak billing. (ALJ, Xcel)
2. Reject the ALJ's recommendation and adopt the MCC's proposal to require Xcel to offer coincident peak billing for C&I demand-billed customers that have two or more separate services (each 500 kW or greater) on a single contiguous site. (MCC)
3. Modify Findings 953 and 958 of the ALJ Report as proposed on pages 16 and 17 of the MCC's Exceptions to the ALJ's Report. (MCC)

G. Definition of Contiguous Property

(Please see staff briefing papers, Volume VI, pp. 45-48)

1. Adopt the ALJ recommendation to require Xcel to include the statutory definition of the term “contiguous property,” found in Minn. Stat. 216B.164, Subd. 2a (e), in the Company’s Electric Rate Book, Section No. 6, Sheet No. 19.3. (ALJ)
2. Adopt MCC’s recommendation to require Xcel to include the statutory definition of the term “contiguous property” found in Minn. Stat. 216B.164, Subd. 2a (e): (1) for use in the Company’s Electric Rate Book, Section No. 6, Sheet No. 19.3 (General Rules and Regulations governing Use of Service), (2) in future applications for solar power PPAs, and (3) in the coincident peak billing option proposed by MCC in this rate case. (MCC)
3. Reject the ALJ’s recommendation and adopt the Company’s position that no formal definition for “contiguous property” be adopted as part of the rate case. (Xcel)
4. Reject the ALJ’s recommendation and require Xcel to file a definition of the term “contiguous property” for application in the Company’s Electric Rate Book, Section No. 6, Sheet No. 19.3. (Staff)

H. Renewable Energy Purchase Option

(Please see staff briefing papers, Volume VI, pp. 49-51)

1. Adopt the ALJ recommendation to require Xcel to present a proposal for a “Renew-a-Source” tariff for large industrial customers as part of its next rate case. (ALJ, XLI)
2. Reject the ALJ’s recommendation and require Xcel to work with XLI and other interested stakeholders to develop a renewable energy purchase option program that addresses the goals outlined by XLI in the record of this case, but do not set a specific deadline for filing a tariff proposal. (Xcel)
3. Reject the ALJ’s recommendation and require Xcel to work with the XLI and other interested stakeholders to develop a renewable energy purchase option program that addresses the goals outlined by XLI in the record of this case. The final tariff may, but need not, comply with the specific recommendations provided by XLI in Exhibit 260 (Pollock Direct) at pages 61-62. (Staff)

I. Definition of On-Peak Period

(Please see staff briefing papers, Volume VI, pp. 52-53)

1. Adopt the ALJ recommendation to deny the XLI proposal to modify the definition of “on-peak period” as currently applied in the Company’s time-of-use tariffs. (ALJ, Xcel)
2. Reject the ALJ’s Finding in paragraph 967 and adopt the XLI proposal to modify the definition of “on-peak period” applied in the Company’s time-of-use tariffs by limiting on-peak periods in time-of-use tariffs to summer months (June, July and August). (XLI)

J. Conservation Cost Recovery Charge (CCRC) and the CIP Adjustment Factor

(Please see staff briefing papers, Volume VI, pp. 54-56)

1. Reject the ALJ’s recommendation and reject Xcel’s proposal to zero out the CCRC from base rates and recover all CIP program costs through the monthly CIP Adjustment Factor. (Staff)
2. Adopt the ALJ finding that the record of the case supports the resolution of this issue as agreed to by Xcel and the DOC. (ALJ, Xcel, DOC)
3. If the Commission adopts the ALJ’s finding on this issue, require Xcel to include an explanation of the increase in the CCRA in its customer notice of new rates. (Staff Alternate)

K. Rate Shock

(Please see staff briefing papers, Volume VI, p. 57)

1. Adopt the ALJ’s finding in paragraph 635 to deny the ICI Group’s request to reject an increase to Xcel Energy’s revenue requirement. (ALJ, Xcel)
2. Reject the ALJ’s Finding in paragraph 635 and reject Xcel Energy’s request to increase its revenue requirement. (ICI Group)

L. Resolved Issues Requiring Commission Action

1. Windsorce Rider Decision Alternative

(Please see staff briefing papers, Volume VI, p. 58)

- a) Require Xcel Energy to not change historical data in Windsorce and FCA filings without identifying and providing a justification for the changes. (Department, Xcel)
- b) Require Xcel Energy to clarify in each FCA and Windsorce filing what costs are included in the Windsorce Contract Payments. (Department, Xcel)

2. Standby Service Tariff Decision Alternative

(Please see staff briefing papers, Volume VI, p. 58)

- a) Require Xcel Energy to address the issues raised by Mr. Schedin in his testimony in this case as part of the Commission's generic proceeding on standby service (in Docket No. E-999/CI-15-115). (MCC, Xcel).

M. Resolved Issues and Undisputed Corrections

(Please see staff briefing papers, Volume VI, pp. 59-61)

(Included in Attachment A to the ALJ Report)

- 1. Low-Income Discount Program**
- 2. Level of Economic Development Discounts**
- 3. Nuclear Disposal Fees (2014)**
- 4. Time-of-Day Energy Charges/Energy Charge Credit**
- 5. Firm Service Demand Charges**
- 6. Voltage Discounts**
- 7. Base Energy Charges for the C&I Demand Class**
- 8. DG Tariff Change**
- 9. Low-Income Renter Conservation Program**

VII. Financial (Volume VII – Alonso & Dassinger)

A. Recovery of the Prairie Island EPU Costs

(Please see staff briefing papers, Volume VII, pp. 1–16)

1. Allow the Company to recover the \$78.9 million cost over the 20.3 year life of the plant with a debt return of 2.24%. (ALJ, Xcel, DOC, MCC)
2. Allow the Company to recover the \$78.9 million cost over the 20.3 year life of the plant with no return.
3. Allow the Company to recover the \$78.9 million cost less \$10.1 million previously written off and less \$9.2 million of AFUDC over the 20.3 year life of the plant with no return. (OAG)
4. Do not allow the Company to recover any of the \$78.9 million cost of the PI EPU. (ICI)

B. Babcock & Wilcox Nuclear Energy, Inc. Lawsuit

(Please see staff briefing papers, Volume VII, pp. 17–23)

Information Requests

1. Direct Xcel to provide the OAG with the contracts as requested in IR 642.
2. Direct Xcel to provide the OAG with the relevant sections of the contracts that would govern the interest charges.
3. Direct Xcel to provide discussion and analysis on these interest charges in the first rate case it requests recovery of the interest charges.
4. Require Xcel to make a compliance filing providing all relevant information as to costs and interest paid to BWNE once the lawsuit is resolved and discuss what costs were included as plant in service in the current rate case.
5. Determine that any interest paid to BWNE resulting from these unpaid invoices can't be recovered from ratepayers at any time.

Disputed \$46 million in Rate Base

6. Determine that, based on the information in the OAG's letter, Xcel has not supported its request to include a portion of the disputed \$46 million in rate base at this time so recovery is not allowed in this rate case in the 2014 test year and 2015 Step.
7. Determine that the issues surrounding the contractor dispute should be resolved in a separate docket
8. Require that any costs included in rate base but not paid be refunded as part of either the 2014 or 2015 refunds. If the lawsuit is not resolved at either of those times, then the refund should be made within 60 days after the lawsuit is resolved.

Refund Plan

9. Require Xcel, the Department, the OAG and any other interest party develop the details and procedures of a refund plan for the MYRP that is consistent with the requirement to identify any capital projects included in the MYRP that are canceled or postponed, and file a proposal within 30 days to adjust current rates and refund any costs already collected. Require that a compliance filing describing the resulting plan be made within 45 days of the Order in this docket.

C. Nuclear Refueling Outage Cost Amortization (2015 Step)

(Please see staff briefing papers, Volume VII, pp. 23–29)

1. Determine that no adjustment is required in the 2015 step for the \$5.5 million reduction in nuclear refueling outage cost in 2015. (ALJ, Xcel, DOC)
2. Determine that the 2015 step should include the \$5.5 million reduction in nuclear refueling outage cost in 2015. (OAG)

D. MYRP: Rate Moderation Proposal – DOE Settlement Funds (2015 Step)

(Please see staff briefing papers, Volume VII, pp. 29–35)

1. Allow Xcel to use the excess of the 2013 and 2014 DOE settlement payments over the 2013 and 2014 decommissioning accruals of \$27,843,837 to moderate the rate increase for the 2015 step. (Xcel, DOC)
2. Require Xcel to use the excess of the 2013 DOE settlement payment over the 2013 decommissioning accrual of \$17,621,866 to moderate the rate increase for the 2014 test year and use the excess of the 2014 DOE settlement payment over the 2014 decommissioning accrual of \$10,221,971 to moderate the rate increase of the 2015 step. (Commercial Group)
3. Do not allow Xcel to use any of the DOE settlement funds to moderate its rate increases. (OAG)

E. CWIP/AFUDC

(Please see staff briefing papers, Volume VII, pp. 35–48)

1. Determine that Xcel's calculation of the AFUDC rate complies with FERC requirements and that its policies and procedures for AFUDC are reasonable and the Company should be allowed to continue using those policies and procedures. (ALJ, Xcel)
2. Approve the OAG recommendation that CWIP and AFUDC not be included in rate base and the income statement, respectively, in this case; that the AFUDC rate of 2.62 percent be approved and that it only be applied to CWIP projects in excess of \$25 million. Finally, as required by FERC USOA, projects that are canceled or delayed should not have AFUDC accrued during delays or when canceled. (OAG)
3. Determine that CWIP should not be included in rate base. (Commercial Group)
4. Determine that if CWIP is included in rate base that the inclusion of CWIP be reflected in the ROE approved in this docket, such that as the level of CWIP is increased, ROE is accordingly reduced. (Commercial Group)

F. Return on Nuclear Refueling Outage (NRO) Costs

(Please see staff briefing papers, Volume VII, pp. 48–52)

1. Allow Xcel to include the unamortized NRO costs in rate base and earn the overall allowed rate of return on that balance. (ALJ, Xcel)
2. Allow Xcel (NSP) to continue to use the deferral and amortization method of accounting to set rates but do not allow a return on the unamortized costs. (OAG)

G. Nuclear Theoretical Depreciation Reserve

(Please see staff briefing papers, Volume VII, pp. 53–62)

1. Do not amortize the difference between the actual and theoretical depreciation reserves for the nuclear plant and allow the difference to self-correct over the life of the plant. (Xcel, DOC, OAG)
2. Determine that difference between the actual and theoretical depreciation reserves of \$236.1 million for the nuclear plant should be returned to rate payers by amortizing that difference over five years. (XLI)
3. Determine that difference between the actual and theoretical depreciation reserves of \$114 million for the nuclear plant should be returned to rate payers by amortizing that difference over five years or some other period as determine by the Commission.
4. Allow Xcel to extend the useful life of the nuclear plants between five to ten years beyond the operating license period. (Xcel alternative)

H. MYRP in General

(Please see staff briefing papers, Volume VII, pp. 63–67)

1. Deny the ICI Group's request to limit any rate increase to the 2014 test year. (ALJ, Xcel)
2. Approve the ICI Group's request to limit any rate increase to the 2014 test year. (ICI)

I. Rate Moderation Proposal – TDG Theoretical Depreciation Reserve Surplus

(Please see staff briefing papers, Volume VII, pp. 67–70)

1. Approve accelerated usage of the Theoretical Depreciation Reserve split as a rate moderation tool in this case and determine that the 50/30/20 split should be used. (Xcel, DOC alternate, ALJ)
2. Approve accelerated usage of the Theoretical Depreciation Reserve split as a rate moderation tool in this case and determine that the 50/40/10 split should be used. (DOC)
3. Deny accelerated usage of the Theoretical Depreciation Reserve as a rate moderation tool in this case. (OAG)

J. Depreciation and Plant Retirements in the 2015 Step – Passage of Time (2015 Step)

(Please see staff briefing papers, Volume VII, pp. 70-78)

1. Find that no 2015 Step Year adjustments for Depreciation, Plant Retirements, and Passage of Time are required. (Xcel, ALJ)
2. To reflect 2015 capital retirements of transmission and distribution facilities, find that a 2015 Step Year reduction adjustment of \$535,552 is required. (DOC)
3. To reflect 2015 changes in depreciation due to the passage of time, find that a 2015 Step Year reduction adjustment of \$17.53 million is required. (DOC)

K. Changes to In-Service Dates for Capital Projects (2014 and 2015 Step)

(Please see staff briefing papers, Volume VII, pp. 78–83)

1. Allow inclusion of 2014 Test Year and 2015 Step Year replacement projects specified in Ms. Perkett’s Rebuttal Testimony Schedule 11. (Xcel, ALJ)
2. Deny inclusion of all 2014 Test Year and 2015 Step Year replacement projects. (DOC)

L. Xcel's Interim Rate Proposal

(Please see staff briefing papers, Volume VII, pp. 84-89)

1. Authorize Xcel, in its thirty day compliance filing, to propose netting its test year interim rate revenue refund obligation against its step year interim rate revenue under-collections.
2. Do not authorize Xcel to propose netting its test year interim rate revenue refund obligation against its step year interim rate revenue under-collections.
3. Determine that in Xcel's multi-year rate plan, the date of the Commission's final determination does not control the date upon which the utility is allowed to recover the difference between interim rates and final (step year) rates. Determine the as of date on which Xcel may be allowed to recover the difference between interim and final (step year) rates is March 24, 2015.
4. Determine that in Xcel's multi-year rate plan, the date of the Commission's final determination is the date the Commission issues its initial decision regardless of circumstances and controls the date upon which the utility is allowed to recover the difference between interim rates and final (step year) rates.

M. Interest Rate on Interim Rates Refund

(Please see staff briefing papers, Volume VII, pp. 90-94)

1. Determine that the appropriate interest rate to be paid on a possible interim rate refund should be the prime interest rate, or 3.25%. (Xcel, ALJ – if refund amount is not large)
2. Determine that the appropriate interest rate to be paid on a possible interim rate refund should be based on the Company's rate of return . (OAG, CG, ALJ – if refund amount is large)
3. Determine that the appropriate interest rate to be paid on over-collections older than twelve months should be based on the Company's rate of return and, conversely, the appropriate interest rate to be paid on over-collections than twelve months old should be the prime interest rate, or 3.25%. (Staff)

N. Fuel Cost Recovery Reform

(Please see staff briefing papers, Volume VII, pp. 95–99)

1. Determine that Fuel Cost Recovery Reform decisions should be made in the AAA docket. (Xcel, ALJ)
2. Require the Company to propose a new FCA mechanism in the next rate case or within 90 days of the Commission’s order in this rate case, whichever is sooner. (XLI)
3. Require the Company to propose a new FCA structure that addresses concerns raised in this rate case if the matter has not been resolved in the AAA docket by the time Xcel files its next rate case. (MCC)

O. Sherco 3 Outage – Replacement Fuel Costs

(Please see staff briefing papers, Volume VII, pp. 100–101)

1. Find that recovery of the Sherco 3 Outage’s Replacement Fuel Costs should be addressed in the AAA docket. (Xcel, ALJ)
2. Find that recovery of the Sherco 3 Outage’s Replacement Fuel Costs should be addressed in the this docket and order that these costs be capitalized and recovered over the life of the plant. (MCC)

P. Black Dog Units 2 and 5 Outage Costs

(Please see staff briefing papers, Volume VII, pp. 102–103)

1. Determine that no disallowance for investments or operating costs is needed. (Xcel, ALJ)
2. Disallow \$24,104 for investments and \$1.84 million for operating costs. (XLI)

VIII. General Housekeeping & Compliance Issues

(Please see staff briefing papers, Volume I, p. 7)

1. State that the final order in this docket shall contain summary financial schedules including: a calculation of Xcel's authorized cost of capital, a rate base summary, an operating income statement summary, a gross revenue deficiency calculation, and a statement of the total allowed revenues. Direct parties to work with Commission staff to prepare such schedules for inclusion in the Order, should modifications be necessary to reflect the Commission's final decision.
2. Require Xcel to make the following compliance filings within 30 days of the date of the final order in this docket:
 - a) Revised schedules of rates and charges reflecting the revenue requirement and the rate design decisions herein, along with the proposed effective date, and including the following information:
 - (1) Breakdown of Total Operating Revenues by type;
 - (2) Schedules showing all billing determinants for the retail sales (and sale for resale) of electricity. These schedules shall include but not be limited to:
 - (a) Total revenue by customer class;
 - (b) Total number of customers, the customer charge and total customer charge revenue by customer class; and
 - (c) For each customer class, the total number of energy and demand related billing units, the per unit energy and demand cost of energy, and the total energy and demand related sales revenues.
 - (3) Revised tariff sheets incorporating authorized rate design decisions;
 - (4) Proposed customer notices explaining the final rates, the monthly basic service charges, and any and all changes to rate design and customer billing.
 - b) A revised base cost of energy, supporting schedules, and revised fuel adjustment tariffs to be in effect on the date final rates are implemented.
 - c) A summary listing of all other rate riders and charges in effect, and continuing, after the date final rates are implemented.
 - d) Direct Xcel to file a computation of the CCRC based upon the decisions made herein for inclusion in the final Order. Direct Xcel

to file a schedule detailing the CIP tracker balance at the beginning of interim rates, the revenues (CCRC and CIP Adjustment Factor) and costs recorded during the period of interim rates, and the CIP tracker balance at the time final rates become effective

- e) If final authorized rates are lower than interim rates, a proposal to make refunds of interim rates consistent with the Commission's decision in this proceeding, to affected customers.
- 3.** Authorize comments on all compliance filings within 30 days of the date they are filed. However, comments are not necessary on Xcel Energy's proposed customer notice.