

REVENUE REQUIREMENTS ANALYSIS:		Updated values highlighted in orange																																																	
1	Footage scaler	0.138																																																	
2	Allowed main footage	11.1																																																	
3	Allowed service footage	10.4																																																	
4	Main cost per foot	\$48.95																																																	
5	Incremental service cost	\$16.04																																																	
6	Incremental main and service cost	\$708																																																	
7	Fixed service cost	\$871																																																	
8	Meter cost	\$815																																																	
9	Capital cost at allowed footage:	\$2,394																																																	
		Rate	Year Placed in Service	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25																								
10	Beginning Balance	\$0	\$2,345	\$2,247	\$2,150	\$2,052	\$1,954	\$1,856	\$1,759	\$1,661	\$1,563	\$1,466	\$1,368	\$1,270	\$1,172	\$1,075	\$977	\$879	\$782	\$684	\$586	\$489	\$391	\$293	\$195	\$98																									
11	Depreciation expense (excl. salvage)	\$49	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98																								
12	Ending Balance - Net Plant	\$2,345	\$2,247	\$2,150	\$2,052	\$1,954	\$1,856	\$1,759	\$1,661	\$1,563	\$1,466	\$1,368	\$1,270	\$1,172	\$1,075	\$977	\$879	\$782	\$684	\$586	\$489	\$391	\$293	\$195	\$98	\$0																									
13	Average Net Plant	\$1,172	\$2,296	\$2,198	\$2,101	\$2,003	\$1,905	\$1,808	\$1,710	\$1,612	\$1,514	\$1,417	\$1,319	\$1,221	\$1,124	\$1,026	\$928	\$830	\$733	\$635	\$537	\$440	\$342	\$244	\$147	\$49																									
14	Tax Depreciation rate (20 year MACRS)	3.750%	7.219%	6.677%	6.177%	5.713%	5.285%	4.888%	4.522%	4.462%	4.461%	4.462%	4.461%	4.462%	4.461%	4.462%	4.461%	4.462%	4.461%	4.462%	4.461%	2.231%																													
15	Tax Depreciation amount	\$90	\$173	\$160	\$148	\$137	\$127	\$117	\$108	\$107	\$107	\$107	\$107	\$107	\$107	\$107	\$107	\$107	\$107	\$107	\$107	\$107	\$53	\$0	\$0	\$0	\$0																								
16	Book - Tax Depr difference	(\$41)	(\$75)	(\$62)	(\$50)	(\$39)	(\$29)	(\$19)	(\$11)	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)	(\$9)	\$44	\$98	\$98	\$98	\$98																								
17	Cumulative difference	(\$41)	(\$116)	(\$178)	(\$228)	(\$287)	(\$335)	(\$385)	(\$434)	(\$482)	(\$529)	(\$576)	(\$623)	(\$670)	(\$717)	(\$764)	(\$811)	(\$858)	(\$905)	(\$952)	(\$1,000)	(\$1,047)	(\$1,094)	(\$1,141)	(\$1,188)	(\$1,235)	(\$1,282)	(\$1,329)																							
18	Accum Def tax	28.74%	(\$12)	(\$33)	(\$51)	(\$66)	(\$77)	(\$85)	(\$91)	(\$94)	(\$96)	(\$99)	(\$102)	(\$104)	(\$107)	(\$109)	(\$112)	(\$115)	(\$117)	(\$120)	(\$122)	(\$125)	(\$127)	(\$129)	(\$131)	(\$133)	(\$135)																								
19	Average ADIT	(\$6)	(\$23)	(\$42)	(\$58)	(\$71)	(\$81)	(\$88)	(\$92)	(\$95)	(\$98)	(\$100)	(\$103)	(\$105)	(\$108)	(\$111)	(\$113)	(\$116)	(\$119)	(\$121)	(\$124)	(\$127)	(\$129)	(\$131)	(\$133)	(\$135)	(\$137)																								
20	Rate Base	\$1,167	\$2,274	\$2,156	\$2,042	\$1,932	\$1,824	\$1,720	\$1,618	\$1,517	\$1,417	\$1,316	\$1,216	\$1,116	\$1,016	\$915	\$815	\$715	\$614	\$514	\$414	\$321	\$244	\$174	\$104	\$35																									
21	Return Requirement @ 9.19% (pre-tax cost of capital)	\$107	\$209	\$198	\$188	\$178	\$168	\$158	\$149	\$139	\$130	\$121	\$112	\$103	\$93	\$84	\$75	\$66	\$56	\$47	\$38	\$30	\$22	\$16	\$10	\$3																									
22	Customer accounts and O&M expenses	\$50	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101	\$101																								
23	Depreciation Expense	\$49	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98	\$98																								
24	Salvage	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$637																								
25	Property Taxes	3.75%	\$44	\$86	\$82	\$79	\$75	\$71	\$68	\$64	\$60	\$57	\$53	\$49	\$46	\$42	\$38	\$35	\$31	\$27	\$24	\$20	\$16	\$13	\$9	\$5	\$2																								
26	Total Revenue Requirement	\$250	\$493	\$479	\$465	\$451	\$437	\$424	\$411	\$398	\$385	\$372	\$359	\$347	\$334	\$321	\$308	\$295	\$282	\$269	\$256	\$244	\$233	\$223	\$213	\$840																									
27	Gas usage per customer (therms)	762	381.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00	762.00																								
28	Annual usage reduction	0.000																																																	
29	Distribution Charge/Therm	\$ 0.38024	\$145	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290	\$290																								
30	Customer Charge/year	\$108	\$54	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108																								
31	(Non-gas) average annual revenue		\$199	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398	\$398																								
32	Revenue excess (deficiency)		(\$51)	(\$96)	(\$81)	(\$67)	(\$53)	(\$40)	(\$26)	(\$13)	(\$0)	\$12	\$25	\$38	\$51	\$64	\$77	\$90	\$103	\$116	\$128	\$141	\$154	\$164	\$174	\$184	(\$442)																								
33	NPV of revenue excess (deficiency)	\$0																																																	
Notes:		<p>Cost of capital <a href="https://www.edockets.state.mn.us/documents/%7B80B3C995-0000-C83D-9C8C-0369AD433613%7D/download?contentSequence=0&amp;rowIndex=5">https://www.edockets.state.mn.us/documents/%7B80B3C995-0000-C83D-9C8C-0369AD433613%7D/download?contentSequence=0&amp;rowIndex=5</a></p> <table border="1"> <thead> <tr> <th>Type</th> <th>Structure</th> <th>Cost</th> <th>Weighted cost</th> <th>Pre-Tax</th> </tr> </thead> <tbody> <tr> <td>Long Term Debt</td> <td>46.87%</td> <td>4.46%</td> <td>2.09%</td> <td>2.09%</td> </tr> <tr> <td>Short Term Debt</td> <td>0.63%</td> <td>5.01%</td> <td>0.03%</td> <td>0.03%</td> </tr> <tr> <td>Common Stock Equity</td> <td>52.50%</td> <td>9.60%</td> <td>5.04%</td> <td>7.07%</td> </tr> <tr> <td>Total</td> <td>100.00%</td> <td></td> <td>7.16%</td> <td>9.19%</td> </tr> </tbody> </table> <p>Income tax rate 28.74%</p> <p>Tax allowance rate 40.34%</p> <p>1 Scaler used to determine footage allowance = \$0 NPV</p> <p>2 Existing main footage allowance times scaler</p> <p>3 Existing service footage allowance times scaler</p> <p>4 One half of the 2022-2024 average per-foot main installation cost (CEO IR 4)</p> <p>5 2024 Residential incremental per-foot service installation cost (CEO IR 1) (per Xcel fixed/incremental cost methodology)</p> <p>6 (Line 2 x line 4) + (line 3 x line 5)</p> <p>7 2024 residential fixed service line cost (per Xcel fixed/incremental cost methodology)</p> <p>8 Xcel's stated meter installation cost (Xcel Reply Comments, Attachment B)</p> <p>9 Sum: lines 6-8</p> <p>10 Prior year ending balance for net plant. \$0 for the year extension made</p> <p>11 Average depreciation rate for distribution plant applied to investment for extension</p> <p>12 Line 10 - line 11</p> <p>13 Average, lines 10 and 12</p> <p>14 Annual tax depreciation rate</p> <p>15 Line 14 applied to investment for extension</p> <p>16 Line 11 - line 15</p> <p>17 Cumulative amount of line 16</p> <p>18 Line 17 times tax rate of 28.74%</p> <p>19 Average amount of line 18</p> <p>20 Line 13 plus line 19</p> <p>21 Line 20 times pre-tax cost of capital</p> <p>22 Xcel distribution O&amp;M costs (1.8% of total plant) + Xcel customer accounts and information expenses (CEO IR 6)</p> <p>23 Line 11</p> <p>24 Net salvage value using Xcel's assumption of -15% of capital cost for mains and -30% of capital costs for services and meters</p> <p>25 Property tax rate (3.75%) times average net plant</p> <p>26 Sum: lines 21-25</p> <p>27 Xcel 2024 test year sales forecast, modified to reflect lower average new home usage (Xcel's 2020 Residential Home Use Study)</p> <p>28 Household gas usage reduction by 2050 (zero in this case)</p> <p>29 Average Distribution Charge</p> <p>30 Annual Customer Charge</p> <p>31 (Line 27 x line 29) + line 30</p> <p>32 Line 31 minus line 26</p> <p>33 Net present value of line 32 (discount rate = weighted cost of capital)</p>																									Type	Structure	Cost	Weighted cost	Pre-Tax	Long Term Debt	46.87%	4.46%	2.09%	2.09%	Short Term Debt	0.63%	5.01%	0.03%	0.03%	Common Stock Equity	52.50%	9.60%	5.04%	7.07%	Total	100.00%		7.16%	9.19%
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- Public Document

Xcel Energy Information Request No. 10  
 Docket No.: G999/CI-21-565  
 Response To: Clean Energy Organizations  
 Requestor: Amelia Vohs  
 Date Received: August 12, 2025

Question:

Please reference Xcel reply comments at page 10, which state: “The mains and services costs addressed in these IR responses included costs for both new and replacement projects. Replacement projects may include costs for system reinforcements, reconstruction, and restoration work that is not and should not be included in the Company’s cost per footage of new construction for mains and service extensions.”

Please complete the following table detailing the installation costs for all 2-inch distribution mains installed in the company’s Minnesota service area over the last five years, separating new and replacement projects. Installation costs should include all associated materials and labor costs.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Footage of 2-inch mains installed in new construction					
Footage of 2-inch mains installed in replacement projects					
Total footage of 2-inch mains installed	757,158	436,888	214,865	301,438	148,556
2-inch main installation costs in new construction					
2-inch main installation costs in replacement projects					
Total 2-inch main installation costs	\$32,821,216	\$20,910,846	\$26,505,121	\$24,324,242	\$14,264,068

Response:

Please see the table below.

	2020	2021	2022*	2023	2024*
Footage of 2-inch mains installed in new construction	89,048	102,849		135,800	168,892
Footage of 2-inch mains installed in replacement projects	668,110	334,039		165,638	
Total footage of 2-inch mains installed	757,158	436,888	214,865	301,438	
2-inch main installation costs in new construction	\$1,053,110	\$1,342,578		\$2,574,056	\$2,042,519
2-inch main installation costs in replacement projects	\$31,768,106	\$19,568,268		\$21,750,186	
Total 2-inch main installation costs	\$32,821,216	\$20,910,846	\$26,505,121	\$24,324,242	
*The Company is unable to locate a breakdown for 2022.and 2024.					

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Preparer:	Gerold Traut	Sean Walker
Title:	Manager, Gas Business Development	Director, Contracting & Utility Svcs
Department:	NSPM Gas Business Development	Gas Contracting NSP
Telephone:	218-825-2305	651-229-2360
Date:	August 25, 2025	

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- Public Document – Not-Public Data Has Been Excised
- Public Document

Xcel Energy Information Request No. 11  
 Docket No.: G999/CI-21-565  
 Response To: Clean Energy Organizations  
 Requestor: Amelia Vohs  
 Date Received: August 12, 2025

Question:

Please reference Xcel reply comments at page 10, which state: “The mains and services costs addressed in these IR responses included costs for both new and replacement projects. Replacement projects may include costs for system reinforcements, reconstruction, and restoration work that is not and should not be included in the Company’s cost per footage of new construction for mains and service extensions. [...] Additionally, the service line costs of \$21.38 per foot that the Javelina Energy Report states as the actual 2024 cost includes the total cost of all customer classes and not just the Residential class, and therefore is not directly comparable nor appropriate to use as a Residential Service cost.”

Complete the following table detailing service line installation costs for new Residential customers in the company’s Minnesota service area over the last three years. Installation costs should include all associated materials and labor costs.

	2022	2023	2024
Number of new residential service lines installed			
Feet of new residential service lines installed			
Total new residential service lines installation costs			

Response:

See table below

	2022	2023	2024
Number of new residential service lines installed	6,481	<u>4,574</u>	<u>3,574</u>
Feet of new residential service lines installed	569,412	538,311	450,811
Total new residential service lines installation costs	\$10,588,260	\$7,144,782	\$7,412,216

Preparer: Gerold Traut  
 Title: Manager, Gas Business Development  
 Department: NSPM, Gas Business Development  
 Telephone: 218-825-2305  
 Date: August 25, 2025



sales volume and customer count used to calculate the amount can be found on Schedule 2, Page 1 of our March 24, 2025 Final Rates Compliance filing.

- B. Yes, this statement refers to the Residential Extension Model (REM).
- C. In Minnesota, Xcel Energy installed 147 residential main extensions. These extensions collectively serve a total of 2,488 lots, with 654 first-year service connections. The Company noted there were 3,574 new residential service connections in our response to Information Request CEO-11. The remaining 2,920 residential service connections were on existing main.
- D. Of the 147 main extensions in 2024, Xcel Energy had 16 Residential Extension Model calculation projects. These 16 REM models collectively serve a total of 76 lots, with 42 first-year services.

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Preparer: Gerold Traut  
Title: Manager, Gas Business Development  
Department: Gas Business Development  
Telephone: 218-838-2127  
Date: August 25, 2025