

Rebuttal Testimony
Allen D. Krug

Before the Minnesota Public Utilities Commission
State of Minnesota

In the Matter of the Petition of the City of Slayton for the Determination of
Compensation for City Acquisition of Xcel Energy Electric Service Territory

MPUC Docket No. E002, PT-7157/SA-25-129
CAH Docket No. 22-2500-40870

Rebuttal Testimony of Allen D. Krug

January 9, 2026

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1 **I. INTRODUCTION**

2

3 Q. PLEASE STATE YOUR NAME AND OCCUPATION.

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

7

8 Q. ARE YOU THE SAME ALLEN D. KRUG WHO PREVIOUSLY PROVIDED DIRECT
9 TESTIMONY IN THIS PROCEEDING?

10 A. Yes. My Direct Testimony was filed on November 21, 2025.

11

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

13 A. In my Rebuttal Testimony, I respond to the Direct Testimony of City of
14 Slayton's (City or Slayton) witness David A. Berg regarding the responsibilities
15 and status of an employee serving Slayton. I also address a public comment filed
16 on December 11, 2025.

17

18 **II. STAFFING**

19

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

21 A. In this section of my Rebuttal Testimony, I respond to City witness Berg's
22 testimony regarding the responsibilities of an Xcel Energy employee currently
23 living in Slayton.

1 **A. Xcel Energy Employee**

2 Q. PLEASE DESCRIBE CITY WITNESS BERG’S TESTIMONY REGARDING THE XCEL
3 ENERGY EMPLOYEE LIVING IN SLAYTON.

4 A. City witness Berg alleges “Slayton has a dedicated employee located in
5 Slayton.”¹ He concludes that if Xcel Energy no longer serves Slayton, the
6 employee could be reassigned to another area of Xcel Energy’s system, or the
7 position could be eliminated. City witness Berg calculates that this would result
8 in an adjustment of negative 5.6 mills to the lost revenue calculation.

9
10 Q. DOES THE COMPANY AGREE WITH CITY WITNESS BERG’S ADJUSTMENT
11 RELATED TO THE DEDICATED EMPLOYEE?

12 A. No. At the outset, I note that City witness Berg has recommended a total lost
13 revenue amount of 4.2 mills, and an adjustment of negative 5.6 mills related to
14 a single Xcel Energy employee. The argument that the potential cost savings of
15 a single employee could be greater than the lost revenues of an entire
16 community is not reasonable. As noted by Company witness Lisa R. Peterson,
17 customers in Slayton currently pay approximately \$3 million in revenues each
18 year.² Whether the Company has one more or less employee does not offset
19 those revenues in any meaningful way.

20
21 Further, City witness Berg’s analysis is based on assumptions about this
22 employee that are not correct.

23
24 Q. DOES SLAYTON HAVE A DEDICATED EMPLOYEE?

¹ Direct Testimony of David Berg on Behalf of the City of Slayton at 35:3–4 (Nov. 21, 2025) (Berg Direct).

² Direct Testimony of Lisa A. Peterson at 20:1–4 (Nov. 21, 2025) (Peterson Direct).

1 A. No. There is not a dedicated Xcel Energy employee who exclusively serves the
2 City of Slayton. As Company witness John I. Marshall stated in his Direct
3 Testimony, Xcel Energy employees prudently and cost-effectively serve
4 customers in Slayton and the surrounding area.³

5
6 Q. WHAT POSITION IS CITY WITNESS BERG REFERRING TO?

7 A. I believe that City witness Berg is referring to the position of District
8 Representative. District Representatives are responsible for addressing a variety
9 of issues, including responding to emergency calls, helping new customers start
10 service, trimming vegetation threatening power lines, and addressing animal-
11 caused outages. District representatives in this region are typically responsible
12 for a geographic area of approximately 708 square miles.

13
14 Q. IS A DISTRICT REPRESENTATIVE “ASSIGNED” SPECIFICALLY TO SLAYTON?

15 A. No. The District Representative in the area covers Slayton and other
16 communities, including Pipestone, Holland, Edgerton, Florence, Balaton,
17 Currie, Chandler, and Tracy. The District Representative for the area is not
18 “assigned” or “dedicated” to Slayton but coincidentally happens to live in
19 Slayton.

20
21 Q. DID THE DISTRICT REPRESENTATIVE FOR THE SLAYTON AREA RETIRE?

22 A. No. The Company cannot speculate on the retirement plans of any employees,
23 but at this time the District Representative who happens to live in Slayton has
24 not retired. City witness Berg’s statement that this employee retired is incorrect.⁴

³ Direct Testimony of John I. Marshall at 13:3–9 (Nov. 21, 2025) (Marshall Direct).

⁴ Berg Direct at 36:1–2.

1
2 Q. IF THE DISTRICT REPRESENTATIVE FOR THE AREA RETIRES OR LEAVES THE
3 POSITION, WILL XCEL ENERGY HIRE A NEW DISTRICT REPRESENTATIVE?

4 A. Yes. If the District Representative were to leave or retire, Xcel Energy intends
5 to fill the position.
6

7 Q. IF SLAYTON WERE TO LEAVE XCEL ENERGY'S SYSTEM, WOULD XCEL ENERGY
8 ELIMINATE THE DISTRICT REPRESENTATIVE POSITION?

9 A. No, if Slayton were to leave Xcel Energy's system, the Company would continue
10 to staff the District Representative position. Following Slayton's exit, the
11 District Representative would be responsible for the remaining communities
12 within the coverage area that I describe above. There would be no reduction in
13 cost related to this specific employee.
14

15 Q. WHAT IS YOUR RECOMMENDATION REGARDING CITY WITNESS BERG'S
16 DOWNWARD ADJUSTMENT FOR THE "DEDICATED EMPLOYEE"?

17 A. City witness Berg's adjustment is unreasonable and based on incorrect facts and
18 assumptions. It should be rejected.
19

20 **B. Public Comment**

21 Q. PLEASE DESCRIBE THE PUBLIC COMMENT FILED INTO THIS DOCKET ON
22 DECEMBER 11, 2025.

23 A. A public comment was filed on December 11, 2025 by a customer stating that
24 they had contacted Xcel Energy with concerns that were not appropriately
25 resolved.
26

27 Q. HAS THE COMPANY FOLLOWED UP ON THIS PUBLIC COMMENT?

1 A. Yes. Without divulging any private information about this customer, as soon as
2 the Company saw this public comment, we started investigating the situation
3 and took steps to reach out to the customer.

4
5 Q. HAS THE CUSTOMER'S CONCERN BEEN RESOLVED?

6 A. Yes. The Company contacted the customer and completed work at the
7 customer site to resolve the concern.

8
9 Q. WHAT WERE THE RESULTS OF YOUR INVESTIGATION?

10 A. Upon reviewing the public comment, the Company was concerned about the
11 possibility that a customer contacted the Company and did not receive the
12 assistance requested. The Company attempted to determine what happened.
13 The Company has reviewed its records, and there is no record that the customer
14 previously contacted the Company with this concern. While I do not know what
15 led to the miscommunication in this situation, the Company has now made
16 contact with the customer, and the situation is resolved.

17
18 Q. DOES THIS PUBLIC COMMENT HAVE ANY BEARING ON THE JUST COMPENSATION
19 TO BE SET IN THIS CASE?

20 A. No. I provide this information to ensure that the Administrative Law Judge and
21 the Commission have an update on the situation. As soon as Xcel Energy
22 became aware of the situation, we took steps to contact the customer and
23 resolve the issue.

III. CONCLUSION

1

2

3 Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?

4 A. Yes, it does.