



414 Nicollet Mall  
Minneapolis, MN 55401

November 3, 2023

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, Minnesota 55101

—Via Electronic Filing—

RE: 2022 ANNUAL COMPLIANCE REPORT  
REGULATORY TREATMENT OF NET OPERATING LOSS  
DOCKET NOS. E002/GR-10-971 AND E002/GR-21-630

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, submits the attached 2022 Annual Compliance Report as required by paragraph 11 of the Commission's May 14, 2012 ORDER in Docket No. E002/GR-10-971.

In this report we provide:

- The 2022 actual Deferred Tax Asset balance as provided in our Jurisdictional Annual Report submitted May 1, 2023 in Docket No. E,G999/PR-23-4;
- A discussion of the 2022 amounts with respect to the 2022 test year from our 2022 MYRP electric rate case (Docket No. E002/GR-21-630); and
- Schedules supporting our calculations and itemizing the different types of accelerated deductions and expenses included in the 2022 Cost of Service Study (COSS) used to support the Company's May 1, 2023 Jurisdictional Annual Report process.

We have electronically filed this document with the Minnesota Public Utilities Commission and copies have been served on the parties on the attached service lists.

Please contact Benjamin Halama at (612) 330-5703 or [benjamin.halama@xcelenergy.com](mailto:benjamin.halama@xcelenergy.com) or me at (612) 337-2268 or [amber.r.hedlund@xcelenergy.com](mailto:amber.r.hedlund@xcelenergy.com) if you have any questions regarding this matter.

Sincerely,

/s/

AMBER R. HEDLUND  
MANAGER, REGULATORY PROJECT MANAGEMENT & RATE CASES

Attachments  
c: Service Lists

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Valerie Means	Commissioner
Matthew Schuerger	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

IN THE MATTER OF THE APPLICATION  
OF NORTHERN STATES POWER  
COMPANY D/B/A XCEL ENERGY FOR  
AUTHORITY TO INCREASE RATES FOR  
ELECTRIC SERVICE IN THE STATE OF  
MINNESOTA

DOCKET NO. E002/GR-10-971  
DOCKET NO. E002/GR-21-630

**ANNUAL COMPLIANCE REPORT**

**INTRODUCTION**

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission (Commission) this annual compliance report regarding the Company's treatment of the established Deferred Tax Asset (DTA) balances associated with the regulatory treatment of Net Operating Loss (NOL) for 2022 for the Minnesota retail jurisdiction electric utility operations as ordered in Docket No. E002/GR-10-971.

This annual report demonstrates our compliance with the terms of the NOL Agreement, presents a Tracker that documents our DTA, and quantifies the annual revenue requirement impact.

Since the NOL Agreement is only related to Minnesota retail jurisdiction electric utility operations, this report does not address the regulatory treatment of the NOL related to the gas utility.

Under our NOL Agreement, we are required to track and return to customers any excess revenue requirement associated with the DTA compared to the level recovered in base rates. Based on the information contained in the Company's May 1, 2023 Jurisdictional Annual Report, in Attachment A to this Annual Report for the year 2022, the DTA increased, but did not increase as much as forecasted in base rates, so a refund is due to customers.

In this filing we discuss the reasons for the change in DTA balance, and provide the following:

- The 2022 actual DTA balance as provided in our Jurisdictional Annual Report submitted May 1, 2023 in Docket No. E,G999/PR-23-4 (see Attachment A to this filing for page E-14B from the 2022 Jurisdictional Annual Report);
- A discussion of the 2022 amounts with respect to the 2022 test year from our 2022-2024 MYRP electric rate case (Docket No. E002/GR-21-630);
- Schedules supporting our calculations and itemizing the different types of accelerated deductions and expenses included in the 2022 Cost of Service Study (COSS) used to support the Company's May 1, 2023 Jurisdictional Annual Report process.

## **ANNUAL REPORT**

### **A. Background**

The NOL Agreement reflects the agreement between the Company and the Department of Commerce for treatment of the NOL that was reached during the hearing in Docket No. E002/GR-10-971. The NOL Agreement was accepted by the Commission in that same docket and included in the Commission's May 14, 2012 FINDINGS OF FACT, CONCLUSIONS, AND ORDER. The NOL Agreement included projections for both the levels of the DTA and the time for utilization of the DTA. In order to track actual DTA levels (which can vary from projections based on actual results), the NOL Agreement also established an annual compliance filing requirement, along with the DTA Tracker.

To establish a complete DTA balance record, this compliance report starts with our 2010 Jurisdictional Annual Report balances, which was the first year the Company reported a DTA associated with a NOL tax position.

### **B. NOL Agreement Compliance**

In this section, we outline our compliance with the various requirements of our NOL Agreement. Specifically, we state each requirement and outline our response, providing references to supporting attachments as appropriate.

1. *Begin reflecting in our 2011 Minnesota jurisdictional annual report (filed on May 1, 2012), a deferred tax asset estimated to be \$197 million at the end of 2011 based on the test year amounts as shown on Mr. Robinson's Schedules 4 and 5, page 2 of 4, lines 29 and 30, which amount shall be trued up for actual results in the May 1 Report for the Minnesota Electric jurisdiction.*

We have provided this information on Page E-14B of our 2022 Jurisdictional Annual Report filed May 1, 2023. For convenience, we provide as Attachment A to this Annual Report Page E-14B as filed. In addition, we note that we also provide a historical summary of DTA balances and annual activity previously reported, beginning with the first DTA balance established in 2010, as Attachment B, page 1 of 3, to this Annual Report.

2. *Establish a regulatory liability on the Company's books each year, beginning in 2012, for the revenue requirements associated with the consumption of the deferred tax asset that is projected to occur in that year, based on the budget data included in the jurisdictional annual report in order to ensure that these amounts are reflected as being owed to customers as they are consumed.*

As discussed in items 4.c. below, the deferred tax asset increased more than forecasted in 2022. Therefore, a refund obligation was created for 2022.

3. *Provide that this agreement extends through all future periods until such time as the deferred tax asset is fully consumed and the total aggregate revenue requirements associated with the consumption are returned either as a refund or a reduction to customer rates.*

With the first compliance report under the NOL Agreement made on May 31, 2012, the Company provided our Tracker that established the DTA balances related to unused tax credits and depreciation deductions. The revenue requirement associated with the generation of unused deductions and unused production tax credit (PTC) balances is currently an increase to customer rates per Attachment B, page 3 of 3 and is assessed in this compliance filing on an annual basis for any potential refund.

4. *File on May 31 of each year, until such time that the deferred tax asset balance is fully reversed, a compliance report of the 1) deferred tax asset associated with the unused tax deductions and production tax credit (PTC) carry forward balances; 2) the deferred tax liability associated with the year-by-year net change in bonus tax depreciation as provided by the December 2010 tax law change; and, 3) the revenue requirement effect of the actual utilization of the balances listed in 1 and 2 above. The projected cumulative revenue requirement established in the 2011 rate case test year is approximately \$60 million through the year 2015.*

*The compliance report shall be based upon the Company's annual report filed with the Department of Commerce and the Commission each May 1 and shall, if applicable, include a proposed refund plan to return to ratepayers the revenue requirement effect associated with the utilization of these deferred tax benefits. If there is not a refund required for any year, the Company must clearly explain why this occurred, and explain any changes in the amounts estimated in Mr. Robinson's Rebuttal Testimony on page 17, Table 3 which identified the \$58.2 million in total (and as shown*

*on Xcel Energy's Attachment 1 of approximately \$60 million in total) along with estimated annual amounts to be given back to ratepayers over the period 2012 to 2015.*

We provide as Attachment B to this Annual Report:

- A summary of our reported NOL-related DTA balance and annual activity included in previous reports for the period 2010 through the end of year 2021 (page 1 of 3);
- The NOL-related DTA balance and annual activity for the Minnesota retail jurisdiction electric utility operations for the period January 1, 2022 through December 31, 2022 (page 2 of 3);
- The NOL-related DTA balance and annual activity for the Minnesota retail jurisdiction electric utility operations 2022 test year (page 3 of 3).

We note that item 4(2) above (*the deferred tax liability associated with the year-by-year net change in bonus tax depreciation as provided by the December 2010 tax law change*), as indicated in the Company's initial annual report on May 31, 2012, continues to be calculated as part of our base data used to perform the Cost of Service Study and to determine the appropriate level of deductions and credits that are required to be carried forward to future periods.

We provide as Attachment C to this Annual Report a comprehensive breakdown of all the components of depreciation and removal used to determine taxable income in the Company's 2022 COSS.

As detailed in Attachment C, plant investment-related depreciation and removal deductions for 2022 exceeded \$1,310 million for the Minnesota retail jurisdiction, of which \$15.7 million was derived from additional qualifying bonus depreciation. Due to the magnitude of tax depreciation deductions, the Company has been prevented from being able to monetize other tax benefits such as tax credits. The Company must prioritize tax depreciation deductions before tax credit utilization, and due to the consistently large tax depreciation deductions, an additional \$180.7 million of federal credits were deferred and carried forward to future periods.

We discuss NOL actual activity to date, the projected balance additions and utilization, and the amounts expected to be returned to customers in more detail below.

a. NOL Activity to Date

As outlined in Attachment B, page 1 of 3 to this Annual Report, our cumulative

NOL activity through December 31, 2021 resulted in no NOL DTA balance and no deduction to be carried forward to 2022. The accumulation of Federal and State tax credits unused to date resulted in a \$492 million DTA at the end of 2021, which rolled forward into the 2022 DTA beginning balance.

The 2021 tax return filed during 2022 included \$44.9 million in deductions not accrued for on December 31, 2021. This amount was adjusted in 2022 when the tax return was filed and increases the DTA balance in 2022 by \$12.5 million. This prior period activity was offset in the current-year deferred taxes.

With respect to 2022 current-year activity:

Information pertaining to the 2022 current-year activity is provided in Column D of Attachment B, page 2 of 3. The Company offset approximately \$44.9 million in prior-year deductions, which caused a decrease to the NOL DTA balance of \$12.5 million. The Company experienced an increase in unmonetized Federal tax credits, which caused an increase to rate base of \$180.7 million. The net result of the tax credit deferrals resulted in an increase to rate base of \$180.7 million.

As a result of the activity during 2022 described above, a net increase of the revenue requirement in the amount of \$7.5 million occurred on an actual basis.

b. Rate Case Results - 2022 Test Year

On October 6, 2023, the Commission ordered final rates in the Company's 2022-2024 MYRP electric rate case in Docket No. E002/GR-21-630. The amounts embedded in customer rates associated with the 2022 test year are based upon the final compliance cost of service and are shown on page 3 of Attachment B of this Annual Report. The final compliance cost of service resulted in unused deductions and federal and state tax credits totaling \$205.9 million.

As a result of the activity in the 2022 test year described above, a net increase of the revenue requirement in the amount of \$9.1 million occurred and is presented in Attachment B, page 3, line 22.

c. Annual Revenue Requirement Impacts

As indicated above, the Company experienced an increase in the DTA balance in 2022 resulting in a revenue requirement increase of \$7.5 million. The table at the bottom of Attachment B, page 2 of 3 provides the annual revenue requirement increase resulting from the DTA balance net generation, computed using our last authorized return on

equity and actual cost of debt and capitalization ratios for the year 2022. With respect to the 2022 test year from the most recent rate case, the 2022 results show a net generation that results in a \$9.1 million revenue requirement increase, shown in Attachment B, page 3 of 3. Because the revenue requirement increase included in base rates in 2022 is greater than the calculated amount in the Company's May 1, 2023 Jurisdictional Annual Reporting process (see reporting in Attachment B), a regulatory liability will be established in the amount of \$1.6 million in order to comply with the NOL agreement. A comparison between the actual revenue requirement increase that occurred and the amount authorized in final rates is presented below:

### **2022 Net Operating Loss Refund**

	Annual NOL		
	Report <sup>(1)</sup>	Final Rates <sup>(2)</sup>	Refund <sup>(3)</sup>
<b>Revenue Requirement Increase</b>	<b>7,489,834</b>	<b>9,116,743</b>	<b>(1,626,909)</b>

Notes:

(1) From Attachment B, Page 2, Line 22

(2) From Attachment B, Page 3, Line 22

(3) Difference between Annual Report and Final Rates

## **C. Refund Plan**

In this section, we summarize our electric utility refund proposal.

### *1. Overview*

We propose approximately \$1.6 million be refunded to electric customers through one-time bill credits. We plan to allocate the refund dollars to class based on 2022 rate base. The NOL refund amount for a typical residential electric customer will be approximately \$0.59, including interest at the cost of short-term debt ordered in the Company's last rate case.<sup>1</sup>

As approved by the Commission for prior year electric refunds,<sup>2</sup> we propose combining the NOL refund to electric customers with a projected property tax and other refunds. We have included a detailed refund plan in our 2022 Property Tax True-Up Report filed concurrently with this report in Docket No. E002/GR-21-630. The plan will include class allocations for each refund element and estimated refund

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<sup>1</sup> Docket No. E002/GR-21-630, FINDINGS OF FACT, CONCLUSIONS, AND ORDER at 47 (July 17, 2023).

<sup>2</sup> Docket Nos. E002/M-20-743, E002/GR-92-1185, G002/GR-92-1186, and E,G002/M-22-254, ORDER (November 2, 2022).

per electric customer class for each refund element, along with a combined amount. In addition, we will provide a draft customer bill message for the combined refund.

2. *Class Allocations*

We will allocate the refund dollars to customer class based on how 2022 rate base was allocated using Commission-approved class cost allocation methods in the Company's last rate case.<sup>3</sup> Please see Attachment D for the allocations to class for the NOL refund. We plan to refund customers with active and final accounts based upon their 2022 usage.

3. *Refund Timing*

We discuss timing of the combined refund to electric customers in our Property Tax True-Up Report. We will file a compliance report summarizing the results of the combined refund to electric customers within 30 days of completing the refund process.

4. *Bill Message*

The bill message for the combined refund to electric customers will be discussed in our Property Tax True-Up Report.

## CONCLUSION

Xcel Energy respectfully submits this compliance filing to the Commission:

- Demonstrating our compliance with the NOL Agreement;
- Explaining the changes in our actual and projected DTA balances; and
- Providing a detailed explanation of the 2022 annual activity.

Dated: November 3, 2023

Northern States Power Company

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<sup>3</sup> Docket No. E002/GR-21-630, FINAL RATES COMPLIANCE, Schedule 2B, Page 1, Line 21 (October 17, 2023).



Company **Northern States Power Company**  
Electric Utility

Page E-14B

**Net Operating Loss Related Deferred Tax Asset Balances - Minnesota Jurisdiction (1)**  
**For Year Ended 12/31/22**  
**(\$000s)**



	<b>2021 Compliance <u>Report (2)</u></b>	<b>Net Change (3)</b>	<b>2022 Annual <u>Report</u></b>
<b>EOY Unused Deduction Balance</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred Tax Asset - Unused Deductions</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Deferred Tax Asset - Unused Credits</b>	<b><u>491,572</u></b>	<b><u>180,744</u></b>	<b><u>672,315</u></b>
<b>Total (EOY Rate Base)</b>	<b>491,572</b>	<b>180,744</b>	<b>672,315</b>

Notes

- (1) Detailed supporting documentation will be provided in the compliance report.
- (2) Adjusted to align other rate base items that were included in the MYRP for comparison purposes.
- (3) Includes Sec. 172(f) carryback (if applicable), prior tax return and current period activity as allocated to the Minnesota jurisdiction.

Source

MN Juris NOL Worksheet

Northern States Power Company  
Minnesota Retail Electric Jurisdiction  
Net Operating Loss (NOL) Related Deferred Tax Asset Balance Reporting  
Prior Period Reported Results  
Dollars in thousands

Docket Nos. E002/GR-10-971 and E002/GR-21-630  
Compliance - 2022 Regulatory Treatment of NOL, Nov. 3, 2023  
Attachment B - Page 1 of 3

	2010 YE Ann Rpt Balance	2011 Annual Activity	2011 YE Ann Rpt Balance	2012 Annual Activity	2012 An Rpt Balance	2013 Annual Activity	2013 An Rpt Balance	2014 Annual Activity	2014 An Rpt Balance	2015 Annual Activity	2015 An Rpt Balance	2016 Annual Activity	2016 An Rpt Balance
EOY Unused Deduction Balance	232,103	356,584	588,687	(173,629)	415,058	210,670	625,729	(232,642)	393,087	251,151	644,238	(137,676)	506,562
Tax Effect of Deduction Balance	94,853	145,369	240,222	(70,890)	169,332	86,037	255,369	(95,102)	160,267	102,465	262,732	(56,130)	206,602
EOY Unused Credit Balance	9,958	17,078	27,036	18,482	45,518	25,188	70,706	26,857	97,563	28,211	125,773	55,373	181,146
Total (EOY Rate Base)	104,812	162,447	267,258	(52,408)	214,850	111,225	326,075	(68,245)	257,830	130,675	388,505	(757)	387,748

	2016 An Rpt Balance	2017 Annual Activity	2017 YE Ann Rpt Balance	2017 TCJA Reprice	2018 Annual Activity	2018 YE Ann Rpt Balance	2019 Annual Activity	2019 YE Ann Rpt Balance	2020 Annual Activity	2020 YE Ann Rpt Balance	2021 Annual Activity	2021 YE Ann Rpt Balance
EOY Unused Deduction Balance	506,562	(340,611)	165,952	0	(165,952)	0	0	0	0	0	0	0
Tax Effect of Deduction Balance	206,602	(139,129)	67,473	(21,135)	(46,339)	(0)	0	(0)	0	(0)	0	(0)
EOY Unused Credit Balance	181,146	74,241	255,386	0	45,164	300,550	2,506	303,056	63,988	367,044	124,528	491,572
Total (EOY Rate Base)	387,748	(64,888)	322,860	(21,135)	(1,175)	300,550	2,506	303,056	63,988	367,044	124,528	491,572

	(a)	(b)	(c)	(d)	(e)	(f)	
	Balance	2022 Annual Activity				Balance	
	(1) 2021 An Rpt Balance	(2) 2022 Sec 172(f) Utilization	(3) 2022 Prior Returns	(4) 2022 Annual Solve	(5) = (2)+(3)+(4) Total Annual Activity	(6)=(1)+(5) 2022 An Rpt Balance	
(1) Unused Deduction Balance	0		44,859	(44,859)	0	0	
(2) Tax Effect of Deduction Balance	0		12,548	(12,548)	0	0	
(3) Unused State Credits	0			0	0	0	
(4) Unused Federal Credit Balance	491,572			180,744	180,744	672,315	Average Bal
(5) Total (EOY Rate Base)	491,572	0	12,548	168,196	180,744	672,315	581,943
(6) Composite Tax Rate			0.27972	0.27972			

Minnesota Retail Jurisdiction

2022 Capital Structure

(7)	Weighted Cost of Debt	1.99%
(8)	Weighted Cost of Equity	4.87%
(9)	Composite Cost of Capital	6.86%
(10)	Federal Tax Rate	21.00%
(11)	Current Tax Rate (CTR)	28.74%
(12)	RR Conversion Factor	1.403351

		(g)	(h)	(i)	(j)
	NOL/DTA Revenue Requirements	Beginning Balance	Sec 172 (f) Utilization	Prior Returns	Current Year Solve
(13)	Row (5) (Reverse sign) NOL Deferred Tax Asset Utilization (Build-up)		0	(12,548)	(168,196)
(14)	Row (5) (Current year amounts 1/2) Impact on Average Rate Base	491,572	0	6,274	84,098
(15)	Row (14) * Composite Cost of Capital (Row (9) Col (b)) Required Operating Income (Expense)	33,722	0	430	5,769
(16)	Row (13) (current year activity) Deferred Tax				(168,196)
(17)	Weighted cost of debt * Average RB (Row (7) Col (b) * Row (14)) Debt Return	9,782	0	125	1,674
(18)	(Row (1) - Row (17)) * CTR + Row (4) + Row (3) * (1 - Federal Tax Rate) Current Tax	(2,812)	0	(36)	167,369
(19)	- Row (16) - Row (18) Operating Income (Expense)	2,812	0	36	827
(20)	Row (15) - Row (19) Operating Income Deficiency (Sufficiency)	30,910	0	395	4,943
(21)	Row (20) * Revenue Conversion Factor (Row (12) Col (b)) Annual Revenue Requirement Increase (Reduction)	43,378	0	554	6,936
(22)	Col (h) + Col (i) + Col (j) 2022 Net Annual Amount				7,490

Northern States Power Company  
Minnesota Retail Electric Jurisdiction  
Net Operating Loss (NOL) Related Deferred Tax Asset Balance Reporting  
Current Period Balance Activity  
Dollars in thousands

Docket Nos. E002/GR-10-971 and E002/GR-21-630  
Compliance - 2022 Regulatory Treatment of NOL, Nov. 3, 2023  
Attachment B - Page 3 of 3

	(a)	(b)	(c)	(d)	(e)	(f)	
	Balance	2022 Annual Activity				Balance	
	(1) 2022 Test Year Beginning Balance	(2) 2022 Sec 172(f) Utilization	(3) 2022 Prior Returns	(4) 2022 Annual Solve	(5) = (2)+(3)+(4) Total Annual Activity	(6)=(1)+(5) 2022 An Rpt Balance	
(1) Unused Deduction Balance	0		0	40,956	40,956	40,956	
(2) Tax Effect of Deduction Balance	0		0	11,468	11,468	11,468	
(3) Unused State Credits	0			1,258	1,258	1,258	
(4) Unused Federal Credit Balance	502,865			193,216	193,216	696,081	Average Bal
(5) Total (EOY Rate Base)	502,865	0	0	205,943	205,943	708,807	605,836
(6) Composite Tax Rate				0.28001	0.28001		

### Minnesota Retail Jurisdiction

#### 2022 Capital Structure

(7)	Weighted Cost of Debt	1.98%
(8)	Weighted Cost of Equity	4.86%
(9)	Composite Cost of Capital	6.84%
(10)	Federal Tax Rate	21.00%
(11)	Current Tax Rate (CTR)	28.74%
(12)	RR Conversion Factor	1.403351

		(g)	(h)	(i)	(j)
	NOL/DTA Revenue Requirements	Beginning Balance	Sec 172 (f) Utilization	Prior Returns	Current Year Solve
(13)	Row (5) (Reverse sign) NOL Deferred Tax Asset Utilization (Build-up)		0	0	(205,943)
(14)	Row (5) (Current year amounts 1/2) Impact on Average Rate Base	502,865	0	0	102,971
(15)	Row (14) * Composite Cost of Capital (Row (9) Col (b)) Required Operating Income (Expense)	34,396	0	0	7,043
(16)	Row (13) (current year activity) Deferred Tax				(205,943)
(17)	Weighted cost of debt * Average RB (Row (7) Col (b) * Row (14)) Debt Return	9,957	0	0	2,039
(18)	(Row (1) - Row (17)) * CTR + Row (4) + Row (3) * (1 - Federal Tax Rate) Current Tax	(2,862)	0	0	205,396
(19)	- Row (16) - Row (18) Operating Income (Expense)	2,862	0	0	547
(20)	Row (15) - Row (19) Operating Income Deficiency (Sufficiency)	31,534	0	0	6,496
(21)	Row (20) * Revenue Conversion Factor (Row (12) Col (b)) Annual Revenue Requirement Increase (Reduction)	44,254	0	0	9,117
(22)	Col (h) + Col (i) + Col (j) 2022 Net Annual Amount				9,117

**Northern States Power Company**  
**Total Electric Utility and Minnesota Retail Electric Jurisdiction**  
**2022 COSS Total Tax Depreciation, Removal & Other**

Dollars in thousands

Docket Nos. E002/GR-10-971 and E002/GR-21-630  
Compliance - 2022 Regulatory Treatment of NOL, Nov. 3, 2023  
Attachment C - Page 1 of 1

	<b>Total Company <u>Electric</u></b>	<b>Minnesota Jurisdiction <u>Electric</u></b>
Bonus Tax Depreciation	18,056	15,697
MACRS Tax Depreciation	1,282,162	1,113,130
Pre-MACRS Tax Depreciation	33,538	28,890
Removal, Repair and Other	<u>95,929</u>	<u>83,740</u>
Total Capital Asset Accounting Data Feed	1,429,685	1,241,458
New Business CIAC Adjustment	(62)	(62)
Meals & Entertainment	913	797
Nuclear Outage Tax Expense	27,113	23,633
Net Operating Loss (NOL)	<u>36,746</u>	<u>44,859</u>
<b>2022 COSS Tax Depreciation &amp; Removal</b>	<b>1,494,395</b>	<b>1,310,683</b>

**Minnesota Electric NOL Refund for 2022**

2022 MN Electric NOL Refund	\$1,626,909
<u>Interest</u> <sup>1</sup>	<u>\$32,950</u>
Total Refund	\$1,659,859

	A	B = A %	C = Refund x B	D	E = C / D
	2022	Revenue	NOL	2022	Estimated
	Rate Base	Refund	Refund	Est. Average	Average Refund
<u>Customer Class</u>	<u>Allocator (\$000)</u> <sup>2</sup>	<u>Allocator</u>	<u>Allocation</u>	<u>Customers</u>	<u>per Customer</u>
Residential	\$4,638,927	42.47%	\$704,943	1,198,325	\$0.59
Commercial Non Demand	\$347,045	3.18%	\$52,738	88,140	\$0.60
C&I Demand	\$5,820,664	53.29%	\$884,523	50,032	\$17.68
<u>Lighting</u>	<u>\$116,183</u>	<u>1.06%</u>	<u>\$17,655</u>	<u>27,641</u>	<u>\$0.64</u>
Total	\$10,922,819	100.00%	\$1,659,859	1,364,137	

<sup>1</sup> Refund Interest accrued from November 4, 2023 through the month immediately preceding the month when the Company issues the refund to ratepayers. Final refund interest will be determined when the refund is conducted.

<sup>2</sup> Docket No. E002/GR-21-630, Final Rates Compliance, October 17, 2023, Attachment 2B, Page 1 of 27, Line 21

## Minnesota Electric NOL Refund for 2022

### Interest Calculation <sup>1</sup>

A = prior month C + prior month G		B	C = A + B	D = (A + C) / 2	E	F	G = D * E * F / 365
Revenue	Beginning	Refund	Ending	Average		Annual	Monthly
<u>Month</u>	<u>Balance</u>	<u>Principal</u>	<u>Balance</u>	<u>Balance</u>	<u>Days</u>	<u>Interest</u> <sup>2</sup>	<u>Interest</u>
Nov-23	\$0	\$1,626,909	\$1,626,909	\$813,454	27	3.73%	\$2,244
Dec-23	\$1,629,153	\$0	\$1,629,153	\$1,629,153	31	3.73%	\$5,161
Jan-24	\$1,634,314	\$0	\$1,634,314	\$1,634,314	31	3.73%	\$5,177
Feb-24	\$1,639,492	\$0	\$1,639,492	\$1,639,492	29	3.73%	\$4,859
Mar-24	\$1,644,351	\$0	\$1,644,351	\$1,644,351	31	3.73%	\$5,209
Apr-24	\$1,649,560	\$0	\$1,649,560	\$1,649,560	30	3.73%	\$5,057
May-24	\$1,654,617	\$0	\$1,654,617	\$1,654,617	31	3.73%	\$5,242
Total Interest							\$32,950

<sup>1</sup> Refund Interest accrued from November 4, 2023 through the month immediately preceding the month when the Company issues the refund to ratepayers. Final refund interest will be determined when the refund is conducted.

<sup>2</sup> Commission-ordered cost of short-term debt in Docket No. E002/GR-21-630 is 3.73% for 2022.

## CERTIFICATE OF SERVICE

I, Ella Giefer, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

**DOCKET NOS.      E002/GR-21-630**  
**E002/GR-10-971**

Dated this 3rd day of November 2023

/s/

---

Ella Giefer  
Regulatory Administrator



[illegible]

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
George	Crocker	gwillc@nawo.org	North American Water Office	5093 Keats Avenue  Lake Elmo, MN 55042	Electronic Service	No	OFF_SL_21-630_Official
James	Denniston	james.r.denniston@xcelenergy.com	Xcel Energy Services, Inc.	414 Nicollet Mall, 401-8  Minneapolis, MN 55401	Electronic Service	No	OFF_SL_21-630_Official
Ian M.	Dobson	ian.m.dobson@xcelenergy.com	Xcel Energy	414 Nicollet Mall, 401-8  Minneapolis, MN 55401	Electronic Service	No	OFF_SL_21-630_Official
Richard	Dornfeld	Richard.Dornfeld@ag.state.mn.us	Office of the Attorney General-DOC	Minnesota Attorney General's Office 445 Minnesota Street, Suite 1800 Saint Paul, MN 55101	Electronic Service	No	OFF_SL_21-630_Official
Brian	Edstrom	briane@cubminnesota.org	Citizens Utility Board of Minnesota	332 Minnesota St Ste W1360 Saint Paul, MN 55101	Electronic Service	No	OFF_SL_21-630_Official
Rebecca	Eilers	rebecca.d.eilers@xcelenergy.com	Xcel Energy	414 Nicollet Mall - 401 7th Floor  Minneapolis, MN 55401	Electronic Service	No	OFF_SL_21-630_Official
John	Farrell	jfarrell@ilsr.org	Institute for Local Self-Reliance	2720 E. 22nd St Institute for Local Self-Reliance Minneapolis, MN 55406	Electronic Service	No	OFF_SL_21-630_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_21-630_Official
Lucas	Franco	lfranco@liunagroc.com	LIUNA	81 Little Canada Rd E  Little Canada, MN 55117	Electronic Service	No	OFF_SL_21-630_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Edward	Garvey	edward.garvey@AESLconsulting.com	AESL Consulting	32 Lawton St Saint Paul, MN 55102-2617	Electronic Service	No	OFF_SL_21-630_Official
Edward	Garvey	garveyed@aol.com	Residence	32 Lawton St Saint Paul, MN 55102	Electronic Service	No	OFF_SL_21-630_Official
Shubha	Harris	Shubha.M.Harris@xcelenergy.com	Xcel Energy	414 Nicollet Mall, 401 - FL 8 Minneapolis, MN 55401	Electronic Service	No	OFF_SL_21-630_Official
Matthew B	Harris	matt.b.harris@xcelenergy.com	XCEL ENERGY	401 Nicollet Mall FL 8 Minneapolis, MN 55401	Electronic Service	No	OFF_SL_21-630_Official
Amber	Hedlund	amber.r.hedlund@xcelenergy.com	Northern States Power Company dba Xcel Energy-Elec	414 Nicollet Mall, 401-7 Minneapolis, MN 55401	Electronic Service	No	OFF_SL_21-630_Official
Adam	Heinen	aheinen@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	OFF_SL_21-630_Official
Katherine	Hinderlie	katherine.hinderlie@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota St Suite 1400 St. Paul, MN 55101-2134	Electronic Service	No	OFF_SL_21-630_Official
Michael	Hoppe	lu23@ibew23.org	Local Union 23, I.B.E.W.	445 Etna Street Ste. 61 St. Paul, MN 55106	Electronic Service	No	OFF_SL_21-630_Official
Geoffrey	Inge	ginge@regintl.com	Regulatory Intelligence LLC	PO Box 270636 Superior, CO 80027-9998	Electronic Service	No	OFF_SL_21-630_Official
Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law	2950 Yellowtail Ave. Marathon, FL 33050	Electronic Service	No	OFF_SL_21-630_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-630_Official
Sarah	Johnson Phillips	sarah.phillips@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-630_Official
Brad	Klein	bklein@elpc.org	Environmental Law & Policy Center	35 E. Wacker Drive, Suite 1600 Suite 1600 Chicago, IL 60601	Electronic Service	No	OFF_SL_21-630_Official
Michael	Krikava	mkrikava@taftlaw.com	Taft Stettinius & Hollister LLP	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-630_Official
Carmel	Laney	carmel.laney@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-630_Official
Peder	Larson	plarson@larkinhoffman.com	Larkin Hoffman Daly & Lindgren, Ltd.	8300 Norman Center Drive Suite 1000 Bloomington, MN 55437	Electronic Service	No	OFF_SL_21-630_Official
Annie	Levenson Falk	annief@cupminnesota.org	Citizens Utility Board of Minnesota	332 Minnesota Street, Suite W1360  St. Paul, MN 55101	Electronic Service	No	OFF_SL_21-630_Official
Ryan	Long	ryan.j.long@xcelenergy.com	Xcel Energy	414 Nicollet Mall 401 8th Floor Minneapolis, MN 55401	Electronic Service	No	OFF_SL_21-630_Official
Alice	Madden	alice@communitypowermn.org	Community Power	2720 E 22nd St  Minneapolis, MN 55406	Electronic Service	No	OFF_SL_21-630_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kavita	Maini	kmaini@wi.rr.com	KM Energy Consulting, LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_21-630_Official
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 E 7th St St Paul, MN 55106	Electronic Service	No	OFF_SL_21-630_Official
Mary	Martinka	mary.a.martinka@xcelenergy.com	Xcel Energy Inc	414 Nicollet Mall 7th Floor Minneapolis, MN 55401	Electronic Service	No	OFF_SL_21-630_Official
Erica	McConnell	emcconnell@elpc.org	Environmental Law & Policy Center	35 E. Wacker Drive, Suite 1600 Chicago, IL 60601	Electronic Service	No	OFF_SL_21-630_Official
Joseph	Meyer	joseph.meyer@ag.state.mn.us	Office of the Attorney General-RUD	Bremer Tower, Suite 1400 445 Minnesota Street St Paul, MN 55101-2131	Electronic Service	No	OFF_SL_21-630_Official
Stacy	Miller	stacy.miller@minneapolismn.gov	City of Minneapolis	350 S. 5th Street Room M 301 Minneapolis, MN 55415	Electronic Service	No	OFF_SL_21-630_Official
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	OFF_SL_21-630_Official
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-630_Official
Christa	Moseng	christa.moseng@state.mn.us	Office of Administrative Hearings	P.O. Box 64620 Saint Paul, MN 55164-0620	Electronic Service	No	OFF_SL_21-630_Official
David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency	220 South Sixth Street Suite 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-630_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Carol A.	Overland	overland@legalelectric.org	Legalelectric - Overland Law Office	1110 West Avenue  Red Wing, MN 55066	Electronic Service	No	OFF_SL_21-630_Official
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_21-630_Official
Kevin	Reuther	kreuther@mncenter.org	MN Center for Environmental Advocacy	26 E Exchange St, Ste 206  St. Paul, MN 551011667	Electronic Service	No	OFF_SL_21-630_Official
Amanda	Rome	amanda.rome@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 5  Minneapolis, MN 55401	Electronic Service	No	OFF_SL_21-630_Official
Joseph L	Sathe	jsathe@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-630_Official
Elizabeth	Schmiesing	eschmiesing@winthrop.com	Winthrop & Weinstine, P.A.	225 South Sixth Street Suite 3500 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-630_Official
Peter	Scholtz	peter.scholtz@ag.state.mn.us	Office of the Attorney General-RUD	Suite 1400 445 Minnesota Street St. Paul, MN 55101-2131	Electronic Service	No	OFF_SL_21-630_Official
Christine	Schwartz	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7  Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_21-630_Official
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350  Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-630_Official
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190  Richfield, MN 55423	Electronic Service	No	OFF_SL_21-630_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Joshua	Smith	joshua.smith@sierraclub.org		85 Second St FL 2  San Francisco, CA 94105	Electronic Service	No	OFF_SL_21-630_Official
Ken	Smith	ken.smith@districtenergy.com	District Energy St. Paul Inc.	76 W Kellogg Blvd  St. Paul, MN 55102	Electronic Service	No	OFF_SL_21-630_Official
Beth H.	Soholt	bsoholt@windonthewires.org	Wind on the Wires	570 Asbury Street Suite 201  St. Paul, MN 55104	Electronic Service	No	OFF_SL_21-630_Official
Byron E.	Starns	byron.starns@stinson.com	STINSON LLP	50 S 6th St Ste 2600  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-630_Official
Scott	Strand	SStrand@elpc.org	Environmental Law & Policy Center	60 S 6th Street Suite 2800 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-630_Official
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-630_Official
Eric	Swanson	eswanson@winthrop.com	Winthrop & Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	OFF_SL_21-630_Official
Samantha	Williams	swilliams@nrdc.org	Natural Resources Defense Council	20 N. Wacker Drive Ste 1600 Chicago, IL 60606	Electronic Service	No	OFF_SL_21-630_Official
Joseph	Windler	jwindler@winthrop.com	Winthrop & Weinstine	225 South Sixth Street, Suite 3500  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-630_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Kurt	Zimmerman	kwz@ibew160.org	Local Union #160, IBEW	2909 Anthony Ln St Anthony Village, MN 55418-3238	Electronic Service	No	OFF_SL_21-630_Official
Patrick	Zomer	Pat.Zomer@lawmoss.com	Moss & Barnett PA	150 S 5th St #1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-630_Official



First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Mara	Ascheman	mara.k.ascheman@xcelen ergy.com	Xcel Energy	414 Nicollet Mall Fl 5  Minneapolis, MN 55401	Electronic Service	No	OFF_SL_10-971_Official
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.st ate.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_10-971_Official
Rebecca	Eilers	rebecca.d.eilers@xcelener gy.com	Xcel Energy	414 Nicollet Mall - 401 7th Floor  Minneapolis, MN 55401	Electronic Service	No	OFF_SL_10-971_Official
Sharon	Ferguson	sharon.ferguson@state.mn .us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_10-971_Official
Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law	2950 Yellowtail Ave.  Marathon, FL 33050	Electronic Service	No	OFF_SL_10-971_Official
Richard	Johnson	Rick.Johnson@lawmoss.co m	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_10-971_Official
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 E 7th St  St Paul, MN 55106	Electronic Service	No	OFF_SL_10-971_Official
Andrew	Moratzka	andrew.moratzka@stoel.co m	Stoel Rives LLP	33 South Sixth St Ste 4200  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_10-971_Official
Generic Notice	Residential Utilities Division	residential.utilities@ag.stat e.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_10-971_Official
Christine	Schwartz	Regulatory.records@xcele nergy.com	Xcel Energy	414 Nicollet Mall FL 7  Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_10-971_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350  Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_10-971_Official
Janet	Shaddix Elling	jshaddix@janetshaddix.com	Shaddix And Associates	7400 Lyndale Ave S Ste 190  Richfield, MN 55423	Electronic Service	Yes	OFF_SL_10-971_Official
James M	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	150 S 5th St Ste 700  Minneapolis, MN 55402	Electronic Service	No	OFF_SL_10-971_Official