

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)	
regarding the regulatory reviews, revisions,)	
determinations, and/or approvals necessary for)	
NORTHERN STATES POWER COMPANY)	Case No. U-21315
to fully comply with Public Act 295 of 2008,)	
as amended by Public Act 342 of 2016.)	
_____)	

At the July 26, 2023 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Alessandra R. Carreon, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On March 31, 2023, Northern States Power Company, a Wisconsin corporation (NSP-W) filed an application, with supporting testimony and exhibits, for authority to reconcile its energy waste reduction costs and revenues for the 12-month period ended December 31, 2022. On May 2, 2023, NSP-W filed its 2022 Efficiency United Annual Report.

A prehearing conference was held on May 11, 2023, before Administrative Law Judge Lesley C. Fairrow. NSP-W and the Commission Staff participated in the proceeding. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

The Commission has reviewed the settlement agreement and finds that the public interest is adequately represented by the parties who entered into the settlement agreement. The Commission

further finds that the settlement agreement is in the public interest, represents a fair and reasonable resolution of the proceeding, and should be approved.

THEREFORE, IT IS ORDERED that:

- A. The settlement agreement, attached as Exhibit A, is approved.
- B. Northern States Power Company shall file, within 30 days of the date of this order, tariff sheets substantially similar to Attachment 1 of the settlement agreement.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26. To comply with the Michigan Rules of Court's requirement to notify the Commission of an appeal, appellants shall send required notices to both the Commission's Executive Secretary and to the Commission's Legal Counsel.

Electronic notifications should be sent to the Executive Secretary at mpscedockets@michigan.gov and to the Michigan Department of Attorney General – Public Service Division at pungpl@michigan.gov. In lieu of electronic submissions, paper copies of such notifications may be sent to the Executive Secretary and the Attorney General – Public Service Division at 7109 W. Saginaw Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

I abstain.

Alessandra R. Carreon, Commissioner

By its action of July 26, 2023.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * *

In the matter of the application of)	
NORTHERN STATES POWER COMPANY,)	Case No. U-21315
a Wisconsin corporation and wholly owned subsidiary)	
of Xcel Energy Inc., for authority to reconcile its 2022)	
electric and gas energy waste reduction costs and)	
<u>revenues and related approvals.</u>)	

SETTLEMENT AGREEMENT

As provided in § 78 of the Administrative Procedures Act of 1969 (“APA”), as amended, MCL 24.278, and Rule 431 of the Michigan Administrative Hearing System’s Administrative Hearing Rules, 2015 AC, R 792.10431, Northern States Power Company, a Wisconsin corporation, (“NSP-W” or the “Company”) and the Michigan Public Service Commission Staff (“Staff”) hereby agree as follows:

1. On March 31, 2023, NSP-W filed with the Michigan Public Service Commission (“Commission”) its application, along with the testimony and exhibits of its witness Lori J. Drilling, seeking approval of its electric and gas Energy Waste Reduction (“EWR”) reconciliation of costs and revenues pursuant to 2008 PA 295, as amended, for the 12-month period ended December 31, 2022. On May 2, 2023, NSP-W filed in this docket the 2022 Efficiency United Annual Report.

2. On April 11, 2023, the Commission’s Executive Secretary issued a Notice of Hearing directing NSP-W to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships, and counties in its Michigan service area and to intervenors in Case Nos. U-

21097, U-21226 and U-20878. The Commission further directed NSP-W to publish the Notice of Hearing in daily newspapers of general circulation throughout its Michigan service area. Complying with the directives, NSP-W filed with the Commission the requisite affidavit of mailing and proof of publication on April 26, 2023.

3. On May 11, 2023, Administrative Law Judge (“ALJ”) Lesley Fairrow presided over a prehearing conference in this matter. Staff entered its appearance. There were no intervenors.

4. Staff completed a financial audit of the 2022 plan year collections and costs reconciliation. Staff tested the general ledger accounts for surcharge revenue and payments to the state-selected EWR program administrator, Efficiency United, to the numbers filed in this case. Staff also sampled bill copies of customers to ensure the appropriate surcharges were billed to specific customer rate classes. NSP-W was compliant and the Efficiency United Report shows the programs, as a whole, met both the legislative requirements and the Company's Commission ordered targets.

5. The parties have engaged in settlement discussions and, as a result, have reached agreement on all of the issues in this case. The parties to this settlement agreement agree as follows:

- a. NSP-W made a payment of \$470,175 and \$134,809 to the Independent Program Administrator for electric and gas in 2022, respectively, satisfying the payment requirements of MCL 460.1091(1).
- b. The reconciliation of 2022 EWR revenues and payments should be approved and results in (i) a cumulative under-recovery of \$23,991 inclusive of the prior period reconciliation and interest through December 31, 2022, with respect to electric service, and (ii) a cumulative under-

recovery of \$81,218, inclusive of the prior period reconciliation and interest through December 31, 2022, with respect to natural gas service.

- c. NSP-W should be authorized to implement new electric and natural gas EWR surcharges set forth in Attachment 1 hereto, which include the 2022 electric under-recovery and the natural gas under-recovery addressed in paragraph 5b herein, and the 2023 payments to the EWR program administrator addressed in the March 3, 2022 Order Approving Settlement Agreement in Case No. U-20878.

6. All of the signatories are of the opinion that this settlement agreement is reasonable, in the public interest and will aid the expeditious conclusion of this case.

7. This settlement agreement is intended to be a final disposition of this proceeding, and the parties join in respectfully requesting that the Commission grant prompt approval. The parties agree not to appeal, challenge or contest the Commission's order accepting and approving this settlement agreement without modification. If the Commission does not accept the settlement agreement without modification, the agreement shall be withdrawn and shall not constitute any part of the record in this proceeding or be used for any other purpose whatsoever.

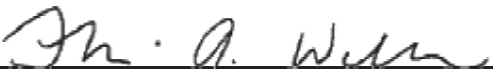
8. This settlement agreement has been made for the sole and express purpose of settling this case, and all discussions relating hereto are and shall be privileged and shall not be used in any manner, or be admissible for any other purpose in connection with this proceeding or any other proceeding hereof. This settlement agreement does not constitute precedent in any other case or proceeding. Without limiting the generality of the foregoing, this settlement agreement shall not constitute *res judicata* or collateral estoppel as to any issue. Neither the parties to the settlement nor the Commission shall use this settlement agreement or the order approving it, as

precedent in any case or proceeding; provided however, reference may be made to enforce or implement the provisions thereof in subsequent EWR proceedings.

9. The parties waive Section 81 of the APA of 1969, as amended, MCL 24.281, as it applies to this proceeding, if the Commission approves this settlement agreement without modification.


NORTHERN STATES POWER COMPANY,
a Wisconsin Corporation

Dated: July 5, 2023

By: 
Its Attorney
Sherri A. Wellman (P38989)
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.
One Michigan Avenue, Suite 900
Lansing, Michigan 48933
(517) 487-2070

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Dated: June 30, 2023

By: 
One of Its Attorneys
Heather M.S. Durian (P67587)
Anna B. Stirling (P84919)
Assistant Attorneys General
Public Service Division
7109 W. Saginaw Hwy., 3rd Floor
Lansing MI 48917
(517) 284-8140

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**Attachment 1
to Settlement Agreement
(MPSC Case No. U-21315)**

(To implement 2023 EWR surcharge factors approved in Case U-21315)**ENERGY WASTE REDUCTION SURCHARGES**

- A) The Energy Waste Reduction Clause permits, pursuant to Section 91(43) of 2016 PA 342, the adjustment of distribution rates, via the application of an Energy Waste Reduction Surcharge, to allow recovery of the energy waste reduction alternative compliance payment made by the Company in compliance with Section 91(1) of 2016 PA 342.
- B) An annual Energy Waste Reduction reconciliation shall be conducted.
- C) The approved Energy Waste Reduction surcharges are shown below.

Rate Schedule	Energy Waste Reduction Surcharge
Residential Service MR-1	\$ <u>0.0039</u> / kWh
Residential Time-of-Day Service MR-2	\$ <u>0.0039</u> / kWh
Automatic Outdoor Lighting Service MOL-1	\$ <u>0.24</u> / lamp
Small Commercial Service MSC-1	\$ <u>4.88</u> / meter
Small General Time-of-Day Service MST-1	\$ <u>4.88</u> / meter
Commercial Industrial General Service MCI-1	\$ <u>54.74</u> / meter
Large Industrial Service MI-1	\$ <u>267.64</u> / meter
Peak Controlled Time-of-Day Service MPC-1	
Secondary	\$ <u>267.64</u> / meter
Primary	\$ <u>267.64</u> / meter
Transmission Transformed	\$ <u>2,824.35</u> / meter
Transmission Untransformed	\$ <u>267.64</u> / meter
Peak Controlled General Service MPC-2	\$ <u>54.74</u> / meter
Street Lighting MSL-1	\$ <u>0.24</u> / lamp
Non-metered LED lighting MSL-2	\$ <u>0.24</u> / lamp
Optional Off-Peak Service MOP-1	\$ <u>0.0039</u> / kWh
Municipal Pumping Service MPA-1	\$ <u>4.88</u> / meter

Issued XXXX by
M.E. Stoering
President & CEO
Eau Claire, Wisconsin

Effective: for bills rendered on or after
XXXX
Issued Under Authority of the
Michigan Public Service Commission
Dated XXXX
In Case No. U-21315

SECTION D
ENERGY WASTE REDUCTION SURCHARGES

- A) The Energy Waste Program Clause permits, pursuant to Section 91(3) of 2016 PA 342, the adjustment of distribution rates, via the application of an Energy Waste Reduction surcharge, to allow recovery of the energy waste reduction alternative compliance payment made by the Company in compliance with Section 91(1) of 2016 PA 342.
- B) An annual Energy Waste Reduction reconciliation shall be conducted.
- C) The approved Energy Waste Reduction surcharges are shown below.

Rate Schedule	Energy Waste Reduction Surcharge
Residential Service - 301	\$ <u>0.0210</u> / therm
Commercial and Industrial General Service - 302	\$ <u>7.77</u> / meter
Commercial and Industrial General Service - 304	\$ <u>589.09</u> / meter
Commercial and Industrial Interruptible Use - 303	\$ <u>67.32</u> / meter
Commercial and Industrial Transportation Service	\$ <u>7.77</u> / meter

Issued XXX by
M.E. Stoering
President
Eau Claire, Wisconsin

Effective: XXXX
Issued Under Authority of the
Michigan Public Service Commission
Dated XXXX
In Case No. U-21315


PROOF OF SERVICE

STATE OF MICHIGAN)

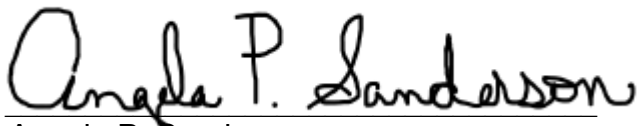
Case No. U-21315

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on July 26, 2023 A.D. she electronically notified the attached list of this **Commission Order via e-mail transmission**, to the persons as shown on the attached service list (Listserv Distribution List).


Brianna Brown

Subscribed and sworn to before me
this 26th day of July 2023.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2024

Service List for Case: U-21315

Name	On Behalf of	Email Address
Anna B. Stirling	MPSC Staff	stirlinga1@michigan.gov
Heather M.S. Durian	MPSC Staff	durianh@michigan.gov
Lesley Fairrow	ALJs - MPSC	fairrowl1@michigan.gov
Northern States Power Company	Northern States Power Company	nspw.regulatory@xcelenergy.com
Sherri A. Wellman	Northern States Power Company	wellmans@millercanfield.com

GEMOTION DISTRIBUTION SERVICE LIST

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Presque Isle Electric & Gas Cooperative, INC

Realgy Corp.

Realgy Energy Services

Santana Energy

Santana Energy

Spartan Renewable Energy, Inc. (Wolverine Power Marketing Corp)

Stephenson Utilities Department

Superior Energy Company

Texas Retail Energy, LLC

Thumb Electric Cooperative

Upper Michigan Energy Resources Corporation

Upper Peninsula Power Company

Upper Peninsula Power Company

Village of Baraga

Village of Clinton

Volunteer Energy Services

Wabash Valley Power

Wolverine Power

Wood, Amanda

Xcel Energy

Xcel Energy