

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of	)	
NORTHERN STATES POWER COMPANY	)	
for approval of a gas cost recovery plan and	)	Case No. U-21612
authorization of gas cost recovery factors	)	
for the 12-month period ending March 31, 2026.	)	
_____	)	

At the September 30, 2025 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Daniel C. Scripps, Chair
Hon. Katherine L. Peretick, Commissioner
Hon. Shaquila Myers, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On December 26, 2024, Northern States Power Company, a Wisconsin corporation (NSP-W) filed an application in this case, with supporting testimony and exhibits, requesting approval of a gas cost recovery plan and factors for the 12-month period ending March 31, 2026, pursuant to Section 6h of Public Act 304 of 1982, MCL 460.6h.

On February 11, 2025, Administrative Law Judge Lesley C. Fairrow held a prehearing conference, at which the intervention of the Michigan Department of Attorney General (Attorney General) was recognized. NSP-W and the Commission Staff (Staff) also participated in the proceeding. On May 20, 2025, NSP-W filed revised testimony and exhibits. On June 17, 2025, the Staff and Attorney General each filed direct cases, and on July 17, 2025, NSP-W filed rebuttal, with supplemental evidence thereafter filed on August 1, 2025. 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's gas cost recovery plan for the 12-month period ending March 31, 2026, is approved, as set forth in the settlement agreement.
- C. Within 30 days of the date of this order, Northern States Power Company shall file with the Commission tariff sheets substantially similar to Attachment 1 to the settlement agreement. After the tariff sheets have been reviewed and accepted by the Commission Staff for inclusion in the company's tariff book, Northern States Power Company shall promptly file the final tariff sheet in this docket and serve all parties.

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 LARA-MPSC-Edockets@michigan.gov and to the Michigan Department of Attorney General - Public Service Division at sheacl@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 Highway, Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Shaquila Myers, Commissioner

By its action of September 30, 2025.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of	)	
Northern States Power Company , a Wisconsin	)	
corporation, and wholly owned subsidiary of	)	
Xcel Energy, Inc. for authority to implement a	)	Case No. U-21612
gas cost recovery plan and establish gas cost	)	
recovery factors for the twelve-month period	)	
ending March 31, 2026.	)	
_____	)	

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, R 792.10431, Northern States Power Company, a Wisconsin corporation ("NSP-W" or the "Company"), Attorney General Dana Nessel ("AG"), and the Michigan Public Service Commission Staff ("Staff") hereby agree as follows:

1. On December 26, 2024, NSP-W filed with the Michigan Public Service Commission ("Commission") its application, along with the direct testimony and exhibits of its witnesses, Tamara M. Stockin, Justin A. Holstein, and Tyler M. Deacon, requesting authority to implement a Gas Cost Recovery ("GCR") Plan and establish GCR factors for the twelve-month period ending March 31, 2026.

2. The Commission's Executive Secretary issued a Notice of Hearing dated January 10, 2025, directing NSP-W to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships, and counties in its Michigan gas service area, as well as to intervenors in Case Nos. U-21275, U-21443, and U-21226. The Commission further directed NSP-W to publish the

Notice of Hearing in newspapers of general circulation throughout its Michigan gas service area. Complying with the directives, NSP-W filed the requisite Affidavit of Mailing and Proof of Publication with the Commission on February 6, 2025.

3. On February 11, 2025, Administrative Law Judge Lesley C. Fairrow presided over a prehearing conference in this matter and Staff entered its appearance. The AG's notice of intervention was approved.

4. On May 20, 2025, the Company filed the Amended Direct Testimony of Tyler M. Deacon and Revised Exhibit A-3.

5. On June 17, 2025, Staff filed the Direct Testimony and Exhibit of Laura Maio, and on that same day, the AG filed the Testimony and Exhibits of Patrick P. Sullivan.

6. On July 17, 2025, NSP-W filed the Rebuttal Testimony and 2nd Revised Exhibit of Witness Deacon and the Rebuttal Testimony and Exhibit of Justin A. Holstein, and on August 1, 2025, the Company filed Supplemental Schedule 5 to Exhibit A-3 (TMD-1).

7. Thereafter, the parties engaged in settlement discussions and successfully reached settlement on all contested issues. The parties agree as follows:

- a. NSP-W's GCR Plan for the 12-month period ending March 31, 2026, and the underlying decisions therein are reasonable and prudent and in compliance with Act 304 and should be approved by the Commission.
- b. NSP-W should be authorized to implement a base GCR factor of up to \$0.46300 per therm for the 12-month period ending March 31, 2026, as set forth in Tariff Sheet D-1.0 included in Attachment 1 hereto.
- c. NSP-W should be authorized to utilize a contingency mechanism for determining monthly GCR factors as set forth in Tariff Sheets D-2.0 and 3.0

in Attachment 1 hereto; but in no event shall NSP-W be required to implement a GCR factor less than the base factor of \$0.46300 per therm.

- d. Reasonably and prudently incurred gains and losses on certain financial instruments used for hedging gas commodity costs as part of the Company's Gas Price Volatility Mitigation Plan shall be included in the calculation of the commodity cost of gas.
- e. The parties agree that NSP-W's five-year forecast, based on current evidence, meets the statutory mandates of Act 304 and should be accepted for filing.

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

9. This settlement agreement is intended for 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.

10. 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, except as necessary to enforce the provisions hereof. This settlement agreement, and the understandings reflected therein, shall not constitute a precedent in any other case or proceeding, either in Michigan or otherwise, except as necessary to carry out its terms.

11. The parties agree to waive Section 81 of the Administrative Procedures Act of 1969, 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

Sherri A. Wellman

Digitally signed by: Sherri A. Wellman
DN: CN = Sherri A. Wellman email =
wellmans@millercanfield.com C = US O = Miller
Canfield
Date: 2025.09.05 16:07:56 -04'00'

Date: September 5, 2025

By: _____

Its Attorney
Sherri A. Wellman (P38989)
MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.
123 West Allegan Street, Suite 200
Lansing, Michigan 48933
(517) 482-2070

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Monica M. Stephens



2025.09.11 14:12:42
-04'00'

Date: September 5, 2025

By: _____

Its Attorney
Monica M. Stephens (P73782)
Assistant Attorney General
Public Service Division
7109 West Saginaw Highway, 3rd Floor
Lansing, MI 48917

ATTORNEY GENERAL DANA NESSEL

Michael E.

Moody

Digitally signed by Michael E.
Moody
Date: 2025.09.12 09:12:18 -04'00'

Date: September 5, 2025

By: _____

Her Attorneys
Michael E. Moody (P51985)
Lucas Wollenzien (P86928)
Assistant Attorneys General
Special Litigation Division
Sixth Floor Williams Bldg.
525 W. Ottawa Street
P.O. Box 30755
Lansing, MI 48909

M. P. S. C. No. 3 – Gas
NORTHERN STATES POWER COMPANY
a Wisconsin corporation
(To implement GCR factors in Case U-21612)

81st Revised Sheet No. D-1.0
80th Revised Sheet No. D-1.0
Cancels

SECTION D
GAS COST RECOVERY CLAUSE

GAS COST RECOVERY FACTORS

The following monthly gas cost recovery factors are authorized pursuant to Section B10, Gas Cost Recovery Clause:

	Maximum Authorized <u>Factor /therm</u>	Actual Billed <u>Factor /therm</u>
<u>First Quarter</u>		
April 2025	\$0.59501	\$0.59501
May 2025	\$0.59501	\$0.59501
June 2025	\$0.59501	\$0.59501
<u>Second Quarter</u>		
July 2025	\$0.55032	\$0.55032
August 2025	\$0.55032	\$0.55032
September 2025	\$0.55032	\$0.55032
<u>Third Quarter</u>		
<i>October 2025</i>	<i>\$0.46300</i>	<i>\$</i> _____
<i>November 2025</i>	<i>\$0.46300</i>	<i>\$</i> _____
<i>December 2025</i>	<i>\$0.46300</i>	<i>\$</i> _____
<u>Fourth Quarter</u>		
<i>January 2026</i>	<i>\$0.46300</i>	<i>\$</i> _____
<i>February 2026</i>	<i>\$0.46300</i>	<i>\$</i> _____
<i>March 2026</i>	<i>\$0.46300</i>	<i>\$</i> _____

(1) The maximum Gas Cost Recovery Factors shown above are subject to adjustment pursuant to the contingency mechanism. See Sheet No. D-2.0. The factors shown above are adjusted by the quarterly contingency mechanism.

(2) The Gas Cost Recovery factors shown above are the maximum authorized and the actual billed Gas Cost Recovery Factors the Company may charge (subject to the contingency mechanism adjustment). The Company will file a revised Sheet No. D-1.0 monthly or as necessary to reflect the factor to be billed the following month.

(3) The Company will file by December 30, 2025 for maximum Gas Cost Recovery Factors for April 2025 through March 2026. The Gas Cost Recovery Factor to be charged beginning April 2025 is authorized pursuant to §6(h)(9) of 1982 PA 304, as amended, MCL 460.6h et seq

Issued

K.J. Hoesly
President
Eau Claire, Wisconsin

Effective for bills rendered on and after the first
billing cycle of the April 2025 billing month.
Issued under the authority of the Michigan Public
Service Commission order in dated
_____ in Case No. U-21612.

M. P. S. C. No. 3 – Gas

NORTHERN STATES POWER COMPANY

a Wisconsin corporation

(To implement new GCR Ceiling Price Adjustment Mechanism in Case No. U-21612)

Cancels

34th Revised

33rd Revised

Sheet No.

Sheet No.

D-2.0

D-2.0

GAS COST RECOVERY CLAUSE

GCR CEILING PRICE ADJUSTMENT (CONTINGENCY) MECHANISM

Pursuant to §6(h)(9) of 1982 PA 304, as amended, MCL 460.6h et seq., the maximum Gas Cost Recovery Factors on Sheet No. D-1.0 may be increased or decreased, on a quarterly basis, for the remaining months of such GCR Plan year, contingent upon NYMEX futures prices changing to a level different from that which was incorporated in the calculation of the Commission approved GCR ceiling prices.

At least fifteen days before the beginning of each quarter, the Company shall file with the Michigan Public Service Commission an updated Sheet No. D-1.0, if the contingency calculation results in an increase or decrease to the existing GCR factors. The filing shall include all supporting documents necessary to verify the GCR factor change, including a copy of the calculation and copies of the NYMEX futures price sheet, for the first five trading days of the month, such sheets being an authoritative source used by the gas industry, along with any additional information deemed necessary to verify the GCR factor increase. The filing shall be incorporated in the GCR Plan Case ***U-21612***.

Calculation Methodology:

The GCR factors for each of the remaining months of the GCR Plan period shall be increased by ***\$0.00639*** per therm for every \$0.10 per MMBtu increase in the NYMEX natural gas futures contract prices using the table on Sheet D-3.0, where the Contingent GCR Ceiling price is based on the following formula:

New Factor = Original Factor + Adjustment

Definitions

New Factor = New maximum GCR factor (\$/MMBtu).

Adjustment = ***0.6385*** * (NYMEX Increase)

NYMEX Increase = (NYMEX Ave. Futures Price – NYMEX avg. base price)

NYMEX Avg. Futures Price - Simple average of the actual NYMEX monthly natural gas futures contract prices (in \$/MMBtu) for the remaining (n) months of the GCR Period based on the first five trading days:
$$\sum(\text{NYMEX futures price})_i / n.$$

NYMEX Avg. Base Price - Simple average of the actual NYMEX monthly natural gas futures contract prices (in \$/MMBtu) for the remaining (n) months of the GCR Period, as incorporated in the approved GCR Plan:
$$\sum(\text{NYMEX base price})_i / n.$$

(Continued on Sheet No. D-3.0)

Issued

K.J. Hoesly

President

Eau Claire, Wisconsin

Effective for bills rendered on and after the first billing cycle of the April 2025 billing month.

Issued under the authority of the Michigan Public Service Commission in the order dated _____ in Case No. U-21612.

M. P. S. C. No. 3 – Gas
NORTHERN STATES POWER COMPANY
a Wisconsin corporation
(To implement new GCR Ceiling Price Adjustment Mechanism in Case No. U-21612)

35th Revised Sheet No. D-3.0
Cancels 34th Revised Sheet No. D-3.0

GAS COST RECOVERY CLAUSE
(Continued from Sheet No. D-2.0)

GCR CEILING PRICE ADJUSTMENT (CONTINGENCY) MECHANISM (contd)

Definitions (contd)

<u>Quarters</u>	<u>(n)</u>	<u>Remaining Months</u>
1 st	12	(April 2025 – March 2026)
2 nd	9	(July 2025 – March 2026)
3 rd	6	(October 2025 – March 2026)
4 th	3	(January 2026 – March 2026)

Contingent GCR Ceiling Factors

Original GCR Ceiling Factors		1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter					
GCR Plan filed Factor		\$0.46300	\$0.46300	\$0.46300	\$0.46300					
NYMEX Ave Base Price		\$3.4610	\$3.6580	\$3.8660	\$4.0510					
Contingent GCR Ceiling Prices \$/therm										
Table for NYMEX Increases				Table for NYMEX Decreases						
NYMEX Increase	All Quarters		NYMEX Increase	All Quarters		NYMEX Decrease	All Quarters		NYMEX Decrease	All Quarters
< \$0.10	\$0.46619		< \$1.60	\$0.56197		< \$0.10	\$0.45981		< \$1.60	\$0.36403
< \$0.20	\$0.47258		< \$1.70	\$0.56835		< \$0.20	\$0.45342		< \$1.70	\$0.35765
< \$0.30	\$0.47896		< \$1.80	\$0.57474		< \$0.30	\$0.44704		< \$1.80	\$0.35126
< \$0.40	\$0.48535		< \$1.90	\$0.58112		< \$0.40	\$0.44065		< \$1.90	\$0.34488
< \$0.50	\$0.49173		< \$2.00	\$0.58751		< \$0.50	\$0.43427		< \$2.00	\$0.33849
< \$0.60	\$0.49812		< \$2.10	\$0.59389		< \$0.60	\$0.42788		< \$2.10	\$0.33211
< \$0.70	\$0.50450		< \$2.20	\$0.60028		< \$0.70	\$0.42150		< \$2.20	\$0.32572
< \$0.80	\$0.51089		< \$2.30	\$0.60666		< \$0.80	\$0.41511		< \$2.30	\$0.31934
< \$0.90	\$0.51727		< \$2.40	\$0.61305		< \$0.90	\$0.40873		< \$2.40	\$0.31295
< \$1.00	\$0.52366		< \$2.50	\$0.61943		< \$1.00	\$0.40234		< \$2.50	\$0.30657
< \$1.10	\$0.53004		< \$2.60	\$0.62582		< \$1.10	\$0.39596		< \$2.60	\$0.30018
< \$1.20	\$0.53643		< \$2.70	\$0.63220		< \$1.20	\$0.38957		< \$2.70	\$0.29380
< \$1.30	\$0.54281		< \$2.80	\$0.63859		< \$1.30	\$0.38319		< \$2.80	\$0.28741
< \$1.40	\$0.54920		< \$2.90	\$0.64497		< \$1.40	\$0.37680		< \$2.90	\$0.28103
< \$1.50	\$0.55558		< \$3.00	\$0.65136		< \$1.50	\$0.37042		< \$3.00	\$0.27464

(continued on Sheet D-4.0)

Issued

K.J. Hoesly
President
Eau Claire, Wisconsin

Effective for bills rendered on and after the first
billing cycle of the April 2025 billing month.
Issued under the authority of the Michigan Public
Service Commission in the order dated
_____ in Case No. U-21612.

PROOF OF SERVICE

STATE OF MICHIGAN)

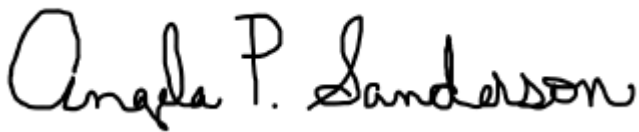
Case No. U-21612

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on September 30, 2025 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 30th day of September 2025.



Angela P. Sanderson
Notary Public, Shiawassee County, Michigan
As acting in Eaton County
My Commission Expires: May 21, 2030

Service List for Case: U-21612

Name	On Behalf Of	Email Address
Lesley C. Fairrow	ALJs - MPSC	fairrowl1@michigan.gov
Lucas Wollenzien	Department of Attorney General	wollenzienl@michigan.gov
Michael E. Moody	Department of Attorney General	moodym2@michigan.gov
Monica M. Stephens	MPSC Staff	stephensm11@michigan.gov
Northern States Power Company	Northern States Power Company	nspw.regulatory@xcelenergy.com
Sherri A. Wellman	Northern States Power Company	wellmans@millercanfield.com