

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of	)	
NORTHERN STATES POWER COMPANY	)	
for approval to implement a power supply cost	)	Case No. U-21879
recovery plan for the 12 months ending	)	
December 31, 2026.	)	
_____	)	

At the March 27, 2026 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 September 24, 2025, Northern States Power Company, a Wisconsin corporation (NSP-W) filed an application in this docket, along with supporting testimony and exhibits, for authority to implement a power supply cost recovery plan and factors for the 12-month period ending December 31, 2026, pursuant to Section 6j of Public Act 304 of 1982, MCL 460.6j.

A prehearing conference was held on November 21, 2025, before Administrative Law Judge James M. Varchetti. NSP-W and the Commission Staff participated in the proceeding. Subsequently, the parties filed 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. Within 30 days of the date of this order, Northern States Power Company shall file with the Commission a tariff sheet substantially similar to Attachment 1 to the settlement agreement. After the tariff sheet has been reviewed and accepted by the Commission Staff for inclusion in Northern States Power Company's tariff book, Northern States Power Company shall promptly file the final tariff sheet in this docket and serve all parties.

C. If Northern States Power Company desires to apply a lesser power supply cost recovery factor than that approved by this order, it shall file, prior to the billing month, a tariff sheet showing the lesser factors it is applying.

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 Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Shaquila Myers, Commissioner

By its action of March 27, 2026.

Lisa Felice, Executive Secretary

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of	)	
NORTHERN STATES POWER COMPANY	)	
for approval to implement a power supply cost	)	Case No. U-21879
recovery plan for the 12 months ending December	)	
<u>31, 2026.</u>	)	

SETTLEMENT AGREEMENT

As provided in Section 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, and wholly owned subsidiary of Xcel Energy Inc. (hereafter "NSP-W" or the "Company") and the Michigan Public Service Commission Staff ("Staff") agree as follows:

1. On September 24, 2025, NSP-W filed with the Michigan Public Service Commission ("MPSC" or the "Commission") its application, along with the testimony and exhibit of its witness Nickolaus A. Schuster, to implement a Power Supply Cost Recovery ("PSCR") plan and factors for the 2026 calendar year.

2. On October 20, 2025, 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 electric service area, as well as to all intervenors in Case Nos. U-21598, U-21429, U-21565, and U-21097. The Commission further directed NSP-W to publish the Notice of Hearing in newspapers of general circulation in its Michigan electric service area. Complying with the directives, NSP-W filed the requisite Affidavit of Mailing and Proof of Publication with the Commission on November 5, 2025.

3. On November 21, 2025, Administrative Law Judge James M. Varchetti presided over a prehearing conference in this matter, and Staff entered its appearance. There were no intervenors.

4. The Staff conducted discovery and an analysis of the PSCR plan and the decisions underlying that plan. Staff's review found NSP-W's PSCR plan is consistent with past Commission approvals, is based on reasonable projections, and results in a reasonable PSCR factor as based on the PSCR Base and line loss factor approved in Case No. U-21565.

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

- a. The parties agree that NSP-W's 2026 PSCR plan is reasonable, in the public interest, and should be approved by the Commission.
- b. The parties agree that NSP-W should be authorized to implement a maximum uniform 2026 PSCR factor of (\$0.01009) per kWh to be effective for the 12-month plan year ending December 31, 2026, and NSP-W acknowledges that at any time during the plan period it may charge a factor less than (\$0.01009) per kWh if needed, in the Company's estimation, to address a significant over-recovery balance.
- c. NSP-W's tariff sheet reflecting the 2026 PSCR factor is attached hereto as Attachment 1 and is acceptable to the parties hereto.
- d. Further, the parties agree that NSP-W's 2-year forecast of power supply requirements meets the statutory mandates of 1982 PA 304 and should be accepted for filing.

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

7. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the positions of the parties. 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.

8. All offers of settlement and discussions relating to this Settlement Agreement are, and shall be considered, privileged under MRE 408, and shall not be used in any manner, or be admissible for any other purpose in connection with this proceeding or any other proceeding or matter, except to carry out its terms.

9. All signatories waive Section 81 of the Administrative Procedures Act of 1969, as amended, MCL 24.281 as it applies to this proceeding if the Commission approves this Settlement Agreement without modification.

Respectfully submitted,

NORTHERN STATES POWER COMPANY,
a Wisconsin corporation

Dated: March 4, 2026

Sherri A. Wellman

Digitally signed by: Sherri A. Wellman
DN: CN = Sherri A. Wellman email =
wellmans@millercanfield.com C = US O = Miller Canfield
Date: 2026.03.04 08:47:42 -05'00'

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) 487-2070

MICHIGAN PUBLIC SERVICE COMMISSION STAFF

Michael J. Orris

Michael J. Orris

2026.03.04 10:16:05
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Dated: March 4, 2026

By: _____

One of Its Attorneys
Michael J. Orris (P51232)
Adam M. Cozort (P78363)
Assistant Attorney General
Public Service Division
7109 W. Saginaw Hwy., 3rd Floor
Lansing, MI 48917
(517) 284-8140

Attachment 1
to Settlement Agreement
(MPSC Case No. U-21879)

M. P. S. C. NO. 2 – Electric
NORTHERN STATES POWER COMPANY
(To implement PSCR factors for 2026)

XXth Revised
Cancels XXth Revised

Sheet No. D-2.0
Sheet No. D-2.0

POWER SUPPLY COST RECOVERY FACTORS

Northern States Power Company - Wisconsin's Power Supply Cost Recovery (PSCR) Monthly Factor for the 2026 Plan Year is as follows:

<u>Year</u>	<u>Month</u>	Maximum Authorized Factor (per kWh)	Actual Factor Billed (per kWh)
2026	January	(\$0.01009)	
2026	February	(\$0.01009)	
2026	March	(\$0.01009)	
2026	April	(\$0.01009)	
2026	May	(\$0.01009)	
2026	June	(\$0.01009)	
2026	July	(\$0.01009)	
2026	August	(\$0.01009)	
2026	September	(\$0.01009)	
2026	October	(\$0.01009)	
2026	November	(\$0.01009)	
2026	December	(\$0.01009)	

Issued _____

K.J. Hoesly
President
Eau Claire, Wisconsin

Effective: for bills rendered
for the 2026 plan year.

Issued Under Authority of
1982 PA 304, Section 6j (9) and the
Michigan Public Service Commission
Dated _____
Case No. U-21879

PROOF OF SERVICE

STATE OF MICHIGAN)

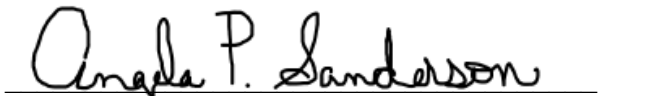
Case No. U-21879

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on March 27, 2026 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 27th day of March 2026.


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

Service List for Case: U-21879

Name	On Behalf Of	Email Address
Adam M. Cozort	MPSC Staff	cozortal@michigan.gov
James M. Varchetti	ALJs - MPSC	varchettij@michigan.gov
Michael J. Orris	MPSC Staff	orrism@michigan.gov
Northern States Power Company	Northern States Power Company	nspw.regulatory@xcelenergy.com
Sherri A. Wellman	Northern States Power Company	wellmans@millercanfield.com