

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-21893
authorization of gas recovery factors for the	)	
12 months ending March 31, 2027.	)	
_____	)	

At the May 14, 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 December 23, 2025, 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, 2027, pursuant to Section 6h of Public Act 304 of 1982, MCL 460.6h.

On February 10, 2026, Administrative Law Judge Christopher S. Saunders held a prehearing conference. NSP-W and the Commission Staff participated in the proceeding. On March 6, 2026, NSP-W filed amended testimony and revised exhibits. 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. 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 sheets 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 Hwy., Lansing, MI 48917.

MICHIGAN PUBLIC SERVICE COMMISSION

Daniel C. Scripps, Chair

Katherine L. Peretick, Commissioner

Shaquila Myers, Commissioner

By its action of May 14, 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, a	)	
Wisconsin corporation, and wholly owned subsidiary	)	
of Xcel Energy, Inc. for approval of a gas cost	)	Case No. U-21893
recovery plan and factors for the 12 months ending	)	
March 31, 2027.	)	
_____	)	

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”) and the Michigan Public Service Commission Staff (“Staff”) hereby agree as follows:

1. On December 23, 2025, NSP-W filed with the Michigan Public Service Commission (“Commission”) its application, along with the direct testimony and exhibits of its witnesses, Justin A. Holstein, Tamara M. Stockin, 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, 2027.

2. The Commission's Executive Secretary issued a Notice of Hearing dated January 9, 2026, 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-21612, U-21433, U-21226, and U-18140. 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, 2026.

3. On February 10, 2026, Administrative Law Judge Christopher S. Saunders presided over a prehearing conference in this matter and Staff entered its appearance. There were no intervenors.

4. On March 6, 2026, NSP-W filed the amended direct testimonies and revised exhibits of Company Witnesses Stockin and Deacon.

5. The Staff conducted an analysis of NSP-W's 2026-2027 GCR Plan and the decisions underlying that Plan. Staff's review found the Company's Plan to be consistent with past Commission approvals, based on reasonable projections, resulting in a reasonable GCR factor.

6. Subsequently, 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, 2027, as amended 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 \$0.56840 per therm beginning with the first full billing month immediately following the issuance of an order approving this settlement agreement through March 31, 2027, as set forth in Tariff Sheet D-1.0 included in Attachment 1 hereto.¹

¹ Pursuant to MCL 460.6h(9), as of April 1, 2026, NSP-W has been self-implementing its filed factor of \$0.54530 per therm. With approval of this settlement agreement, NSP-W will implement the amended factor of \$0.56840 per therm.

- 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 \$0.56840 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.

7. 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.

8. 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.

9. 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.

10. 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: 2026.04.27 09:31:42 -04'00'

Date: April 27, 2026

By: _____

One of Its Attorneys
Sherri A. Wellman (P38989)
John G.W. Mogen (P87979)
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

Michael J. Orris



2026.04.27 10:05:31
-04'00'

Date: April 27, 2026

By: _____

Its Attorney
Michael J. Orris (P51232)
Assistant Attorney General
Public Service Division
7109 West Saginaw Highway, 3rd Floor
Lansing, MI 48911

Attachment 1
to Settlement Agreement
(MPSC Case No. U-21893)

M. P. S. C. No. 3 – Gas
NORTHERN STATES POWER COMPANY Cancels 85th Revised Sheet No. D-1.0
84th Revised Sheet No. D-1.0
a Wisconsin corporation
(To implement GCR factors in Case U-21893)

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>		
<i>April 2026</i>	<i>\$0.51042</i>	<i>\$0.51042</i>
<i>May 2026</i>	<i>\$0.51042</i>	<i>\$0.51042</i>
<i>June 2026</i>	<i>\$0.56840</i>	<i>\$ _____</i>
<u>Second Quarter</u>		
<i>July 2026</i>	<i>\$0.56840</i>	<i>\$ _____</i>
<i>August 2026</i>	<i>\$0.56840</i>	<i>\$ _____</i>
<i>September 2026</i>	<i>\$0.56840</i>	<i>\$ _____</i>
<u>Third Quarter</u>		
<i>October 2026</i>	<i>\$0.56840</i>	<i>\$ _____</i>
<i>November 2026</i>	<i>\$0.56840</i>	<i>\$ _____</i>
<i>December 2026</i>	<i>\$0.56840</i>	<i>\$ _____</i>
<u>Fourth Quarter</u>		
<i>January 2027</i>	<i>\$0.56840</i>	<i>\$ _____</i>
<i>February 2027</i>	<i>\$0.56840</i>	<i>\$ _____</i>
<i>March 2027</i>	<i>\$0.56840</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, **2026** for maximum Gas Cost Recovery Factors for April **2026** through March **2027**. The Gas Cost Recovery Factor to be charged beginning April **2026** is authorized pursuant to §6(h)(9) of 1982 PA 304, as amended, MCL 460.6h et seq

Issued	Effective for bills rendered on and after the first billing cycle of the April 2026 billing month.
K.J. Hoesly	Issued under the authority of the Michigan Public
President	Service Commission order in Case No. U-21893
Eau Claire, Wisconsin	dated

M. P. S. C. No. 3 – Gas
NORTHERN STATES POWER COMPANY Cancels 35th Revised Sheet No. D-2.0
a Wisconsin corporation 34th Revised Sheet No. D-2.0
(To implement new GCR Ceiling Price Adjustment Mechanism in Case No. U-21893)

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-21893***.

Calculation Methodology:

The GCR factors for each of the remaining months of the GCR Plan period shall be increased by ***\$0.00634*** 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 = ***0.6341*** * (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	Effective for bills rendered on and after the first billing cycle of the April 2026 billing month.
K.J. Hoesly	Issued under the authority of the Michigan Public
President	Service Commission order in Case No. U-21893
Eau Claire, Wisconsin	dated

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-21893)

36th Revised Sheet No. D-3.0
Cancels 35th 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 2026 – March 2027)
2 nd	9	(July 2026 – March 2027)
3 rd	6	(October 2026 – March 2027)
4 th	3	(January 2027 – March 2027)

Contingent GCR Ceiling Factors

Contingent GCR Ceiling Factors		1 st Quarter		2 nd Quarter		3 rd Quarter		4 th Quarter		
GCR Plan filed Factor		\$0.56840		\$0.56840		\$0.56840		\$0.56840		
NYMEX Ave Base Price		\$4.2950		\$4.4190		\$4.5290		\$4.5610		
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	\$0.57157		< \$1.60	\$0.66669		< \$0.10	\$0.56523		< \$1.60	\$0.47011
< \$0.20	\$0.57791		< \$1.70	\$0.67303		< \$0.20	\$0.55889		< \$1.70	\$0.46377
< \$0.30	\$0.58425		< \$1.80	\$0.67937		< \$0.30	\$0.55255		< \$1.80	\$0.45743
< \$0.40	\$0.59059		< \$1.90	\$0.68571		< \$0.40	\$0.54621		< \$1.90	\$0.45109
< \$0.50	\$0.59693		< \$2.00	\$0.69205		< \$0.50	\$0.53987		< \$2.00	\$0.44475
< \$0.60	\$0.60328		< \$2.10	\$0.69839		< \$0.60	\$0.53352		< \$2.10	\$0.43841
< \$0.70	\$0.60962		< \$2.20	\$0.70473		< \$0.70	\$0.52718		< \$2.20	\$0.43207
< \$0.80	\$0.61596		< \$2.30	\$0.71107		< \$0.80	\$0.52084		< \$2.30	\$0.42573
< \$0.90	\$0.62230		< \$2.40	\$0.71741		< \$0.90	\$0.51450		< \$2.40	\$0.41939
< \$1.00	\$0.62864		< \$2.50	\$0.72375		< \$1.00	\$0.50816		< \$2.50	\$0.41305
< \$1.10	\$0.63498		< \$2.60	\$0.73010		< \$1.10	\$0.50182		< \$2.60	\$0.40670
< \$1.20	\$0.64132		< \$2.70	\$0.73644		< \$1.20	\$0.49548		< \$2.70	\$0.40036
< \$1.30	\$0.64766		< \$2.80	\$0.74278		< \$1.30	\$0.48914		< \$2.80	\$0.39402
< \$1.40	\$0.65400		< \$2.90	\$0.74912		< \$1.40	\$0.48280		< \$2.90	\$0.38768
< \$1.50	\$0.66034		< \$3.00	\$0.75546		< \$1.50	\$0.47646		< \$3.00	\$0.38134

(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 2026 billing month.
Issued under the authority of the Michigan Public Service Commission order in Case No. U-21893 dated

PROOF OF SERVICE

STATE OF MICHIGAN)

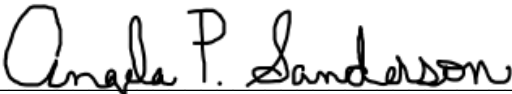
Case No. U-21893

County of Ingham)

Brianna Brown being duly sworn, deposes and says that on May 14, 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 14th day of May 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-21893

Name	On Behalf Of	Email Address
Christopher S. Saunders	ALJs - MPSC	saundersc4@michigan.gov
John G. Walker Mogen	Northern States Power Company	mogen@millercanfield.com
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