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Xcel Energy

Data Request No. 1-3

Docket No.: GE20-002

Response To: South Dakota Public Utilities Commission

Requestor: Commission Staff

Date Received: May 8, 2020

Question:

Provide a complete listing of all cost increases (and cost decreases) the Company plans to include in the regulatory asset. For each of these items, include:

- a. The date the Company began incurring (or saving) the additional expense.
- b. The amount of actual additional expense (or savings) to date.
- c. The amount of additional expense (or savings) the Company estimates it will ultimately incur.
- d. The actions the Company has taken to ensure the additional costs are kept to a minimum and cost savings are maximized.

Response:

- a. The Company began incurring additional expense in March 2020.
- b. Since March, the Company has been incurring costs in several areas. However, it is currently too early in the process to provide detailed expense reporting. The Company is incurring costs to meet important public policy, health and safety objectives - for our employees and customers. The types of incurred costs include increases in bad debt and administrative and financing costs associated with arrearages and uncollectible expenses, technology to continue business operations from remote locations, training for employees, legal and regulatory expenses to determine and communicate responses, and additional purchases of personal protective equipment, tools, materials, and supplies, among other things. We will provide specific expense amounts allocated to South Dakota in future filings. While estimated costs cannot be predicted with precision at this time, given the unprecedented nature of the COVID-19 public health emergency, they may be substantial, making tracking and deferral of them appropriate.

- c. At this time, the Company does not have estimates of additional expenses we will ultimately incur. As we obtain more information, we will be better positioned to provide a forecast of potential impacts. We will keep the Commission informed of costs incurred and our ability to forecast future impact through the quarterly filing with the Commission.
- d. The Company is committed to managing any increased costs related to the pandemic while ensuring we continue to provide safe, reliable service. We expect these efforts will result in the lowest possible costs during the pandemic and will provide a summary of these efforts simultaneous with our cost reporting.

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