

Memorandum

To: Darrell Nitschke

From: Mike Diller, Advocacy Staff

MRD

Date: June 28, 2016

Re: Response to Northern States Power Company's Compliance Filing
Fuel Cost Rider (FCR) Tariff
Case No. PU-12-813, ET. AL.

On February 26, 2014, the Commission issued an Order approving a Revised Second Amended Settlement Agreement requiring that NSP pass 100 percent of North Dakota allocated renewable energy credit proceeds, for North Dakota allocated renewable energy credits, to North Dakota customers for all sales on and after January 1, 2014.

On March 9, 2016, the Commission issued an Order Adopting Settlement requiring the exclusion of the costs and volumes associated with fifteen Community-Based Energy Development (C-BED) projects and two small solar Power Purchase Agreements (PPAs) from the fuel cost rider. The Company's average system cost of fuel excluding these generation resources is to be used to develop the monthly Fuel Cost Rider (FCR).

On April 29, 2016, NSP filed a compliance filing to include these changes in its FCR tariff. Staff expressed some concerns about clarity and completeness of the proposed tariff language. NSP revised its tariff language and resubmitted the proposed FCR on June 7, 2016.

Staff has reviewed NSP's Revised Compliance Filing and believes that the proposed Tariff revisions are in accordance with the Commission's order's adopting settlements. Staff will include a Motion on the July 6 Commission Agenda to approve the proposed FCR. If approved, the new FCR will be effective retroactive to March 9, 2016, in accordance with the Commission's March 9, 2016, Order.

cc: Dave Sederquist

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Public Service Commission Advocacy Staff
Mike Diller, Adocacy Staff

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