



Public Service Commission

State of North Dakota

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Randy Christmann
Julie Fedorchak

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January 22, 2015

Dave Sederquist
Northern States Power Company
2302 Great N. Drive
Fargo ND 58102

RE: PU-15-17
Northern States Power Company
Cogeneration- Small Power Production
Rates

Dear Mr. Sederquist:

At its regular meeting on January 21, 2015, the North Dakota Public Service Commission passed a motion approving Northern States Power Company's updated Cogeneration/Small Power Producer rates. A copy of the motion is enclosed.

Sincerely,

Kathy Acker
Public Utilities Division

Enclosure

4 PU-15-17 Filed: 1/22/2015 Pages: 3
Letter enclosing Commission Motion &
Memorandum

APPROVED

DATE: 1-21-15
[Signature]

MOTION

January 21, 2015

Northern States Power Company
Cogeneration - Small Power Production
Rates

Case No. PU-15-17

I move the Commission approve Northern States Power Company's updated
Cogeneration and Small Power Production Rates, Case No. PU-15-17.

JRL

MEMORANDUM

To: Commissioners Kalk, Christmann and Fedorchak
Fr: Jerry Lein
Da: January 8, 2015
Re: 1/17/2015 Consent Agenda, NSP Updated Cogeneration Rates
Case No. PU-15-17

On January 2, 2015 NSP filed its annual update of cogeneration and small power production rate schedules as required under the federal Public Utilities Regulatory Policies Act of 1979 (PURPA) and Commission rules. These rate schedules provide standard rates for purchase of energy and generating capacity from small customer-owned Qualifying Facilities (QFs) as defined under PURPA. PURPA originally obligated utilities to purchase electricity delivered by QFs at a price equal to the costs the utility would have paid to generate the electricity itself or purchase the electricity elsewhere (avoided costs). However, amendments to PURPA under the Energy Policy Act of 2005 allow FERC to relieve utilities of that purchase obligation if the FERC finds that the QF has access to energy markets such as the MISO energy market..

The filing includes revised tariff rates for NSP's Net Energy Billing Service, Purchase and "Sale Billing Service and Time of Day Purchase Service. Generally, metering charges are unchanged while energy and capacity payments have increased.

NSP reports that it has only one customer under these rate schedules. That customer operates a small wind turbine generator under the net billing tariff. If we assume that customer's monthly energy usage and production patterns remain the same as in previous years, then there would be no effect on that customer because more power was consumed each month than was produced by the customer.

I recommend the Commission approve the filing.