

Memo

To: Darrell Nitschke, Executive Secretary
From: Mike Diller MRD
Date: March 2, 2016
Re: NSP Customer Credit for DOE Settlement (Case No. PU-16-19)

On January 8, 2016, Northern States Power Company (NSP) filed with the Commission a petition to refund \$702,656 received by NSP pursuant to a settlement with the United States for the Department of Energy's (DOE) breach of contract to take spent nuclear fuel during 2014. The total settlement payments to date for damages to North Dakota ratepayers beginning in 1998 total more than \$11 million.

On January 20, 2016, the commission issued a Notice of Opportunity for Hearing stating that comments and requests for hearing must be received by March 1. No comments or requests for hearing have been received.

The most recent settlement with DOE is for a three year period ending 2016. Therefore, two additional payments for breach of contract are expected; one for 2015 in about a year from now and one for 2016 in about two years from now. While NSP ceased collecting 1 mill per kWh from its ratepayers to pay DOE for nuclear waste storage after 2014, the potential for additional settlements remain beyond 2016 until such time that DOE provides nuclear waste storage.

Staff has reviewed the refund calculations for NSP's North Dakota operations noting no exceptions. Staff recommends that the proposed one-time credit be approved based on consumers' usage over the past year. The approximate refund or bill credit for an average residential customer will be \$3. See Attachment C of NSP's application for further details on other customer classes.