

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Norther States Power Company
Customer Credit – DOE Settlement 2014 - 2016
Application**

Case No. PU-16-19

ORDER

March 9, 2016

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

Under the Nuclear Waste Policy Act, utilities were required to enter into contracts with DOE for the disposal of spent nuclear fuel. Utilities contributed 1.0 mil for every kilowatt-hour generated by their nuclear plants. In exchange, the DOE committed to transport and dispose of the spent nuclear fuel beginning no later than January 31, 1998.

In 1998, NSP filed the first of two law suits against the DOE seeking to recover damages associated with storage of spent nuclear fuel at the Company's two nuclear generation stations. The Company's claims were for partial breach of the Standard Contract for Disposal of Spent Nuclear Fuel for DOE failing to take title to, transport and dispose of spent nuclear fuel beginning no later than January 31, 1998.

The most recent settlement with DOE that results in this payment is for a three year period ending 2016. As a result, two additional payments for breach of contract are expected. One for 2015 that will be received approximately one year from now and a second that would be expected approximately two years from now.

On January 20, 2016, the Commission issued a Notice of Opportunity for Hearing, which provided until March 1, 2016 for receiving written comments and hearing requests. No response was received.

The notice identified the issue: "to determine whether the proposed refund is just and reasonable".

Commission Staff reviewed the Company's proposed refund and finds it just and reasonable.

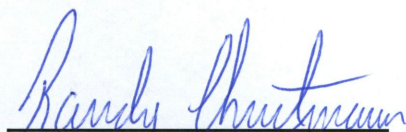
Having considered this matter, the Commission finds Northern States Power Company's application to credit customers \$702,656 is reasonable and should be approved. Therefore, the Commission issues the following:

Order

The Commission orders:

1. NSP's application to refund \$702,656 to credit customers for the partial settlement with DOE over the storage of nuclear fuel is APPROVED.
2. NSP shall implement the \$702,656 credit within 90 days of this order.
3. NSP shall file a compliance report within 30 days after completion of the credit providing a summary of the settlement payment, interest credited, class allocations and the actual average customer credit per customer class.

PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Julie Fedorchak
Chairman



Brian P. Kalk
Commissioner