

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Northern States Power Company  
Advance Prudence – 1,550 MW Wind Portfolio  
Application**

**Case No. PU-17-120**

**Northern States Power Company  
Advance Prudence – 302.4 MW Dakota Range  
Wind Application**

**Case No. PU-17-372**

**ORDER ON SETTLEMENT**

**December 6, 2018**

**Appearances**

Commissioners Randy Christmann, Julie Fedorchak, and Brian Kroshus.

Zeviel Simpson, Attorney, Briggs and Morgan, P.A., 2220 IDS Center, 80 South 8th Street, Minneapolis, Minnesota 55402, and Ryan Long, Principal Attorney, Northern States Power, Company, 414 Nicollet Mall, 401-8, Minneapolis, Minnesota 55401, on behalf of Northern States Power Company, a Minnesota corporation.

Mitch Armstrong, Special Assistant Attorney General, Smith Porsborg, 122 East Broadway Avenue, Bismarck, North Dakota 58501, on behalf of Public Service Commission Advocacy Staff.

Ilona Jeffcoat-Sacco, General Counsel, Public Service Commission, State Capitol, 600 E Boulevard Avenue, Bismarck, North Dakota 58505, on behalf of the Public Service Commission.

Patrick Ward, Administrative Law Judge, c/o Zuger Kirmis & Smith, P.O. Box 1695, Bismarck, North Dakota 58502-1695, as Procedural Hearing Officer.

**Preliminary Statement**

On March 29, 2017, in Case No., PU-17-120, Northern States Power Company (NSP) filed an application with the North Dakota Public Service Commission (Commission) seeking an advanced determination of prudence (ADP) under North Dakota Century Code section 49-05-16 for a portfolio of seven wind projects totaling 1,550 MW of nameplate capacity.

On June 30, 2017, in Case No. PU-17-120, the Commission issued a Notice of Hearing, scheduling a public hearing for September 26, 2017 in the Commission Hearing Room, 12<sup>th</sup> floor, State Capitol, Bismarck, North Dakota. The notice identified the issue to be considered is whether NSP's proposed resource additions are prudent.

On September 19, 2017, in Case No. PU-17-120, NSP and Commission Advocacy Staff (Advocacy Staff) filed a Settlement Agreement that NSP and Advocacy Staff stated would resolve all issues between the parties.

On September 22, 2017, in Case No. PU-17-120, NSP filed a First Revised Settlement Agreement.

On September 26, 2017, the public hearing in Case No. PU-17-120 was held as scheduled.

On October 10, 2017, in Case No. PU-17-372, NSP filed an application for an ADP to build, own, and operate the proposed 302.4 Dakota Range I and II wind projects near Watertown, South Dakota (Dakota Range).

On March 19, 2018, NSP and Advocacy Staff jointly requested that the Commission postpone further action in Case No. PU-17-120 and withdrew the parties' First Revised Settlement Agreement pending an update to reflect the impacts of the federal 2017 Tax Cuts and Jobs Act (TCJA) along with other modifications to NSP's wind portfolio at issue. The Commission approved the joint request on April 11, 2018.

On March 23, 2018, NSP filed a Supplement to its application in Case No. PU-17-372 to provide updated economic data and modeling reflecting the impacts of the TCJA and other changes.

On May 18, 2018, NSP filed a Supplement to its applications in Case No. PU-17-120 to provide updated economic data and modeling reflecting the impacts of the TCJA and other changes.

On July 9, 2018, the Commission consolidated the two cases for hearing and issued a Notice of Consolidated Hearing, scheduling a consolidated public hearing for September 11, 2018.

On August 1, 2018, the Commission issued a Notice of Rescheduled Consolidated Hearing, postponing the hearing previously scheduled for September 11, 2018 to October 11, 2018.

The Notice identified the issue to be determined is whether each of NSP's proposed resource additions is prudent.

On September 21, 2018, NSP filed a Second Settlement Agreement (Settlement Agreement) between NSP and Advocacy Staff, that NSP and Advocacy Staff state resolves all the issues in both cases.

On October 11, 2018, the consolidated hearing was held as scheduled.

## Discussion

NSP requests an ADP for several wind projects in Case No. PU-17-120: Foxtail, Crowned Ridge, Lake Benton, Clean Energy #1, Blazing Star I, Blazing Star II, and Freeborn.

Foxtail Wind Energy Center is a 150 MW wind project to be located in Dickey County, North Dakota, which NSP proposes to develop itself (i.e. a self-build project).

Crowned Ridge Wind Energy Center is a 600 MW wind development to be located in Codington County, South Dakota. NSP proposes to purchase 300 MW of the project on a "turnkey" basis through a transaction where NextEra Energy, Inc. (NextEra) will build and transfer the project to NSP for NSP's ownership (a Build-Own-Transfer or BOT arrangement). The output of the remaining 300 MW will be acquired by NSP through a power purchase agreement (PPA) with NextEra.

Lake Benton Wind Farm is a 100 MW wind project to be located in Pipestone County, Minnesota, which NSP will purchase from NextEra under a BOT arrangement.

Clean Energy #1 Wind Project is a 100 MW wind project to be located in Mercer and Morton Counties, North Dakota, the output of which NSP will purchase from ALLETE Clean Energy (ACE) under a PPA.

Blazing Star I Wind Farm is a 200 MW wind development to be located in Lincoln County, Minnesota that NSP proposes as a self-build project.

Blazing Star II Wind Farm is a 200 MW wind generation facility to be located in Lincoln County, Minnesota that NSP proposes as a self-build project.

Freeborn Wind Farm is a 200 MW wind generation facility to be located in Freeborn County, Minnesota and in Worth and Mitchell Counties, Iowa that NSP proposes as a self-build project.

NSP requests an ADP in Case No. PU-17-372 for the Dakota Range wind farm, a 302.4 MW wind generation facility to be located near Watertown, South Dakota that NSP proposes as a self-build project.

The Settlement Agreement is intended to resolve all the issues in both proceedings.

The Settlement Agreement provides that ADPs for the Foxtail, Blazing Star I, Blazing Star II, Freeborn Projects and Dakota Range I and II (the self-build projects) be granted up to an amount identified in Table 1, Line 5 of the Joint Stipulation of Capital Expenditure Costs filed with the Settlement Agreement (subject to adjustment under the terms of the Settlement Agreement).

The Settlement Agreement provides that ADPs for the Lake Benton and non-PPA portion of the Crowned Ridge projects (the BOT projects) be granted, up to an amount

identified in Table 2, Line 3 of the Joint Stipulation of Capital Expenditure Costs filed with the Settlement Agreement (subject to adjustment under the terms of the Settlement Agreement).

The Settlement Agreement provides that ADPs for the Clean Energy #1 project and the non-BOT portion of the Crowned Ridge project be granted without conditions.

The Settlement Agreement provides that NSP may seek to reflect in its rates the capital additions or PPA costs up to the specified amounts provided for in the Settlement Agreement.

The Settlement Agreement provides that North Dakota ratepayers will not have to pay any additional costs if NSP fails to obtain the full federal production tax credit (PTC) for any of the projects in Case No. PU-17-120, and 80 percent of the PTC for Dakota Range.

The Settlement Agreement provides that NSP will provide quarterly construction progress reports until the last project is in service, and will provide on a monthly basis curtailment and negative pricing information at each of the projects, together with any known reasons for observed curtailment and negative pricing.

The Commission finds the Settlement Agreement is reasonable, resolves all the issues in the proceedings, and should be approved.

**Order**

The Commission orders:

1. The Second Settlement Agreement, a copy of which is attached to this Order and made a part of this Order, is APPROVED.
2. NSP shall file quarterly construction progress reports until the last project is in service, indicating the development status of each Project.
3. NSP shall file, in conjunction with its monthly Fuel Cost Rider filings, curtailment and negative pricing information at each of the projects, and any known reason for observed curtailment and negative pricing.
4. NSP shall file, on at least an annual basis a letter indicating whether the protected information must remain protected or if it may be made public.

**PUBLIC SERVICE COMMISSION**



**Brian Kroshus  
Commissioner**

**DISSENTING**

**Randy Christmann  
Chairman**



**Julie Fedorchak  
Commissioner**

## **DISSENT**

**Commissioner Randy Christmann**

**December 6, 2018**

**Northern States Power Company  
Advance Prudence – 1,550 MW Wind Generation  
Application**

**Case No. PU-17-120**

**Northern States Power Company  
Advance Prudence – 302.4 MW Dakota Range Wind  
Application**

**Case No. PU-17-372**

Advanced determination of prudence (ADP) should not be granted for the entire portfolio of projects at this time.

Northern States Power Company, doing business as Xcel Energy, acknowledges that the projects began with an RFP seeking proposals to meet the Minnesota Public Utility Commission's (MPUC) required addition of 1000 MW of additional wind generation. The North Dakota Public Service Commission (NDPSC) should always prioritize the needs of North Dakota citizens over arbitrary political preferences of regulators from outside jurisdictions. But with this set of projects Xcel has upped the ante on even the MPUC by requesting ADP on not 1000 MW of wind generation, but on 1852 MW. Like an out-of-control black Friday shopper, the only justification for this massive additional spending spree is that the price is right.

Xcel acknowledges that not all of this generation is needed at this time. The NDPSC must remember that these are not the type of energy infrastructure projects that take many years to build, requiring large amounts of capacity cushion. Most of the projects are forecast to be operational in approximately one year from now. That quick construction time indicates that any of the projects that will not be needed for a significantly longer period of time do not need advanced determinations of prudence at this time.

While Xcel emphasizes the importance of rushing to approve prudence determinations for these projects (interconnection costs are not even available yet on some of them) the NDPSC needs to also contemplate the risks of a rush to judgement. By the time some of these projects are actually needed there may be much more efficient wind generation options available thanks to quickly evolving technology. By the time some of these projects are actually needed the federal government subsidies that make them attractive might be even more generous than they are now. By the time some of these projects are actually needed there may be a different social rage driving Minnesota regulators to mandate a completely different energy generation fad. By the time some of these projects are actually needed consumers may be asked to buy out and terminate these projects like the buyouts this commission recently approved for some Xcel biomass projects. (An energy generation fad of just a few years ago.)

In addition to those concerns, these projects will use up much of MISO's available transmission capacity just ahead of Xcel's commitment to the NDPSC to add thermal generation in the Red River Valley, which if not completed exposes Xcel to another \$25 million penalty.

These risks with this portfolio should not be minimized, considering that the potential benefits can be realized later in a rate case, Xcel testified they would build the projects whether this commission determines them to be prudent or not, and NDCC 49-05-16-6 allows a public utility to "... recover in its rates ... the amounts the public utility reasonably incurred or obligated on a prudent resource addition ... even though the resource addition may never be fully operational or used by the public utility to serve its customers".

These risks are real, they are significant, and they outweigh the potential benefits of approval.

  
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Randy Christmann, Commissioner

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF NORTH DAKOTA**

NORTHERN STATES POWER COMPANY  
ADVANCE PRUDENCE – 1,550 MW WIND PORTFOLIO  
APPLICATION

CASE No. PU-17-120  
OAH FILE No. 20170204

NORTHERN STATES POWER COMPANY  
ADVANCE PRUDENCE – 302.4 MW DAKOTA RANGE  
WIND APPLICATION

CASE No. PU-17-372

**SECOND SETTLEMENT AGREEMENT**

This Second Settlement Agreement (this Settlement Agreement) is entered into on this 19th day of September, 2018 by and between Northern States Power Company, a Minnesota corporation, doing business as Xcel Energy (Xcel Energy or the Company) and North Dakota Public Service Commission Advocacy Staff (Advocacy Staff and each of Xcel Energy or Advocacy Staff a “Party” and together, the “Parties”). The Parties enter into this Settlement Agreement to resolve all issues in the above referenced Cases.

**BACKGROUND**

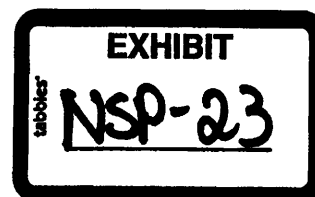
On July 9, 2018, the Commission consolidated for hearing the 1,550 MW Wind Portfolio (Case No. PU-17-120) and the 302.4 MW Dakota Range Wind (Case No. PU-17-372) ADP Application proceedings because the cases involve similar questions of law and fact. As a result, this Settlement Agreement applies to both of these cases.

**A. 1,550 MW Wind Portfolio**

On March 29, 2017, in Case No. PU-17-120, Xcel Energy filed its Application for an Advanced Determination of Prudence (ADP) and supporting Direct Testimony with the North Dakota Public Service Commission (the Commission) for a portfolio of seven wind generating projects (each a Project and collectively the Wind Portfolio), as follows:

130 PU-17-120 Filed 10/11/2018 Pages: 9  
Exhibit NSP-23 – Second Settlement Agreement  
Northern States Power Company

74 PU-17-372 Filed 10/11/2018 Pages: 9  
Exhibit NSP-23 – Second Settlement Agreement  
Northern States Power Company



Project Name	Size	Type	Location	In-Service Date
Foxtail	150 MW	Self-Build	Dickey County, ND	3Q 2019
Crowned Ridge	600 MW	Combined BOT* and PPA**	Codington County, SD	4Q 2019
Lake Benton	100 MW	BOT*	Pipestone County, MN	4Q 2019
Clean Energy #1	100 MW	PPA**	Mercer, Morton Counties, ND	4Q 2019
Blazing Star I	200 MW	Self-Build	Lincoln County, MN	4Q 2019
Blazing Star II	200 MW	Self-Build	Lincoln County, MN	3Q 2020
Freeborn	200 MW	Self-Build	Freeborn County, MN; Worth, Mitchell Counties, IA	4Q 2020

\* "Build-Own-Transfer"

\*\* "Power Purchase Agreement"

The Company's Application and supporting Direct Testimony explained that the Wind Portfolio is a prudent opportunity for Xcel Energy to drive down overall system costs by taking advantage of historically low-cost wind generation. At the time of filing, Xcel Energy estimated that over the life of the Wind Portfolio, the Wind Portfolio Projects would provide savings on a present value of revenue requirements (PVR) basis (exclusive of externality costs) of approximately \$1.6 billion for the entire NSP System or approximately \$85 million for our North Dakota customers.

On June 30, 2017, the Commission issued a Notice of Hearing in this proceeding, setting a Public Hearing on September 26, 2017. The issue to be considered at hearing was whether the Company's proposed resource additions are prudent.

On August 1, 2017, Advocacy Staff filed the Direct Testimony of Mr. James Heidell. Mr. Heidell undertook his own independent analysis of the Wind Portfolio and under conservative assumptions estimated the PVR savings of the Wind Portfolio to be just over \$1.4 billion. In light of this, Mr. Heidell recommended the requested ADP be granted with certain conditions.

On September 5, 2017, the Company submitted Rebuttal Testimony of Company Witness Mr. Aakash Chandarana recognizing that both the Company and Advocacy Staff have determined that the Wind Portfolio is prudent and agreeing with all of Mr. Heidell's proposed conditions except one.

In light of the material agreement between the Parties, Advocacy Staff and Xcel Energy engaged in settlement discussions. The Parties ultimately entered into a settlement agreement as a result of those discussions, which was filed with the Commission on September 19, 2017, and updated shortly thereafter in the First Revised Settlement Agreement filed on September 22, 2017.

On March 19, 2018, the Company and Advocacy Staff jointly requested that the Commission postpone Case No. PU-17-120 and withdrew the parties' First Revised Settlement Agreement so that the Application could be updated to reflect the impacts of the 2017 Tax Cuts and Jobs Act (TCJA) along with other significant modifications to the Wind Portfolio. The Commission approved the joint request on April 11, 2018.

On May 18, 2018, Xcel Energy filed a Supplement to its Application for ADP to provide updated economic data and modeling reflecting the impacts of the TCJA and other changes to the portfolio. The Supplement explained that the net impact of the changes result in a PVRR savings of \$1.4 billion system-wide and about \$75 million for Xcel Energy's North Dakota customers. This compares to the PVRR savings presented in the initial Application of \$1.6 billion system-wide and \$85 million to North Dakota customers. Hence, all of the projects remain cost-effective and will result in substantial and lasting benefits for customers.

On August 20, 2018, Advocacy Staff filed the Supplemental Direct Testimony of Mr. James Heidell. Mr. Heidell reviewed the Wind Portfolio Application, exhibits, the Supplement, and the information produced in discovery, and determined that the Company's estimate of \$1.4 billion PVRR savings for the Wind Portfolio is reasonable. In light of this, Mr. Heidell recommended the requested ADP be granted with the following conditions: (1) North Dakota ratepayers should not have to pay any additional costs if the Company fails to obtain the full Production Tax Credit (PTCs) for any of the Projects comprising the Wind Portfolio; (2) recovery of construction, interconnection, and transmission costs for the four Company Self-Build Projects should be limited to no more than the amount budgeted by the Company in aggregate (adjusted for any Projects not constructed); (3) construction costs for the two Build-Own-Transfer (BOT) Projects should be limited to no more than the amount budgeted by the Company in aggregate (adjusted for any projects not constructed); (4) in conjunction with monthly Fuel Cost Rider filings to the Commission, the Company should provide monthly reports of curtailment and negative pricing observations at each of the Projects, and any known reasons for observed curtailment and negative pricing; and (5) the Company should provide quarterly construction progress reports until the last Project is in service, indicating the development status of each Project.

These conditions mirror those that the Company agreed to in the First Revised Settlement Agreement. As a result, the Parties continue to agree that the Wind Portfolio is prudent and on the implementation of the conditions suggested by Mr. Heidell.

**B. 302.4 MW Dakota Range Wind**

On October 10, 2017, in Case No. PU-17-372, NSP filed an application for an ADP to build, own, and operate the proposed 302.4 Dakota Range I and II wind projects near Watertown, South Dakota ("Dakota Range"). On February 5, 2018, Xcel Energy filed a request to postpone the proceedings while the Company evaluated impacts of the TCJA on Dakota Range. On March 23, 2018, the Company filed a Supplement to the Dakota Range ADP Application to update the Commission on the effects of the TCJA and other changes to the project and provide updated economic data and modeling. Based upon this new information, the Company projected that the Dakota Range I and II projects would produce a PVRR savings of \$167 million system-wide and \$9 million for North Dakota customers.

On July 30, 2018, Advocacy Staff filed the Direct Testimony of Mr. Heidell. Mr. Heidell concluded that the project is prudent because it would lower electricity costs for the Company's North Dakota customers, and recommended that the Commission approve the Dakota Range ADP Application with the following conditions: (1) recovery of construction, interconnection, and transmission costs for the Dakota Range I and II Projects should be limited to no more than the amount budgeted by the Company in aggregate with recovery of any supplemental construction cost subject to Commission review; and (2) the North Dakota ratepayers should not have to pay any additional costs if the Company fails to obtain 100 percent of the PTCs available to the Project.

In light of the material agreement between the Parties, Xcel Energy and Advocacy Staff have engaged in settlement discussions for both the Wind Portfolio and Dakota Range cases. This Settlement Agreement is the result of those discussions. Consequently, for the mutual promises made to each other, and for other good and valuable consideration, the parties agree as follows:

### **TERMS OF SETTLEMENT**

#### **A. Advanced Determination of Prudence.**

The Parties agree that the Projects, as described in the Wind Portfolio and Dakota Range Applications, are reasonable and prudent resource additions to the integrated NSP System and therefore that they meet the criteria for an ADP. The Parties therefore agree that an ADP for each of the projects comprising the Wind Portfolio and the Dakota Range I and II projects be granted subject to the following conditions:

1. The Foxtail, Blazing Star I, Blazing Star II, Freeborn, and Dakota Range I and II Projects (collectively, the Self Build Projects) are prudent up to the amount identified in Table 1, Line 5 of the Joint Stipulation of

Capital Expenditure Costs filed in the above referenced Cases (Joint Stipulation) (Self Build Expenditure Amount) as may be adjusted due to the cancellation of a particular Self Build Project through subtraction of the budgeted capital expenditure cost of the cancelled project as identified in the Joint Stipulation from the Self Build Expenditure Amount. The foregoing finding of prudence up to the Self Build Expenditure Amount, does not imply that any costs above the Self Build Expenditure Amount are imprudent.

2. The Lake Benton and non-PPA portion of the Crowned Ridge Projects (collectively, the BOT Projects) are prudent up to the amount identified in Table 2, Line 3 of the Joint Stipulation ("BOT Expenditure Amount" and, collectively with the Self Build Expenditure Amount the "Expenditure Amounts"), as may be adjusted due to the cancellation of a particular BOT Project through subtraction of the budgeted cost of the cancelled project as identified in the Joint Stipulation from the BOT Expenditure Amount. The foregoing finding of prudence up to the BOT Expenditure Amount does not imply that any costs above the BOT Expenditure Amount are imprudent.
3. The Clean Energy #1 and non-BOT portion of the Crowned Ridge Project (collectively, the PPA Projects) are prudent under their contract terms without condition.

**B. Ratemaking.**

Pursuant to N.D.C.C. § 49-05-16, the ADPs granted in Section A, above, are binding for ratemaking purposes. Xcel Energy may seek to reflect the capital additions or PPA costs of the Wind Portfolio and Dakota Range, as applicable, in its North Dakota rates through its Fuel Cost Rider, a general rate case, other applicable riders, or other ratemaking mechanisms that may be applicable and available. For the avoidance of doubt, Xcel Energy may include in rates the costs of purchased power for the PPA Projects and include in rate base the capital additions for the BOT Projects and Self Build Projects calculated from the Company's actual capital expenditures for the BOT Projects and Self Build Projects up to the BOT Expenditure Amount and/or the Self Build Expenditure Amount, as applicable.

In the event the aggregate capital expenditures for the BOT Projects exceed the BOT Expenditure Amount and/or the aggregate capital expenditures for the Self Build Projects exceed the Self Build Expenditure Amount, Xcel Energy may include in rate base the capital additions for the BOT Projects and Self Build Projects calculated from capital expenditures equivalent to the BOT Expenditure Amount and

the Self Build Expenditure Amount, as applicable, pursuant to the ADPs granted in Section A, above. Xcel Energy may also seek approval from the Commission to include in rate base the capital additions calculated from the capital expenditures in excess of the Expenditure Amounts upon a showing to the Commission that the capital expenditures above the Expenditure Amounts are reasonable and prudent. The burden of proof to demonstrate the reasonableness of capital expenditures above the Expenditure Amounts shall be on Xcel Energy.

**C. Production Tax Credits.**

North Dakota ratepayers will not have to pay any additional costs if the Company fails to obtain the full Production Tax Credit (PTCs) for any of the projects comprising the Wind Portfolio and 80 percent PTCs (the full amount available) for Dakota Range.

**D. Reporting.**

Xcel Energy agrees to provide the following reports:

1. The Company will provide quarterly construction progress reports until the last Project is in service, indicating the development status of each Project.
2. In conjunction with monthly Fuel Cost Rider filings to the Commission, the Company will provide curtailment and negative pricing information at each of the Projects, and any known reasons for observed curtailment and negative pricing.
3. On at least an annual basis, and as more frequently as maybe advisable, Xcel Energy shall file a letter with the Commission in these Cases advising whether the trade secret information must remain trade secret or if it may be made public.

**E. Other Terms and Conditions.**

1. Basis of Settlement. This Settlement Agreement is a negotiated settlement agreement subject to approval by the Commission. This Settlement Agreement does not establish any principle or precedent for this or any future proceeding.
2. Support for Settlement. The Parties agree to affirmatively support and advocate for the Commission's adoption of this Settlement Agreement without modification. Notwithstanding any other provision of this

Settlement Agreement, this Section E.2. shall be binding on the Parties as of the date first written above.

3. Effect of Settlement Negotiations. All offers of settlement and discussions related to this Settlement Agreement are privileged and may not be used in any manner in connection with proceedings in these Cases or otherwise, except as provided by law or by mutual agreement of the Parties. In the event the Commission does not adopt this Settlement Agreement, it shall not constitute part of the record in this proceeding and no part thereof may be used by any Party for any purpose in these Cases or in any other.
4. Applicability and Scope. This Settlement Agreement shall be binding on the Parties, and their successors, assigns, agents, and representatives. Consistent with the Commission's settlement guidelines, this Settlement Agreement does not set policy or overturn precedent. This Settlement Agreement shall not constitute an agreement, admission, or determination by any of the Parties as to the merits of any specific allegation or contention made by the Parties in these Cases. This Settlement Agreement supersedes all previous settlements in these proceedings.
5. Effective Date. This Settlement Agreement shall be effective on the date of the Commission Order approving this Settlement Agreement.
6. Modification. If the Commission modifies or conditions approval of this Settlement Agreement, it shall be deemed terminated if either Party files a letter with the Commission within three (3) business days of the date of such order stating that a condition or modification to this Settlement Agreement is unacceptable to such Party.
7. Counterparts. This Settlement Agreement may be executed in counterparts by Xcel Energy and Advocacy Staff, each of which when so executed will be an original, but all of which together will constitute one and the same instrument.

## CONCLUSION

The Parties have agreed to the foregoing terms to resolve all outstanding issues in the above captioned proceedings. These terms are a result of negotiations between the Parties, are in the public interest, and will result in just and reasonable rates. For

these reasons, the Parties urge the Commission to approve this Settlement Agreement.

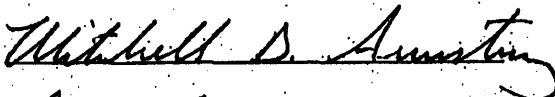
**[SIGNATURE PAGE FOLLOWS]**

Authorized representatives of the Parties having caused this Settlement Agreement to be duly executed as of the date first set forth above.

Northern States Power Company,  
a Minnesota corporation

North Dakota Public Service Commission  
Advocacy Staff

By: 

By: 

Its: V.P. of Reg. & Regulatory Affairs

Its: Counsel

[SIGNATURE PAGE TO SETTLEMENT AGREEMENT  
CASE NOS. PU-17-120 AND PU-17-372]