



# Public Service Commission

## State of North Dakota

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November 3, 2020

Mr. Steven M. Kahl, Executive Secretary  
North Dakota Public Service Commission  
State Capitol Building, Dept. 0408  
600 East Boulevard Ave  
Bismarck, ND 58505-0480

Re: Northern States Power Company, Tax Reform Effects – Electric Utility, Rates, Case No. PU-18-155. 2019 Electric Regulated Earnings-Sharing Refund

Dear Mr. Kahl:

On February 6, 2019, the Commission issued an Order on Settlement in case PU-18-155 approving the settlement agreement between Northern States Power Company (NSP) and Advocacy Staff (Staff). Item B-3 of the settlement agreement provided a mechanism whereby weather normalized earnings contributing to an ROE above 9.85% must be refunded to customers for 2019 and 2020.

On June 30, 2020, NSP filed a request for a waiver of the automatic adjustment clause (AAC) to allow use of the Fuel Cost Rider to pass back \$27,291, the amount NSP believes represents its weather normalized earnings above a 9.85% ROE for 2019.

On September 14, 2020 Advocacy Staff requested a hearing on this matter before the Commission.

On October 26, 2020 NSP withdrew its request for a waiver of the AAC and notified the Commission that its 2019 weather normalized earnings were lower than the 9.85% threshold, and therefore no refund would be due.

Since the time of its September 14, 2020 request, Staff received additional data and conducted additional analysis of NSP's 2019 earnings. Based on this analysis, Staff believes NSP's weather normalized ROE for 2019 is 9.7%. Conversely, NSP believes the applicable ROE to be 9.1%. While we do still have a fundamental disagreement, neither scenario would result in a refund due to customers for 2019. For this reason, Staff recommends that the Commission take no further action at this time and await 2020 earnings results.

It is possible if not likely that NSP and Staff will have the same fundamental disagreement on 2020 earnings results, however it is also possible that earnings will be similarly low in 2020 whereby the disagreement between NSP and Staff would not change the outcome for customers. While it is important to be accurate, Staff believes in this case, it is more important to use our resources on issues that will have an impact to ratepayers.

Based on the above, Staff is withdrawing its request for a hearing on this matter.

**83** **PU-18-155** Filed: 11/3/2020 Pages: 2  
**Letter withdrawing 14 Sept. 2020 request for hearing**

Public Service Commission Advocacy Staff

Victor Schock

Sincerely,

A handwritten signature in blue ink, appearing to read 'Victor Schock', with a long horizontal flourish extending to the right.

Victor Schock  
Public Utilities Division  
North Dakota Public Service Commission  
600 E Boulevard Ave, Dept 408  
Bismarck, ND 58505-0480

c: Dave Sederquist