

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Northern States Power Company
Transmission Facility Cost Recovery (2019)
Rates**

Case No. PU-18-364

ORDER ON TRANSMISSION FACILITY COST RECOVERY RATES

March 13, 2019

Preliminary Statement

On October 5, 2018, Northern States Power Company (NSP) filed an application for approval of its 2019 Transmission Cost Recovery (TCR) Rider rate.

On October 24, 2018, the Commission suspended the tariff filing and reduced the filing fee to \$10,000.

On November 8, 2018, the Commission issued a Notice of Opportunity for Hearing, which provided until December 20, 2018 for receiving written comments and hearing requests. No response was received. The notice identified the issues to be considered in this matter are:

1. Whether the investments and associated costs for the new or modified electric transmission facilities qualify for recovery,
2. Whether the incurred costs are reasonable and prudent, and
3. Whether the rate adjustments are consistent with the terms of NSP's tariff.

On November 27, 2018, NSP filed a correction to its application, revising its 2019 TCR revenue requirements and the proposed TCR rate accordingly.

On February 6, 2019, the Commission discussed this matter with NSP during an Informal Hearing.

On February 15, 2019, NSP filed supplemental Information and requested to reduce the proposed TCR rate in recognition of a shortened nine-month recovery period effective April 1, 2019.

Discussion

This filing was NSP's fifth annual update to its TCR Rider. The TCR Rider was first approved by Commission order on February 26, 2014 under North Dakota Century Code Section 49-05-04.3. This annual update includes ten new or modified transmission

projects that are not currently in base rates. The Company explained these projects and the reason for their addition during the Informal Hearing.

NSP reports a nine-month April through December 2019 TCR revenue requirement of \$3,102,920, resulting in a 2019 TCR rate of 0.1914 cents per kWh. The monthly billing impact for a typical residential customer using 750 kWh per month will be a decrease of approximately \$1.44.

Having considered this matter, the Commission finds NSP's proposed 2019 TCR rate is reasonable and should be approved. Therefore, the Commission issues its:

Order

The Commission Orders Northern States Power Company's request for a rate adjustment for its 2019 Transmission Facility Cost Recovery Rider is APPROVED.

PUBLIC SERVICE COMMISSION


Julie Fedorchak
Commissioner


Brian Kroshus
Chairman


Randy Christmann
Commissioner