

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Northern States Power Company
Fuel Clause Adjustment Variance
Approval

Case No. PU-19-172

AFFIDAVIT OF SERVICE BY CERTIFIED AND ELECTRONIC MAIL

STATE OF NORTH DAKOTA
COUNTY OF BURLEIGH

Geralyn R. Schmaltz deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **5th day of September 2019**, she deposited in the United States Mail, at Bismarck, North Dakota, **two** envelopes with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

- **Order**

The envelopes were addressed as follows:

Ryan Long
Lead Assistant General Counsel
Xcel Energy Services, Inc.
414 Nicollet Mall – 401, 8th Floor
Minneapolis, MN 55401
Cert. No. 7019 0700 0000 6174 0044

David Sederquist
Sr. Regulatory & Financial Consultant
Xcel Energy
PO Box 2747
Fargo, ND 58108-2747
Cert. No. 7019 0700 0000 6174 0051

Geralyn R. Schmaltz further deposes and says that on the **5th day of September 2019**, she sent an electronic message to **1** addressee, each including an electronic copy in portable document format of the same document.

The electronic mail was addressed as follows:

Lynnette Sweet
Regulatory Administrator
Regulatory.Records@xcelenergy.com

The addresses shown are the respective addressee's last reasonably ascertainable post office and electronic mail addresses.

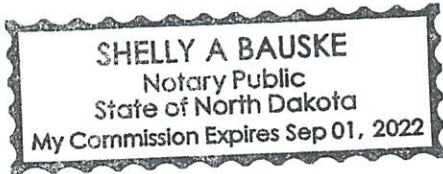
Subscribed and sworn to before me
this **5th of September 2019**.

[Handwritten signature]

Shelly A Bauske

Notary Public

SEAL



**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Northern States Power Company
Fuel Cost Adjustment Variance
Approval**

Case No. PU-19-172

ORDER

September 4, 2019

Preliminary Statement

On May 6, 2019, Northern States Power Company (NSP) requested a variance to the Fuel Cost Rider (FCR) in order to pass to customers through the FCR a financial settlement from General Electric related to a turbine failure at NSP's Sherco 3 generator. The variance is requested under North Dakota Administrative Code section 69-02-01-11 and 69-09-02-39.

On May 29, 2019, the Commission issued a Notice of Opportunity for Hearing, which provided until July 8, 2019 for receiving written comments and hearing requests. No response was received.

On July 25, 2019, the Commission discussed the matter with NSP and Commission Advocacy Staff during an Informal Hearing.

Discussion

The Commission's Notice of Opportunity for Hearing identified that the issues to be considered in this matter are:

1. Whether the proposed pass-through amount is just and reasonable.
2. Whether the requested FCR variance should be granted.

In November, 2011 NSP's Sherco generating unit #3 experienced turbine failure due to stress corrosion cracking that resulted from a design flaw. The resulting lawsuit was settled with General Electric for a confidential amount of money on September 20, 2018. NSP has requested trade secret protection for the confidential settlement amount and the Commission will avoid disclosure in this document. NSP proposes to pass through the entire settlement amount to its electric service customers. The Commission finds the proposed pass-through amount is just and reasonable.

NSP requests the Commission waive the relevant provisions of N.D. Admin. Code Section 69-09-02-39 to allow the settlement amount to be credited to customers through the Fuel Cost Rider. Replacement energy purchased during the turbine failure was billed

to customers through the fuel cost rider. Therefore the Commission finds the fuel cost rider is an appropriate mechanism for crediting the settlement payment to customers and NSP's requested FCR variance should be granted.

Order

The Commission Orders:

- 1 NSP's requested variance from the provisions of North Dakota Administrative Code section 69-09-02-39 is granted.
2. NSP shall credit the settlement amount to electric service customers through the Fuel Cost Rider as proposed.

PUBLIC SERVICE COMMISSION

		
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Julie Fedorchak Commissioner	Brian Kroshus Chairman	Randy Christmann Commissioner