

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Northern States Power Company
Cost of Gas 2021
Tariff Monthly Adjustments**

Case No. PU-21-9

ORDER

June 29, 2021

Preliminary Statement

On May 18, 2021, Northern States Power Company (NSP) filed an application for a variance to its cost of gas true-up pursuant to the terms of North Dakota Administrative Code section 69-09-02-39, Automatic Adjustment Clauses. The variance would extend the time for recovery of an under-collected balance of the cost of gas adjustment from 12 months up to 24 months from July 1, 2021 through August 31, 2023. The variance would allow for an increase in the cost of gas rate.

On May 5, 2021, the Commission discussed the matter with NSP and Commission Staff (Staff) during an Informal Hearing.

On May 27, 2021, NSP filed responses to questions raised during the May 5, 2021 Informal Hearing.

On May 28, 2021, the Commission discussed the matter with Staff during a Work Session.

On May 28, 2021, the Commission issued a Notice of Opportunity for Hearing, which provided until June 28, 2021 for receiving written comments and hearing requests. No requests for hearing were received, however two public input comments were received.

The Notice identified the issues to be considered in this matter are:

1. Whether it is appropriate to grant a waiver of the Commission's rules under North Dakota Administrative Code section 69-09-02-39, Automatic Adjustment Clauses, for the purpose of adjusting the recovery period?
2. Whether the proposed rate or interim rate subject to future adjustment or refund is just and reasonable?
3. What is the appropriate time of recovery for the proposed rate or interim rate?

On June 9, 2021, the Commission discussed the matter with NSP and Staff during an Informal Hearing.

On June 24, 2021, the Commission discussed the matter with Staff during a Work Session.

On June 28, 2021, NSP filed a modification to its variance request based on the Commissions June 24, 2021 Work Session.

Discussion

Section 2 of NSP's Gas Cost Rider references the cost of gas true-up factors to be recalculated and implemented annually in September of each year; however, NSP states the magnitude of an increase in natural gas supply prices due to the weather event in February 2021 necessitates the above referenced adjustment. In the absence of the proposed mitigation, the surcharge gas cost adjustment calculated in accordance with the Company's tariff for residential customers would be approximately \$0.30726 per therm. This rate would be effective for September 1, 2021 through August 31, 2022.

NSP requests the commission waive the relevant provisions of North Dakota Administrative Code section 69-09-02-39 and grant approval of the surcharge adjustment from July 1, 2021 through September 30, 2022 as follows:

Customer Class	July 2021 - October 2021	November 2021- April 2022	May 2022- September 2022
Residential)	\$0.76822/therm	\$0.19205/therm	\$0.76822/therm
Commercial & Industrial	\$0.27153/therm	\$0.27153/therm	\$0.27153/therm
Interruptible	\$0.10735/therm	\$0.10735/therm	\$0.10735/therm

Due to the potential for inequities withing certain customer classes, NSP proposes a rate that does not vary for commercial, industrial, and interruptible customers for the July 1, 2021 through September 30, 2022 period.

Having considered this matter the Commission finds that a variance is necessary to mitigate the rate impact to North Dakota customers. Therefore, the Commission issues its:

Order

The Commission Orders:

- 1 Northern States Power Company's proposed rate change is just and reasonable.

2. Northern States Power Company's requested variance from the provisions of North Dakota Administrative Code section 69-09-02-39 as detailed in its June 28, 2021 filing is granted.

PUBLIC SERVICE COMMISSION



Randy Christmann
Commissioner



Julie Fedorchak
Chair



Brian Kroshus
Commissioner