

**NORTH DAKOTA PUBLIC SERVICE COMMISSION**  
**CONTRACT AMENDMENT**

**Purchase of Service Contract  
Amendment #: 1**

**CONTRACT NUMBER PU-856-21**

**Case No. PU-21-152**

This is made to amend contract # PU-856-21 (Contract) between the State of North Dakota, acting through its North Dakota Public Service Commission, Public Utilities Division (STATE) and PA Consulting Group, Inc. (CONTRACTOR).

The parties agree to the following terms and conditions and expressly agree that if any of the following terms and conditions conflict with any of the terms and conditions of the Contract, then, notwithstanding any term in the Contract, the following terms and conditions govern and control the rights and obligations of the parties.

The parties agree to amend the Contract as follows:

Extension: Contract Section 3, Term of Contract. The Contract commenced on August 27, 2021, to expire on July 27, 2022, with an option to extend the contract up to three times for an additional period of time not to exceed 12 months per extension.

The parties agree to extend the Contract for an additional 12 months; therefore, the Contract is amended to change the expiration date to July 27, 2023.

Scope of Work: Contract Section 1, Scope of Work. The following is added: In April 2021 NSP filed testimony for an advance determination of prudence for the 460 MW Sherco Solar facility, which was described as not a least cost energy addition. In October 2022, NSP filed rebuttal testimony that based on the impact of the Inflation Reduction Act and updated models, NSP finds that the facility is a least cost capacity addition based on North Dakota rules. The rebuttal testimony represents a new analysis and a completely different justification and cost recovery for the facility. The CONTRACTOR will provide a thorough analysis of this update, including a surrebuttal supporting the analysis and recommendation. CONTRACTOR will also prepare any sur-surrebuttal, if required, assuming that occurs before September 2023.

Price Adjustment: Contract Section 2, Compensation. The Compensation is amended as follows: The contract amount will change from "not to exceed \$84,910" to "not to exceed \$104,910."

The negotiated cost proposal, dated March 2, 2023, provided by CONTRACTOR is attached to and incorporated into this agreement.

All other terms of the Contract remain in effect.

This Contract Amendment is not effective until fully executed by all parties.

CONTRACTOR NAME:

STATE OF NORTH DAKOTA

PA Consulting Group, Inc.

Acting through its North Dakota Public Service Commission

By: 

By: 

Title: Member of PA's Management Group

Title: Steve Kahl, Executive Director

Date: March 7, 2023

Date: ~~5/12/23~~ ~~4/8/23~~

3/8/23



# Contract Amendment – March 2, 2023

## 460 MW Sherco Solar

CASE NO. PU-21-152

### **Background**

In April 2021 NSP filed testimony for the 460 MW Sherco Solar facility noting that the under North Dakota rules, the facility was not a least cost energy addition. In recognition of the cost of the project and that it was unlikely that the Commission would approve an ADP, NSP requested that the Commission approve an alternative framework for recovery of cost in North Dakota based upon the market value of the energy and a proxy for the value of the capacity. In October 2022 NSP filed rebuttal testimony indicating that based upon new modeling informed by the Inflation Reduction Act, it now determined that Sherco Solar is the least cost capacity addition under North Dakota rules. Subsequently, NSP is requesting approval of an ADP for the project as a capacity resource. The rebuttal testimony presents a brand new analysis and a completely different justification of the project. This necessitates new analysis and a different line of testimony for the surrebuttal testimony.

### **Task Description**

PA will review the new filing and supporting analysis developed by NSP to justify Sherco Solar as the least cost capacity addition. Based upon our review, we will develop appropriate data requests and analysis to evaluate and make a determination whether NSP's proposal is in the interest of North Dakota customers. We will develop the associated testimony supporting our analysis and recommendations. This contract amendment also includes the cost to prepare any sur-surrebuttal assuming that occurs before September 2023.

### **Estimated Effort**

Review of NSP rebuttal testimony:	4 hours
Develop data requests, review responses, and analyse supporting data	32 hours
Prepare surrebuttal to address NSP's case	16 hours
Blended hourly rate (Jim Heidell & Principal Consultant Support)	535 / hr
Incremental Cost	\$27,820
Discount	(\$7,820)
Contract Amendment	<b>\$20,000</b>