

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Northern States Power Company
Transmission Facility Cost Recovery (2022)
Rates**

Case No. PU-21-396

ORDER

February 23, 2022

Preliminary Statement

On October 4, 2021, Northern States Power Company (NSP) filed an application for approval of its 2022 Transmission Cost Recovery (TCR) Rider rate. The TCR Rider allows NSP to recover transmission capital and operating costs not presently reflected in base retail rates.

On October 20, 2021, the Commission issued a Notice of Opportunity for Hearing, which provided until December 6, 2021 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 January 6, 2022, NSP filed a revised 2022 TCR Rider rate after Staff review noted adjustments to the revenue requirement were necessary, which lowered the revenue requirement for two transmission projects.

On February 1, 2022, the Commission discussed this matter with NSP during an Informal Hearing.

Discussion

This annual update adds eleven new transmission projects that are not currently in TCR Rider rates or base rates totaling an approximately \$225,000 revenue requirement for 2022.

After moving several transmission projects into base rates as part of the recently approved rate case, the October 2021 TCR Rider rate was \$.000685. NSP proposes a 2022 TCR Rider revenue requirement totaling \$1,382,297, resulting in a 2022 TCR Rider

rate of \$0.000764 per kWh for service rendered on or after March 1, 2022. Beginning March 1, 2022, this change results in a monthly billing increase for a residential customer using 750 kWh per month of approximately \$0.47 over the TCR Rider rate that was effective October 2021.

The investments and associated costs for the new and modified electric transmission facilities qualify for recovery through the TCR.

The incurred costs for new and modified electric transmission facilities are reasonable and prudent.

The proposed rate adjustment complies with the terms of NSP's tariff.

Having considered this matter, the Commission finds NSP's 2022 TCR Rider rate is reasonable and should be approved. Therefore, the Commission issues its:

Order

The Commission Orders Northern States Power Company's 2022 Transmission Facility Cost Recovery Rider rate filed on January 6, 2022 is APPROVED for service rendered on or after March 1, 2022.

PUBLIC SERVICE COMMISSION


Randy Christmann
Commissioner


Julie Fedorchak
Chair


Sheri Haugen-Hoffart
Commissioner