


Memorandum

To: Commissioners Fedorchak, Christmann and Haugen-Hoffart

From: Victor Schock Director, Public Utilities Division 

Date: September 1, 2022

Re: Northern States Power Company, 2021 Power Purchase Agreement Costs, Compliance, Case No. PU-22-311

The Commission's February 26, 2014, Order in Case Nos. PU-12-813, et al. adopted a Comprehensive Settlement Agreement that specified a mechanism to ensure the Commission has been fully notified of Purchase Power Agreement (PPA) costs that are being recovered through Northern States Power's (NSP) fuel cost rider. NSP must make an annual report of any new PPAs less than 50 MW in size that are being recovered through its fuel cost rider (FCR). If the Commission does not commence a review of the PPAs to determine prudence within six months of the filing, the PPAs identified in the filing are deemed prudent for ratemaking purposes for the life of the PPAs.

On July 8, 2022, NSP made its filing regarding three new PPAs less than 50 MW in size that were added to the FCR in 2021.

On July 27, 2022, the Commission issued a Notice of Opportunity for Hearing providing until September 9, 2022, for comments and requests for hearing. No comments or requests have been received.

The PPAs added in 2021 are extensions of PPAs that have been in place with Rock Ridge Power Partners, LLC, South Ridge Power Partners, LLC, and Windvest Power Partners, LLC to purchase of the output from three 1.8 MW wind facilities that have been in operation since 2006. The new PPAs are priced at a similar rate to the expired PPAs, which was allowed to be recovered by the Commission. While the term and price per Mwh of the PPAs is trade secret, they will not add any measurable amount to customer bills.

Based on its investigation staff recommends that no further action be taken and the case be closed.