



2302 Great Northern Drive  
Fargo, ND 5802

January 23, 2023

–VIA ELECTRONIC MAIL AND U.S. MAIL–

Steven M. Kahl, Executive Director  
North Dakota Public Service Commission, Dept. 408  
State Capitol, 600 East Boulevard  
Bismarck, ND 58505-0480

RE: 2023 RENEWABLE ENERGY RIDER (RER) RATE ADJUSTMENT - UPDATE OF  
EFFECTIVE DATE  
CASE NO. PU-22-368

Dear Mr. Kahl:

Northern States Power Company, doing business as Xcel Energy, submits to the North Dakota Public Service Commission the enclosed update regarding its pending 2023 Renewable Energy Rider (RER) rate application. Given the passage of time, we have updated the proposed rate to reflect an effective date of March 1, 2023, to accommodate the timing of the Commission's decision in this docket.

The Company proposed in its original RER application that if rate implementation is later than January 1, 2023 the monthly rate could be recalculated before implementation to recover the approved 2023 revenue requirements over the remaining months of 2023. The Commission has approved such treatment in past RER proceedings.<sup>1</sup>

Table 1 below shows the updated rate calculation for a March 1 implementation date.

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<sup>1</sup> See, for example, Case No. PU-19-329, ORDER (February 19, 2020).

**Table 1: 10-Month Rate Calculation Effective March 1**

<b>ND Retail Revenue Requirement</b>	\$5,237,041
<b>Less Jan-Feb 2023 Collections</b>	\$(720,375)
<b>ND Net Mar-Dec 2023 Cost</b>	\$4,516,666
<b>10 months ND Retail Sales in MWh</b>	1,766,461
<b>2023 RER Rate (Per kWh)</b>	\$0.002557
<b>Typical Residential Bill Impact</b>	\$1.92

Note: Calculations above assume revenues are collected for the first two months of 2023 at the current RER rate of \$0.001856. The ND retail sales to which the rate would be applied reflect the projected sales for the 10-month period.

Adjusting the approved rate for a shorter recovery period will allow recovery of the projected \$5.2 million revenue requirement within the 2023 calendar year, thereby avoiding the likelihood of a material over- or under-recovery and subsequently large true-up in 2024.

We have included the following attachments which support the March 1, 2023 RER rate implementation date. None of the other attachments were substantively impacted by the implementation date change.

Attachment 1: RER Rate Calculation  
Attachment 4: ND Electric Sales by Calendar Month (Revenues)  
Attachment 11: Proposed Tariff Sheet  
Attachment 12: Proposed Customer Notice

The Company respectfully requests the Commission approve its revised 2023 RER rate of \$0.002557 to reflect a March 1, 2023 implementation date. Please contact me at [alex.j.nisbet@xcelenergy.com](mailto:alex.j.nisbet@xcelenergy.com) if you have any questions regarding this filing.

Sincerely,

/s/

ALEX NISBET  
REGULATORY POLICY SPECIALIST

c: Robert Frank

Enclosures

Line No **2023 Rate Calculation**

1 **Northern States Power Company**

2 **North Dakota Renewable Energy Rider (RER)**

3 **Projected 2023 effective March 1, 2023**

4

<u>Description</u>	<u>All Classes</u>	
North Dakota Net Annual Cost	\$ 5,237,041	From Line 78 of Attachment 2
Less Jan-Feb 2023 Collections	\$ (720,375)	From Lines 11-12 of Attachment 4
North Dakota Net Mar-Dec 2023 Cost <sup>(1)</sup>	\$ 4,516,666	
Forecasted North Dakota Mar-Dec 2023 kWh <sup>(2)</sup>	1,766,461,231	From Lines 13-22 of Attachment 4
<b>Total Factor / kWh</b>	<b>\$ 0.002557</b>	(Line 6 / Line 7)
Residential bill impact / Month <sup>(3)</sup>	\$ 1.92	Line 8 * 750 kWh

11 **Notes:**

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- 14 (1) Removed the amount collected at the prior rate in 2023. Annual cost includes true-up adjustment to Tracker Account for the
- 15 previous year's over- or under-recovery.
- 16 (2) Reflects calendar month sales for March 2023 thru December 2023. See Attachment 4 for detail.
- 17 (3) Assumes 750 kWh per month.
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19 **Northern States Power Company**

20 **North Dakota Renewable Energy Rider (RER)**

21 **Projected 2023 effective January 1, 2023 (Based on Original Filing)**

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<u>Description</u>	<u>All Classes</u>	
North Dakota Net Annual Cost <sup>(1)</sup>	\$ 5,237,041	From Line 78 of Attachment 2
Forecasted North Dakota kWh <sup>(2)</sup>	2,154,594,231	From Line 23 of Attachment 4
<b>Total Factor / kWh</b>	<b>\$ 0.002431</b>	(Line 6 / Line 7)
Residential bill impact / Month <sup>(3)</sup>	\$ 1.82	Line 8 * 750 kWh

27 **Notes:**

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- 30 (1) Annual cost includes true-up adjustment to Tracker Account for the previous year's over- or under-recovery. Please see line 4 of
- 31 Attachment 2 for details.
- 32 (2) Reflects calendar month sales. See line 23 of Attachment 4 for detail
- 33 (3) Assumes 750 kWh per month.
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35 **Northern States Power Company**

36 **North Dakota Renewable Energy Rider (RER)**

37 **2022 Approved Rate**

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<u>Description</u>	<u>All Classes</u>	
North Dakota Net Annual Cost <sup>(1)</sup>	\$ 3,971,059	
Forecasted North Dakota kWh <sup>(2)</sup>	2,139,862,282	
<b>Total Factor / kWh</b>	<b>\$ 0.001856</b>	
Residential bill impact / Month <sup>(3)</sup>	\$ 1.39	

43 **Notes:**

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- 46 (1) Annual cost includes true-up adjustment to Tracker Account for the previous year's over- or under-recovery.
- 47 (2) Reflects calendar month sales.
- 48 (3) Assumes 750 kWh per month.

North Dakota Calendar Month Electric Sales (Mwh)  
 2023 Budget

Line No		Residential w/o Sp Heat	Residential w/ Sp Heat	Total Residential	Small C&I	Large C&I	Total C&I	Street Lighting	Public Authority	Interdept	Total Other	Total Retail	Rate	Revenues
	<b>Monthly</b>													
1	2022-07	49,244	13,811	63,055	90,795	35,959	126,754	706	1,256	-	1,962	191,772	0.001856	355,928
2	2022-08	49,690	13,927	63,617	89,028	34,744	123,771	929	1,260	-	2,189	189,577	0.001856	351,856
3	2022-09	36,365	11,152	47,517	74,629	33,607	108,236	1,036	1,126	-	2,162	157,915	0.001856	293,091
4	2022-10	37,419	15,937	53,356	76,700	32,481	109,181	1,190	1,061	-	2,251	164,788	0.001856	305,846
5	2022-11	39,568	24,054	63,622	79,706	29,395	109,101	1,398	1,060	-	2,457	175,181	0.001856	325,136
6	2022-12	47,536	32,827	80,363	84,545	28,334	112,879	1,490	1,093	-	2,582	195,824	0.001856	363,450
7	<b>2022 Total</b>	<b>259,822</b>	<b>111,709</b>	<b>371,531</b>	<b>495,403</b>	<b>194,519</b>	<b>689,923</b>	<b>6,748</b>	<b>6,855</b>	<b>-</b>	<b>13,603</b>	<b>1,075,057</b>	<b>0.001856</b>	<b>\$ 1,995,306</b>
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	<b>2023 Proposed</b>													
	<b>Tariff Rate</b>													
11	2023-01	52,520	39,037	91,557	85,428	26,209	111,638	1,591	1,148	-	2,739	205,933	0.001856	382,212
12	2023-02	44,782	31,287	76,069	76,790	27,194	103,984	1,110	1,037	-	2,147	182,200	0.001856	338,163
13	2023-03	44,988	26,364	71,352	90,740	29,060	119,800	1,177	1,276	-	2,453	193,605	0.002557	495,048
14	2023-04	35,195	17,158	52,353	71,409	28,473	99,882	1,031	1,162	-	2,193	154,428	0.002557	394,873
15	2023-05	37,326	13,644	50,970	82,749	29,215	111,964	810	1,131	-	1,941	164,876	0.002557	421,587
16	2023-06	42,235	11,937	54,171	84,281	31,676	115,957	741	1,269	-	2,009	172,138	0.002557	440,156
17	2023-07	49,061	13,910	62,971	91,549	36,697	128,246	694	1,305	-	2,000	193,218	0.002557	494,057
18	2023-08	49,461	14,037	63,498	89,730	35,136	124,866	913	1,309	-	2,223	190,586	0.002557	487,330
19	2023-09	36,220	11,251	47,471	75,281	33,994	109,275	1,018	1,170	-	2,189	158,934	0.002557	406,395
20	2023-10	37,226	16,044	53,270	77,349	32,849	110,199	1,170	1,103	-	2,273	165,742	0.002557	423,802
21	2023-11	39,380	24,201	63,581	80,391	29,726	110,118	1,374	1,101	-	2,476	176,174	0.002557	450,477
22	2023-12	47,339	32,999	80,338	85,166	28,656	113,822	1,465	1,135	-	2,600	196,760	0.002557	503,115
23	<b>2023 Total</b>	<b>515,732</b>	<b>251,869</b>	<b>767,601</b>	<b>990,864</b>	<b>368,887</b>	<b>1,359,750</b>	<b>13,095</b>	<b>14,148</b>	<b>-</b>	<b>27,243</b>	<b>2,154,594</b>	<b>0.002431</b>	<b>\$ 5,237,216</b>

\*based on current proposed projects

# Legislative

**RENEWABLE ENERGY RIDER**

Section No. 5

~~11th~~12th Revised Sheet No. 87

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**APPLICATION**

Applicable to qualifying charges for electric service provided under all Company retail rate schedules.

**RENEWABLE ENERGY RIDER**

There will be included on each customer's monthly bill a Renewable Energy Rider ("RER") charge for purposes of recovering capital and operating costs of company-owned renewable energy generation not presently reflected in base retail rates. The RER charge shall be determined by multiplying a customer's monthly billed kWh for electric service by the current RER Rate. The RER charge shall be calculated prior to the application of any City Fee and/or sales tax.

**DETERMINATION OF RER RATE**

The RER Rate is determined by dividing the annual forecasted RER revenue requirement amount by the annual forecasted kWh sales. The annual forecasted RER revenue requirement is the sum of the RER costs for the forecast period and the carryover balance in the RER Tracker Account from the prior period. The RER Rate will be calculated annually, with the approval of the Commission. The present RER Rate is:

All Classes

~~\$0.001856~~\$0.002557 per kWh

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All approved costs appropriately charged to the RER Tracker Account are eligible for recovery through this Rider, and all revenues recovered through the Rider are credited to the RER Tracker Account.

**QUALIFYING RENEWABLE ENERGY RIDER COSTS**

Qualifying RER costs include all annual revenue requirements eligible for recovery under N.D.C.C. § 49-02, 49-05 and 49-06. These costs include, but are not limited to, depreciation expense, property taxes, and operation and maintenance expenses related to Company-owned renewable energy project costs and capacity-related renewable energy purchased power costs not currently being recovered in base rates or eligible for recovery through the FCR. Eligible projects (or portions of these projects) must have previously been granted an Advance Determination of Prudence by the Commission.

**TRUE-UP**

For each 12-month period ending December 31, a true-up will be calculated reflecting the difference between actual RER revenue and the actual qualifying RER costs. The resulting true-up shall be netted with the forecasted RER cost for the current calendar year. The difference between forecasted RER revenue and forecasted qualifying RER costs for current calendar year is then included in the calculation of the RER rate proposed for the following calendar year.

For example, Year 1 actual RER revenue will be compared to actual Year 1 RER costs and the difference rolled into the forecasted Year 2 costs. Year 2 forecasted RER revenue is then compared to forecasted Year 2 RER costs and the difference included in the calculation of the proposed RER rate to be effective in Year 3.

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Date Filed: ~~09-21-21~~09-19-22

By: Christopher B. Clark

Effective Date: ~~01-01-22~~

President, Northern States Power Company, a Minnesota corporation

Case No. PU-~~21-389~~22-368

Order Date: ~~12-01-21~~

## **Non-Legislative**

**RENEWABLE ENERGY RIDER**

Section No. 5  
12th Revised Sheet No. 87

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All Classes	\$0.002557 per kWh
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For example, Year 1 actual RER revenue will be compared to actual Year 1 RER costs and the difference rolled into the forecasted Year 2 costs. Year 2 forecasted RER revenue is then compared to forecasted Year 2 RER costs and the difference included in the calculation of the proposed RER rate to be effective in Year 3.

## Proposed Customer Bill Notice

### Renewable Energy Rider Rate Increase Effective March 1, 2023

The Renewable Energy Rider (RER) line item on your bill recovers investment costs associated with new and modified renewable energy generation facilities approved by the North Dakota Public Service Commission. These investments reduce fuel and purchased energy costs. Beginning March 1, 2023, the RER rate will increase from the previously approved rate of \$0.001856 to \$0.002557 per kWh.

#### Residential Electric Service – Average Annual Bill

The chart below shows the change to typical customer bills from the RER rate decrease. The comparison does not reflect any other rate changes that may occur at the same time.

Usage (kWh)	Previous				New				Change In Bill	Percent Change
	Other Charges	RER Rate	RER Charge	Bill	Other Charges	New RER Rate	New RER Charge	New Bill		
400	\$57.91	\$0.001856	<b>\$0.74</b>	\$58.65	\$57.91	\$0.002557	<b>\$1.02</b>	\$58.93	\$0.28	0.48%
500	\$68.64	\$0.001856	<b>\$0.93</b>	\$69.57	\$68.64	\$0.002557	<b>\$1.28</b>	\$69.92	\$0.35	0.50%
600	\$79.37	\$0.001856	<b>\$1.11</b>	\$80.48	\$79.37	\$0.002557	<b>\$1.53</b>	\$80.90	\$0.42	0.52%
750	\$95.46	\$0.001856	<b>\$1.39</b>	\$96.85	\$95.46	\$0.002557	<b>\$1.92</b>	\$97.38	\$0.53	0.55%
1000	\$122.28	\$0.001856	<b>\$1.86</b>	\$124.14	\$122.28	\$0.002557	<b>\$2.56</b>	\$124.84	\$0.70	0.56%
1500	\$175.92	\$0.001856	<b>\$2.78</b>	\$178.70	\$175.92	\$0.002557	<b>\$3.84</b>	\$179.76	\$1.06	0.59%
2000	\$229.55	\$0.001856	<b>\$3.71</b>	\$233.26	\$229.55	\$0.002557	<b>\$5.11</b>	\$234.66	\$1.40	0.60%

#### For more information

You may examine the new rate rider details by visiting our website at [xcelenergy.com/NDRates](http://xcelenergy.com/NDRates).