

Memorandum

To: Commissioners Christmann, Haugen-Hoffart and Fedorchak

From: Robert Frank, Public Utility Analyst *RF*

Date: September 18, 2023

Re: Northern States Power Company, 2022 Power Purchase Agreement Costs, Compliance, Case No. PU-23-261

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 Power Purchase Agreement (PPA) costs that are being recovered through Northern States Power Company's (NSPs) Fuel Cost Rider (FCR). NSP must file an annual report detailing any new PPAs less than 50 MW in size that are being recovered through its 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 3, 2023, NSP made its filing regarding two new PPAs less than 50 MW in size that were added to the FCR in 2022.

On August 2, 2023, the Commission issued a Notice of Opportunity for Hearing providing until September 15, 2023, for comments or request for hearing. No comments or requests have been received.

The PPAs added in 2022 include a 0.19 MW solar facility with Keller Paving & Landscaping in Minot, ND, and a 0.38 MW solar facility with Poet, LLC in Sioux Falls, SD. The new PPAs are priced at a FERC qualifying facility rate.

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

C. Alex Nisbet