

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Northern States Power Company
Renewable Resource Cost Recovery (2024)
Rates**

Case No. PU-23-312

ORDER

December 13, 2023

Preliminary Statement

On September 20, 2023, Northern States Power Company (NSP) filed a request for approval of its 2024 Renewable Energy Rider (RER). The purpose of this rider is to recover, from NSP North Dakota electric customers, costs of renewable energy generation not presently reflected in retail rates. In this filing, NSP would recover costs of four previously approved projects.

On October 24, 2023, the Commission issued a Notice of Opportunity for Hearing, which provided until December 8, 2023, for receiving written comments and hearing requests. No response was received. The notice provided that, if deemed appropriate, the Commission can determine the matter without a hearing.

The Notice identified the issues to be considered in this proceeding are:

1. Whether the investments and associated costs for the resources qualify for recovery,
2. Whether the incurred costs are reasonable and prudent,
3. Whether the rate adjustments are consistent with the terms of NSP's tariff,

Discussion

The 2024 RER rate would be applied to all energy billed to each customer effective January 1, 2024. The 2024 RER would recover the costs of previously approved projects, Freeborn Wind and Dakota Range I & II as well as two previously approved repower projects, Nobles Wind and Grand Meadows.

Freeborn Wind was approved in Case No. PU-19-329 and is estimated at \$1,848,658, a decrease of \$61,671 from 2023. Dakota Range was approved in Case No. PU-21-389 and is estimated at \$1,842,784, a decrease of \$167,464 from 2023. Nobles Wind Repower is estimated at \$784,551, a decrease of \$134,372 from 2023. Grand Meadows Wind Repower is estimated at \$593,637, an increase of \$63,217. The decreases are due mostly to the reduction in the average rate base of each facility. The

exception is Grand Meadows which had an increase in the average rate base as a result of being placed into service in early 2023.

NSP proposes a current year revenue requirement of \$5,183,779, which combined with the previous year's over-collection of \$677,543 results in a total 2024 RER of \$4,506,236. The 2024 RER rate is calculated to be \$0.002062 resulting in a residential customer using 750 kWh to experience a monthly bill decrease of \$0.37.

The Commission finds NSP's investments and associated costs for the resources qualify for recovery, the incurred costs are reasonable and prudent, and the rate adjustments are consistent with the terms of NSP's tariff.

Having considered this matter, the Commission finds NSP's proposed 2024 RER rate and tariff changes is reasonable and should be approved.

Order

The Commission orders NSP's 2024 Renewable Energy Rider rates filed on September 20, 2023, are approved for service rendered on or after January 1, 2024.

PUBLIC SERVICE COMMISSION

		
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Sheri Haugen-Hoffart	Randy Christmann	Julie Fedorchak
Commissioner	Chair	Commissioner