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August 5, 2025

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

**–Via E-Mail and U.S. Mail–**

RE: SUPPLEMENTAL INFORMATION  
APPLICATION TO AMEND THE ORDER TO MODIFY THE COMMITMENT  
TO BUILD THERMAL GENERATION IN NORTH DAKOTA  
CASE NO. PU-24-342

Dear Mr. Kahl:

Northern States Power Company, doing business as Xcel Energy, submits to the North Dakota Public Service Commission (Commission) the enclosed original and seven copies of the Company's Supplemental Information in the above noted matter. The Supplemental Information filing provides an update regarding events that have occurred since an informal hearing was held on November 26, 2024. In addition, the filing contains for the Commission's consideration an updated Second Revised Negotiated Agreement that extends a December 31, 2025 deadline for the Company to build or locate in eastern North Dakota a natural-gas fired electric generation facility.

Please contact me at [alex.j.nisbet@xcelenergy.com](mailto:alex.j.nisbet@xcelenergy.com) if you have questions regarding this filing. Thank you for your time and consideration.

SINCERELY,

/s/

ALEX NISBET  
REGULATORY POLICY SPECIALIST

Encls  
cc: Victor Schock

STATE OF NORTH DAKOTA  
BEFORE THE  
NORTH DAKOTA PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION TO  
AMEND THE MARCH 9, 2016 ORDER  
APPROVING SETTLEMENT IN CASE NO.  
PU-12-813 TO MODIFY THE  
COMMITMENT TO BUILD THERMAL  
GENERATION IN NORTH DAKOTA

CASE No. PU-24-342

**SUPPLEMENTAL INFORMATION**

**I. INTRODUCTION**

Northern States Power Company, doing business as Xcel Energy (Xcel Energy or the Company), submits to the North Dakota Public Service Commission (Commission) this Supplemental Information filing to our September 20, 2024 Application to amend the Commission’s March 9, 2016 Order Approving Settlement in Case No. PU-12-813 (the Application). This filing provides an update regarding actions that have been taken by the Company since an informal hearing was held on November 26, 2024. In addition, this filing contains for the Commission’s consideration an updated Second Revised Negotiated Settlement Agreement (Amended Settlement) found at **Attachment A** that extends the prior deadline of December 31, 2025 to December 31, 2032. In support of this request, we have drafted a project development chart with regulatory, equipment procurement and construction timeline estimates that is to form part of the Amended Settlement. We discuss the proposed project timeline and December 31, 2032 deadline in detail below and in Section IV of this filing.

In the initial September 20, 2024 filing the Company requested that the Commission amend the February 22, 2016 First Revised Negotiated Agreement (the 2016 Settlement Agreement) and adopt a revised settlement agreement removing the December 31, 2025 deadline and replacing the timeline commitment with a mandatory semi-annual reporting requirement to the Commission. Through an informal hearing held on November 26, 2024 the Commission expressed the desire for more specificity regarding future action that the Company would take to meet the commitment to build thermal generation in eastern North Dakota. In addition, the Commission noted its desire that the Company have “more skin in the game” with an escalating penalty and proof that the Company is committed to achieving the goal of building thermal generation in eastern North Dakota by expending time, money, and resources to that effect.

Since the informal hearing in November 2024, the Company has been taking deliberate steps to support the development of a natural gas pipeline from eastern to western North Dakota and to address the concerns raised by the Commission above.

As stated in the Application, the Bison Generating Station as proposed in January 2024 was deemed not economically competitive primarily due to the costs associated with the natural gas system upgrades necessary to supply firm natural gas. As such, the Company has been seeking alternate means of securing lower cost natural gas supply for the proposed Bison Generation Station. This involved working with the North Dakota Pipeline Authority (NDPA) and the Commission during the most recent North Dakota legislative session to support a future natural gas pipeline to the eastern edge of North Dakota.

The Commission and the Company were integral in providing support and solidifying the need for a new natural gas pipeline to eastern North Dakota. The result was the North Dakota legislature guaranteeing an additional \$200 million over a 10-year period, bringing the total amount of state capacity buy-down to \$500 million. Through this support, and as further discussed in Section III below, the state is the closest it has ever been to building a pipeline to transport natural gas from western to eastern North Dakota. Our current and future customers will be a key demand pull for any new natural gas project in eastern North Dakota. We remain engaged in the process and stand ready to support the successful development of this critical infrastructure for North Dakota's energy future.

The Company and Staff met during the session and upon its completion to discuss how to proceed in light of the new pipeline legislation and direction received by the Commission at the November 26, 2024 informal hearing. The result of these discussions was a draft Term Sheet (**Attachment B**) provided to Staff on June 11, 2025 for their review and consideration. Based upon the procedural information obtained, we drafted the Amended Settlement and project development chart found at **Attachment A** for consideration of the Commission.

The current project development chart estimates an in-service date by the third quarter of 2032. The 2032 deadline is reasonable and necessary due to the lengthy design and regulatory processes needed to develop the project plus other factors outside of our control such as third-party pipeline development timelines and supply chain constraints. Extension of the prior deadline will allow us to take the time needed to develop and refine our plans for North Dakota generation consistent with prudent resource planning, while incentivizing investment in the state.

The Company and the Commission have long agreed that there are local reliability and system benefits in locating thermal generation within or near our North Dakota service territory.<sup>1</sup> We are appreciative of the effort and guidance of Staff and the Commission on this matter.

In support of this filing, Xcel Energy provides:

- Background regarding the thermal generation commitment and an update on natural gas pipeline development; and
- A detailed description of the proposed amendments contained within the Amended Settlement and the project development chart.

Also provided with this application are the following attachments:

- Attachment A: Redline indicating proposed amendments to the First Revised Negotiated Agreement dated February 22, 2016 (the Amended Settlement).
- Attachment A.2: Project Development Chart
- Attachment B: June 11, 2025 Draft Term Sheet
- Attachment C: June 16, 2025 Letter from Ryan Long, President of NSPM responding to the NDPA's Request for Information

## II. FILING INFORMATION

Pursuant to Section 69-02-02-04 of the North Dakota Administrative Code, the following information is provided:

### A. Contact information for utility making the filing

Ian Dobson  
Lead Assistant General Counsel  
Xcel Energy Services Inc.  
414 Nicollet Mall – 401, 8<sup>th</sup> Floor  
Minneapolis, MN 55401  
(612) 370-3578  
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Xcel Energy  
2302 Great Northern Drive  
PO Box 2747  
Fargo, ND 58108-2747  
(701) 929-0547  
[alex.j.nisbet@xcelenergy.com](mailto:alex.j.nisbet@xcelenergy.com)

We request that all communications regarding this proceeding, including data requests, also be directed to:

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<sup>1</sup> 2016 Settlement Agreement at 3.

Christine Schwartz  
Regulatory Administrator  
Xcel Energy  
414 Nicollet Mall – 401, 7<sup>th</sup> Floor  
Minneapolis, MN 55401  
[regulatory.records@xcelenergy.com](mailto:regulatory.records@xcelenergy.com)

**B. Date of filing and proposed effective date**

The date of this filing is August 5, 2025. The Amended Settlement would be effective immediately upon approval of the Commission via Order.

**C. Statutory Authority**

We submit this application pursuant to N.D.C.C. Section 49-05-09, which provides:

The commission, at any time, upon due notice to the public utility affected and after opportunity to be heard as provided in the case of complaints, may rescind, alter, or amend any decision made by it. Any order rescinding, altering, or amending a prior order or decision, when served upon the public utility affected, shall have the same effect as an original order or decision.

**D. Articles of Incorporation**

Pursuant to Section 69-02-02-04 of the North Dakota Administrative Code, a certified copy of Xcel Energy's Articles of Incorporation is on file with the Commission, as is an original Certificate of Good Standing.

**III. REGULATORY BACKGROUND AND PIPELINE UPDATE**

On January 22, 2024 the Company submitted a bid proposal to the Minnesota Public Utilities Commission (MPUC) to construct 447 MW of firm dispatchable resources directly adjacent to the Xcel Energy Bison Substation in Harmony Township, Cass County, North Dakota. The proposed site for the Bison Generating Station is approximately 10 miles west of our Fargo load center and would allow the Company to maximize the use of existing transmission infrastructure, which includes the 345 kV Bison Substation, for interconnection.

Given its gas pipeline capacity needs as the first new gas plant proposed in the area, the Bison Generating Station would bear any costs necessary for natural gas system

upgrades to provide adequate supply. The Bison Generating Station as proposed in January 2024 was deemed not economically competitive primarily due to the costs associated with the natural gas system upgrades. As such, the Company has been seeking alternate means of securing lower cost natural gas supply for the proposed Bison Generation Station. This involved working with the NDPA and the Commission during the most recent North Dakota legislative session to support a future natural gas pipeline to the eastern edge of North Dakota. The result of the session was the North Dakota legislature guaranteeing an additional \$200 million over a 10-year period, bringing the total amount of state capacity buy-down to \$500 million. The Company was pleased with this result and we believe that the state is the closest it has ever been to building a pipeline to transport natural gas from western to eastern North Dakota.

We provide below a brief description of the Company's involvement to date and potential timelines for future pipeline development:

- **Throughout 2024:** The Company and the NDPA meet numerous times to discuss the opportunities and benefits of a natural gas pipeline from western to eastern North Dakota.
- **December 2024:** The NDPA proposes that the Company assess the possibility of switching our eastern North Dakota LDC customers to Bakken natural gas.
- **December 16, 2024:** WBI Energy Transmission, Inc. (WBI) issues a non-binding open season on the proposed Bakken East Pipeline Project, a 375 mile FERC-regulated pipeline to transport natural gas from the Bakken to eastern North Dakota.
- **January 2025:** The Company submits a bid into the open season, with the mutual understanding that we would require support to mitigate significant rate shock for the first 10 years of WBI's proposed 20-year contract.
- **January – May 2025:** The Company engages stakeholders during the North Dakota Legislative Session.
- **May 2025:** Senate Bill 2014 is signed by the Governor raising the state's commitment to provide up to \$500 million over a 10-year period to a natural gas pipeline developer.
- **May 22, 2025:** The NDPA issues a Request for Information (RFI) seeking detailed information from developers capable of transporting natural gas from western to eastern North Dakota. A key objective is to ensure that any capacity acquired by the NDPA can be released to third-party shippers as early as possible.
- **June 16, 2025:** The Company submitted a letter (**Attachment C**) to the NDPA in support of the development of a pipeline for the continued energy supply

and future growth of the communities we serve in eastern North Dakota. The letter states that our current and future customers will be a key demand pull for any project and that the availability of pipeline capacity to supply the Bison Generation Station will be a key factor in building the plant.

- **June 24, 2025:** WBI and Intensity Infrastructure Partners LLC (Intensity) both submitted letters in response to the NDPA RFI.
- **Late summer 2025:** Following due diligence and a review of all relevant information, the NDPA Director will present a recommendation to the Industrial Commission on which pipeline system(s) should be selected to move forward with capacity negotiations with the NDPA.
- **Late summer/fall 2025:** The Company would work with either WBI or Intensity in the hopes of securing firm natural gas transportation capacity for the Bison Generation Station.
- **January 2030:** Proposed in-service date of the eastern portion of the Intensity pipeline.
- **November 2030:** Proposed in-service date of the eastern portion of the WBI pipeline.

The Company will continue to work with all relevant stakeholders with the goal of securing firm natural gas transportation capacity for the Bison Generating Station at a reasonable cost. We welcome the opportunity to remain engaged in the process and stand ready to support the successful development of this critical infrastructure for North Dakota's energy future.

#### **IV. PROPOSED AMENDMENTS AND PROJECT DEVELOPMENT CHART**

In the initial September 20, 2024 filing the Company requested that the Commission amend the 2016 Settlement Agreement and adopt a revised settlement agreement removing the December 31, 2025 deadline and replacing the timeline commitment with a mandatory semi-annual reporting requirement to the Commission. Through an informal hearing held on November 26, 2024, the Commission expressed the desire for more specificity regarding future action that the Company would take to meet the commitment to build thermal generation in eastern North Dakota. In addition, the Commission noted its desire that the Company have "more skin in the game" with an escalating penalty and proof that the Company is committed to achieving the goal of building thermal generation in eastern North Dakota by expending time, money, and resources to that effect.

The Company remained in regular contact with Commission Staff during the session as the results of any legislative action regarding a natural gas pipeline would have a procedural effect on our Application. The Company and Staff met during the session and upon its completion to discuss how to proceed in light of the new pipeline legislation and direction received by the Commission at the November 26, 2024 informal hearing. The result of these discussions was a draft Term Sheet (**Attachment B**) provided to Staff on June 11, 2025 for their review and consideration. Based upon the procedural information obtained we drafted the Amended Settlement found at **Attachment A** for consideration of the Commission.

The key points of the Amended Settlement with additional context are as follows:

- The new deadline sought is December 31, 2032. However, the deadline may be extended to December 31, 2035 if the Company demonstrates that it made good faith efforts to achieve a 2032 in-service date and that an in-service date prior to the end of 2035 will be achieved.
  - “Good faith efforts” as defined in the Amended Settlement include, but are not limited to, placing a deposit on a turbine, securing a MISO interconnection agreement, or obtaining the necessary regulatory approvals in applicable jurisdictions to construct a combustion turbine in eastern North Dakota.
  - The Commission has sole authority to determine if actions beyond those listed above constitute good faith efforts.
- Beginning on January 1, 2027 the Company agrees to provide semi-annual reports detailing progress on the development of an eastern North Dakota thermal generation resource.
  - A major component of the report will consist of a project development chart with up-to-date regulatory, equipment procurement, pipeline development, and construction timeline estimates complete with financial commitments.
  - We have included with the Amended Settlement the Company’s current project development chart which is to be consistent in form and content with charts to be provided in future semi-annual reports.<sup>2</sup>

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<sup>2</sup> We note that the current project development chart does not include information regarding financial commitments – this information will be provided commencing in the January 1, 2027 report to the Commission. The Company advises that it has spent approximately \$1.6 million to date on the following: preliminary design and layout of the Bison Generation Station site; cultural/endangered species/wetland surveys; proposal drafting for the 800MW RFP; and options payments for land adjacent to the Bison Substation. We also note that non-refundable payments have been made in the MISO interconnection study process.

- The refund, or other remedies acceptable to the Commission, would be equal in customer value to 75 percent of the revenues collected from ND Customers.
  - The refund (or other remedies) has been increased from 50 percent to 75 percent in recognition of the timeline extension sought herein.
  - The language has been revised to provide flexibility to the Commission on what is to constitute a remedy. It is our position that the Commission always had discretion on this matter; we have simply confirmed it in writing.
- The cost allocation commitment has been revised to include methods deemed acceptable by the Commission
  - This modification provides greater flexibility by allowing for future cost allocations that may differ from our normal cost allocation between jurisdictions.
  - Given the rapidly evolving state of thermal generation development due to large customer demand and other factors, flexibility on cost allocation would be a benefit to the Commission, the Company and our customers.

The 2032 deadline is a reasonable and necessary timeline due to the lengthy design and regulatory processes needed to develop the project and other factors outside of our control such as third-party pipeline development timelines and supply chain constraints. Extension of the prior deadline will allow us to take the time needed to develop and refine our plans for North Dakota generation consistent with prudent resource planning. The current project development chart estimates an in-service date in the third quarter of 2032 and illustrates the reasonableness and necessity of the extension sought herein. The key points of the project development chart with additional context are as follows:

- **MISO Interconnection Process**
  - The Company has completed the Phase 1 Interconnect Study for the Bison Generation Station.
  - The Company has made non-refundable payments as part of the MISO interconnection study process with additional payments due in the near future.
- **Natural Gas Pipeline**
  - As stated in Section III above, the Industrial Commission is expected to make a decision in August 2025 on which pipeline system(s) should be selected to move forward with capacity negotiations with the NDPA.
  - In late summer/fall 2025 the Company would work with either WBI or Intensity in the hopes of securing firm natural gas transportation capacity for the Bison Generation Station.

- It takes at least 40-48 months to construct and in-service new pipeline capacity – the earliest that a potential pipeline could reach eastern North Dakota is 2030. This date may move back if negotiations between the NDPA, pipeline developers and interested stakeholders take longer than expected.
- The Company would need at least six months from gas availability on-site to the in-service date of the Bison Generation Station.
- **Combustion Turbines**
  - Turbine procurement is now the “long pole” of CT development and OEMs warn of wait times up to five years.
  - Large customer demand and state reliability programs caused an increase of orders in '24 and '25.
  - The reservation of a turbine requires a significant deposit that is potentially non-refundable. Therefore, regulatory certainty is critical prior to ordering turbines.
  - It would take approximately 15 months from receipt of turbine to having a CT in-service.
- **High-voltage equipment**
  - Transformers and other high voltage electrical gear now has three-to-four-year lead times.
  - This equipment would be ordered shortly after turbine deposits are made.
- **Regulatory Process**
  - The Company would likely propose the revised Bison Generation Station in North Dakota through an ADP/CPCN filing at some point in 2026.
  - The timing of this filing is subject to change due to pipeline development and negotiations with necessary stakeholders.
- **Construction (Q3 2032 In-Service Date)**
  - The Company estimates that it would take approximately 30 months to construct the Bison Generation Station.
  - However, it may take longer due to greenfield location/unforeseen issues.

The project development chart and the information above is based upon our best information at this time and is subject to change as project development advances. We see the semi-annual reports and the chart as a valuable tool for both the Company and the Commission and would be open to suggestions from the Commission or Staff about their contents.

## **V. CONCLUSION**

We respectfully request Commission approval to amend the February 22, 2016 First Revised Negotiated Agreement in this Case (2016 Settlement Agreement) and adopt the attached Second Amended and Restated Settlement Agreement (Amended Settlement).

The Company appreciates Commission and Staff's time and consideration on this matter.

Dated: August 5, 2025

Northern States Power Company

STATE OF NORTH DAKOTA  
BEFORE THE  
PUBLIC SERVICE COMMISSIONNORTHERN STATES POWER COMPANY  
2013 ELECTRIC RATE INCREASE  
APPLICATION

CASE NO. PU-12-813

**SECOND~~FIRST~~ REVISED NEGOTIATED AGREEMENT****RELATING TO  
NORTH DAKOTA GENERATION RESOURCE POLICY****I. INTRODUCTION**

This Second~~First~~ Revised Negotiated Agreement (Agreement) is entered into by Northern States Power Company, a Minnesota corporation (NSP or the Company) and the North Dakota Public Service Commission (Commission) ~~Advocacy Staff (Staff)~~ as of February~~August~~ \_\_\_\_, 2016~~25~~. NSP and the Commission~~Staff~~ may each be referred to as a “Party” and may be collectively referred to as the “Parties.” This Agreement revises and supersedes the First Revised Negotiated Agreement ~~Relating to North Dakota Generation Resource Policy~~ executed by the Company and Commission Staff~~Parties~~ and filed with the Commission on February 22~~September 30~~, 2016~~5~~ (Original Negotiated Agreement) by incorporating revisions to the thermal generation commitment found herein~~Original Negotiated Agreement consistent with the Commission’s direction provided at the February 3, 2016 work session in this Case.~~

This Agreement stems from the Parties’ commitments contained in the Revised Second Amended Comprehensive Settlement Agreement (Rate Settlement) in Case

Nos. PU-12-813, PU-13-706, PU-13-707, PU-13-708, PU-13-742, PU-13-743, PU-13-194, PU-13-195 (collectively, the Rate Case) adopted by the North Dakota Public Service Commission (Commission) on February 26, 2014. As required by the Rate Settlement, the Parties have negotiated in good faith to obtain this Agreement utilizing the guiding principles in Section II.A of the Rate Settlement as a basis for their negotiations (which are provided for reference as Schedule 1 to this Agreement). However, additional information not available when the Rate Settlement was entered into (*e.g.*, the Company's 2015 Resource Plan (Case No. PU-15-19), additional proposed resource additions and the Clean Power Plan) have led the Parties to slow down and reassess how to viably approach the very complex issue of divergent state energy policies.

The Parties concur that varying state energy policies within the NSP System footprint have led to differences in each state's approach to generation resource development. Given this, and the Company's plans to add significant generation resources to its system over the next twenty years to address load requirements, replace aging infrastructure, and comply with new environmental regulations, the Parties have determined that the repricing approach contemplated in the Rate Settlement (and referred to as the "Restack") may not be sufficiently robust to address concerns regarding differing state energy policies while allowing the Company a reasonable opportunity to earn its authorized rate of return.

Therefore, the Parties have determined that the development of an effective long-term framework to resolve these issues is imperative. By this Agreement, the Company binds itself to devise and implement a regulatory framework to: 1) address the impact of divergent state energy policy on NSP's customers; 2) increase the geographic diversity of NSP System generation while maintaining system reliability;

and 3) provide monetary value to North Dakota customers in the event the Company is unable to make good on this Agreement.

The Parties intend this Agreement to provide a “bridge period” for the Company to propose and implement, in collaboration with the Commission and Staff, a long-term “Resource Treatment Framework,” or RTF. This Agreement binds the Company to file an RTF proposal with the Commission no later than January 1, 2017, with the intention to implement it no later than January 1, 2018. This Agreement also requires the Company to accelerate, from 2036 to 2032~~5~~, its commitment to construct and install an integrated NSP System thermal generating resource in eastern North Dakota, preferably near the city of Fargo.

## II. INVESTMENT IN NORTH DAKOTA THERMAL GENERATION

The Parties agree that the Commission has long encouraged the Company to invest dispatchable, thermal system generation in eastern North Dakota. The Parties also agree that there are local reliability and system benefits in locating thermal generation within or near its North Dakota service territory. In light of this, the Company agreed as part of the Rate Settlement to develop up to 400 MW of dispatchable, thermal generation in eastern North Dakota by 2036 (the 2036 Commitment) consistent with least cost planning and prudent ratemaking principles.

Since making the 2036 Commitment, the Company has completed [subsequent](#)~~its 2016–2030~~ Resource Plans and has identified a capacity need arising in [the future](#)~~2025~~. To fulfill this need with thermal generation in North Dakota, and to reciprocate the cost recovery provisions agreed to by Staff in Section III of this Agreement, the Company agrees to develop, own, and operate (or alternatively, cause to be developed and operated on its behalf through a power purchase agreement or other contractual arrangement) a combustion turbine with a capacity of at least 200

MW in eastern North Dakota, no later than December 31, 2032~~5~~. However, the deadline may be extended to December 31, 2035 if the Company demonstrates that it made good faith efforts to achieve a 2032 in-service date and that an in-service date prior to the end 2035 will be achieved. Good faith efforts shall include, but are not limited to, placing a deposit on a turbine, securing a MISO interconnection agreement, or obtaining the necessary regulatory approvals in applicable jurisdictions to construct a combustion turbine in eastern North Dakota. The Commission has sole authority to determine if actions beyond those listed above constitute good faith efforts.

The costs of the generating facility will be allocated to all state jurisdictions served by the Company in a manner consistent with other NSP System resources, or other allocation methods deemed acceptable by the Commission.

Attainment of this commitment is contingent on the Company's receipt of all necessary and appropriate permits and regulatory approvals. Further, except as modified by this Section II, all provisions of the 2036 Commitment remain in place, including without limitation, the requirements that the combustion turbine agreed to in this paragraph reasonably: 1) address a system capacity need, and 2) represent a least-cost resource when also considering the local reliability and system benefits of developing thermal generation in North Dakota.

Beginning on January 1, 2027 the Company agrees to provide semi-annual reports detailing progress on the development of an eastern North Dakota thermal generation resource. A major component of the report will consist of a project development chart with up-to-date regulatory, equipment procurement, pipeline development, and construction timelines complete with financial commitments. For greater certainty, find enclosed at Attachment A the Company's most recent project

development chart which is to be consistent in form and content with future semi-annual charts.

If for any reason the Company does not place in service the combustion turbine contemplated by this Section II by December 31, 2032~~5~~, unless the Company demonstrates that it made good faith efforts to achieve a 2032 in-service date and that an in-service date prior to 2035 will be achieved, the Company will provide a refund or other remedies acceptable to the Commission, to North Dakota customers in 2033~~26~~ equal in customer value to seventy five~~fifty~~ percent of the revenues collected from North Dakota customers during the ten year period of 2016-2025 that represents the difference between the actual revenues received by the Company for the biomass power purchase agreements (identified below) and the amount North Dakota customers would have paid for these resources had they been disallowed for recovery by the Commission; recognizing that – if disallowed – North Dakota customers would have paid an adjusted system average cost of fuel for the energy (and associated capacity) from these resources. The biomass contracts subject to this paragraph are: 1) KODA Energy LLC; 2) WM Renewable Energy (MN Methane); 3) Pine Bend; 4) FibroMinn; 5) Laurentian Energy Authority I; and 6) St. Paul Cogeneration.

### **III. RECOVERY OF SELECTED GENERATION RESOURCES**

A. *Existing System Resources.* In recognition of the Company's accelerated commitment to construct thermal generation in North Dakota, and the interest of the Parties to achieve a long-term RTF, the Parties agree that the resources listed in Attachment A to this Agreement are to be excluded from the calculation of the Company's North Dakota Fuel Cost Rider beginning the later of January 1, 2016 or the date this Agreement is adopted by the Commission. The North Dakota portion

of the capacity and energy costs of all other NSP System resources (including Company-owned facilities and Power Purchase Agreements) in-service as of February 26, 2014 are to be recovered by the Company through its base rates, Fuel Cost Rider (FCR), and/or Renewable Energy Rider (RER), as may be applicable, during the term of this Agreement. The Parties further agree that the costs of the Border Winds, Pleasant Valley, and Odell wind resource additions currently being constructed are to be included in the Company's rate base, Fuel Cost Rider (FCR), and/or Renewable Energy Rider (RER), as applicable. The Commission's recent Orders in Case Nos. PU-15-95 and PU-14-810 (Aurora Solar and Solar Portfolio) denying Advance Determination of Prudence are unaffected by this Agreement.

B. *Pending Resource Additions.* The Parties agree that the proposed Calpine Mankato Combined Cycle PPA currently pending before the Commission in Case No. PU-15-96 is not subject to this Agreement.

C. *Future Pre-RTF Resource Additions.* In the event that the Company proposes other resource additions between the date this Agreement is executed by the Parties and the date an RTF is implemented by the Commission, the Company will bring these resources for approval before the Commission consistent with its obligations under the Rate Settlement, Case No. PU-12-59 and Case No. PU-07-776.

#### **IV. RESOURCE TREATMENT FRAMEWORK**

The Parties recognize that the Company, and the utility industry as a whole, is entering a period of significant uncertainty. This uncertainty includes the potential for new federal environmental regulations regulating carbon dioxide emissions and their impact on the utility industry. Further, the Company is entering a 20 year period in

which it anticipates significant portions of its generating fleet will be retired and replaced.

In light of this, the Parties have entered into this Agreement to address short-term treatment of resources (*i.e.*, existing and certain pending resources) and provide time for careful consideration as to how the Company should best proceed to ensure future generation resources are in place – and the costs properly assigned – to meet the energy and capacity needs of its customers.

To that end, the Parties agree that the Company, in consultation and collaboration with the Commission and its Staff, will propose a long-term RTF which shall address the Company's long-term plans for addressing divergent state energy policies. The Company must file the proposed RTF with the Commission no later than January 1, 2017 with the expectation that the RTF, if approved by the Commission, will be implemented on January 1, 2018. Mutual agreement between the Company and Staff is desired but not a prerequisite to the Company making the filing contemplated by this paragraph.

## V. OTHER MATTERS

A. *Extension of Rate Case Moratorium.* In the Rate Settlement the Company agreed to a moratorium for further rate adjustments until 2017. To provide sufficient time for the Commission to consider the Company's RTF during 2017, the Company commits to extend this rate case moratorium one additional year. To that end, the Company may not increase base rates – on an interim or permanent basis – prior to January 1, 2018. To ensure that rates remain just and reasonable during 2017, in the event that the Company's annual weather-normalized earnings exceed a 10.25 percent return on equity during 2017, the Company will refund to customers one hundred

percent (100%) of any weather-normalized revenue associated with the excess earnings.

B. *Other Commitments of the Company.* To facilitate successful implementation of this Agreement, the Company agrees to waive: a) any claims regarding the enforceability of this Agreement; and b) any claims against the Commission with respect to the adequacy of rates set by the Commission resulting strictly from this Agreement. The waiver in this paragraph is effective as of the date this Agreement is executed by the Company and terminates on January 1, 2018. Further, the waiver in this paragraph does not limit or prohibit NSP's right to request rehearing or appeal of any Commission order with respect to either the prudence of a particular resource or the adequacy of rates set by the Commission.

C. *Commitment of Advocacy Staff.* To facilitate successful implementation of this Agreement, Staff agrees to cooperate with the Company consistent with negotiating principle 7 of the Rate Settlement.

D. *Demand Allocator.* The Parties agree that the conclusions of the Allocator Study filed with the Commission on April 27, 2015 support the continued use of the 12 CP jurisdictional allocation method. To that end, this Agreement establishes a rebuttable presumption that the 12 CP jurisdictional allocation method is appropriate for allocating applicable system costs between North Dakota, South Dakota and Minnesota. In the event that circumstances have sufficiently changed such that Staff believes it is appropriate to rebut the rebuttable presumption established in this paragraph: 1) Staff will notify NSP of its intentions as early as possible; and 2) Staff will work in good faith with NSP to reach agreement on an appropriate allocation methodology in light of the rebuttable presumption established in this paragraph. The provisions of this paragraph expire on December 31, 2025.

## VI. OTHER TERMS AND CONDITIONS

A. *Environmental Attributes.* “Environmental Attributes” are those credits, allowances, offsets and other similar rights associated with renewable electric generation that can be used to (i) satisfy the Company’s renewable energy requirements in any of the states it operates in, and/or (ii) claim responsibility for, ownership of, avoidance of, or reduction of legally-recognized emissions or pollutants. The Company and Staff agree to establish the principle that it would be inequitable to allocate Environmental Attributes to the Company’s North Dakota jurisdiction from a generation resource in the event that 1) the Commission rejects an Advanced Determination of Prudence for such resource, unless and until full recovery of the allocable North Dakota costs is approved in a later proceeding, or 2) costs of the generation resource are disallowed in a rate case or other proceeding.

In the event that new regulations promulgated by the federal government under the Federal Clean Power Act, 42 U.S.C. §§ 7401, *et. seq.*, known as the Clean Power Plan, 80 Fed. Reg. 64661 (Oct. 23, 2015) (to be codified at 40 C.F.R. pt. 60), or any Clean Power Plan successor regulations, state or federal implementation plans, or related court orders conflict with the provisions of this Section VI.A., then these regulations, plans, or court orders shall control.

B. *Special Accounting.* The Company may petition the Commission for special accounting treatment for any disallowances that result from this Agreement.

C. *Basis of Negotiated Agreement.* This Agreement is subject to the approval of the Commission.

D. *Negotiations Privileged.* All offers, discussions and information exchanged related to the negotiation of this Agreement are considered privileged by the Parties and may not be used in any manner in connection with any regulatory proceedings or otherwise, except as provided by law. In the event that the Commission does not approve this Agreement, it shall not constitute part of the record in Case No. PU-12-813 and no part thereof may be used by any Party for any purpose in any other proceeding.

E. *Applicability and Scope.* This Agreement is binding on the Parties, and their successors, assigns, agents, and representatives for the specified term.

F. *Effect on Rate Settlement.* This Agreement is a product of the Rate Settlement. It will control over the terms of the Rate Settlement with respect to the subject matter contained herein.

G. *Ongoing Support.* The Parties will jointly support the approval of this Agreement, without amendment or modification, by the Commission.

H. *Complete Agreement.* This Agreement and any Attachments and Schedules attached hereto will constitute the entire agreement between the Parties relating to the subject matter herein and will supersede all prior contracts and understandings between them relating to such matters.

I. *Counterparts.* This Agreement may be executed in any number of counterparts by the Parties, each of which when so executed will be an original, but all of which together will constitute one and the same instrument.

J. *Effective Date.* This Agreement shall be effective upon the Commission issuing a final, non-appealable order adopting this Agreement. The Company will

make all necessary compliance filings to reflect this Agreement in a timely manner and guided by a schedule established jointly by the Parties.

K. *Termination for Commission Modification.* This Agreement is subject to approval by the Commission who retains continuing oversight pursuant to N.D.C.C. § 49-05-09. If the Commission order initially approving this Agreement modifies or conditions this Agreement it will be considered terminated if either Party files a letter with the Commission within thirty (30) calendar days of the order date stating that the modification is unacceptable.

L. *Petition for Modification or Termination.* The Company may petition the Commission for modification or termination of this Agreement for good cause shown.

## VII. CONCLUSION

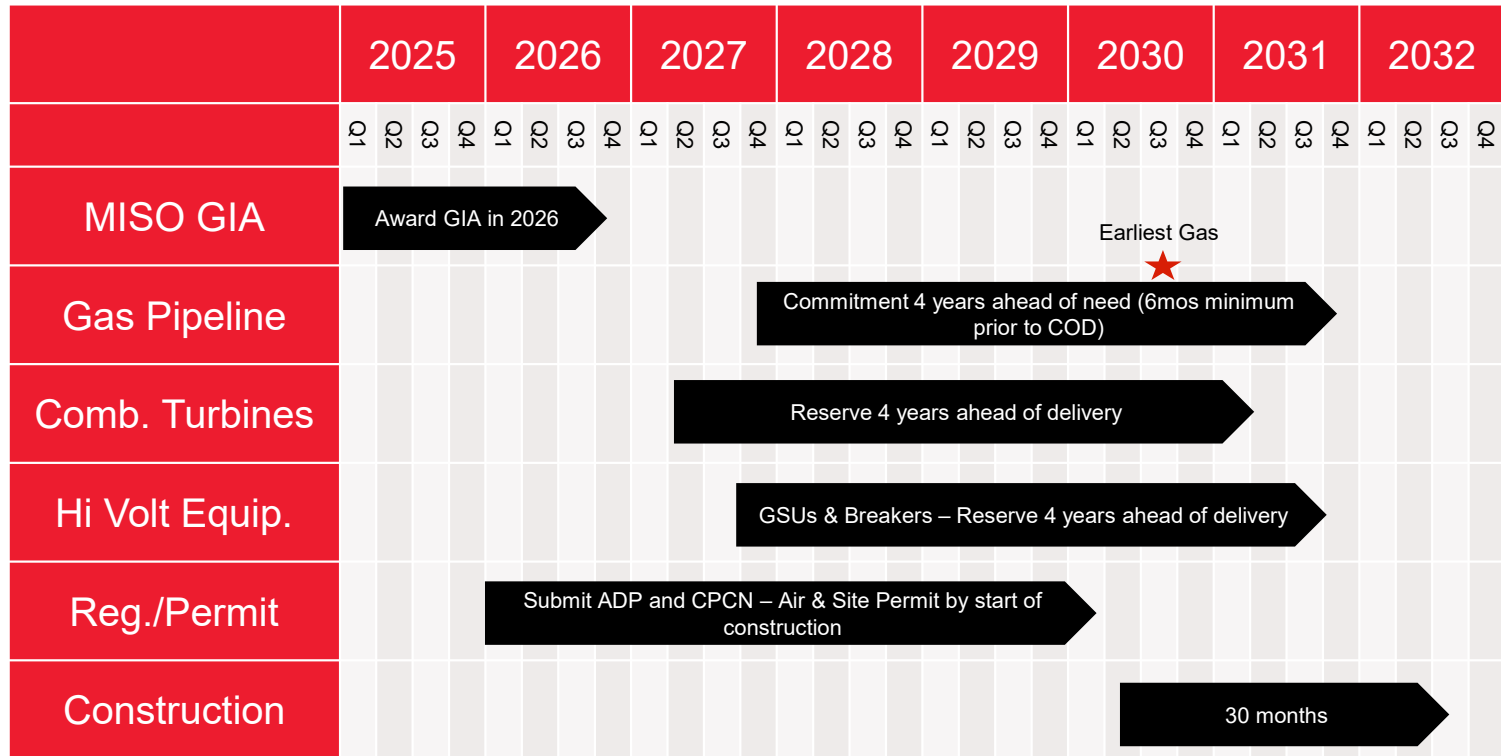
The Parties agree that the provisions of this Agreement will support the Commission's interest in advancing North Dakota's energy policy priorities and lead to a just and reasonable outcome.

**[SIGNATURE PAGE FOLLOWS]**

Dated this \_\_\_\_\_ day of ~~August~~<sup>February</sup>, 20~~25~~<sup>16</sup>.

[SIGNATURE PAGE TO ~~SECOND~~<sup>FIRST</sup> REVISED NEGOTIATED  
AGREEMENT]

## Project Development Chart (Q3 2032 COD)



**DRAFT TERM SHEET****From: Xcel Energy****To: Vic Schock - North Dakota Public Service Commission - Director of Public Utilities****Re: PU-24-342 - Application to Amend March 9, 2016 Order Approving Settlement  
to Modify the Commitment to Build Thermal Generation in North Dakota****Date: June 11, 2025**

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Northern States Power Company, doing business as Xcel Energy (Xcel Energy or the Company), submits this draft Term Sheet for consideration of North Dakota Public Service Commission Staff as part of our September 20, 2024 Application in Case No. PU-24-342. In the Application we requested that the Commission amend their March 9, 2016 Order Approving Settlement in Case No. PU-12-813 and remove the December 31, 2025 thermal generation deadline found in the February 22, 2016 First Revised Negotiated Agreement (2016 Settlement Agreement). The Company proposed that the deadline be replaced with a mandatory semi-annual reporting requirement to the Commission.

Through an informal hearing held on November 26, 2024, it was determined that the Company's initial proposal was not sufficient. During that informal hearing the Commission expressed the desire for more specificity regarding future action that the Company would take to meet the commitment to build thermal generation in eastern North Dakota. In addition, the Commission would like the Company to have "more skin in the game" with an escalating penalty to incentivize prompt action by the Company.

This draft Term Sheet states below the key terms contained within the 2016 Settlement Agreement with proposed redlines for consideration of Staff. It is our hope and intent that the Company and Staff come to an agreement on final terms which would then be stated in a Second Revised Negotiated Agreement (Amended Settlement) to be included with a supplemental information filing for consideration of the Commission in Case No. PU-24-342.

We thank you for your time and consideration of this matter.

**2016 Settlement Agreement with Proposed Redlines**

The main components of the 2016 Settlement Agreement with proposed revisions and additions are as follows:

1. Develop, own, and operate (or alternatively, cause to be developed and operated on its behalf through a power purchase agreement or other contractual arrangement) a combustion

turbine with a capacity of at least 200 MW in eastern North Dakota, no later than December 31, 2025~~32~~.

2. The Company will revise the Bison CT proposal based upon up-to-date system demand and cost projections and then propose the project in a future regulatory proceeding. A basic outline of the process with an estimated timeline is as follows:
  - a) 2027: Propose the revised Bison CT in a regulatory proceeding;
  - b) 2029: Secure an interconnection agreement
  - c) 2025-2029: Work with the NDPA in the hope of securing lower cost Bakken gas
  - d) 2029: File a Certificate of Public Convenience and Necessity in North Dakota
  - e) 2030: Begin construction of the Bison CT
  - f) Late 2032: Bison CT in-service date
3. The Company will continue to work toward securing lower cost firm natural gas supply for the Bison CT by assisting the North Dakota Pipeline Authority in their goal of moving Bakken natural gas to eastern North Dakota by a new natural gas pipeline.
4. The Company will continue to work with MISO to secure an interconnection agreement for the Bison CT project by 2029.
5. The combustion turbine must reasonably address a system capacity need and represent a least cost resource when also considering the local reliability and system benefits of developing thermal generation in North Dakota.
6. The costs of the generating facility would be allocated to all state jurisdictions served by the Company in a manner consistent with other NSP System resources, or other allocation methods deemed acceptable by the Commission.
7. Attainment of this commitment is contingent on the Company's receipt of all necessary and appropriate permits and regulatory approvals.
8. If the turbine is not in service by December 31, 2025~~32~~, unless the Company demonstrates that it made good faith efforts to achieve a 2032 in-service date and that an in-service date prior to 2035 will be achieved, the Company will provide a refund, or other remedies acceptable to the Commission, to North Dakota customers in 2026~~33~~ equal in customer value to seventy five ~~ifty~~ percent of the revenues collected from North Dakota customers during the ten year period of 2016-2025 that represents the difference between the actual revenues received by the Company for the biomass purchase agreements and the amount North Dakota customers would have paid for these resources had they been disallowed for recovery by the Commission; recognizing that – if disallowed – North Dakota customers would have paid an adjusted system average cost of fuel for the energy (and associated capacity) from these resources.



June 16, 2025

Justin Kringstad, Executive Director  
North Dakota Pipeline Authority  
600 E. Boulevard Ave. Dept. 405  
Bismarck, ND 58505

RE: Request for Information- Natural Gas Pipeline Capacity – Western to Eastern North Dakota

Dear Mr. Kringstad:

Xcel Energy appreciates the opportunity to respond to the North Dakota Pipeline Authority's (NDPA) Request for Information (RFI), and the State of North Dakota's interest in a new natural gas transmission pipeline to bring gas supplies from the Bakken in western North Dakota to markets in eastern North Dakota. Xcel Energy is a combination gas and electric utility that has proudly served North Dakota for over 116 years. Transmission pipelines delivering natural gas to eastern North Dakota are currently fully subscribed, requiring construction to expand existing capacity and bring gas to new customers. While the Company is not directly developing a cross-state natural gas transmission pipeline, we have a vested interest in the construction of such a project for the continued reliable energy supply and future growth of the communities we serve in eastern North Dakota.

Xcel Energy's service area in Cass County is a dynamic and growing area, poised to become a key market for a new west-to-east North Dakota pipeline. With more than 47,000 natural gas customers in the greater Fargo area, as well as the potential growth that access to additional natural gas transportation capacity will enable, Xcel Energy's current and future customers will be a key demand pull for any pipeline project. In addition, the Company continues planning for a potential natural gas-fired electric generating plant to be constructed northwest of Fargo near Mapleton. Xcel Energy anticipates a potential capital investment in this plant that would likely exceed \$500 million dollars. While the timing of the addition of the proposed power plant has not currently aligned with the timing of the proposed pipeline projects, the availability of pipeline capacity to supply the plant will be a key factor in building the plant.

Xcel Energy supports the development of a new transmission pipeline to bring additional capacity to eastern North Dakota and provide access to gas supplies from the Bakken shale area. The Company would encourage the NDPA to consider the regulatory framework, overall cost, and market access in its decision on supporting a project. As a potential future customer of any project, both for our residential and commercial customers, but also a potential power plant, each of these would provide key benefits to our customers. The project's chosen regulatory framework should provide consistent, equitable, and transparent services for its customers. A pipeline regulated by the Federal Energy Regulatory Commission (FERC) with an approved tariff detailing services provided, and requiring shipper collaboration (and FERC approval) for any potential changes, provides key certainty in our efforts to deliver reliable service to our



customers. This framework would also provide transparency and accountability into the day-to-day operation of the pipeline via FERC's various scheduling, reporting requirements and enforcement actions.

A FERC-regulated pipeline would be required to have stated tariff rates available to shippers developed through a thorough review of their costs and revenues to ensure a just and reasonable result. While shippers and providers are free to negotiate, the backstop of a regulated maximum tariff rate provides the Company, our customers, and North Dakota regulators certainty that the costs for transportation service on the pipeline are not unreasonable. We encourage NDPA to evaluate how any proposed project connects to broader markets and supports capacity release mechanisms. A FERC-regulated release process ensures open, transparent opportunities for capacity transfers, whether through negotiation or competitive auction, allowing NDPA to efficiently and fairly reassign capacity it may initially hold. While non-FERC pipelines may voluntarily adopt similar practices, there is no requirement that they maintain consistent service terms, rates, or processes, creating uncertainty for long-term planning and customer protection.

Xcel Energy appreciates the NDPA's leadership in exploring infrastructure solutions that will expand access to the state's natural gas resources. We encourage NDPA to support pipeline projects that emphasize regulatory transparency, cost certainty, and broad market connectivity, factors that will enable utilities like Xcel Energy to continue providing reliable, affordable service.

We welcome the opportunity to remain engaged in the process and stand ready to support the successful development of this critical infrastructure for North Dakota's energy future.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Ryan Long', written over a light blue circular stamp.

Ryan Long, President

Xcel Energy Minnesota, North Dakota & South Dakota