

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Northern States Power Company
Transmission Facility Cost Recovery (2025)
Rates**

Case No. PU-24-349

ORDER

December 18, 2024

Preliminary Statement

On October 3, 2024, Northern States Power Company (NSP) filed an annual rate update under its Transmission Cost Rider (TCR) tariff.

On October 22, 2024, the Commission issued a Notice of Opportunity for Hearing, which provided until December 3, 2024, 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 proposed rate adjustment complies with NSP's tariff,
2. Whether the incurred costs for new or modified electric transmission facilities are reasonable and prudent, and
3. Whether the incurred costs are eligible for recovery through the TCR.

On November 19, 2024, NSP filed a revised TCR application after Staff issued a data request related to the communication network program. As a result, NSP removed the return on \$80M of construction work in progress over its 5-year transmission forecast. This removed \$85,939 from the 2025 revenue requirement.

On November 26, 2024, the Commission held an Informal Hearing with NSP on the matter.

Discussion

The 2025 revenue requirement to be collected over the period January 1, 2025, to December 31, 2025, is \$4,756,570, or \$.002231 per kwh (approximately .2231 cents per kWh). NSP included five new transmission projects into the proposed 2025 TCR. The

2025 TCR revenue requirement is a \$1.6M increase from the 2024 revenue requirement. Four of the new projects are MISO Long Range Transmission Tranche 1 Projects and the other is adding a second 345 kV circuit to the Brookings line. The new projects contributed approximately \$550,000 to the increase in the 2025 revenue requirement over the 2024 requirement. The other drivers contributing to the increase were a \$288,000 increase in the communications network program and a \$260,000 increase in major line rebuilds with the remaining increases spread over several other projects and programs.

The change results in a billing increase for a residential customer using 750 kWh per month of \$0.59 over the existing TCR rate.

The proposed rate adjustment complies with NSP's tariff.

The costs incurred for new or modified electric transmission facilities are reasonable and prudent.

The costs incurred are eligible for recovery through the TCR.

Order

The Commission orders NSP's 2025 TCR rate filed on November 19, 2024, is approved for rates effective January 1, 2025.

PUBLIC SERVICE COMMISSION



Sheri Haugen-Hoffart
Commissioner



Randy Christmann
Chair



Julie Fedorchak
Commissioner