



2302 Great Northern Drive
Fargo, ND 58102

December 30, 2025

—Via Electronic Mail—

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

RE: LATE FILED NSP EXHIBIT 30
PROPOSED FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER
2025 Electric Rate Increase
CASE NO. PU-24-376
OAH FILE NO. 20240494

Dear Mr. Kahl:

Northern States Power Company, a Minnesota corporation doing business as Xcel Energy, respectfully submits the following for filing in the above-captioned matter:

1. Applicant's Proposed Findings of Fact, Conclusions of Law, and Order;
2. Late-Filed NSP Exhibit 30 – Electric Industry Supply Chain Cost Trends

Please contact me at (701) 241-8632 or alex.j.nisbet@xcelenergy.com or Zev Simpser at (612) 492-6129 or simpser.zev@dorsey.com if you have any questions regarding this filing.

Sincerely,

/s/

ALEX NISBET
REGULATORY POLICY SPECIALIST

Enclosures

cc: Hope L. Hogan, Administrative Law Judge
Mitch Armstrong, Advisory Counsel, Public Service Commission
Adam Renfandt, Public Service Commission
Zev Simpser, Outside Counsel, Dorsey & Whitney LLP
Julie Clark, Attorney for Walmart

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Northern States Power Company
2025 Electric Rate Increase Application**

**Case No. PU-24-376
OAH No. 20240494**

**APPLICANT'S PROPOSED
FINDINGS OF FACT, CONCLUSIONS OF LAW, AND ORDER**

December 30, 2025

Appearances

Zeviel T. Simpser, Attorney, Dorsey & Whitney LLP, 50 South 6th Street, Suite 1500, Minneapolis, Minnesota 55402, on behalf of Northern States Power Company, a Minnesota corporation.

Mitchell D. Armstrong, Special Assistant Attorney General, 122 East Broadway Avenue, P.O. 460, Bismarck, ND 58502-0460, on behalf of the Public Service Commission Advocacy Staff.

Christopher J. Martens, General Counsel, Public Service Commission, 600 East Boulevard Avenue, Department 408, Bismarck, North Dakota 58505-0480, on behalf of Public Service Commission Advisory Staff.

Julie A. Clark, Clark Energy Law, 3440 Youngfield St., Suite 276, Wheat Ridge, CO 80033, on behalf of Intervenor Walmart Inc (appeared remotely).

Hope L. Hogan, Administrative Law Judge, Office of Administrative Hearings, 2911 North 14th Street, Suite 303, Bismarck, North Dakota 58503, as Administrative Law Judge.

Preliminary Statement

On December 2, 2024, Northern States Power Company (NSP or the Company) filed with the Commission a Notice of Change in Rates for Electric Service, requesting a \$44.56 million or 19.34 percent net revenue increase for its provision of retail electric service in North Dakota. NSP concurrently presented a proposed class cost of service study (CCOSS), revenue apportionment, and rate design.

Also on December 2, 2024, NSP filed an interim rate increase petition for electric service.

At its regular meeting on December 18, 2024, the Commission suspended NSP's tariffs and rates.

On December 20, 2024, Commission Advocacy staff filed a letter regarding NSP's proposed interim rate increase.

On January 8, 2025, the Commission approved NSP's proposed interim rates to be effective for service rendered on or after February 1, 2025.

On January 31, 2025, Walmart Inc. filed a Petition to Intervene, which was granted by the Administrative Law Judge (ALJ) on February 18, 2025.

On July 8, 2025, Walmart filed Direct Testimony in which it recommended that the Commission closely examine the Company's proposed revenue requirement increase and associated ROE and carefully and thoroughly consider the impact on customers of the requested ROE. Walmart did not make a specific revenue requirement recommendation.

On July 8, 2025, Advocacy Staff served Direct Testimony identifying proposed adjustments to NSP's rate request and recommending a total rate increase of \$29.586 million. Advocacy Staff also recommended additional adjustments that it was not able to quantify. Advocacy Staff subsequently filed this testimony on September 22, 2025.

On August 7, 2025, the Commission issued a Notice of Public Hearing, indicating that it would conduct a public hearing on December 1, 2025. The Notice provided that the following issues would be considered at the hearing:

1. What is the value of NSP's property, used and useful, for the service and convenience of the public in North Dakota?
2. What is NSP's rate of return on its property, used and useful, for the service and convenience of the public in North Dakota?
3. What is a just and reasonable rate of return on NSP's property, used and useful, for the services and convenience of the public in North Dakota?
4. What rates and charges are necessary to provide a just and reasonable rate of return on NSP's property, used and useful, for the service and convenience of the public in North Dakota?
5. Are NSP's rate schedules designed in such a manner that they result in a basis of charge to its customers that is just and reasonable without undue discrimination?

On September 19, 2025, the Commission issued a Notice of Public Input Sessions, indicating it would conduct public input sessions on October 13, 2025, and providing additional notice of public hearing scheduled for December 1, 2025. The public input session took place on October 13, 2025, as noticed.

Prior to the public hearing, NSP, Advocacy Staff, and Walmart negotiated a settlement in good faith. As a result, on November 19, 2025, NSP, Advocacy Staff, and

Walmart filed with the Commission a Settlement Agreement resolving all issues in this Case and reflecting the Parties' agreement on revenue requirements, CCOSS, revenue apportionment, and rate design. The Parties agree that implementation of the terms of the Settlement Agreement will accomplish the goal of ensuring just and reasonable rates for NSP's provision of retail electric service to its North Dakota customers. The settlement also recognizes and reflects the positions of all parties to this Case and the Company's need for additional revenue to have an opportunity to earn a reasonable rate of return on the capital invested to serve North Dakota customers.

The Commission held the public hearing, as noticed, on December 1, 2025, in the Commission Hearing Room, State Capitol, 12th Floor, 600 East Boulevard Ave, Bismarck, North Dakota 58505.

Having allowed all interested persons an opportunity to be heard and having heard and considered all testimony and evidence presented, the Commission makes the following:

Findings of Fact

1. NSP is an investor-owned electric utility headquartered in Minneapolis, Minnesota, authorized to provide public utility service in North Dakota under the regulatory jurisdiction of the Commission.
2. The Settlement Agreement proposes an overall test year revenue requirement of \$254.01 million, representing a net revenue requirement increase of \$23.86 million from the current revenue requirement. This agreed upon amount represents a decrease of \$20.70 million from the increase originally sought by NSP (\$44.56 million).
3. The Settlement Agreement arrived at this revenue requirement by making eight (8) categories of adjustments to NSP's original proposal:
 - a. Reducing ROE to 9.80 percent (\$2.729 million);
 - b. Nuclear fleet adjustments (extended lives and adjusted decommissioning trust payments) (\$6.273 million);
 - c. Removing Disallowed Resources and not extending lives of refused-derived fuel plants (\$2.486 million);
 - d. Maintain depreciable lives of coal plants and adjust for costs if plants were being kept in service (\$3.474 million);
 - e. Timing adjustments for projects not going into service in 2025 and deferral of LTE project capital and O&M (\$2.169 million);
 - f. O&M adjustments (\$3.220 million);

- g. Amortization of AGIS deferral over a ten (10) year period (\$380 thousand); and
 - h. Secondary Calculations (including Payroll Tax) (a positive adjustment of \$36,000).
- 4. The Settlement Agreement includes an agreed-upon return on equity (ROE) of 9.80 percent, which is 0.50 percentage points lower than the ROE proposed by NSP in its Direct Testimony.
- 5. The Settlement Agreement provides a capital structure of 52.50 percent common equity, 46.71 percent long-term debt, and 0.79 percent short-term debt. The Settlement Agreement also requires NSP to notify the Commission if it changes the target to which it manages its capital structure during the period prior to its next rate case, and states that NSP will have the burden of proving the reasonability of a change if it seeks a different capital structure for ratemaking purposes.
- 6. The Settlement Agreement provides for an earnings sharing mechanism that would apply if the rates established in this matter are in effect beyond 2025. Under its terms, if the Company's annual weather normalized adjusted earnings exceed a ROE of 10.10 percent, the Company will return 70 percent of the excess amount to customers. The Settlement Agreement contains specific provisions regarding the mechanism and resolves disagreements arising out of the earnings sharing mechanism resulting from the settlement of NSP's prior electric rate case.
- 7. The Settlement Agreement provides for a \$21.50 fixed monthly residential charge, which is an increase from \$15.00.
- 8. The Settlement Agreement proposes a class revenue apportionment that assigns a 12.92 percent rate increase to the Residential class, a 9.05 percent increase to the Commercial & Industrial Non-Demand class, an 8.48 percent increase to the Commercial & Industrial Demand class, and a 10.62 percent increase to the Lighting class.
- 9. The Settlement Agreement also provides for recovery of the actual costs of the Border Winds and Pleasant Valley wind repowering projects through the Renewable Energy Rider (RER).
- 10. The Settlement Agreement accepts that all NSP proposals not explicitly addressed therein shall be implemented as proposed by NSP, provided that they shall not be precedential in nature.
- 11. Because the agreed-upon rate increase for 2025 is lower than the interim rate increase that went into effect on February 1, 2025, the Settlement Agreement provides for an interim rate refund for North Dakota customers, which is expected to be issued beginning approximately 30-60 days from implementation of final rates.

12. NSP and Advocacy Staff filed testimony in support of the Settlement Agreement.
13. The Commission finds that that the Settlement Agreement will result in just and reasonable rates without undue discrimination and preferential treatment.

From the foregoing Findings of Fact, the Commission makes the following:

Conclusions of Law

1. The Commission has jurisdiction in these proceedings.
2. The Settlement Agreement provides a just and reasonable rate of return on NSP's property, used and useful, for the service and convenience of the public in North Dakota.
3. The rates proposed by the Settlement Agreement are designed to result in a basis of charge to customers that are just and reasonable and without discrimination.
4. The Commission finds the Settlement Agreement is reasonable and provides just and reasonable resolution to all pending issues in this matter.

From the foregoing Findings of Fact and Conclusions of Law, the Commission makes the following:

Order

The Commission Orders:

1. The Settlement Agreement, a copy of which is attached to this Order, is adopted and approved in its entirety.
2. NSP shall file, for Commission approval, compliance rate schedules consistent with this Order within thirty (30) days.
3. NSP shall issue an interim rate refund to its customers as provided for in the Settlement Agreement.

PUBLIC SERVICE COMMISSION

Sheri Haugen-Hoffart
Commissioner

Randy Christmann
Chair

Jill Kringstad
Commissioner



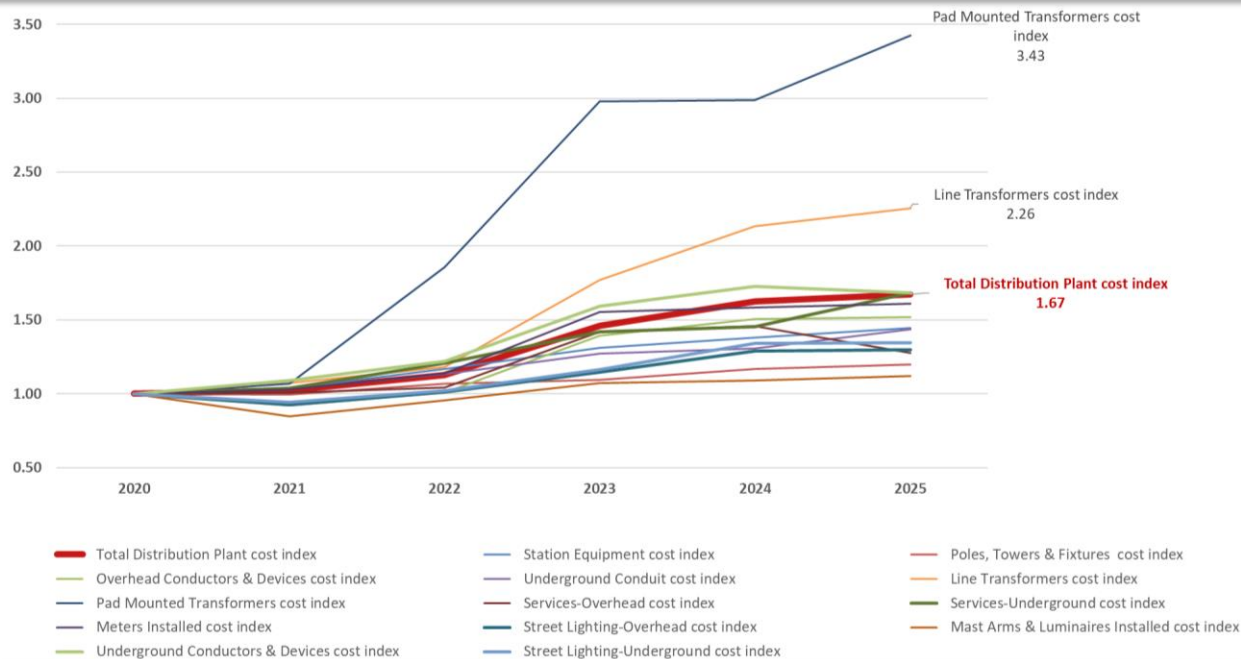
Edison Electric
INSTITUTE

Late Filed Exhibit No. 30
Case No. PU-24-376
OAH No. 20240494

Electric Industry Supply Chain Cost Trends

U.S. Electric Construction Cost Indices

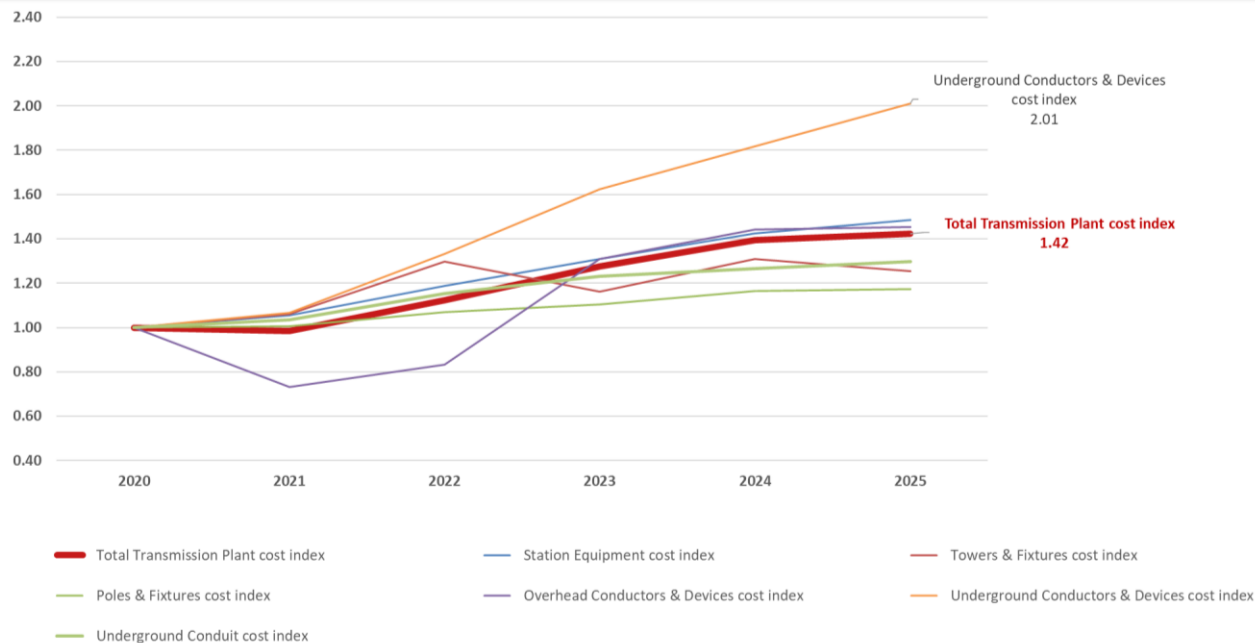
Distribution



Average Distribution construction costs increased 67% from the beginning of 2020 to 2025.
Driven by increases in pad mounted (+243%) and line (+126%) transformers.

U.S. Electric Construction Cost Indices

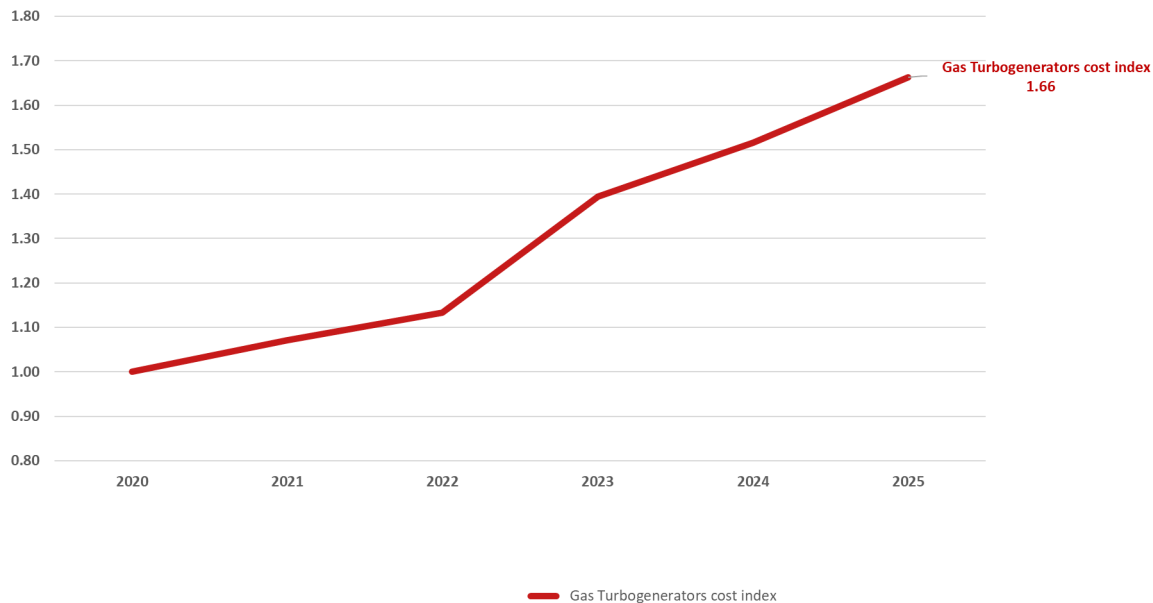
Transmission



Average Transmission construction costs increased 42% from the beginning of 2020 to 2025.
Driven by increases in underground conductors & devices (+101%).

U.S. Electric Construction Cost Indices

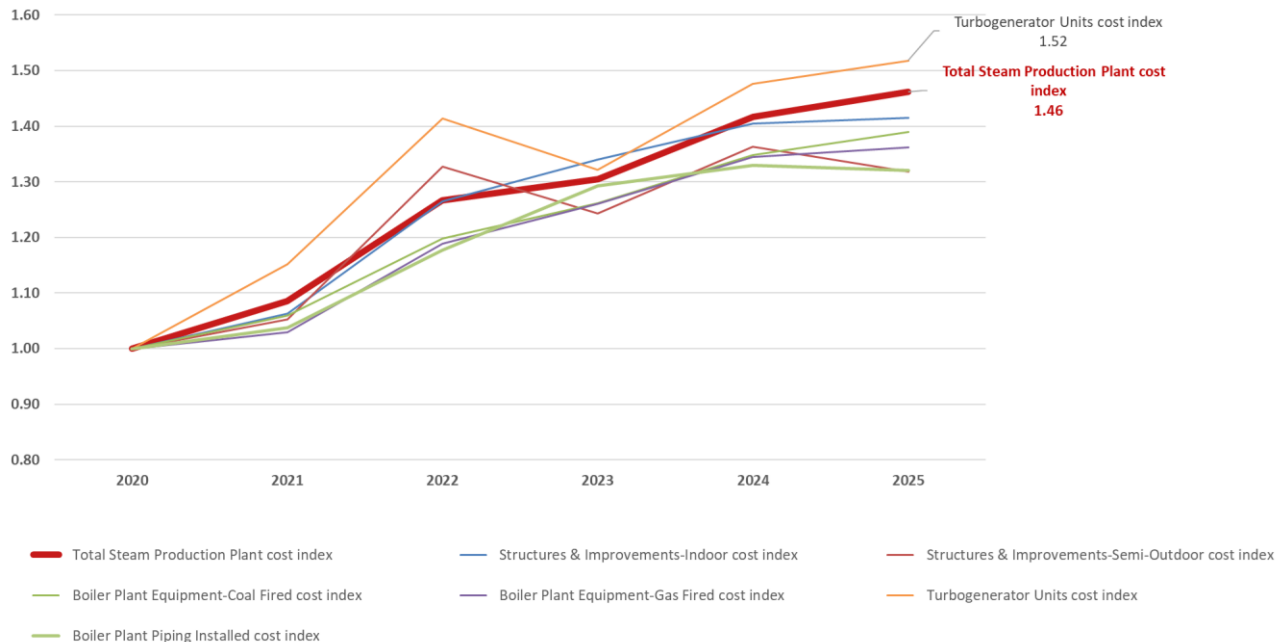
Gas Turbines



Average Gas Turbine construction costs increased 66% from the beginning of 2020 to 2025.

U.S. Electric Construction Cost Indices

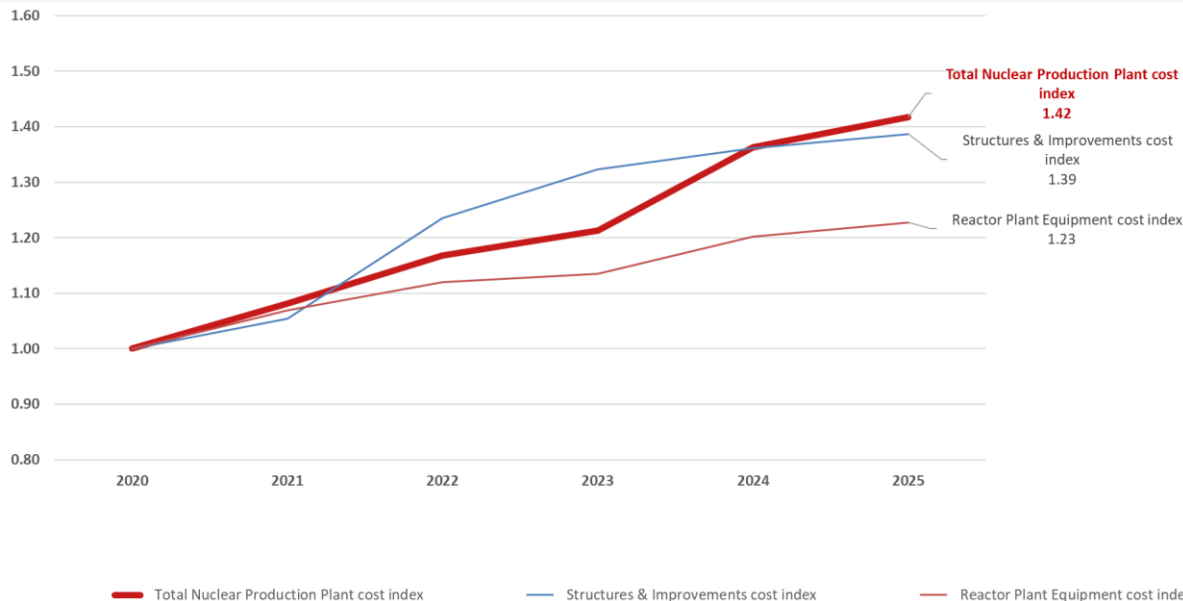
Steam Generation (thermal not nuclear or gas turbine)



Average Steam Generation construction costs increased 46% from the beginning of 2020 to 2025. Driven by increases in turbogenerator unit costs (i.e., steam turbines not gas turbines) (+52%).

U.S. Electric Construction Cost Indices

Nuclear Generation



Average Nuclear Generation construction costs increased 42% from the beginning of 2020 to 2025.

The **Edison Electric Institute** (EEI) is the association that represents all U.S. investor-owned electric companies. Our members provide electricity for more than 220 million Americans, and operate in all 50 states and the District of Columbia. As a whole, the electric power industry supports more than 7 million jobs in communities across the United States.

In addition to our U.S. members, EEI has more than 65 international electric companies, with operations in more than 90 countries, as International Members, and hundreds of industry suppliers and related organizations as Associate Members.

Organized in 1933, EEI provides public policy leadership, strategic business intelligence, and essential conferences and forums.

For more information, visit our Web site at www.eei.org.



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