

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Northern States Power Company
Deferred Accounting - PIIC
Application**

Case No. PU-24-378

ORDER

October 9, 2025

Preliminary Statement

On December 3, 2024, Northern States Power Company (NSP) filed an application for deferred accounting treatment (Application) for its settlement agreement with the Prairie Island Indian Community (PIIC).

Also on December 3, 2024, NSP filed a Motion to Consolidate this proceeding with NSP's general rate Case No. PU-24-376 (Motion to Consolidate).

On December 30, 2024, the Commission issued a Notice of Opportunity for Hearing (Notice) that provided until February 13, 2025, for receiving comments or requests for hearing. The Notice identified the issue to be considered in this proceeding is whether the Commission should grant deferred accounting treatment for the costs of the settlement agreement with the PIIC. No responses were received.

On August 1, 2025, NSP filed supplemental information.

On August 7, 2025, the Commission discussed this matter with NSP during an Informal Hearing.

Discussion

NSP's Application states that under an agreement between PIIC and NSP signed on August 3, 2023, it is required to make annual payments to PIIC in the amount of \$7.5M plus an additional \$50k for each spent nuclear fuel cask stored onsite. There are currently 50 spent nuclear fuel casks onsite. For 2024, that payment totaled \$10M. North Dakota's jurisdictional share of the total would be approximately \$517,435.

NSP's supplemental filing noted that it is asking the Commission to only make a determination of the 2024 amount in this proceeding as the prudence of the ongoing annual payment is included with its general rate increase application under Case No. PU-24-376.

While NSP has explicitly stated that the prudence of the ongoing annual payment is at issue in the general rate proceeding and not this proceeding, the Commission's decision in this proceeding does hold a prudence indication. This is due to a grant of deferred accounting treatment creating a regulatory asset and presumably a return on that asset. The creation of a regulatory asset indicates prudence of the expenditure since an imprudent expenditure would not permit the creation of a regulatory asset.

Annual payments to the PIIC began in 2003 in the amount of \$2.25M. In 2012 the annual payment was reduced to \$1.45M, and from 2015 through 2023 the payment was increased to \$2.5M. These payments were made from the Minnesota renewable development fund, which North Dakota customers do not contribute to.

NSP's settlement agreement with PIIC and the payments required within it will result in at least \$300M in payments to PIIC from NSP over the next 30 years. There is no prescriptive end date of the agreement, rather tying the payments to the operation of the facility and the onsite storage of spent nuclear fuel, the latter being something that NSP may not be able to control. Neither ratepayers nor the Commission were consulted prior to making this commitment. NSP has not demonstrated quantifiable benefits that will accrue to ratepayers as a result of the settlement agreement.

NSP has failed to provide adequate evidence for the Commission to determine that the PIIC payment is a prudent expenditure for North Dakota customers. Therefore, the Commission has determined that it should not grant deferred accounting treatment for the cost of the settlement agreement with the PIIC at this time.

The Commission issues the following:

Order

The Commission Orders:

1. Northern States Power Company's application for deferred accounting treatment for the North Dakota jurisdictional share of the 2024 costs of the Prairie Island Indian Community settlement agreement is **DENIED**
2. Northern States Power Company's December 3, 2024, Motion to Consolidate is **DENIED**.

PUBLIC SERVICE COMMISSION



Sheri Haugen-Hoffart
Commissioner



Randy Christmann
Chair



Jill Kringstad
Commissioner