



2302 Great Northern Drive
Fargo, ND 58102

May 15, 2025

-Via Electronic and U.S Mail –

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

RE: APPLICATION TO ISSUE VARIOUS REFUNDS VIA THE BILL CREDIT RIDER
CASE NO. PU-25-____

Dear Mr. Kahl:

Northern States Power Company, doing business as Xcel Energy (Xcel Energy or the Company), submits to the North Dakota Public Service Commission the enclosed original and seven copies of the Application for approval to issue the North Dakota jurisdictional share of the 2024 Nuclear Production Tax Credit (PTC) refund to our customers via the Bill Credit Rider (BCR). The Company proposes to issue the 2024 Nuclear PTC refund in the BCR over a 12-month period beginning on August 1, 2025.

The Application is comprised of the net impact of the following refunds:

- 2024 Nuclear PTCs;
- Removal of the Department of Energy (DOE) 14th payment (DOE #14) as found in Case No. PU-23-364 and inclusion of the net true-up balance; and
- Continuation of the credit factors of the combined refund of the DOE 15th payment; Red Wing, Becker, and Sherco Land sales; and 2021 & 2022 Excess Earnings as found in Case No. PU-24-362.

An electronic copy of this filing is also being sent to you for your convenience. Please contact me at alex.j.nisbet@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

ALEX NISBET
REGULATORY POLICY SPECIALIST

Enclosures
cc: Victor Schock

STATE OF NORTH DAKOTA
BEFORE THE
NORTH DAKOTA PUBLIC SERVICE COMMISSION

IN THE MATTER OF THE APPLICATION OF
NORTHERN STATES POWER COMPANY TO
ISSUE VARIOUS REFUNDS VIA THE BILL
CREDIT RIDER

CASE No. PU-25-____

APPLICATION

I. INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits to the North Dakota Public Service Commission (Commission) this Application for approval to issue the North Dakota jurisdictional share of the 2024 Nuclear Production Tax Credit (PTC) refund in the amount of \$12,536,334 to our customers via the Bill Credit Rider (BCR). The Company is proposing to issue the refund through the BCR over a 12-month period beginning on August 1, 2025.

This Application is comprised of the net impact of the following refunds:

- 2024 Nuclear PTCs;
- Removal of the Department of Energy (DOE) 14th payment (DOE #14) as found in Case No. PU-23-364 and inclusion of the net true-up balance; and
- Continuation of the credit factors of the combined refund of the DOE 15th payment; Red Wing, Becker, and Sherco Land sales; and 2021 & 2022 Excess Earnings as found in Case No. PU-24-362. (See attachment C line 6 and row 21)

The Company proposes to address the separate matters in this one filing in an effort to conserve Commission and Company resources. The refund to be issued to North Dakota customers now includes \$12,384,805 for the nuclear PTCs (includes \$12,536,334 for the nuclear PTCs less \$151,529 for the estimated DOE #14 true-up balance) and the remaining balance of the combined refund in the third bullet above (approximately \$7.2 million). The resulting refund for the Nuclear PTC refund is approximately \$53.83 for an average residential customer over the 12-month period beginning August 1, 2025. Customers are also receiving a refund through the BCR over the 12-month timeframe beginning January 1, 2025 as approved in Case No. PU-24-362. This refund will be completed in December, and the BCR factors will be reduced at that time.

In support of this filing, Xcel Energy provides:

- Background information regarding the 2024 Nuclear PTCs;
- A description of how the various refunds will be credited through the BCR; and
- Customer bill notice information.

Also provided with this Application are the following attachments:

- Attachment A: Nuclear PTC Allocation
- Attachment B: Nuclear PTC & DOE #14 Refund Details
- Attachment C: Summary of Refunds and Updated BCR Factors

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

Lauren Steinhäuser
Assistant General Counsel
Xcel Energy Services Inc.
MN1180-08-MCA
414 Nicollet Mall
Minneapolis, MN 55401
(612) 216-8274
lauren.steinhaeuser@xcelenergy.com

Alex Nisbet
Regulatory Policy Specialist
Xcel Energy
PO Box 2747
2302 Great Northern Drive
Fargo, ND 58108-2747
(701) 929-0547
alex.j.nisbet@xcelenergy.com

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

Xcel Energy
Christine Schwartz, NSPM Regulatory
MN1180-07-MCA
414 Nicollet Mall
Minneapolis, MN 55401
regulatory.records@xcelenergy.com

B. Date of filing and proposed effective date

The date of this filing is May 15, 2025. The Company proposes to update the BCR factors on August 1, 2025 to incorporate the nuclear PTCs, true-up the balance remaining of the DOE #14 credit, and to continue the combined refund of DOE #15, three land sales, and 2021 & 2022 excess earnings.

C. Statutory Authority

We submit this application pursuant to N.D.C.C. Section 49-02-03 which establishes Commission authority to supervise rates.

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. BACKGROUND

Currently the BCR factors include credits for refunds for the following items:

Refund	Effective Date
DOE #14	July 1, 2024, for 12 months
DOE #15	January 1, 2025, for 12 months
Red Wing Land Sale	January 1, 2025, for 12 months
Becker Land Sale	January 1, 2025, for 12 months
Sherco Land Sale	January 1, 2025, for 12 months
2021 Excess Earnings	January 1, 2025, for 12 months
2022 Excess Earnings	January 1, 2025, for 12 months

In this filing we propose inclusion of the ND jurisdictional portion of the 2024 nuclear PTCs in the BCR for refund over 12 months. We also propose to remove the DOE #14 refund from the BCR after July 31, 2025 and include the true-up balance with the nuclear PTCs. The following sections provide background on each item.

A. Nuclear PTCs

In August 2022, the federal Inflation Reduction Act of 2022 (IRA) was enacted, which included provisions to extend and expand PTC and investment tax credit (ITC)

benefits for clean energy resources, along with creating a new PTC for existing nuclear resources. Under the IRA, beginning in 2024, nuclear facilities are eligible for base credits of 0.3 cents/kWh, subject to an annual inflation adjustment, generated by existing facilities. This base credit is eligible to increase by a factor of 5, to 1.5 cents/kWh, provided certain prevailing wage requirements are met. The value of the credits is subject to a sliding scale based on the revenue generated by the nuclear facilities, measured based on the LMP of energy, with the value of the credit diminishing as the LMP rises.

Nuclear PTCs and the applicable prevailing wage requirements are new in 2024, and as such, we are still working through the review and documentation process to ensure compliance with these requirements. While the Company has calculated a value for 2024 nuclear PTCs, for instance, we believe there may be additional costs incurred to ensure compliance with the prevailing wage requirements. In the interest of returning the credits to customers as soon as possible, however, we have included the current 2024 calculation of the credits in this filing. The estimated North Dakota allocated value of the nuclear PTCs for 2024 is \$12,536,334, inclusive of transaction costs. See Attachment A for the nuclear PTC tracker detailing the derivation of this amount. Any final adjustments to the 2024 nuclear PTC value will be addressed in a future BCR filing. We note that our 2025 test year North Dakota rate case proposed returning the nuclear PTCs to customers via the BCR.¹

B. DOE #14

The Commission approved use of the BCR to return DOE #14 to customers in its June 5, 2024 Motion in Case No. PU-23-364,² and the BCR credit factors were effective July 1, 2024.

As of April 31, 2025, \$851,927 of the total \$923,969 DOE #14 payment has been returned to customers via the current BCR rate factors. Based on the current North Dakota sales forecast, we estimate DOE #14 will be over-refunded by approximately \$151,529 on July 31, 2025. This true-up amount has been included in the rate factor calculations in Attachment B. Once completed, the Company will submit a compliance filing summarizing the total monthly amounts credited to customers for DOE #14. The Company proposes to remove this refund from the BCR effective August 1, 2025. Any over- or under-refunded dollars would be included in the true-up and incorporated into the factors on August 1, 2025.

¹ *In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in North Dakota*, Case No. PU-24-376, Benjamin C. Halama DIRECT TESTIMONY at 37 (December 2, 2024).

² *Northern States Power Company Customer Credit – DOE Settlement 2022 Application*, MOTION, Case No. PU-23-364 (June 5, 2024).

C. DOE #15, Land Sales, and Earnings Sharing Refunds

The Commission's December 18, 2024 Order in Case No. PU-24-362³ also approved use of the BCR to return the 15th DOE payment to customers, along with three separate land sales, and revenues from 2021 and 2022 earnings sharing mechanisms. The BCR factors were updated as of January 1, 2025 to incorporate these refunds over 12 months. The Company will provide a filing to update the BCR factors for the completion of these refunds at the end of 2025.

IV. REQUEST TO REFUND THROUGH THE BCR

Xcel Energy requests Commission approval to issue a customer refund of the 2024 nuclear PTCs via the BCR over 12 months starting August 1, 2025. The calculation of the refund credits by class are included in Attachment B. The credit factors are calculated based on allocation of the \$12,536,334, less the estimated over-refund true-up of \$151,529 for DOE #14 to class divided by the forecast kWh sales per class during the refund period. The Company will true-up each of these refunds and carryover any balances to future refunds.

The nuclear PTC refund factors are added to the current BCR factors for DOE #15, three land sales, and 2021 & 2022 excess earnings and are proposed to be credited beginning August 1, 2025 through the BCR with a negative rate per kWh for each customer class. Attachment C provides the combined BCR factors for August 1, 2025.

The Company first determines the North Dakota jurisdictional share of the refund using an approved jurisdictional allocator. The North Dakota portion of the refund would then be allocated to each customer class using applicable class allocation factors. Under the BCR method, the customer class Bill Credit would then be divided by the forecasted kWh sales within each customer class during the selected future refund period to arrive at a Bill Credit factor per kWh for each customer class. These class Bill Credit factors are applied to actual customer usage each month for a 12-month period.

For example, forecasted sales by class would be used to calculate the BCR class factors per kWh for the refund payment. The class factors would be applied to actual usage on customer bills, showing a credit each month. At the end of that 12-month period, there will likely be an over- or under refund of the total amount, which would need to be trued-up.

³ *Northern States Power Company BCR Refunds Application*, ORDER, Case No. PU-24-362 (December 18, 2024).

V. CUSTOMER NOTICES

To ensure compliance with the customer information provisions of Section 69-09-02-02.1 of the North Dakota Administrative Code, the Company's North Dakota customers will see the following bill message on the first bills issued with the updated BCR rate factors:

The North Dakota Public Service Commission approved a customer credit for funds received due to the Company's receipt of nuclear production tax credits for the calendar year 2024. Your credit will be shown as "Bill Credit Rider" for the next twelve months on your billing statement.

The Company commits to working collaboratively with Commission Staff if there are any suggested modifications to this customer notification.

VI. CONCLUSION

The Company respectfully requests the Commission approve the refund of the 2024 nuclear PTCs and true-up of the DOE #14 refund through the BCR effective August 1, 2025.

Dated: May 15, 2025

Northern States Power Company

PUBLIC DOCUMENT
NOT-PUBLIC DATA HAS BEEN EXCISED

Northern States Power
Electric Utility - State of North Dakota

Case No. PU-25-____
Bill Credit Rider
Attachment A
Page 1 of 1

Nuclear PTC Allocation

	PTCs (\$)
[PROTECTED DATA BEGINS	
Monticello	
Prairie Island I	
Prairie Island II	
Total PTCs (\$)	
Less Transaction Costs	
PROTECTED DATA ENDS]	

Net Nuclear PTCs (\$)	172,681,248
Allocator (IA Demand)	
Allocation to NSPW	16.1052% 27,810,660
Allocation to NSPM	83.8948% 144,870,588
	172,681,248

	Allocator (EEnergy)		Tax Gross-up 1/(1-T)*	Grossed up PTCs
Allocation of NSPM to State				
Minnesota	86.3791%	125,137,910	1.4033512	175,612,436
North Dakota	6.5416%	9,476,854	1.3228371	12,536,334
South Dakota	7.0793%	10,255,824	1.2658228	12,982,055
		144,870,588		

* T = Composite Tax Rate in each State

**Nuclear PTCs & DOE #14 True-up
Customer Credits for North Dakota Jurisdiction**

<u>Item</u>	<u>Total</u>	<u>NSPM</u>	<u>Retail</u>			<u>Minn Whlsle</u>
			<u>Minn</u>	<u>N. Dakota</u>	<u>S. Dakota</u>	
2024 Energy Allocators		100.0000%	86.3791%	6.5416%	7.0793%	0.0000%
<u>Overall Allocator *</u>	<u>100.0000%</u>	<u>83.8948%</u>	<u>72.4676%</u>	<u>5.4881%</u>	<u>5.9392%</u>	<u>0.0000%</u>

Nuclear PTCs	\$172,681,248	\$144,870,588	\$125,137,910	\$9,476,854	\$10,255,824	\$0
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The NSPM/NSPW Co split uses a 36 CP allocator

Tax Gross-up 1/(1-T)*

Grossed up PTCs

	<u>1.4033512</u>	<u>1.3228371</u>	<u>1.2658228</u>
\$	175,612,436	\$ 12,536,334	\$ 12,982,055

ND Nuclear PTCs	\$ 12,536,334
DOE #14 True-up Balance**	\$ (151,529)
Total	\$ 12,384,805

North Dakota (PU-20-441)						
Stratification Components	Weight ***	Res	Sm Non Dm	C&I Demand	Lighting	Total
Capacity Component (D10C) ****	19.03%	33.64%	4.46%	61.58%	0.31%	100.00%
Energy Component (E8760) ****	80.97%	36.91%	4.93%	57.50%	0.66%	100.00%
Wtd Combination	100.00%	36.29%	4.84%	58.28%	0.59%	100.00%
[1] Credit by Customer Class		\$4,494,338	\$599,875	\$7,217,270	\$73,322	\$12,384,805
[2] Est MWh Sales Aug 2025-Jul 2026		<u>765,397</u>	<u>97,150</u>	<u>1,256,997</u>	<u>16,029</u>	<u>2,135,573</u>
[3] Est. Credit / kWh, [3] = [1] / [2] / 1000		\$0.005872	\$0.006175	\$0.005742	\$0.004574	\$0.005799
[4] Est Customer Count Aug 2025-Jul 2026		83,490	10,123	4,886	391	98,889
[5] Est. kWh / Cust, [5] = [2] x 1000 / [4]		<u>9,168</u>	<u>9,597</u>	<u>257,283</u>	<u>40,955</u>	<u>21,596</u>
[6] Est. Credit / Customer, [6] = [3] x [5]		\$53.83	\$59.26	\$1,477.23	\$187.35	\$125.24

* T = Composite State Tax Rate

** Case No. PU-23-364

*** Nuclear Plant Stratification from Case No. PU-20-441

**** Class Allocation Factors from Case No. PU-20-441

ND Customer Refund Summary

	<u>Residential</u>	<u>Commercial</u> <u>Non Demand</u>	<u>C&I Demand</u>	<u>Lighting</u>	<u>Total</u>
[1] Earnings per Share Refund Obligation *	\$6,084,024	\$766,224	\$7,651,419	\$39,758	\$14,541,425
[2] Sherco, Becker, RW Land Sales *	\$146,850	\$19,598	\$236,423	\$2,377	\$405,248
[3] DOE 15th Payment Refund Obligation *	<u>\$200,011</u>	<u>\$26,696</u>	<u>\$321,190</u>	<u>\$3,263</u>	<u>\$551,161</u>
[4] Total Refund Target; [4] = [1] + [2] + {3}	\$6,430,885	\$812,518	\$8,209,033	\$45,398	\$15,497,834
[5] Est. MWh Sales Jan 2025 - Dec 2025	776,035	98,013	1,241,741	16,054	2,131,843
[6] Calculated Refund Factors, [6] = [4] / [5] / 1000	\$0.008287	\$0.008290	\$0.006611	\$0.002828	
[7] Est. Customer Count Aug 2025 - Jul 2026	83,490	10,123	4,886	391	98,889
[8] Est. kWh / Cust, [8] = [5] x 1000 / [7]	9,295	9,683	254,160	41,020	
[9] Est. Credit / Customer, [9] = [6] x [8]	\$77.03	\$80.27	\$1,680.23	\$116.00	
[10] Actual Credit by Customer Class					\$0
[11] Actual Over / Under Credit; [10] = [9] - [3]	-\$6,430,885	-\$812,518	-\$8,209,033	-\$45,398	-\$15,497,834

Total BCR

	<u>Residential</u>	<u>Commercial</u> <u>Non Demand</u>	<u>C&I Demand</u>	<u>Lighting</u>
Nuclear PTCs & DOE14 TU Factors (Attachment B)	\$0.005872	\$0.006175	\$0.005742	\$0.004574
DOE15, Land, EPS - Combined (Line [6])	<u>\$0.008287</u>	<u>\$0.008290</u>	<u>\$0.006611</u>	<u>\$0.002828</u>
BCR Factors effective August 1, 2025	\$0.014159	\$0.014465	\$0.012353	\$0.007402

*Approved in Case PU-24-362