

Introduced by

1 A BILL for an Act to create and enact a new section to chapter 49-05 of the North Dakota
2 Century Code, relating to public utility rate adjustments for recovery of transmission facility
3 costs.

4 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

5 **SECTION 1.** A new section to chapter 49-05 of the North Dakota Century Code is
6 created and enacted as follows:

7 **Rate adjustment - New transmission facility costs.**

- 8 1. A public utility may file a tariff with the commission which provides for an automatic
9 annual rate adjustment, effective without a prior hearing, for recovery of the capital
10 and operating costs incurred by the public utility for a new or modified electric
11 transmission facility with a design capacity of forty-one and six-tenths kilovolts or
12 more and five miles [8.05 kilometers] or more in length. For purposes of this
13 section, an electric transmission facility includes an electric transmission line and
14 associated facilities, including substations and transformers. In addition, operating
15 costs include federally regulated costs charged to or incurred by the public utility to
16 increase regional transmission capacity or reliability. The tariff must:
- 17 a. Allow the public utility to recover on a timely basis new or modified electric
18 transmission facility costs and related operational expenditures not reflected
19 in the utility's general rate schedule.
 - 20 b. Allow a return on the public utility's investment made for new or modified
21 electric transmission facilities at the level approved in the utility's most recent
22 general rate case, unless a different return is found to be consistent with the
23 public interest and the public utility's cost of capital.

- 1 c. Provide a current return on construction work in progress for new or modified
2 electric transmission facilities, provided the cost recovery from retail
3 customers of the allowance for funds used during construction is not sought
4 through any other means.
- 5 d. Terminate cost recovery after the public utility's costs for new or modified
6 electric transmission facilities have been recovered fully or have been
7 reflected otherwise in the utility's general rate tariffs.
- 8 2. Future rate adjustments filed under this tariff must be accompanied by:
- 9 a. A description and quantification of the costs incurred by the public utility which
10 are subject to recovery;
- 11 b. A schedule for implementation of the applicable transmission facility projects;
12 and
- 13 c. Calculations showing the derivation of the rate adjustment.