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October 24, 2016

—Via Electronic Filing—

Darrell Nitschke, Executive Director  
North Dakota Public Service Commission  
State Capitol Building, Dept. 408  
600 East Boulevard  
Bismarck, ND 59505-0480

**RE: MOTION TO AMEND ORDER  
ELECTRIC RATE INCREASE APPLICATION  
CASE NO. PU-07-776**

Dear Mr. Nitschke:

Northern States Power Company, doing business as Xcel Energy, respectfully submits to the North Dakota Public Service Commission this petition to approve a proposed amendment to the Commission's December 31, 2008 Order in the above-referenced case.

If approved, the amendment would allow the Company to request on a case-by-case basis that it be allowed to forego its Settlement obligation to file Advanced Determinations of Prudence (ADP) for certain qualifying investments. The Company would need to demonstrate to the Commission that an ADP proceeding would be an unnecessary use of Commission and Company resources, or that there were other sufficient oversight procedures in place for the investment to be properly reviewed and approved.

Please contact me at 701-241-8632 if you have any questions concerning this filing.

Respectfully,

A handwritten signature in blue ink that reads 'David H. Sederquist'.

David H. Sederquist  
Sr. Consultant, Regulation and Finance

cc: Illona Jeffcoat-Sacco  
Pat Fahn

**STATE NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

Northern States Power Company  
Electric Rate Increase Application

Case No. PU-07-776

**MOTION TO AMEND ORDER**

Northern States Power Company, doing business as Xcel Energy (Xcel Energy or the Company), respectfully requests the North Dakota Public Service Commission (the Commission) amend its December 31, 2008 Order in the above referenced case.

The Order approved terms of a Settlement Agreement entered into by the Company and Commission Advocacy Staff on December 22, 2008. Section B of the Settlement Agreement requires the Company to file an Advance Determination of Prudence (ADP) for all proposed new construction, rehabilitation, or acquisition of an energy conversion facility, renewable energy facility or proposed energy purchase in which:

1. The Company proposes to allocate all or part of the related costs to the North Dakota jurisdiction for recovery in electric rates; and
2. The capacity of the generation facility or purchase is at least 50 MW; and/or the length of the transmission facility is at least 50 miles long.

In a Letter of Commitment filed on November 5, 2012 in Case No. PU-12-059, the Company further defined its commitment by agreeing to make ADP filings within 14 days of a similar approval application in Minnesota.

The Company now believes that situations may arise whereby filing an ADP, or doing so within 14 days of a filing in Minnesota may not be the best use of Commission and Company resources. Hence, the Company proposes that the previous order be amended to allow the Company the option to seek – under certain circumstances – a waiver from the ADP obligation by adding the following language to the end of Section B of the order:

“The Parties further anticipate that situations may arise such that it might be prudent for the Company to forego developing and submitting an ADP request, and seek rate recovery of the qualifying generation resource or transmission line in a later rate proceeding. In such cases, the Company will file waiver requests

within the same timeframe that an ADP request is to be filed. The Commission will evaluate ADP waiver requests on a case-by-case basis.”

Dated: October 24, 2016

Respectfully submitted,

By: /s/ Alison C. Archer

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**STATE NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

Northern States Power Company  
Electric Rate Increase Application

Case No. PU-07-776

**PROPOSED ORDER**

On October 24, 2016, the Company filed a Motion to Amend the Commission's December 31, 2008 Order in the above referenced case for the limited purpose of allowing the Company to file waivers from the provision requiring the Company to file an ADP. The amended language in Section B is:

In accordance with N.D.C.C. §49-05-16, the Company agrees to file for and ADP for all proposed new construction, rehabilitation, or acquisition of an energy conversion facility, renewable energy facility or proposed energy purchase in which:

1. The Company proposes to allocate all or part of the related costs to the North Dakota jurisdiction for recovery in electric rates; and
2. The capacity of the generation facility or purchase is at least 50 MW; and/or the length of the transmission facility is at least 50 miles long.

The Company will identify its proposed cost-allocation methodology in the ADP petition as an item for which a determination of prudence by the Commission is requested.

The parties anticipate that RP and ADP processes will provide a sound basis for Commission decision-making and substantially reduce the likelihood that the disputes of this case will occur in future rate proceedings. To the extent that these new processes reveal continued concern with individual resource decisions or cost assignment to jurisdictions, the Parties agree to work together on alternative approaches that might be employed while still allowing the Company to recover its costs of service and earn a reasonable return. Such efforts will include advocacy by the Company for cost recovery statutes to directly assign costs and benefits of mandated expenditures to the jurisdiction imposing the mandate when appropriate.

“The Parties further anticipate that situations may arise such that it might be prudent for the Company to forego developing and submitting an ADP request, and seek recovery of the qualifying generation resource or transmission line in a later rate proceeding. In such cases, the Company will file waiver requests within the same timeframe that an ADP request is to be filed. The Commission will evaluate ADP waiver requests on a case-by-case basis.”

Based on the facts and circumstances described in the motion, the Motion to Amend is hereby **granted**.

**PUBLIC SERVICE COMMISSION**

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**Randy Christmann  
Commissioner**

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**Julie Fedorchak  
Chairman**

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**Brian P. Kalk  
Commissioner**