Xcel Energy®

VIA ELECTRONIC
AND U.S. MAIL

RECEIVED

DEC 16 2010

PUBLIC SERVICE COMMISSION

December 13, 2010

Darrell Nitschke, Executive Secretary
North Dakota Public Service Commission
600 East Boulevard, Dept 408
Bismarck, ND 58505-0480

RE: COMPLIANCE TARIFF – SALE OF RENEWABLE ENERGY CREDITS
CASE NO. PU-10-19

Dear Mr. Nitschke:

In a recent review of our North Dakota Electric Rate Book it became evident to us that we had not yet filed with the North Dakota Public Service Commission the final tariff page reflecting a revision to the Fuel Cost Rider ("FCR") tariff to accommodate the passage of Renewable Energy Credit ("REC") sales proceeds to customers. I apologize for this oversight, and submit both electronic and hard copy versions of the Tariff with this letter.

In its order on September 8, 2010 the Commission directed Xcel Energy to pass 90 percent of the proceeds from the sale of RECs in excess of the North Dakota Renewable Energy Objective back to customers through the FCR.

I will send hard copies of this letter, a redlined version of the Tariff, and three final versions of the Tariff through U.S. mail.

Please contact me at 701-241-8632, if you have any questions regarding the Tariff.

Sincerely,

David H Sederquist

DAVID SEDERQUIST
SR. REGULATORY CONSULTANT

Enclosures

24 PU-10-19 Filed: 12/16/2010 Pages: 8
Compliance Tariff

Northern States Power Company

David Sederquist

Legislative

INTERSYSTEM SALES MARGINS ~~N~~

Intersystem Sales Margins are defined as intersystem sales revenues less the sum of fuel, energy costs (including costs associated with MISO Day 2 markets that are recorded in FERC Account 555), and any additional transmission costs incurred that are required to make such sales (referred to as "margins"). Retail customers will receive a per kWh credit for the retail share of total intersystem sales margins, as defined below:

1. Asset Based Margins: Eighty five percent (85%) of the North Dakota state jurisdictional share of margins from asset based intersystem energy sales and ancillary services. These margins shall be the actual amounts of such margins recorded, subject to any MISO resettlements.

2. Non-Asset Based Margins: Fifty percent (50%) of the North Dakota state jurisdictional share of non-asset based margins from intersystem sales. These margins shall be the actual amounts of such margins recorded, subject to the FERC approved Joint Operating Agreement and any MISO resettlements. The retail share of the Non-Asset Based Margins will be calculated annually after the close of the calendar year, and will be credited to the Fuel Cost True-up Factor only if calendar year margins are positive. ~~N~~

SALES OF RENEWABLE ENERGY CREDITS N

Ninety percent (90%) of the North Dakota state jurisdictional share of revenue generated by the sale of Renewable N
Energy Credits shall be credited to customers. N

Final

INTERSYSTEM SALES MARGINS

Intersystem Sales Margins are defined as intersystem sales revenues less the sum of fuel, energy costs (including costs associated with MISO Day 2 markets that are recorded in FERC Account 555), and any additional transmission costs incurred that are required to make such sales (referred to as "margins"). Retail customers will receive a per kWh credit for the retail share of total intersystem sales margins, as defined below:

1. Asset Based Margins: Eighty five percent (85%) of the North Dakota state jurisdictional share of margins from asset based intersystem energy sales and ancillary services. These margins shall be the actual amounts of such margins recorded, subject to any MISO resettlements.

2. Non-Asset Based Margins: Fifty percent (50%) of the North Dakota state jurisdictional share of non-asset based margins from intersystem sales. These margins shall be the actual amounts of such margins recorded, subject to the FERC approved Joint Operating Agreement and any MISO resettlements. The retail share of the Non-Asset Based Margins will be calculated annually after the close of the calendar year, and will be credited to the Fuel Cost True-up Factor only if calendar year margins are positive.

SALES OF RENEWABLE ENERGY CREDITS N

Ninety percent (90%) of the North Dakota state jurisdictional share of revenue generated by the sale of Renewable N
Energy Credits shall be credited to customers. N

INTERSYSTEM SALES MARGINS

Intersystem Sales Margins are defined as intersystem sales revenues less the sum of fuel, energy costs (including costs associated with MISO Day 2 markets that are recorded in FERC Account 555), and any additional transmission costs incurred that are required to make such sales (referred to as "margins"). Retail customers will receive a per kWh credit for the retail share of total intersystem sales margins, as defined below:

1. Asset Based Margins: Eighty five percent (85%) of the North Dakota state jurisdictional share of margins from asset based intersystem energy sales and ancillary services. These margins shall be the actual amounts of such margins recorded, subject to any MISO resettlements.

2. Non-Asset Based Margins: Fifty percent (50%) of the North Dakota state jurisdictional share of non-asset based margins from intersystem sales. These margins shall be the actual amounts of such margins recorded, subject to the FERC approved Joint Operating Agreement and any MISO resettlements. The retail share of the Non-Asset Based Margins will be calculated annually after the close of the calendar year, and will be credited to the Fuel Cost True-up Factor only if calendar year margins are positive.

SALES OF RENEWABLE ENERGY CREDITS N

Ninety percent (90%) of the North Dakota state jurisdictional share of revenue generated by the sale of Renewable N
Energy Credits shall be credited to customers. N

INTERSYSTEM SALES MARGINS
Intersystem Sales Margins are defined as intersystem sales revenues less the sum of fuel, energy costs (including costs associated with MISO Day 2 markets that are recorded in FERC Account 555), and any additional transmission costs incurred that are required to make such sales (referred to as "margins"). Retail customers will receive a per kWh credit for the retail share of total intersystem sales margins, as defined below:

1. Asset Based Margins: Eighty five percent (85%) of the North Dakota state jurisdictional share of margins from asset based intersystem energy sales and ancillary services. These margins shall be the actual amounts of such margins recorded, subject to any MISO resettlements.

2. Non-Asset Based Margins: Fifty percent (50%) of the North Dakota state jurisdictional share of non-asset based margins from intersystem sales. These margins shall be the actual amounts of such margins recorded, subject to the FERC approved Joint Operating Agreement and any MISO resettlements. The retail share of the Non-Asset Based Margins will be calculated annually after the close of the calendar year, and will be credited to the Fuel Cost True-up Factor only if calendar year margins are positive.

SALES OF RENEWABLE ENERGY CREDITS N
Ninety percent (90%) of the North Dakota state jurisdictional share of revenue generated by the sale of Renewable N
Energy Credits shall be credited to customers. N

INTERSYSTEM SALES MARGINS

Intersystem Sales Margins are defined as intersystem sales revenues less the sum of fuel, energy costs (including costs associated with MISO Day 2 markets that are recorded in FERC Account 555), and any additional transmission costs incurred that are required to make such sales (referred to as "margins"). Retail customers will receive a per kWh credit for the retail share of total intersystem sales margins, as defined below:

1. Asset Based Margins: Eighty five percent (85%) of the North Dakota state jurisdictional share of margins from asset based intersystem energy sales and ancillary services. These margins shall be the actual amounts of such margins recorded, subject to any MISO resettlements.

2. Non-Asset Based Margins: Fifty percent (50%) of the North Dakota state jurisdictional share of non-asset based margins from intersystem sales. These margins shall be the actual amounts of such margins recorded, subject to the FERC approved Joint Operating Agreement and any MISO resettlements. The retail share of the Non-Asset Based Margins will be calculated annually after the close of the calendar year, and will be credited to the Fuel Cost True-up Factor only if calendar year margins are positive.

SALES OF RENEWABLE ENERGY CREDITS N

Ninety percent (90%) of the North Dakota state jurisdictional share of revenue generated by the sale of Renewable N
Energy Credits shall be credited to customers. N