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December 1, 2015

--Via Electronic Filing--

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

RE: 2016 RENEWABLE ENERGY RIDER PROJECT ELIGIBILITY AND RATE
ADJUSTMENT APPLICATION
CASE NO. PU-15-683

Dear Mr. Nitschke:

Northern States Power Company, doing business as Xcel Energy, submits the enclosed supplement to the 2016 Renewable Energy Rider (RER) Application.

On page 9 of our October 1, 2015 application, we discussed the need to assess the calculation of the plant related Accumulated Deferred Income Taxes (ADIT) offset to rate base. This supplement adjusts the 2016 revenue requirements calculation to include the plant related ADIT in accordance with the proration formula in IRS regulation section 1.167(1)-1(h)(6). We have included Attachment 14 as a new attachment showing the ADIT calculation for 2016 and 2017.

In addition, our RER revenue requirements were calculated assuming an in-service date for Border Winds of October 2015. This supplement revises the in-service date for Border Winds to December 2015 and revises the net salvage rate to negative 4.60 percent to be consistent with the net salvage rate proposed in the Borders decommissioning plan filed on December 1, 2015 in Case No. PU-08-797. Together, these updates reduce the revenue requirement.

We include the following updated attachments reflecting the impact of the ADIT calculation, the updated in-service date for Border Winds, and the updated salvage rate:

Attachment 1: Rate Factor
Attachment 2: Expenditures*
Attachment 3: Annual Tracker
Attachment 4: 2015 Tracker
Attachment 5: 2016 Tracker
Attachment 6: 2017 Tracker
Attachment 7: Revenues
Attachment 8: Universal Inputs
Attachment 9: Revenue Requirement by Project-Border Winds
Attachment 10: Revenue Requirement by Project-Courtenay Wind
Attachment 11: Production Tax Credits
Attachment 12: O&M
Attachment 13: Tariff

*Attachment 2 also corrects a formatting issue in the originally filed version which misaligned dates with dollar amounts.

The 2016 ADIT adjustment, the Border Winds in-service date change, and the net salvage rate update together result in a net decrease in the revenue requirement from \$2.34 million to \$2.16 million and a net decrease in the proposed Adjustment Factor from \$0.001014 to \$0.000936.

Please contact me if you have any questions or comments.

Sincerely,



DAVID H. SEDERQUIST
SR. CONSULTANT, REGULATION/FINANCE

RER Rate - 2016		
2016 Revenue Requirements	\$	2,161,014
Forecasted kWh Sales		2,309,682,896
RER Cost per kWh	\$	0.000936

Capital Expenditures Excluding RWIP Forecast Through 2017							
Total: Wind Projects		9,338	15,833,276	339,606,462	209,132,192	-	564,581,268
Project Name	Sub Project	2013	2014	2015	2016	2017	Total
Courtenay Wind	Production	-	-	89,594,655	192,904,820	-	282,499,475
Courtenay Wind	Transmission	-	-	217,297	6,856,340	-	7,073,637
Courtenay Wind	TSG	-	-	848,077	6,925,032	-	7,773,109
Courtenay Wind	Land Rights	-	-	269,922	2,383,857	-	2,653,779
Border Winds	Production	9,338	15,776,317	248,637,371	51,952	-	264,474,978
Border Winds	Transmission	-	56,959	39,141	10,191	-	106,291

Annual Tracker Summary			
	2015	2016	2017
	Mixed	Forecast	Forecast
Border Winds Capital	243,257	2,173,940	1,874,743
Property Taxes	-	33,062	33,062
ND ITC	-	(58,749)	(612,677)
Border PTCs	(39,095)	(990,611)	(1,052,206)
O&M	21,009	260,847	261,835
Total Border Winds Costs	225,170	1,418,488	504,756
Courtenay Wind Capital	-	404,742	2,552,844
Property Taxes	-	-	49,400
Courtenay PTCs	-	(3,075)	(1,276,091)
O&M	-	61,985	347,475
Transmission Costs (Interconnect)	-	15,082	120,653
Total Courtenay Wind Costs	-	478,733	1,794,281
ADIT Pro-rate	-	38,622	55,950
Carryover Balance	-	225,170	(849)
Revenue Requirement (RR)	225,170	2,161,014	2,354,137
Revenue Collections (RC)	-	2,161,863	2,353,135
Balance	225,170	(849)	1,002

2015 Tracker													
Carryover	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Annual Total
	Actual	Actual	Actual	Actual	Actual	Actual	Mixed	Forecast	Forecast	Forecast	Forecast	Forecast	Mixed
Border Winds Capital	816	935	945	916	909	936	965	973	1,049	998	1,028	232,789	243,257
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
ND ITC	-	-	-	-	-	-	-	-	-	-	-	-	-
Border PTCs	-	-	-	-	-	-	-	-	-	(13,032)	(13,032)	(13,032)	(39,095)
O&M	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751	21,009
Total Border Costs	2,567	2,686	2,695	2,666	2,659	2,687	2,715	2,724	2,799	(10,283)	(10,253)	221,508	225,170
Courtenay Wind Capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Courtenay PTCs	-	-	-	-	-	-	-	-	-	-	-	-	-
O&M	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission Costs (Interconnect)	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Courtenay Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Revenue Requirement	2,567	2,686	2,695	2,666	2,659	2,687	2,715	2,724	2,799	(10,283)	(10,253)	221,508	225,170
Revenue Collections	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance	2,567	5,252	7,948	10,614	13,273	15,960	18,676	21,399	24,199	13,915	3,662	225,170	

2016 Tracker													
Carryover	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Annual Total
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Border Winds Capital	190,713	188,995	187,255	185,514	183,774	182,034	180,293	178,553	176,813	175,072	173,332	171,592	2,173,940
Property Taxes	2,755	2,755	2,755	2,755	2,755	2,755	2,755	2,755	2,755	2,755	2,755	2,755	33,062
ND ITC	(4,896)	(4,896)	(4,896)	(4,896)	(4,896)	(4,896)	(4,896)	(4,896)	(4,896)	(4,896)	(4,896)	(4,896)	(58,749)
Border PTCs	(82,551)	(82,551)	(82,551)	(82,551)	(82,551)	(82,551)	(82,551)	(82,551)	(82,551)	(82,551)	(82,551)	(82,551)	(990,611)
O&M	21,737	21,737	21,737	21,737	21,737	21,737	21,737	21,737	21,737	21,737	21,737	21,737	260,847
Total Border Costs	127,758	126,041	124,300	122,560	120,820	119,079	117,339	115,599	113,858	112,118	110,378	108,637	1,418,488
Courtenay Wind Capital	5,225	5,363	5,552	5,937	6,625	8,550	11,693	14,269	19,940	24,891	26,396	270,303	404,742
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Courtenay PTCs	(256)	(256)	(256)	(256)	(256)	(256)	(256)	(256)	(256)	(256)	(256)	(256)	(3,075)
O&M	5,165	5,165	5,165	5,165	5,165	5,165	5,165	5,165	5,165	5,165	5,165	5,165	61,985
Transmission Costs (Interconnect)	-	-	-	-	-	-	-	-	-	-	-	-	15,082
Total Courtenay Costs	10,134	10,272	10,461	10,846	11,534	13,459	16,602	19,178	24,849	29,800	36,332	285,266	478,733
ADIT Pro-rate	51	201	451	804	1,260	1,816	2,467	3,212	4,058	5,018	6,088	13,196	38,622
Carryover Balance	225,170	18,764	18,764	18,764	18,764	18,764	18,764	18,764	18,764	18,764	18,764	18,764	225,170
Revenue Requirement	156,708	155,278	153,976	152,974	152,378	153,118	155,172	156,753	161,530	165,701	171,562	425,864	2,161,014
Revenue Collections	215,466	190,949	189,980	160,862	160,632	163,251	182,920	180,889	161,799	165,334	181,192	208,589	2,161,863
Balance	(58,758)	(94,429)	(130,434)	(138,321)	(146,575)	(156,708)	(184,455)	(208,591)	(208,861)	(208,495)	(218,124)	(849)	

2017 Tracker													
Carryover	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Annual Total
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Border Winds Capital	162,587	161,431	160,275	159,119	157,963	156,807	155,651	154,495	153,339	152,183	151,027	149,871	1,874,743
Property Taxes	2,755	2,755	2,755	2,755	2,755	2,755	2,755	2,755	2,755	2,755	2,755	2,755	33,062
ND ITC	(51,056)	(51,056)	(51,056)	(51,056)	(51,056)	(51,056)	(51,056)	(51,056)	(51,056)	(51,056)	(51,056)	(51,056)	(612,677)
Border PTCs	(87,684)	(87,684)	(87,684)	(87,684)	(87,684)	(87,684)	(87,684)	(87,684)	(87,684)	(87,684)	(87,684)	(87,684)	(1,052,206)
O&M	21,820	21,820	21,820	21,820	21,820	21,820	21,820	21,820	21,820	21,820	21,820	21,820	261,835
Total Border Costs	48,421	47,265	46,109	44,953	43,797	42,641	41,485	40,329	39,173	38,017	36,861	35,705	504,756
Courtenay Wind Capital	223,423	221,480	219,537	217,594	215,651	213,708	211,766	209,823	207,880	205,937	203,994	202,051	2,552,844
Property Taxes	4,117	4,117	4,117	4,117	4,117	4,117	4,117	4,117	4,117	4,117	4,117	4,117	49,400
Courtenay PTCs	(106,341)	(106,341)	(106,341)	(106,341)	(106,341)	(106,341)	(106,341)	(106,341)	(106,341)	(106,341)	(106,341)	(106,341)	(1,276,091)
O&M	28,956	28,956	28,956	28,956	28,956	28,956	28,956	28,956	28,956	28,956	28,956	28,956	347,475
Transmission Costs (Interconnect)	10,054	10,054	10,054	10,054	10,054	10,054	10,054	10,054	10,054	10,054	10,054	10,054	120,653
Total Courtenay Costs	160,209	158,266	156,324	154,381	152,438	150,495	148,552	146,609	144,666	142,723	140,780	138,837	1,794,281
ADIT Pro-rate	86	339	761	1,358	2,130	3,077	4,199	5,499	6,975	8,625	10,451	12,451	55,950
Carryover Balance (849)	(71)	(71)	(71)	(71)	(71)	(71)	(71)	(71)	(71)	(71)	(71)	(71)	(849)
Revenue Requirement	208,646	205,799	203,122	200,620	198,294	196,142	194,165	192,367	190,743	189,295	188,021	186,923	2,354,137
Revenue Collections	235,024	203,905	205,654	176,066	176,300	177,826	199,296	197,103	176,302	180,278	197,564	227,816	2,353,135
Balance	(26,379)	(24,484)	(27,016)	(2,461)	19,533	37,849	32,718	27,982	42,423	51,439	41,896	1,002	

Revenues												
	Jan-16 Forecast	Feb-16 Forecast	Mar-16 Forecast	Apr-16 Forecast	May-16 Forecast	Jun-16 Forecast	Jul-16 Forecast	Aug-16 Forecast	Sep-16 Forecast	Oct-16 Forecast	Nov-16 Forecast	Dec-16 Forecast
Monthly Inputs												
Revenue Requirement n/incl true-up	156,708	155,278	153,976	152,974	152,378	153,118	155,172	156,753	161,530	165,701	171,562	425,864
Remaining true-up in current calendar year	0	0	0	0	0	0	0	0	0	0	0	0
Revenue Carried-forward balance	-58,758	-94,429	-130,434	-138,321	-146,575	-156,708	-184,455	-208,591	-208,861	-208,495	-218,124	-849
Total kWh Sales in Month	230,198,613	204,005,181	202,970,459	171,861,094	171,614,897	174,413,461	195,426,886	193,257,391	172,862,679	176,639,372	193,581,173	222,851,690
230,198,613	204,005,181	202,970,459	171,861,094	171,614,897	174,413,461	195,426,886	193,257,391	172,862,679	176,639,372	193,581,173	222,851,690	
Flags												
Rate Change	X											
Rate Periods	1	1	1	1	1	1	1	1	1	1	1	1
Rate Period Calculations												
Revenue Requirement for Rate Period	2,161,014											
Remaining true-up in current calendar year	0											
Revenue Carried-forward balance												
Revenue Needs During Remaining Rate Period	2,161,014											
Total kWh Sales in Rate Period	2,309,682,896											
RR/kWh Sales	\$ 0.000936	\$ 0.000936	\$ 0.000936	\$ 0.000936	\$ 0.000936	\$ 0.000936	\$ 0.000936	\$ 0.000936	\$ 0.000936	\$ 0.000936	\$ 0.000936	\$ 0.000936
Revenues												
Monthly Forecast Totals	215,466	190,949	189,980	160,862	160,632	163,251	182,920	180,889	161,799	165,334	181,192	208,589
Actual Revenues	215,466	190,949	189,980	160,862	160,632	163,251	182,920	180,889	161,799	165,334	181,192	208,589
Combined Actual & Forecast	215,466	190,949	189,980	160,862	160,632	163,251	182,920	180,889	161,799	165,334	181,192	208,589
Annual Total												2,161,863

Universal Inputs								Jan-15	Jan-16	Jan-17
Dates								Forecast	Forecast	Forecast
Depreciation										
Current			Production	Transmission	TSG	Land Rights				
	2015	Book Depreciation Life (yrs)	25.00	64.28	80.42	25.00				
	2015	Net Salvage %	-4.60%	-8.63%	-34.45%	0.00%				
Net Salvage %										
		Production					-4.60%	-4.60%	-4.60%	
		Transmission					-8.63%	-8.63%	-8.63%	
		TSG					-34.45%	-34.45%	-34.45%	
		Land Rights					0.00%	0.00%	0.00%	
Book Depreciation Lives										
		Production					25.00	25.00	25.00	
		Transmission					64.28	64.28	64.28	
		TSG					80.42	80.42	80.42	
		Land Rights					25.00	25.00	25.00	
Book Depreciation Rates (Composite)										
		Production					4.18%	4.18%	4.18%	
		Transmission					1.69%	1.69%	1.69%	
		TSG					1.67%	1.67%	1.67%	
		Land Rights					4.00%	4.00%	4.00%	
Book Depreciation Rate: Final Period										
		Production	100%							
		Transmission	100%							
		TSG	100%							
		Land Rights	100%							
Tax Rates										
Income Tax Rates										
		State Income Tax Rate					4.3100%	4.3100%	4.3100%	
		Federal Income Tax Rate					35.0000%	35.0000%	35.0000%	
Composite Income Tax Rate										
		State Composite Income Tax Rate					37.8015%	37.8015%	37.8015%	
		Company Composite Income Tax Rate					40.8097%	40.8097%	40.8097%	
Tax Depreciation Schedule: MACRS										
	Annual		5	15	SL_20					
	0		0.00%	0.00%	0.00%					
	1		20.00%	5.00%	2.50%					
	2		32.00%	9.50%	5.00%					
	3		19.20%	8.55%	5.00%					
	4		11.52%	7.70%	5.00%					
	5		11.52%	6.93%	5.00%					
	6		5.76%	6.23%	5.00%					
	7		0.00%	5.90%	5.00%					
	8		0.00%	5.90%	5.00%					
	9		0.00%	5.91%	5.00%					
	10		0.00%	5.90%	5.00%					
	11		0.00%	5.91%	5.00%					
	12		0.00%	5.90%	5.00%					
	13		0.00%	5.91%	5.00%					
	14		0.00%	5.90%	5.00%					
	15		0.00%	5.91%	5.00%					
	16		0.00%	2.95%	5.00%					
	17				5.00%					
	18				5.00%					
	19				5.00%					
	20				5.00%					
	21				2.50%					
Cap Structure (Last Authorized)										
		Long Term Debt %					44.9600%	44.9600%	44.9600%	
		Long Term Debt Cost (\$s as a % of total)					5.1400%	5.1400%	5.1400%	
		Short Term Debt %					2.4800%	2.4800%	2.4800%	
		Short Term Debt Cost (\$s as a % of total)					0.7500%	0.7500%	0.7500%	
		Weighted Cost of Debt					2.33%	2.33%	2.33%	
		Common Stock %					52.5600%	52.5600%	52.5600%	
		Common Stock Cost (\$s as a % of total)					10.0000%	10.2500%	10.2500%	
		Preferred Stock %					0.0000%	0.0000%	0.0000%	
		Preferred Stock Cost (\$s as a % of total)					0.0000%	0.0000%	0.0000%	
		Weighted Cost of Equity					5.26%	5.39%	5.39%	
							7.59%	7.72%	7.72%	
Property Tax Rates										
		Percent Taxable					100.00%	100.00%	100.00%	
		Asset Rate					1.075%	1.075%	1.075%	
		Property Tax Rate					1.075%	1.075%	1.075%	
OATT										
		Total Cost of Capital					0.0000%	0.0000%	0.0000%	
		Equity Gross-Up Rate					0.0000%	0.0000%	0.0000%	
		Equity Gross-Up					0.0000%	0.0000%	0.0000%	
		Total Cost of Capital incl Gross-Up for Taxes - Annual Rate					0.0000%	0.0000%	0.0000%	
Allocators										
		ND 12-month energy (Electric Energy)					6.5856%	6.5597%	6.5597%	
		NSPM 36-month CP demand (Interchange Electric)					84.5789%	84.1349%	84.1349%	
		Wind Jurisdictional Allocator					5.5700%	5.5190%	5.5190%	
Allocators										
		ND 12-month CP demand (Electric Demand)					6.1657%	6.2102%	6.2102%	
		NSPM 36-month CP demand (Interchange Electric)					84.5789%	84.1349%	84.1349%	
		Trans Jurisdictional Allocator					5.2149%	5.2249%	5.2249%	
Allocators										
		ND 12-month energy (Electric Energy)					6.5856%	6.5597%	6.5597%	
		NSPM 3 Interchange Energy (Interchange Electric)					83.7278%	83.3146%	83.3146%	
		PTC Jurisdictional Allocator					5.5140%	5.4652%	5.4652%	

Border Winds Land, Transmission, & Wind	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total
Rate Base													
CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant In-Service	-	-	-	-	-	-	-	-	-	-	-	-	266,419,091
Less Accumulated Book Depreciation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	464,352
Less Accumulated Deferred Taxes	(68,663)	(71,997)	(77,493)	(85,715)	(96,817)	(105,809)	(112,518)	(119,795)	(128,129)	(137,617)	(146,727)	(156,422)	21,294,695
End Of Month Rate Base	68,663	71,997	77,493	85,715	96,817	105,809	112,518	119,795	128,129	137,617	146,727	156,422	244,660,044
Return on Rate Base													
Debt Return	124	137	145	158	177	197	212	226	241	258	276	237,667	239,817
Equity Return	279	308	328	358	400	444	478	509	543	582	623	536,535	541,389
Total Return on Rate Base	403	445	473	516	577	641	690	735	784	840	899	774,201	781,205
Income Statement Items													
AFUDC Pre-Eligible	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Book Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	464,352
Deferred Taxes	(9,872)	(3,335)	(5,496)	(8,222)	(11,102)	(8,992)	(6,709)	(7,277)	(8,334)	(9,488)	(9,110)	21,441,422	21,353,486
Gross Up for Income Tax	24,119	19,680	21,988	24,147	26,843	25,166	23,340	24,016	26,384	26,562	26,667	(18,500,603)	(18,231,690)
Total Income Statement Expense	14,247	16,345	16,492	15,925	15,741	16,174	16,631	16,739	18,050	17,075	17,557	3,405,171	3,586,147
Revenue Requirement													
Total	14,650	16,790	16,965	16,441	16,318	16,815	17,322	17,473	18,834	17,915	18,456	4,179,372	4,367,352
Are costs eligible for recovery in the Rider?	1	1	1	1	1	1	1	1	1	1	1	1	1
Rider Eligible Revenue Requirement	816	935	945	916	909	936	965	973	1,049	998	1,028	232,789	243,257
Rider Eligible Revenue Requirement: Annual Totals	-	-	-	-	-	-	-	-	-	-	-	243,257	243,257

Border Winds Land, Transmission, & Wind	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
Rate Base													
CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant In-Service	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234
Less Accumulated Book Depreciation Reserve	1,393,153	2,322,051	3,250,950	4,179,849	5,108,747	6,037,646	6,966,545	7,895,443	8,824,342	9,753,241	10,682,139	11,611,038	11,611,038
Less Accumulated Deferred Taxes	23,806,894	26,319,350	28,831,806	31,344,262	33,856,718	36,369,174	38,881,630	41,394,086	43,906,542	46,418,998	48,931,454	51,443,910	51,443,910
End Of Month Rate Base	241,281,188	237,839,833	234,398,478	230,957,124	227,515,769	224,074,414	220,633,060	217,191,705	213,750,350	210,308,996	206,867,641	203,426,286	203,426,286
Return on Rate Base													
Debt Return	471,768	465,147	458,465	451,783	445,101	438,419	431,737	425,055	418,373	411,691	405,009	398,327	5,220,873
Equity Return	1,091,343	1,076,026	1,060,569	1,045,111	1,029,654	1,014,196	998,739	983,281	967,824	952,367	936,909	921,452	12,077,471
Total Return on Rate Base	1,563,111	1,541,173	1,519,033	1,496,894	1,474,754	1,452,615	1,430,476	1,408,336	1,386,197	1,364,058	1,341,918	1,319,779	17,298,344
Income Statement Items													
AFUDC Pre-Eligible	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	91	91	91	91	91	91	91	91	91	91	91	91	1,093
Book Depreciation	928,801	928,899	928,899	928,899	928,899	928,899	928,899	928,899	928,899	928,899	928,899	928,899	11,146,686
Deferred Taxes	2,512,198	2,512,456	2,512,456	2,512,456	2,512,456	2,512,456	2,512,456	2,512,456	2,512,456	2,512,456	2,512,456	2,512,456	30,149,214
Gross Up for Income Tax	(1,548,568)	(1,558,104)	(1,567,499)	(1,576,893)	(1,586,287)	(1,595,682)	(1,605,076)	(1,614,470)	(1,623,865)	(1,633,259)	(1,642,653)	(1,652,048)	(19,204,403)
Total Income Statement Expense	1,892,522	1,883,342	1,873,947	1,864,553	1,855,159	1,845,764	1,836,370	1,826,976	1,817,581	1,808,187	1,798,793	1,789,398	22,092,591
Revenue Requirement													
Total	3,455,633	3,424,514	3,392,981	3,361,447	3,329,913	3,298,379	3,266,846	3,235,312	3,203,778	3,172,244	3,140,711	3,109,177	39,390,935
Are costs eligible for recovery in the Rider?	1	1	1	1	1	1	1	1	1	1	1	1	1
Rider Eligible Revenue Requirement	190,713	188,995	187,255	185,514	183,774	182,034	180,293	178,553	176,813	175,072	173,332	171,592	2,173,940
Rider Eligible Revenue Requirement: Annual Totals	-	-	-	-	-	-	-	-	-	-	-	-	2,173,940

Border Winds Land, Transmission, & Wind	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
Rate Base													
CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant In-Service	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234	266,481,234
Less Accumulated Book Depreciation Reserve	12,539,937	13,468,835	14,397,734	15,326,633	16,255,531	17,184,430	18,113,329	19,042,227	19,971,126	20,900,025	21,828,923	22,757,822	22,757,822
Less Accumulated Deferred Taxes	52,800,915	54,157,921	55,514,927	56,871,933	58,228,938	59,585,944	60,942,950	62,299,956	63,656,961	65,013,967	66,370,973	67,727,979	67,727,979
End Of Month Rate Base	201,140,382	198,854,477	196,568,573	194,282,669	191,996,764	189,710,860	187,424,955	185,139,051	182,853,146	180,567,242	178,281,337	175,995,433	175,995,433
Return on Rate Base													
Debt Return	392,767	388,328	383,890	379,451	375,013	370,574	366,136	361,698	357,259	352,821	348,382	343,944	4,420,263
Equity Return	908,589	898,322	888,054	877,787	867,519	857,252	846,984	836,717	826,449	816,182	805,914	795,647	10,225,415
Total Return on Rate Base	1,301,356	1,286,650	1,271,944	1,257,238	1,242,532	1,227,826	1,213,120	1,198,414	1,183,708	1,169,002	1,154,296	1,139,590	14,645,678
Income Statement Items													
AFUDC Pre-Eligible	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	100	100	100	100	100	100	100	100	100	100	100	100	1,203
Book Depreciation	928,899	928,899	928,899	928,899	928,899	928,899	928,899	928,899	928,899	928,899	928,899	928,899	11,146,784
Deferred Taxes	1,357,006	1,357,006	1,357,006	1,357,006	1,357,006	1,357,006	1,357,006	1,357,006	1,357,006	1,357,006	1,357,006	1,357,006	16,284,069
Gross Up for Income Tax	(641,350)	(647,590)	(653,830)	(660,070)	(666,310)	(672,550)	(678,790)	(685,031)	(691,271)	(697,511)	(703,751)	(709,991)	(8,108,045)
Total Income Statement Expense	1,644,655	1,638,415	1,632,175	1,625,935	1,619,695	1,613,454	1,607,214	1,600,974	1,594,734	1,588,494	1,582,254	1,576,013	19,324,011
Revenue Requirement													
Total	2,946,011	2,925,065	2,904,119	2,883,173	2,862,227	2,841,281	2,820,334	2,799,388	2,778,442	2,757,496	2,736,550	2,715,604	33,969,690
Are costs eligible for recovery in the Rider?	1	1	1	1	1	1	1	1	1	1	1	1	1
Rider Eligible Revenue Requirement	162,587	161,431	160,275	159,119	157,963	156,807	155,651	154,495	153,339	152,183	151,027	149,871	1,874,743
Rider Eligible Revenue Requirement: Annual Totals	-	-	-	-	-	-	-	-	-	-	-	-	1,874,743

Courtenay Wind Land, Transmission, & Wind	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
Rate Base													
CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant In-Service	-	-	-	-	-	-	-	-	15,229,612	15,229,612	17,883,391	312,452,351	312,452,351
Less Accumulated Book Depreciation Reserve	-	-	-	-	-	-	-	-	10,664	31,993	57,744	601,451	601,451
Less Accumulated Deferred Taxes	(190,738)	(247,988)	(306,737)	(369,162)	(438,590)	(528,615)	(652,480)	(803,530)	(925,447)	(1,010,443)	(1,083,033)	(2,359,571)	(2,359,571)
End Of Month Rate Base	190,738	247,988	306,737	369,162	438,590	528,615	652,480	803,530	16,144,395	16,208,063	18,918,680	289,491,329	289,491,329
Return on Rate Base													
Debt Return	316	426	539	656	784	939	1,147	1,414	16,454	31,409	34,102	299,415	387,599
Equity Return	730	985	1,246	1,518	1,814	2,172	2,653	3,270	38,062	72,658	78,889	692,637	896,635
Total Return on Rate Base	1,046	1,411	1,784	2,174	2,598	3,111	3,799	4,683	54,516	104,067	112,991	992,052	1,284,234
Income Statement Items													
AFUDC Pre-Eligible	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Book Depreciation	-	-	-	-	-	-	-	-	10,664	21,328	25,751	543,706	601,451
Deferred Taxes	(56,320)	(57,249)	(58,749)	(62,425)	(69,428)	(90,025)	(123,865)	(151,051)	(121,917)	(84,996)	(82,590)	23,452,604	22,493,989
Gross Up for Income Tax	149,964	153,029	157,611	167,946	187,092	242,131	332,290	405,288	420,388	414,918	426,401	(20,086,425)	(17,029,365)
Total Income Statement Expense	93,644	95,780	98,862	105,521	117,663	152,106	208,425	254,238	309,135	351,250	369,563	3,909,886	6,066,075
Revenue Requirement													
Total	94,690	97,191	100,647	107,696	120,262	155,218	212,225	258,921	363,651	455,317	482,554	4,901,938	7,350,309
Are costs eligible for recovery in the Rider?	1	1	1	1	1	1	1	1	1	1	1	1	1
Rider Eligible Revenue Requirement	5,225	5,363	5,552	5,937	6,625	8,550	11,693	14,269	19,940	24,891	26,396	270,303	404,742
Rider Eligible Revenue Requirement: Annual Totals	-	-	-	-	-	-	-	-	-	-	-	404,742	404,742

Courtenay Wind Land, Transmission, & Wind	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
Rate Base													
CWIP	-	-	-	-	-	-	-	-	-	-	-	-	-
Plant In-Service	312,452,351	312,452,351	312,452,351	312,452,351	312,452,351	312,452,351	312,452,351	312,452,351	312,452,351	312,452,351	312,452,351	312,452,351	312,452,351
Less Accumulated Book Depreciation Reserve	1,658,689	2,715,927	3,773,165	4,830,403	5,887,642	6,944,880	8,002,118	9,059,356	10,116,594	11,173,833	12,231,071	13,288,309	13,288,309
Less Accumulated Deferred Taxes	25,145,782	27,931,993	30,718,205	33,504,416	36,290,627	39,076,838	41,863,049	44,649,261	47,435,472	50,221,683	53,007,894	55,794,105	55,794,105
End Of Month Rate Base	285,647,880	281,804,430	277,960,981	274,117,531	270,274,082	266,430,633	262,587,183	258,743,734	254,900,284	251,056,835	247,213,386	243,369,936	243,369,936
Return on Rate Base													
Debt Return	558,364	550,902	543,439	535,976	528,514	521,051	513,588	506,125	498,663	491,200	483,737	476,275	6,207,834
Equity Return	1,291,667	1,274,403	1,257,140	1,239,876	1,222,613	1,205,349	1,188,086	1,170,822	1,153,559	1,136,295	1,119,032	1,101,768	14,360,611
Total Return on Rate Base	1,850,031	1,825,305	1,800,579	1,775,853	1,751,126	1,726,400	1,701,674	1,676,948	1,652,222	1,627,495	1,602,769	1,578,043	20,568,445
Income Statement Items													
AFUDC Pre-Eligible	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	13,643	13,643	13,643	13,643	13,643	13,643	13,643	13,643	13,643	13,643	13,643	13,643	163,718
Book Depreciation	1,057,238	1,057,238	1,057,238	1,057,238	1,057,238	1,057,238	1,057,238	1,057,238	1,057,238	1,057,238	1,057,238	1,057,238	12,686,858
Deferred Taxes	2,786,211	2,786,211	2,786,211	2,786,211	2,786,211	2,786,211	2,786,211	2,786,211	2,786,211	2,786,211	2,786,211	2,786,211	33,434,534
Gross Up for Income Tax	(1,654,401)	(1,664,893)	(1,675,385)	(1,685,877)	(1,696,369)	(1,706,861)	(1,717,353)	(1,727,845)	(1,738,337)	(1,748,829)	(1,759,321)	(1,769,812)	(20,545,279)
Total Income Statement Expense	2,202,692	2,192,200	2,181,708	2,171,216	2,160,724	2,150,232	2,139,740	2,129,248	2,118,756	2,108,264	2,097,772	2,087,280	25,739,832
Revenue Requirement													
Total	4,052,723	4,017,505	3,982,287	3,947,069	3,911,850	3,876,632	3,841,414	3,806,196	3,770,978	3,735,759	3,700,541	3,665,323	46,308,277
Are costs eligible for recovery in the Rider?	1	1	1	1	1	1	1	1	1	1	1	1	1
Rider Eligible Revenue Requirement	223,423	221,480	219,537	217,594	215,651	213,708	211,766	209,823	207,880	205,937	203,994	202,051	2,552,844
Rider Eligible Revenue Requirement: Annual Totals	-	-	-	-	-	-	-	-	-	-	-	-	2,552,844

Production Tax Credits

Border Winds

Year	Wind Production	PTC	ND JUR	Rev Req
2015	19,183	441,000	24,317	(39,095)
2016	490,167	11,274,000	616,145	(990,611)
2017	520,653	11,975,000	654,456	(1,052,206)

Courtney Wind

Year	Wind Production	PTC	ND JUR	Rev Req
2015	0	0	-	-
2016	1,503	35,000	1,913	(3,075)
2017	631,427	14,523,000	793,709	(1,276,091)

2015 Allocator	5.5140%
2016 Allocator	5.4652%
PTC Credit per MW h \$	23.00
Gross Up Factor	1.607755814

5.21% 5.22% 5.22% 5.22% 5.22% 5.22%

		Total Company						ND Jurisdiction					
Location	Description	2015	2016	2017	2018	2019	2020	2015	2016	2017	2018	2019	2020
ES Border Winds	Contract/Consulting	349,374	4,388,841	4,405,841	4,242,841	2,772,990	2,782,964	18,219	229,315	230,203	221,686	144,887	145,408
	Materials	-	-	-	315,238	909,248	918,347	-	-	-	16,471	47,508	47,983
	Other	6,253	36,647	38,545	39,087	41,005	42,305	326	1,915	2,014	2,042	2,142	2,210
	Space/Lease Costs	47,238	566,853	566,853	566,853	566,853	566,853	2,463	29,618	29,618	29,618	29,618	29,618
ES Border Winds Total		402,865	4,992,341	5,011,239	5,164,019	4,290,096	4,310,469	21,009	260,847	261,835	269,817	224,155	225,220
ES Courtenay Wind	O&M Estimate	-	1,186,325	5,255,300	5,540,300	5,506,141	4,856,857	-	61,985	274,587	289,478	287,693	253,768
	Avian Costs for Geronimo	-	-	225,000	225,000	150,000	140,000	-	-	11,756	11,756	7,837	7,315
	Space/Lease Costs	-	-	1,170,000	1,192,400	1,215,248	1,238,553	-	-	61,132	62,302	63,496	64,714
ES Courtenay Wind Total		-	1,186,325	6,650,300	6,957,700	6,871,389	6,235,410	-	61,985	347,475	363,536	359,026	325,797

Legislative

NORTH DAKOTA ELECTRIC RATE BOOK - NDPSC NO. 2

RENEWABLE ENERGY RIDER

Section No. 5
2nd Revised Sheet No. 87

APPLICATION

Applicable to qualifying charges for electric service provided under all Company retail rate schedules.

RENEWABLE ENERGY RIDER

There will be included on each customer's monthly bill a Renewable Energy Rider ("RER") charge for purposes of recovering capital and operating costs of company-owned renewable energy generation located in the state of North Dakota and not presently reflected in base retail rates. The RER charge shall be determined by multiplying a customer's monthly billed kWh for electric service by the current RER Rate. The RER charge shall be calculated prior to the application of any city surcharges and/or sales tax.

DETERMINATION OF RER RATE

The RER Rate is determined by dividing the annual forecasted RER revenue requirement amount by the annual forecasted kWh sales. The annual forecasted RER revenue requirement is the sum of the RER costs for the forecast period and the carryover balance in the RER Tracker Account from the prior period. The RER Rate will be calculated annually, with the approval of the Commission. The present RER Rate is:

All Classes ~~\$0.000000~~ \$0.000936 per kWh

All approved costs appropriately charged to the RER Tracker Account are eligible for recovery through this Rider, and all revenues recovered through the Rider are credited to the RER Tracker Account.

QUALIFYING RENEWABLE ENERGY RIDER COSTS

Qualifying RER costs include all annual revenue requirements eligible for recovery under N.D.C.C. § 49-02, 49-05 and 49-06. These costs include, but are not limited to, depreciation expense, property taxes, and operation and maintenance expenses related to Company-owned renewable energy project costs and capacity-related renewable energy purchased power costs not currently being recovered in base rates or eligible for recovery through the FCR. Eligible projects (or portions of these projects) must be located in the state of North Dakota and must have previously been granted an Advance Determination of Prudence by the Commission.

TRUE-UP

For each calendar year the RER is in place, a true-up adjustment to the Tracker Account will be calculated reflecting the difference between actual RER revenue and the actual RER costs (revenue requirements) for the recovery period. The true-up shall be recorded by May 1 of the following calendar year and will be included in the calculation of the RER rate effective for the next calendar year recovery period.

For example, Year 1 actual RER revenue will be compared to the actual RER revenue requirements for the same period and the difference recorded as an adjustment to the Tracker Account on or before May 1 of Year 2. This difference would then be included in the calculation of the new RER Rate to be filed with the Commission later in Year 2, and effective January 1 of Year 3.

Date Filed: 05-27-1410-01-15 By: ~~David M. Sparby~~Christopher B. Clark Effective Date: 07-06-14
President ~~and CEO~~ of Northern States Power Company, a Minnesota corporation
Case No. PU-12-813PU-15-683 Order Date: N/A

Non-Legislative

NORTH DAKOTA ELECTRIC RATE BOOK - NDPSO NO. 2

RENEWABLE ENERGY RIDER

Section No. 5
2nd Revised Sheet No. 87

APPLICATION

Applicable to qualifying charges for electric service provided under all Company retail rate schedules.

RENEWABLE ENERGY RIDER

There will be included on each customer's monthly bill a Renewable Energy Rider ("RER") charge for purposes of recovering capital and operating costs of company-owned renewable energy generation located in the state of North Dakota and not presently reflected in base retail rates. The RER charge shall be determined by multiplying a customer's monthly billed kWh for electric service by the current RER Rate. The RER charge shall be calculated prior to the application of any city surcharges and/or sales tax.

DETERMINATION OF RER RATE

The RER Rate is determined by dividing the annual forecasted RER revenue requirement amount by the annual forecasted kWh sales. The annual forecasted RER revenue requirement is the sum of the RER costs for the forecast period and the carryover balance in the RER Tracker Account from the prior period. The RER Rate will be calculated annually, with the approval of the Commission. The present RER Rate is:

All Classes	\$0.000936 per kWh
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All approved costs appropriately charged to the RER Tracker Account are eligible for recovery through this Rider, and all revenues recovered through the Rider are credited to the RER Tracker Account.

QUALIFYING RENEWABLE ENERGY RIDER COSTS

Qualifying RER costs include all annual revenue requirements eligible for recovery under N.D.C.C. § 49-02, 49-05 and 49-06. These costs include, but are not limited to, depreciation expense, property taxes, and operation and maintenance expenses related to Company-owned renewable energy project costs and capacity-related renewable energy purchased power costs not currently being recovered in base rates or eligible for recovery through the FCR. Eligible projects (or portions of these projects) must be located in the state of North Dakota and must have previously been granted an Advance Determination of Prudence by the Commission.

TRUE-UP

For each calendar year the RER is in place, a true-up adjustment to the Tracker Account will be calculated reflecting the difference between actual RER revenue and the actual RER costs (revenue requirements) for the recovery period. The true-up shall be recorded by May 1 of the following calendar year and will be included in the calculation of the RER rate effective for the next calendar year recovery period.

For example, Year 1 actual RER revenue will be compared to the actual RER revenue requirements for the same period and the difference recorded as an adjustment to the Tracker Account on or before May 1 of Year 2. This difference would then be included in the calculation of the new RER Rate to be filed with the Commission later in Year 2, and effective January 1 of Year 3.

Date Filed:	10-01-15	By: Christopher B. Clark	Effective Date:
		President, Northern States Power Company, a Minnesota corporation	
Case No.	PU-15-683		Order Date:

Northern States Power Company
 State of North Dakota
 Renewable Energy Rider (RER)
 ADIT Adjustment - Pro-Rate Method

	Annual	Monthly
Debt Return %	2.3300%	0.1942%
Equity Return %	5.3900%	0.4492%
Tax RR on Equity Return @ 37.80 CTR	3.2758%	0.2730%
Rate Base Revenue Requirement Factor	10.9958%	0.9163%

Days/Month	2016						
	Pro-Rate Days	Pro-Rate Factor	Monthly DT Expense	Average Mo ADIT	Pro-Rated DT Expense	Average Mo Pro-Rate ADIT	Monthly Revenue Req
31 Jan	335	0.917808	2,455,878.22	1,227,939.11	2,254,025.22	1,127,012.61	51.04
28 Feb	307	0.841096	2,455,206.75	3,683,481.60	2,065,064.31	3,286,557.37	200.73
31 Mar	276	0.756164	2,453,706.74	6,137,938.35	1,855,405.64	5,246,792.35	450.67
30 Apr	246	0.673973	2,450,030.93	8,589,807.18	1,651,253.72	7,000,122.03	803.93
31 May	215	0.589041	2,443,027.80	11,036,336.55	1,439,043.77	8,545,270.78	1,259.77
30 Jun	185	0.506849	2,422,431.18	13,469,066.04	1,227,807.58	9,878,696.46	1,815.70
31 Jul	154	0.421918	2,388,591.26	15,874,577.26	1,007,789.19	10,996,494.85	2,466.92
31 Aug	123	0.336986	2,361,405.26	18,249,575.52	795,761.22	11,898,270.06	3,211.95
30 Sep	93	0.254795	2,390,539.25	20,625,547.77	609,096.30	12,600,698.82	4,058.29
31 Oct	62	0.169863	2,427,459.81	23,034,547.30	412,335.64	13,111,414.79	5,018.28
30 Nov	32	0.087671	2,429,865.99	25,463,210.19	213,029.35	13,424,097.28	6,088.36
31 Dec	1	0.002740	25,965,060.34	39,660,673.36	71,137.15	13,566,180.53	13,196.38
365		Totals		187,052,700.22		110,681,607.93	38,622.01
			Mth RR Factor	0.9163%		0.9163%	
			Annual RR	(1,713,995.67)		(1,014,194.37)	
			Total Company RR Adjustment			699,801.29	

Days/Month	2017						
	Pro-Rate Days	Pro-Rate Factor	Monthly DT Expense	Average Mo ADIT	Pro-Rated DT Expense	Average Mo Pro-Rate ADIT	Monthly Revenue Req
31 Jan	335	0.917808	4,143,216.95	2,071,608.48	3,802,678.57	1,901,339.29	86.11
28 Feb	307	0.841096	4,143,216.95	6,214,825.43	3,484,842.75	5,545,099.95	338.69
31 Mar	276	0.756164	4,143,216.95	10,358,042.38	3,132,953.09	8,853,997.87	760.62
30 Apr	246	0.673973	4,143,216.95	14,501,259.33	2,792,414.71	11,816,681.77	1,357.63
31 May	215	0.589041	4,143,216.95	18,644,476.28	2,440,525.05	14,433,151.66	2,129.73
30 Jun	185	0.506849	4,143,216.95	22,787,693.23	2,099,986.67	16,703,407.52	3,076.91
31 Jul	154	0.421918	4,143,216.95	26,930,910.19	1,748,097.02	18,627,449.36	4,199.19
31 Aug	123	0.336986	4,143,216.95	31,074,127.14	1,396,207.36	20,199,601.55	5,499.41
30 Sep	93	0.254795	4,143,216.95	35,217,344.09	1,055,668.98	21,425,539.72	6,974.72
31 Oct	62	0.169863	4,143,216.95	39,360,561.04	703,779.32	22,305,263.86	8,625.12
30 Nov	32	0.087671	4,143,216.95	43,503,777.99	363,240.94	22,838,773.99	10,450.60
31 Dec	1	0.002740	4,143,216.95	47,646,994.94	11,351.28	23,026,070.10	12,451.17
365		Totals		298,311,620.52		187,676,376.63	55,949.91
			Mth RR Factor	0.9163%		0.9163%	
			Annual RR	(2,733,480.05)		(1,719,710.52)	
			Total Company RR Adjustment			1,013,769.53	

Input Data	2016	ND Energy	6.5597%
Monthly DT Expense		NSPM Interchange Demand	84,134.9%
Jan	2,455,878	Net ND Allocation	5.5190%
Feb	2,455,207		
Mar	2,453,707	ND Jurisdiction RR Adjustment	38,622.01
Apr	2,450,031		
May	2,443,028		
Jun	2,422,431		
Jul	2,388,591		
Aug	2,361,405		
Sep	2,390,539		
Oct	2,427,460		
Nov	2,429,866		
Dec	25,965,060		

Input Data	2017	ND Energy	6.5597%
Monthly DT Expense		NSPM Interchange Demand	84,134.9%
Jan	4,143,217	Net ND Allocation	5.5190%
Feb	4,143,217		
Mar	4,143,217	ND Jurisdiction RR Adjustment	55,949.91
Apr	4,143,217		
May	4,143,217		
Jun	4,143,217		
Jul	4,143,217		
Aug	4,143,217		
Sep	4,143,217		
Oct	4,143,217		
Nov	4,143,217		
Dec	4,143,217		