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December 23, 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: COMPLIANCE FILING
2016 TRANSMISSION COST RECOVERY ELIGIBILITY AND RATE
ADJUSTMENT APPLICATION
CASE NO. PU-15-684

Dear Mr. Nitschke:

On October 1, 2015, Northern States Power Company, doing business as Xcel Energy, filed its 2016 Transmission Cost Recovery (TCR) Application. On December 16, 2015, the North Dakota Public Service Commission passed a MOTION in the above-referenced case approving a TCR billing surcharge of \$0.002340 per kWh effective January 1, 2016.

Tariff

Our compliance tariff sheet is attached as follows:

North Dakota Electric Rate Book – NDPSC No. 2

Sheet No. 5-86, revision 4

Customer Notification

North Dakota electric customers will be notified of the change with the following bill message:

The Transmission Cost Recovery (TCR) line item on your bill funds investments in new and modified transmission power lines, substations, and equipment. Beginning this month, the TCR rate is \$0.002340 per kWh, in effect for all electric customers.

If you have any questions, please contact me at 701-241-8632 or dave.sederquist@xcenergy.com.

Sincerely,

A handwritten signature in blue ink that reads "David H. Sederquist". The signature is written in a cursive style with a large initial "D".

DAVID H. SEDERQUIST
SR. CONSULTANT, REGULATION/FINANCE

cc: Mike Diller
Enclosure

TRANSMISSION COST RECOVERY RIDER

Section No. 5
4th Revised Sheet No. 86

APPLICATION

Applicable to bills for electric service provided under the Company's retail rate schedules.

RIDER

There will be included on each customer's monthly bill a Transmission Cost Recovery (TCR) charge for purposes of recovering transmission capital and operating costs not presently reflected in base retail rates. The TCR charge shall be determined by multiplying a customer's monthly billed kWh for electric service by the current TCR rate. The TCR charge shall be calculated prior to the application of any city surcharges and/or sales tax.

DETERMINATION OF TCR RATE

The TCR rate is calculated by dividing the forecasted balance of the TCR Tracker Account by the forecasted retail sales. The TCR rate shall be rounded to the nearest \$0.000001 per kWh.

Transmission costs recoverable under this Rider include (i) the annual revenue requirements associated with electric transmission facilities eligible for recovery under NDCC 49.05.04.1, and (ii) federally regulated costs charged to or incurred by the Company to increase regional transmission capacity or reliability. A standardized forecast model will be used to calculate the total revenue requirements for eligible transmission facilities affecting the recovery period. Forecasted retail sales shall be the estimated total retail electric sales for the applicable recovery period.

The TCR rate will be determined annually for each upcoming calendar year recovery period through a TCR rate adjustment application to the North Dakota Public Service Commission.

The TCR rate will apply to monthly billed kWh rendered on and after January 1st of the recovery year. The present TCR rate is:

All Customer Classes	\$0.002340 per kWh
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All approved costs appropriately charged to the TCR Tracker Account shall be eligible for recovery through this Rider, and all revenues recovered through the Rider shall be credited to the TCR Tracker Account.

TRUE-UP

For each 12-month period ending December 31, a true-up adjustment to the Tracker Account will be calculated reflecting the difference between actual TCR Rider revenue and the corresponding transmission costs (revenue requirements) for the recovery period. The true-up amount shall be recorded by May 1 of the following calendar year and will be included in the calculation of the TCR rate effective for the next calendar year recovery period.

For example, Year 1 actual Rider revenue will be compared to actual 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 TCR rate (application to be filed in Year 2) effective January 1 of Year 3.

Date Filed:	10-01-15	By: Christopher B. Clark	Effective Date:	01-01-16
		President, Northern States Power Company, a Minnesota corporation		
Case No.	PU-15-684		Order Date:	12-16-15