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January 4, 2016

----- Via Electronic Filing -----

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

**RE: Filing Pursuant to NDPSC Small Power Production and Cogeneration Rules (Chapter 69-09-07)**

Dear Mr. Nitschke:

Pursuant to the above referenced Rules, NDPSC Order Case No. 9999, and NDCC section 49.05.06, Northern States Power Company, doing business as Xcel Energy and operating in North Dakota, submits for filing the original and seven copies of the rate sheets and avoided costs for the Standard Contract Offer and Guidelines proposed for 2016.

The Net Energy Billing Service is revised to reflect the 2016 avoided energy cost level and meter charges. This service is available to qualifying facilities with a capacity of 100 kW or less who can use the output from the qualifying facility to offset energy delivered by the Company.

The Purchase and Sales Billing Service and Time of Day Purchase Service are revised to reflect the 2016 avoided cost level and metering charges. The Purchase and Sales Billing Service is also available to qualifying facilities with capacity up to 100 kW.

The Company also submits the avoided costs for the Standard Contract Offer and Guidelines for filing. The provisions of the Standard Contract Offer and Guidelines have not changed from last year's filing.

Under separate cover, we are forwarding to the PSC Staff the work papers which support this filing. The updated tariffs were developed in accordance with NDPSC Small Power Production and Cogeneration Rules (Chapter 69-09-07).

These updates do not reflect any significant changes, though presently there is one customer on the Net Energy Billing Service. Pursuant to North Dakota PSC Small Power Production and Cogeneration Rules (Chapter 69-09-07-09, part 3, subpart 2) the Company will provide an annual report of total monthly energy produced by the customer. As was the case with last year's filing, Xcel Energy respectfully requests that – should PSC Staff have no particular concerns with the filed revisions – the Commission forego an informal hearing on this filing in the interests of time and resources.

The revised rate sheets and avoided cost level for Standard Contract Offer and Guidelines are filed to become effective February 3, 2016.

Xcel Energy notes that the statutory changes to the Public Utility Regulatory Policy Act of 1978 (PURPA) contained in the Energy Policy Act of 2005 (EPA 2005<sup>1</sup>), the Federal Energy Regulatory Commission adoption of a Small Generation Interconnection Procedure and standard form Small Generation Interconnection Agreement in FERC Order No. 2006;<sup>2</sup> and FERC Order No. 688 and 688-A governing the mandatory purchase obligation under EPA 2005, may affect future development of QF's in North Dakota by either encouraging or discouraging cogeneration and small power production<sup>3</sup>. Since the latter Orders were issued within the last couple of years, their ultimate impact is not known at this time.

If you have any questions concerning this filing, feel free to contact me at 701-241-8632.

Sincerely,

/s/

DAVE SEDERQUIST  
SENIOR REGULATORY AND FINANCE CONSULTANT

cc John Chow, Xcel Energy  
Amy S. Fredregill, Xcel Energy

Enclosures

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<sup>1</sup> Pub. L. No. 109-58, Sec. 1253, 119 Stat. 594 (2005).

<sup>2</sup> *Standardization of Small Generation Interconnection Agreements and Procedures*, Order No. 2006, 70 Fed. Reg. 34,189 (June 13, 2005); 111 FERC ¶ 61,220 (2005); *order on reh.*, Order No. 2006-A, 116 FERC ¶ 61, 046 (2006).

<sup>3</sup> New PURPA Section 210(m) Regulations Applicable to Small Power Production and Cogeneration Facilities, Order No. 688, 71 FR 64342 (Nov. 1, 2006), FERC Stats. & Regs. ¶ 31,233 (2006)

**Legislative**

**NORTH DAKOTA ELECTRIC RATE BOOK - NDPSC NO. 2**

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**NET ENERGY BILLING SERVICE  
RATE CODE D50**

Section No. 9  
~~7th~~<sup>8th</sup> Revised Sheet No. 2

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**AVAILABILITY**

Available to any Small Qualifying Facility (SQF) with a capacity of 100 kW or less who receives non-time of day retail electric service from Company and offsets energy delivered by Company.

**RATE**

Metering Charge per Month

Single Phase	\$3.25
Three Phase	\$5.50

Payment Schedule for Energy Delivered to Company

Energy Payment per kWh	<del>3.3272</del> .574¢
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**TERMS AND CONDITIONS OF SERVICE**

1. Energy used by customer in excess of energy delivered by the small qualifying facility at the same site during the same billing period shall be billed in accordance with the appropriate non-time of day retail electric rate.  
  
For demand metered General Service customers, the entire kW demand supplied by the Company at the same site during the same billing period shall be billed to the customer according to the appropriate General Service demand charge rate.
2. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the small qualifying facility (SQF). The net interconnection charge is the responsibility of the SQF.
3. The voltage and phase of customer's generator must be consistent with existing service and approved by the Company.
4. The customer must maintain a power factor of the generator as close to unity as is consistent with NSP operating standards.

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Date Filed:	<del>01-02-15</del> 01-04-16	By: Christopher B. Clark	Effective Date:	<del>02-01-15</del>
	President, <del>and CEO of</del> Northern States Power Company, a Minnesota corporation			
Case No.	PU- <del>15-01716-</del>		Order Date:	<del>01-21-15</del>

**NORTH DAKOTA ELECTRIC RATE BOOK - NDPSC NO. 2**

**PURCHASE AND SALE BILLING SERVICE**  
**RATE CODE D51**

Section No. 9  
~~9th~~10th Revised Sheet No. 3

**AVAILABILITY**

Available to any Small Qualifying Facility of less than 100 kW who receives non-time of day retail electric service.

**RATE**

Metering Charge per Month

Single Phase	\$5.25
Three Phase	\$7.60

Payment Schedule for Energy Delivered to Company

	<u>Oct-May</u>	<u>Jun-Sep</u>
Energy Payment per kWh	<del>3.26</del> <u>2.547</u> ¢	<del>3.46</del> <u>2.628</u> ¢
Capacity Payment per kWh for Firm Power	<del>0.289</del> <u>0.220</u> ¢	<del>1.541</del> <u>1.418</u> ¢

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**DETERMINATION OF FIRM POWER**

The small qualifying facility will have supplied firm power if during the billing period an on peak capacity factor of at least 65 percent was achieved. The calculation of the on peak capacity factor will be as follows:

The average on peak period metered capacity delivered to the Company for the on peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

**TERMS AND CONDITIONS OF SERVICE**

1. Electric service provided by Company to customer at the same site shall be billed in accordance with the appropriate non-time of day retail electric tariff.
2. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the small qualifying facility (SQF). The net interconnection charge is the responsibility of the SQF.
3. The minimum contracted term of service is 12 months.

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**NORTH DAKOTA ELECTRIC RATE BOOK - NDPSC NO. 2**

**TIME OF DAY PURCHASE SERVICE**  
**RATE CODE D52**

Section No. 9  
~~9th~~10th Revised Sheet No. 4

**AVAILABILITY**

Available to any Small Qualifying Facility (SQF).

**RATE**

Metering Charge per Month

Single Phase	\$5.25
Three Phase	\$7.60

Payment Schedule for Energy Delivered to Company

	<u>Oct-May</u>	<u>Jun-Sep</u>
Energy Payment per On-Peak kWh	<del>4.1343.086</del> ¢	<del>5.2263.841</del> ¢
Energy Payment per Off-Peak kWh	<del>2.7862.253</del> ¢	<del>2.4821.967</del> ¢
Capacity Payment per On-Peak kWh for Firm Power	<del>0.8350.635</del> ¢	<del>4.4164.064</del> ¢

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**DETERMINATION OF FIRM POWER**

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The average on-peak period metered capacity delivered to the Company for the on-peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on-peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

**TERMS AND CONDITIONS OF SERVICE**

1. Electric service provided by Company to customer at the same site shall be billed in accordance with the appropriate time of day retail electric tariff.
2. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the small qualifying facility (SQF). The net interconnection charge is the responsibility of the SQF.
3. The minimum contract term of service is 12 months.

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		President, <del>and CEO of</del> Northern States Power Company, a Minnesota corporation		
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**Non-Legislative**

**NORTH DAKOTA ELECTRIC RATE BOOK - NDPSC NO. 2**

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**NET ENERGY BILLING SERVICE  
RATE CODE D50**

Section No. 9  
8th Revised Sheet No. 2

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**AVAILABILITY**

Available to any Small Qualifying Facility (SQF) with a capacity of 100 kW or less who receives non-time of day retail electric service from Company and offsets energy delivered by Company.

**RATE**

Metering Charge per Month

Single Phase	\$3.25
Three Phase	\$5.50

Payment Schedule for Energy Delivered to Company

Energy Payment per kWh	2.574¢
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**TERMS AND CONDITIONS OF SERVICE**

1. Energy used by customer in excess of energy delivered by the small qualifying facility at the same site during the same billing period shall be billed in accordance with the appropriate non-time of day retail electric rate.

For demand metered General Service customers, the entire kW demand supplied by the Company at the same site during the same billing period shall be billed to the customer according to the appropriate General Service demand charge rate.

2. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the small qualifying facility (SQF). The net interconnection charge is the responsibility of the SQF.
3. The voltage and phase of customer's generator must be consistent with existing service and approved by the Company.
4. The customer must maintain a power factor of the generator as close to unity as is consistent with NSP operating standards.

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By: Christopher B. Clark

Effective Date:

President, Northern States Power Company, a Minnesota corporation

Case No. PU-16-

Order Date:

**NORTH DAKOTA ELECTRIC RATE BOOK - NDPSC NO. 2**

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**PURCHASE AND SALE BILLING SERVICE  
RATE CODE D51**

Section No. 9  
10th Revised Sheet No. 3

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**AVAILABILITY**

Available to any Small Qualifying Facility of less than 100 kW who receives non-time of day retail electric service.

**RATE**

Metering Charge per Month

Single Phase	\$5.25
Three Phase	\$7.60

Payment Schedule for Energy Delivered to Company

	<u>Oct-May</u>	<u>Jun-Sep</u>	
Energy Payment per kWh	2.547¢	2.628¢	C
Capacity Payment per kWh for Firm Power	0.220¢	1.418¢	C

**DETERMINATION OF FIRM POWER**

The small qualifying facility will have supplied firm power if during the billing period an on peak capacity factor of at least 65 percent was achieved. The calculation of the on peak capacity factor will be as follows:

The average on peak period metered capacity delivered to the Company for the on peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

**TERMS AND CONDITIONS OF SERVICE**

1. Electric service provided by Company to customer at the same site shall be billed in accordance with the appropriate non-time of day retail electric tariff.
2. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the small qualifying facility (SQF). The net interconnection charge is the responsibility of the SQF.
3. The minimum contracted term of service is 12 months.

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Date Filed: 01-04-16

By: Christopher B. Clark

Effective Date:

President, Northern States Power Company, a Minnesota corporation

Case No. PU-16-

Order Date:

**NORTH DAKOTA ELECTRIC RATE BOOK - NDPSO NO. 2**

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**TIME OF DAY PURCHASE SERVICE  
RATE CODE D52**

Section No. 9  
10th Revised Sheet No. 4

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**AVAILABILITY**

Available to any Small Qualifying Facility (SQF).

**RATE**

Metering Charge per Month

Single Phase	\$5.25
Three Phase	\$7.60

Payment Schedule for Energy Delivered to Company

	<u>Oct-May</u>	<u>Jun-Sep</u>	
Energy Payment per On-Peak kWh	3.086¢	3.841¢	C
Energy Payment per Off-Peak kWh	2.253¢	1.967¢	C
Capacity Payment per On-Peak kWh for Firm Power	0.635¢	4.064¢	C

**DETERMINATION OF FIRM POWER**

The small qualifying facility will have supplied firm power if during the billing period an on-peak capacity factor of at least 65 percent was achieved. The calculation of the on-peak capacity factor will be as follows:

The average on-peak period metered capacity delivered to the Company for the on-peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on-peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

**TERMS AND CONDITIONS OF SERVICE**

1. Electric service provided by Company to customer at the same site shall be billed in accordance with the appropriate time of day retail electric tariff.
2. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the small qualifying facility (SQF). The net interconnection charge is the responsibility of the SQF.
3. The minimum contract term of service is 12 months.

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Date Filed: 01-04-16

By: Christopher B. Clark

Effective Date:

President, Northern States Power Company, a Minnesota corporation

Case No. PU-16-

Order Date:

Standard Contract Offer  
by  
Northern States Power Company

## 2016 Rate Sheet

Years	\$/kW-mth	Years	\$/MWh
<u>Contract Length</u>	<u>Levelized Capacity</u>	<u>Payment Period</u>	<u>Levelized Energy (1)</u>
1	0.00		
2	0.00		
3	0.00		
4	0.00		
5	1.35		
6	1.71	1	26.72
7	1.98	2	27.38
8	2.19	3	28.00
9	2.37	4	28.84
10	2.51	5	29.59
11	2.64	6	30.23
12	2.75	7	30.77
13	2.86	8	31.26
14	2.95	9	31.70
15	3.03	10	32.09
16	3.11	11	32.49
17	3.19	12	32.88
18	3.25	13	33.25
19	3.32	14	33.59
20	3.38	15	33.92
21	3.44	16	34.23
22	3.50	17	34.53
23	3.55	18	34.82
24	3.61	19	35.09
25	3.66	20	35.36
26	3.71		
27	3.75		
28	3.80		
29	3.84		
30	3.89		
31	3.93		
32	3.97		
33	4.01		
34	4.04		
35	4.08		

(1) Minimum contract length required for levelized energy payments is 6 years. Maximum length is 20 years. Examples: A 6 year contract could receive one year of levelized energy rates at 26.72 \$/MWh with the remaining 5 years used for payback account corrections. A 20 year contract could receive 15 years of levelized payment at 33.92 \$/MWh for each year with the remaining 5 years for payback account corrections.

Standard Contract Offer  
by  
Northern States Power Company

## 2017 Rate Sheet

Years	\$/kW-mth	Years	\$/MWh
<u>Contract Length</u>	<u>Levelized Capacity</u>	<u>Payment Period</u>	<u>Levelized Energy (1)</u>
1	0.00		
2	0.00		
3	0.00		
4	1.75		
5	2.13		
6	2.39	1	27.87
7	2.60	2	28.55
8	2.76	3	29.48
9	2.89	4	30.29
10	3.01	5	30.97
11	3.12	6	31.52
12	3.21	7	32.03
13	3.29	8	32.49
14	3.37	9	32.88
15	3.45	10	33.29
16	3.52	11	33.70
17	3.58	12	34.08
18	3.64	13	34.43
19	3.70	14	34.76
20	3.76	15	35.08
21	3.81	16	35.39
22	3.87	17	35.68
23	3.92	18	35.96
24	3.97	19	36.23
25	4.01	20	36.50
26	4.06		
27	4.11		
28	4.15		
29	4.19		
30	4.23		
31	4.27		
32	4.31		
33	4.35		
34	4.39		
35	4.43		

(1) Minimum contract length required for levelized energy payments is 6 years. Maximum length is 20 years. Examples: A 6 year contract could receive one year of levelized energy rates at 27.87 \$/MWh with the remaining 5 years used for payback account corrections. A 20 year contract could receive 15 years of levelized payment at 35.08 \$/MWh for each year with the remaining 5 years for payback account corrections.

Standard Contract Offer  
by  
Northern States Power Company

## 2018 Rate Sheet

Years	\$/kW-mth	Years	\$/MWh
<u>Contract Length</u>	<u>Levelized Capacity</u>	<u>Payment Period</u>	<u>Levelized Energy (1)</u>
1	0.00		
2	0.00		
3	2.41		
4	2.75		
5	2.97		
6	3.14	1	29.34
7	3.27	2	30.34
8	3.37	3	31.20
9	3.47	4	31.90
10	3.55	5	32.47
11	3.63	6	32.98
12	3.70	7	33.44
13	3.77	8	33.83
14	3.83	9	34.25
15	3.89	10	34.66
16	3.95	11	35.04
17	4.01	12	35.40
18	4.06	13	35.73
19	4.12	14	36.06
20	4.17	15	36.37
21	4.22	16	36.66
22	4.26	17	36.95
23	4.31	18	37.23
24	4.36	19	37.49
25	4.40	20	37.75
26	4.44		
27	4.49		
28	4.53		
29	4.57		
30	4.61		
31	4.65		
32	4.69		
33	4.72		
34	4.76		
35	4.79		

(1) Minimum contract length required for levelized energy payments is 6 years. Maximum length is 20 years. Examples: A 6 year contract could receive one year of levelized energy rates at 29.34 \$/MWh with the remaining 5 years used for payback account corrections. A 20 year contract could receive 15 years of levelized payment at 36.37 \$/MWh for each year with the remaining 5 years for payback account corrections.