



2302 Great Northern Drive
P O Box 2747
Fargo, ND 58108-2747
(701) 241-8632
dave.sederquist@xcelenergy.com

January 26, 2017

--Via Electronic Filing and U.S. Mail--

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

RE: COMPLIANCE FILING - 2017 RENEWABLE ENERGY RIDER PROJECT
ELIGIBILITY AND RATE ADJUSTMENT APPLICATION
(CASE No. PU-16-687)

Dear Mr. Nitschke:

On November 1, 2016, Northern States Power Company, doing business as Xcel Energy, filed its 2017 Renewable Energy Rider (RER) Application. On January 18, 2017, the North Dakota Public Service Commission issued an ORDER ON RENEWABLE RESOURCE COST RECOVERY RATES approving a decrease in the RER billing surcharge from \$0.000936 to \$0.000898 per kWh effective February 1, 2017.

Order Point No. 2 indicated the Company may adjust the rate to reflect that recovery will occur over less than a twelve month period. However, such an adjustment is not material, and any small true-up amount will be reflected in our 2018 Application.

Tariff

Our compliance tariff sheet, Attachment A, is attached as follows:

North Dakota Electric Rate Book – NDPSC No. 2
Sheet No. 5-87, revision 4

Customer Notification

North Dakota electric customers will be notified of the change with a bill insert, Attachment B.

If the Commission or staff has any questions, please contact me.

Sincerely,

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

DAVID H. SEDERQUIST
SR. CONSULTANT, REGULATION/FINANCE

cc: Pat Fahn
Enclosures

Northern States Power Company, a Minnesota corporation
Minneapolis, Minnesota 55401

NORTH DAKOTA ELECTRIC RATE BOOK - NDPSC NO. 2

RENEWABLE ENERGY RIDER

Section No. 5
4th 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	\$0.000898 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:	11-01-16	By: Christopher B. Clark	Effective Date:	02-01-17
		President, Northern States Power Company, a Minnesota corporation		
Case No.	PU-16-687		Order Date:	01-18-17



Renewable Energy Rider Rate Decrease

Effective February 1, 2017

The Renewable Energy Rider (RER) line item on your bill recovers capital and operating costs of company-owned renewable energy generation located in the state of North Dakota. Beginning February 1, 2017, the RER rate is \$0.000898 per kWh.

Residential & Business Electric Service – Winter Month Bill Example

This chart provides a comparison of customer bills by applying the prior RER rate vs. the new RER rate.

Usage (kWh)	Prior Rates				New Rates				Amount of Bill Decrease	Percent Decrease
	Other Rates	Prior RER Factor	Prior RER	Prior Bill	Other Rates	New RER Factor	New RER	New Bill		
400	\$50.07	\$0.000936	\$0.37	\$50.44	\$50.07	\$0.000898	\$0.36	\$50.43	(\$0.01)	-0.02%
500	\$58.96	\$0.000936	\$0.47	\$59.43	\$58.96	\$0.000898	\$0.45	\$59.41	(\$0.02)	-0.03%
600	\$67.85	\$0.000936	\$0.56	\$68.41	\$67.85	\$0.000898	\$0.54	\$68.39	(\$0.02)	-0.03%
750	\$81.19	\$0.000936	\$0.70	\$81.89	\$81.19	\$0.000898	\$0.67	\$81.86	(\$0.03)	-0.04%
1000	\$103.42	\$0.000936	\$0.94	\$104.36	\$103.42	\$0.000898	\$0.90	\$104.32	(\$0.04)	-0.04%
2000	\$192.34	\$0.000936	\$1.87	\$194.21	\$192.34	\$0.000898	\$1.80	\$194.14	(\$0.07)	-0.04%

You may examine the new rate rider by visiting our website at xcelenergy.com/ndrates.

If you have further questions, please contact Xcel Energy at **800.895.4999** (Residential Customers) or **800.481.4700** (Business Customers).