

MEMORANDUM

To: Commissioners Christmann, Fedorchak and Kroshus
From: Sara Cardwell *SC*
Date: November 19, 2017
Re: Briefing Memo for Informal Hearing, Case No. PU-17-365
NSP Transmission Facility Cost Recovery Rider

NSP filed its 2018 annual update of its Transmission Facility Cost Recovery (TCR) rate on October 2, 2017. On November 29, 2017, the Company will discuss its case in more detail at an informal hearing.

The purpose of this memo is to provide background on the Company's filing prior to the informal hearing. The filing requests approval of a 2018 TCR revenue requirement of \$7.5 million. The resulting per kWh rate is \$0.003297 and would increase the bill for a typical residential electric customer, using 750 kWh, by \$0.05 per month.

The rider was originally approved to cover the costs of 20 projects and five CapX2020 projects. The following year, 10 additional projects were added. Last year one new project called the Fossum (Minnkota Power Cooperative (MPC)) Interconnection Project was proposed. This project has since been cancelled and the costs reflected in the filing are for the costs already expended prior to cancelation.

NSP plans to add costs for five new transmission projects in 2018:

1. NSPM – Major Line Refurbishment – This “project” title is confusing and is hard to distinguish from the next project. Note too that I am putting project in quotes as this is not your typical project. This is not about building a line from point A to point B but is about “replacing specifically identified defective transmission line property units (cross arms OR poles OR other line appurtenances) when the majority of similar property units of the **same vintage and design** have been identified as defective in a line circuit. Any property units found to be in good operational condition are left in place.” (From Company's response to Data Request No. 1-2)
2. Line ELR – NSPM – Alternatively from the same data request response: “the End of Life Replacement program only replaces individual transmission line property units that are defective, but **not similar property units of the same vintage and design** that are generally in good operating condition.”
3. Black Dog – Wilson 115 kV Uprate - This project is to replace seven existing 1600 amps 115 kV circuit breakers and associated switches to new 3000A, 63kA breakers at the Black Dog substation located in the south metro area of the Twin Cities. The majority of the 115 kV bus will also be replaced to 3000 amps. Replacing the breakers, switches and bus work will allow the Company to operate the system to the capacity of the existing transmission lines between Black Dog and Wilson Substations.

4. Hollydale – This is a set of projects that addresses electricity demand in and around Plymouth, MN exceeding the system capacity of both the distribution and transmission systems during peak demand times.
5. Lawrence to Falls Capacity Enhancement – This project is designed to increase power availability onto the new Sioux Falls Northern system in SD by increasing the conductor on two circuits 0729 and 5568 from 477ACSR to 954ACSS.

Attachment A shows the change in the revenue requirement each year since the rider began. As you can see from the last line in the table, the revenue requirement has grown significantly with each passing year. In a data request to the Company in its recently filed ADP for the 302.4 MW Dakota Range Wind project, I asked how its investments in additional wind projects will affect its investments in distribution and transmission assets. Below is an excerpt from that response:

“With the recent completion of several large regional transmission projects (i.e., the CapX 2020 projects and Big Stone-South Brookings County), the Company has been able to shift annual capital funding from transmission into new generation. The Company has also delayed some of the investment in core transmission and distribution infrastructure from 2019, the peak year of wind generation investment, into the 2020 to 2022 time period. When reviewing investment in transmission and distribution over the entire 2018 to 2022 time period, the Company is investing more dollars -- both in real terms and as a percentage of total investment -- in Transmission and Distribution than were invested in the previous five year period.”

In my opinion, this means that the decrease shown for 2019 is merely because of the expected wind additions to rate base and that absent a general rate case, we will continue to see the revenue requirement rise with each passing year.

With this in mind, I believe we need to be more diligent in reviewing the Company's transmission rider filings. As part of my review in this case, the Company will exclude 2017 costs for two projects that have not yet been approved (see Company's response to Data Request No. 1-7 provided as Attachment B). Additionally, the Company also found that they included the costs for a project that was in the last rate case and the 2016 TCR filing, i.e. double counted (see Company's response to Data Request No. 2-3 provided as Attachment C).

However, we may need to do even deeper dives into the Company's filings in the future. For example, in response to Data Request No. 1-6, the Company described a Minnesota Statute that requires the Company to buy land next to an easement if the owner requests this. This is another example of a law designed to specifically advantage a class of MN citizens that should not be subsidized by ND ratepayers and should be reviewed further.

Additionally, I asked about overlap between what is in base rates and in the rider. The continuous addition of the “blanket” projects (projects that don't involve a specific line from point A to point B) are troublesome. The Company stated there is no overlap but it

is hard to believe that the base rates have not accounted for some of these blanket projects over the years. And, if you look at attachment A where I have highlighted the blanket projects, you can see that with the exception of one project, these grow year after year. Therefore, I believe that the Commission should not approve the addition of the two new "blanket projects" – NSPM – Major Line Refurbishment and Line ELR – NSPM this year.

In next year's filing, the Company should clearly state why the ND customers should subsidize MN landowners or exclude those costs. And, in the future, if the rider costs continue to grow, we may need to study the number of projects that benefit MN versus ND and at some point decide what transmission really means. The Hollydale project being a case in point. This is a project that is clearly the result of load growth in a particular area of MN and is only being socialized because the Company has chosen to state all projects over a certain voltage level are transmission and postaged stamped to all of the NSP customers in all five states.

These are my recommendations. The Company can respond to these issues in the informal and the Commission can chose to approve the Company's filing as filed, accept my recommendations or make other decisions after the informal.

C: Dave Sederquist

| | TCR Qualifying Projects | | | | | |
|---|-------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
| CAPX2020 - Brookings | 2,850,414 | 3,205,939 | 3,016,187 | 2,970,537 | 2,950,532 | 2,865,556 |
| CAPX2020 - Fargo | 1,352,663 | 1,634,488 | 1,510,287 | 1,478,607 | 1,460,335 | 1,413,307 |
| CAPX2020 - La Crosse Local | 264,997 | 364,969 | 345,786 | 342,091 | 340,645 | 330,376 |
| CAPX2020 - La Crosse MISO | 274,901 | 395,698 | 612,499 | 706,805 | 701,178 | 680,011 |
| CAPX2020 - La Crosse MISO - WI | 340,552 | 894,258 | 934,974 | 923,099 | 920,619 | 892,451 |
| Sioux Falls Northern | 55,702 | 137,262 | 181,661 | 182,709 | 184,792 | 178,681 |
| Yankee Reactor | | | 11,773 | 27,044 | 31,937 | 31,215 |
| Chaska - Hwy 212 Conversion | 48,753 | 102,840 | 93,867 | 91,998 | 92,967 | 90,254 |
| Minn Valley | 67,305 | 104,365 | 98,483 | 96,496 | 95,301 | 92,289 |
| Minot Load Serving | | | 5,450 | 27,253 | 197,784 | 301,786 |
| Maple River - Red River | 403 | 886 | 1,969 | 9,475 | 48,000 | 97,564 |
| Big Stone - Brookings | 24,207 | 47,639 | 193,315 | 362,389 | 574,594 | 550,684 |
| Lake Marion - Burnsville | 63,588 | 62,836 | 56,243 | 55,161 | 55,409 | 53,656 |
| Lawrence to Falls Capacity Enhancement | | | | | 15,380 | 23,694 |
| Line ELR - NSPM <i>new proposed Blanket</i> | | | | 18,145 | 33,597 | 36,078 |
| Maple Lake - Annandale | 929 | 5,152 | 13,932 | 15,066 | 15,091 | 14,577 |
| Maple River 115kV MPC Interconnection | | | | 1,349 | 12,061 | 13,359 |
| Glencoe - Waconia | 154,015 | 150,886 | 142,169 | 139,729 | 138,288 | 133,875 |
| Hollydale Dist. 115 kV <i>- incorrect cost inclusion for 2017</i> | | | | 10,514 | 54,164 | 82,988 |
| Bluff Creek - Westgate | 8,831 | 51,700 | 103,786 | 119,090 | 118,854 | 114,418 |
| Scott Cty 345 kV Expansion | 10,604 | 108,362 | 131,763 | 129,549 | 130,072 | 125,921 |
| Wilson Substation Conversion | - | - | - | - | 2,146 | 46,194 |
| Kohlman Lake-Goose Lake 2nd ckt | 57,539 | 125,412 | 117,289 | 115,239 | 113,838 | 110,282 |
| Prairie Sub Expansion | 3,252 | 29,836 | 75,428 | 81,995 | 81,682 | 78,436 |
| S&E - NSP Line <i>Blanket Project</i> | | | 81,552 | 164,549 | 175,955 | 185,542 |
| Black Dog - Savage | 54,365 | 55,659 | 49,099 | 48,158 | 48,377 | 46,850 |
| Black Dog - Wilson | | | | | 2,845 | 21,946 |
| Chisago 2nd Transformer Addition | 5,430 | 40,859 | 38,936 | 38,173 | 38,335 | 37,119 |
| Dean Lake Substation | | | 4,454 | 17,885 | 20,648 | 19,795 |
| Franklin Transformer | 49,106 | 42,999 | 38,394 | 37,705 | 37,924 | 36,775 |
| Gleason Lake Sub | | - | 15,109 | 20,863 | 51,869 | 60,670 |
| Cass County SUB Expansion | 35,368 | 32,952 | 29,528 | 29,022 | 29,213 | 28,281 |
| New Prague Area | 1,027 | 21,007 | 35,376 | 35,187 | 35,302 | 34,189 |
| NSM0953 Galloping Mitigate SPK | | | 35,715 | 34,909 | 35,397 | 34,590 |
| NSP Reloc <i>Blanket Project</i> | | | 17,205 | 45,940 | 52,147 | 57,321 |
| NSPM Major Line Rebuild | | | 30,973 | 30,930 | 31,022 | 31,461 |
| ELR - Breakers - NSPM <i>Blanket Project</i> | 2,526 | 2,718 | 3,655 | 10,523 | 18,271 | 23,195 |
| ELR - Relay - NSPM <i>Blanket Project</i> | 8,466 | 7,794 | 7,389 | 26,340 | 70,025 | 77,663 |
| ELR - Transformers - NSPM <i>- Blanket that is consistent</i> | | | 23,898 | 26,533 | 26,462 | 25,502 |
| MPC Fossum IA | | | | 496 | 795 | 964 |
| NSPM Major Line Refurbishment <i>new proposed Blanket</i> | | | | 140 | 3,730 | 18,537 |
| ADIT Pro-Rate | | | | 27,297 | 28,365 | 27,776 |
| Transmission Projects - Subtotal | 5,734,943 | 7,626,516 | 8,058,144 | 8,498,990 | 9,075,948 | 9,125,828 |
| PLUS: Net MISO Shared Expense / (Revenue) | | | | | | |
| MISO - 26 & 26(a) | (2,076,731) | (1,479,904) | (1,136,883) | 66,171 | 26,842 | (797,918) |
| Transmission Projects - net of MISO | 3,658,212 | 6,146,612 | 6,921,261 | 8,565,161 | 9,102,790 | 8,327,910 |
| LESS: Test Year Base Rate Adjustments | | | | | | |
| Capital Revenue Requirements | 1,282,872 | 1,282,872 | 1,282,872 | 1,282,872 | 1,282,872 | 1,282,872 |
| MISO Shared Expenses | 456,345 | 456,345 | 456,345 | 456,345 | 456,345 | 456,345 |
| Property Taxes | 61,159 | 61,159 | 61,159 | 61,159 | 61,159 | 61,159 |
| TY Base Rate - Subtotal | 1,800,376 | 1,800,376 | 1,800,376 | 1,800,376 | 1,800,376 | 1,800,376 |
| Revenue Requirements - Total | 1,857,836 | 4,346,236 | 5,120,885 | 6,764,785 | 7,302,414 | 6,527,534 |

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Xcel Energy

Docket No.: PU-17-365 Data Request No. 1-7

Response To: North Dakota Public Service Commission

Requestor: Sara Cardwell

Date Received: October 16, 2017

Question:

If the Hollydale Dist. 115 kV and Line ELR projects have not yet been approved by the Commission, please explain why the Company believes that the Commission should allow recovery for years prior to 2018?

Response:

The eligibility date in the model was inadvertently set at 1/1/2017. We do not expect recovery prior to eligibility approved by the Commission. This would reduce 2017 revenue requirements for Hollydale Dist. 115 kV by \$10,514 and Line ELR by \$18,145. Please see Attachment A for an illustration of the impacts to the annual tracker for 2017.

Preparer: Shari Cardille
Title: Principal Rate Analyst
Department: Revenue Requirements North
Telephone: 612-330-1974
Date: October 30, 2017

| Annual Tracker Summary | | | |
|------------------------|--|------------------|------------------|
| Line No: | Amounts in dollars | 2016 | 2017 |
| | | Actual | Mixed |
| 1 | Big Stone-Brookings | 193,315 | 362,389 |
| 2 | Black Dog - Savage | 49,099 | 48,158 |
| 3 | Black Dog - Wilson | - | - |
| 4 | Bluff Creek - Westgate | 103,786 | 119,090 |
| 5 | CAPX2020 Brookings | 3,016,187 | 2,970,537 |
| 6 | CAPX2020 - La Crosse Local | 345,786 | 342,091 |
| 7 | CAPX2020 - La Crosse MISO | 612,499 | 706,805 |
| 8 | CAPX2020 - La Crosse MISO - WI | 934,974 | 923,099 |
| 9 | CAPX2020 Fargo | 1,510,287 | 1,478,607 |
| 10 | Cass County SUB Expansion | 29,528 | 29,022 |
| 11 | Chaska - Hwy 212 Conversion | 93,867 | 91,998 |
| 12 | Chisago 2nd Transformer Addition | 38,936 | 38,173 |
| 13 | Dean Lake Substation | 4,454 | 17,885 |
| 14 | ELR - Breakers - NSPM | 3,655 | 10,523 |
| 15 | ELR - Relay - NSPM | 7,389 | 26,340 |
| 16 | ELR - Transformers - NSPM | 23,898 | 26,533 |
| 17 | Franklin Transformer | 38,394 | 37,705 |
| 18 | Gleason Lake Sub | 15,109 | 20,863 |
| 19 | Glencoe - Waconia | 142,169 | 139,729 |
| 20 | Hollydale Dist. 115kV | - | - |
| 21 | Kohlman Lake-Goose Lake 2nd ckt | 117,289 | 115,239 |
| 22 | Lake Marion Burnsville | 56,243 | 55,161 |
| 23 | Lawrence to Falls Capacity Enhancement | - | - |
| 24 | Line ELR - NSPM | - | - |
| 25 | Maple Lake - Annandale | 13,932 | 15,066 |
| 26 | Maple River 115kV MPC Interconnection | - | 1,349 |
| 27 | Maple River Red River | 1,969 | 9,475 |
| 28 | Minn Valley | 98,483 | 96,496 |
| 29 | Minot Load Serving | 5,450 | 27,253 |
| 30 | MISO RECB Sch.26/26a | (1,136,883) | 66,171 |
| 31 | MPC Fossum IA | - | 496 |
| 32 | New Prague Area | 35,376 | 35,187 |
| 33 | NSM0953 Galloping Mitigate SPK | 35,715 | 34,909 |
| 34 | NSP Reloc B | 17,205 | 45,940 |
| 35 | NSPM Major Line Rebuild | 30,973 | 30,930 |
| 36 | NSPM Major Line Refurbishment | - | 140 |
| 37 | Prairie Sub Expansion | 75,428 | 81,995 |
| 38 | S&E - NSP Line | 81,552 | 164,549 |
| 39 | Scott Cty 345 kV Expansion | 131,763 | 129,549 |
| 40 | Sioux Falls Northern | 181,661 | 182,709 |
| 41 | Wilson Substation Conversion | - | - |
| 42 | Yankee Reactor | 11,773 | 27,044 |
| 43 | ADIT Pro-Rate | - | 27,297 |
| 44 | Transmission Projects | 6,921,262 | 8,536,501 |
| 45 | Revenue Requirement in Base Rates | (1,800,376) | (1,800,376) |
| 46 | TCR True-up Carryover | 577,614 | 522,332 |
| 47 | Revenue Requirement (RR) | 5,698,500 | 7,258,458 |
| 48 | Revenue Collections (RC) | 5,176,168 | 7,216,828 |
| 49 | Carry Over Balance | 522,332 | 41,630 |

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Xcel Energy

Docket No.: PU-17-365 Data Request No. 2-3

Response To: North Dakota Public Service Commission

Requestor: Sara Cardwell

Date Received: October 30, 2017

Question:

How does the Company ensure there is no double recovery of costs between base rates and rider recovery?

Response:

As discussed in our response to Data Request No. 2-1, double recovery of any transmission revenue requirements is avoided by reducing the costs to be recovered through each annual TCR Rider by the fixed amount already included in the 2013 Test Year and thus base rates from Case No. PU-12-813. This reduction can be seen on line 45 of Attachments 5-7 in the current filing where we offset the total 2018 TCR revenue requirements by \$1,800,376 (or \$150,031 per month) to recognize the revenue requirements of TCR projects that were included in the 2013 Test Year and, thus, avoid double-recovery.

Also as disclosed in our response to 2-1, in a full audit of all TCR projects by work order we did find 1 additional project that was in fact included in our 2013 Test Year but also added to our 2016 TCR Rider recovery. We believe this oversight came about when the blanket project, *Storm and Emergency – NSP Line* was not selected initially for TCR recovery in the first TCR filing for 2014/15, but was later added as a 2016 TCR project. At the time, we did not acknowledge the possibility that the project might have been forecasted as part of the 2013 Test Year.

See Attachment A to this response for the detail of the adjusting revenue requirement calculation. The *Storm and Emergency – NSP Line* blanket had \$11,000 in base rates and therefore should have an \$11,000 offset to 2016 through 2018 TCR revenue requirements.

Please see Attachment B to this response for updated Attachments 5-7 that reflect the impacts of this correction.

Given the period of time that has elapsed, we do not foresee that any projects added to the TCR in 2018 or beyond could have also been included in the 2013 Test Year from Case No. PU-12-813, especially when one considers that our capital forecasts do not typically extend more than 5 years. That said, we intend to continue to check any new projects being added to the TCR in the future to ensure they were not reflected in the 2013 Test Year forecast.

Preparer: Shari Cardille
Title: Principal Rate Analyst
Department: Revenue Requirements North
Telephone: 612-330-1974
Date: November 16, 2017

Northern States Power Company
Electric Utility - State of North Dakota
ND TCR Projects - Base rate removal
Annual Revenue Requirement
2013 Test Year
(000's)

Case No. PU-17-365
Data Request No. NDPSC-2-3
Attachment A - Page 1 of 1

| | S&E - NSP Line | |
|---|-----------------|-----------------|
| | Total Company | ND Jurisdiction |
| <u>Rate Analysis</u> | 2013 | 2013 |
| 1 <u>Average Balances:</u> | | |
| 2 Plant Investment | 1,991 | 120 |
| 3 Depreciation Reserve | (237) | (14) |
| 4 CWIP | 80 | 5 |
| 5 Remove CWIP | (80) | (5) |
| 6 Accumulated Deferred Taxes | 741 | 45 |
| 7 Average Rate Base = line 2 - line 3 + line 4 + line 5- line 6 | 1,487 | 90 |
| 8 | | |
| 9 <u>Revenues:</u> | | |
| 10 Interchange Agreement offset = -line 42 x line 51 x line 52 | | (2) |
| 11 | | |
| 12 <u>Expenses:</u> | | |
| 13 Book Depreciation | 42 | 3 |
| 14 Annual Deferred Tax | 149 | 9 |
| 15 ITC Flow Thru | - | - |
| 16 Property Taxes | - | - |
| 17 subtotal expense = lines 13 thru 16 | 191 | 11 |
| 18 | | |
| 19 <u>Tax Preference Items:</u> | | |
| 20 Tax Depreciation & Removal Expense | 396 | 24 |
| 21 Tax Credits (enter as negative) | - | - |
| 22 Avoided Tax Interest | 2 | 0 |
| 23 | | |
| 24 AFUDC | 4 | 0 |
| 25 Remove AFUDC | (4) | (0) |
| 26 | | |
| 27 <u>Returns:</u> | | |
| 28 Debt Return = line 7 x (line 44 + line 45) | 35 | 2 |
| 29 Equity Return = line 7 x (line 46 + line 47) | 76 | 5 |
| 30 | | |
| 31 <u>Tax Calculations:</u> | | |
| 32 Equity Return = line 29 | 76 | 5 |
| 33 Taxable Expenses = lines 13 thru 15 | 191 | 11 |
| 34 plus Tax Additions = line 22 | 2 | 0 |
| 35 less Tax Deductions = (line 20 + line 24+ line 25) | (396) | (24) |
| 36 subtotal | (127) | (8) |
| 37 Tax gross-up factor = t / (1-t) from line 50 | 0.622007 | 0.622007 |
| 38 Current Income Tax Requirement = line 36 x line 37 | (79) | (5) |
| 39 Tax Credit Revenue Requirement = line 21 x line 37 + line 21 | - | - |
| 40 Total Current Tax Revenue Requirement = line 38+ line 39 | (79) | (5) |
| 41 | | |
| 42 Total Capital Revenue Requirements | 223 | 11 |
| 43 = line 17 + line 28 + line 29 + line 40 - line 24 - line 25+ line 10 | | |
| | | |
| | <u>Weighted</u> | <u>Weighted</u> |
| <u>Capital Structure</u> | <u>Cost</u> | <u>Cost</u> |
| 44 Long Term Debt | 2.3100% | 2.3100% |
| 45 Short Term Debt | 0.0200% | 0.0200% |
| 46 Preferred Stock | 0.0000% | 0.0000% |
| 47 Common Equity | 5.1200% | 5.1200% |
| 48 Required Rate of Return | 7.4500% | 7.4500% |
| 49 PT Rate | 1.8590% | 1.8590% |
| 50 Tax Rate (ND) | 38.3480% | 38.3480% |
| 51 ND JUR Demand | 6.0227% | 6.0227% |
| 52 IA Demand | 84.8812% | 84.8812% |

Northern States Power Company
 State of North Dakota
 Transmission Cost Recovery Rider

Case No. PU-17-365
 Data Request No. NDRSC-2-3
 Attachment A - Page 2 of 3
 Update to Initial Filing Attachment 6

Attachment C
 Page 5 of 6

| | | 2017 Tracker | | | | | | | | | | | | |
|---------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| Line No | Amounts in dollars | Carryover | | | | | | | | | | | | |
| | | Jan-17 Forecast | Feb-17 Forecast | Mar-17 Forecast | Apr-17 Forecast | May-17 Forecast | Jun-17 Forecast | Jul-17 Forecast | Aug-17 Forecast | Sep-17 Forecast | Oct-17 Forecast | Nov-17 Forecast | Dec-17 Forecast | Annual Total Forecast |
| 1 | Big Stone-Brookings | 25,337 | 25,287 | 25,622 | 26,061 | 26,803 | 26,873 | 31,659 | 33,065 | 33,892 | 34,298 | 34,471 | 39,021 | 362,389 |
| 2 | Black Dog - Savage | 4,069 | 4,058 | 4,048 | 4,038 | 4,028 | 4,018 | 4,008 | 3,998 | 3,988 | 3,978 | 3,968 | 3,958 | 48,158 |
| 3 | Bluff Creek - Wilson | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 4 | Bluff Creek - Westgate | 10,064 | 10,048 | 10,026 | 10,012 | 9,995 | 9,951 | 9,906 | 9,877 | 9,847 | 9,817 | 9,788 | 9,758 | 119,090 |
| 5 | CAPX2020 - Brookings | 250,595 | 249,608 | 248,862 | 248,551 | 248,071 | 247,507 | 247,015 | 246,696 | 246,584 | 246,145 | 245,584 | 245,030 | 2,970,537 |
| 6 | CAPX2020 - La Crosse Local | 29,395 | 29,313 | 29,243 | 29,181 | 29,133 | 29,093 | 29,059 | 29,030 | 29,005 | 28,980 | 28,955 | 28,930 | 346,091 |
| 7 | CAPX2020 - La Crosse MISO | 60,412 | 60,089 | 59,796 | 59,535 | 59,309 | 59,107 | 58,925 | 58,759 | 58,605 | 58,461 | 58,327 | 58,203 | 706,805 |
| 8 | CAPX2020 - La Crosse MISO - WI | 77,576 | 77,744 | 77,744 | 77,447 | 77,123 | 76,923 | 76,717 | 76,511 | 76,305 | 76,100 | 75,894 | 75,688 | 923,099 |
| 9 | CAPX2020 Fargo | 124,871 | 124,561 | 124,271 | 123,988 | 123,699 | 123,401 | 123,088 | 122,774 | 122,460 | 122,146 | 121,831 | 121,517 | 1,478,607 |
| 10 | Cass County SUB Expansion | 2,450 | 2,444 | 2,438 | 2,433 | 2,428 | 2,421 | 2,416 | 2,410 | 2,404 | 2,399 | 2,393 | 2,387 | 29,022 |
| 11 | Chaska - Hwy 212 Conversion | 7,771 | 7,754 | 7,738 | 7,721 | 7,705 | 7,689 | 7,672 | 7,655 | 7,639 | 7,622 | 7,605 | 7,588 | 91,998 |
| 12 | Chicago 2nd Transformer Addition | 3,225 | 3,217 | 3,209 | 3,201 | 3,193 | 3,185 | 3,177 | 3,169 | 3,161 | 3,153 | 3,145 | 3,137 | 38,173 |
| 13 | Dean Lake Substation | 1,526 | 1,526 | 1,526 | 1,526 | 1,526 | 1,526 | 1,526 | 1,526 | 1,526 | 1,526 | 1,526 | 1,526 | 17,885 |
| 14 | ELR - Breakers - NSPM | 478 | 478 | 478 | 478 | 478 | 478 | 478 | 478 | 478 | 478 | 478 | 478 | 10,523 |
| 15 | ELR - Relay - NSPM | 752 | 752 | 752 | 752 | 752 | 752 | 752 | 752 | 752 | 752 | 752 | 752 | 17,885 |
| 16 | ELR - Transformers - NSPM | 2,258 | 2,245 | 2,232 | 2,226 | 2,219 | 2,213 | 2,206 | 2,200 | 2,193 | 2,187 | 2,180 | 2,174 | 26,340 |
| 17 | Franklin Transformer | 3,184 | 3,176 | 3,169 | 3,161 | 3,153 | 3,146 | 3,138 | 3,131 | 3,123 | 3,116 | 3,108 | 3,100 | 26,533 |
| 18 | Gleason Lake Sub | 1,507 | 1,488 | 1,469 | 1,449 | 1,429 | 1,409 | 1,389 | 1,369 | 1,349 | 1,329 | 1,309 | 1,289 | 37,705 |
| 19 | Glencoe - Waconia | 11,794 | 11,767 | 11,740 | 11,713 | 11,686 | 11,659 | 11,632 | 11,605 | 11,578 | 11,551 | 11,524 | 11,497 | 20,863 |
| 20 | Hollydale Dist. 115KV | 9,735 | 9,711 | 9,687 | 9,663 | 9,639 | 9,615 | 9,591 | 9,567 | 9,543 | 9,519 | 9,495 | 9,471 | 115,239 |
| 21 | Kohlman Lake-Goose Lake 2nd dkt | 4,660 | 4,649 | 4,637 | 4,626 | 4,614 | 4,603 | 4,591 | 4,579 | 4,568 | 4,556 | 4,545 | 4,533 | 55,161 |
| 22 | Lake Marion Burnsville | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 23 | Lawrence to Falls Capacity Enhancement | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 24 | Line ELR - NSPM | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 25 | Maple Lake - Annandale | 1,274 | 1,271 | 1,267 | 1,264 | 1,261 | 1,257 | 1,254 | 1,250 | 1,247 | 1,244 | 1,240 | 1,237 | 15,066 |
| 26 | Maple River 115KV MPC Interconnection | (23) | (23) | (22) | (22) | (22) | (22) | (22) | (22) | (22) | (22) | (22) | (22) | 1,349 |
| 27 | Maple River Red River | 222 | 267 | 300 | 333 | 370 | 417 | 458 | 500 | 545 | 590 | 635 | 680 | 9,475 |
| 28 | Minn Valley | 8,152 | 8,132 | 8,112 | 8,092 | 8,072 | 8,051 | 8,031 | 8,011 | 7,991 | 7,971 | 7,950 | 7,930 | 96,496 |
| 29 | Minor Load Serving | 829 | 828 | 1,010 | 1,110 | 1,223 | 1,344 | 1,474 | 1,614 | 1,761 | 1,914 | 2,074 | 2,239 | 27,253 |
| 30 | MISO RECB Sch.26/26a | 247,816 | (14,297) | 6,827 | (30,841) | (21,821) | 21,534 | (9,989) | (22,416) | (45,162) | (19,979) | (54,358) | (8,856) | 66,171 |
| 31 | MPC Fossum IA | (7) | (6) | (4) | 3 | 18 | 62 | 98 | 134 | 170 | 206 | 242 | 278 | 496 |
| 32 | New Prague Area | 2,979 | 2,968 | 2,961 | 2,952 | 2,943 | 2,935 | 2,927 | 2,919 | 2,912 | 2,905 | 2,897 | 2,890 | 35,187 |
| 33 | NSM0953 Galloping Mitigate SPK | 2,918 | 2,910 | 2,913 | 2,908 | 2,904 | 2,907 | 2,913 | 2,919 | 2,925 | 2,930 | 2,935 | 2,940 | 34,909 |
| 34 | NSP Peloc B | 4,468 | 4,412 | 4,303 | 2,797 | 4,017 | 3,926 | 3,816 | 3,695 | 3,574 | 3,453 | 3,332 | 3,211 | 45,940 |
| 35 | NSPM Major Line Refurbishment | 2,618 | 2,610 | 2,600 | 2,593 | 2,587 | 2,580 | 2,574 | 2,567 | 2,560 | 2,554 | 2,547 | 2,540 | 30,930 |
| 36 | NSPM Major Line Refurbishment | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | (2) | 140 |
| 37 | Prairie Sub Expansion | 6,966 | 6,942 | 6,926 | 6,898 | 6,858 | 6,841 | 6,815 | 6,793 | 6,772 | 6,750 | 6,728 | 6,706 | 81,995 |
| 38 | S&E - NSP Line | 12,972 | 13,088 | 13,558 | 13,957 | 13,993 | 13,716 | 13,724 | 13,896 | 13,902 | 13,908 | 13,914 | 13,920 | 164,549 |
| 39 | Scott CV 345 KV Expansion | 10,947 | 10,919 | 10,892 | 10,864 | 10,837 | 10,809 | 10,782 | 10,755 | 10,727 | 10,700 | 10,672 | 10,645 | 129,549 |
| 40 | Sioux Falls Northern | 15,107 | 15,139 | 15,245 | 15,395 | 15,418 | 15,348 | 15,275 | 15,236 | 15,196 | 15,156 | 15,117 | 15,077 | 182,709 |
| 41 | Wilson Substation Conversion | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 42 | Yankee Reactor | 2,209 | 2,294 | 2,503 | 2,608 | 2,703 | 2,798 | 2,886 | 2,966 | 3,039 | 3,106 | 3,168 | 3,225 | 27,044 |
| 43 | ADIT Pro-Rate | 2,275 | 2,275 | 2,275 | 2,275 | 2,275 | 2,275 | 2,275 | 2,275 | 2,275 | 2,275 | 2,275 | 2,275 | 27,297 |
| 44 | Transmission Projects | 953,379 | 689,507 | 711,125 | 671,146 | 680,357 | 721,776 | 693,701 | 682,135 | 660,891 | 688,134 | 656,365 | 727,985 | 8,536,501 |
| 45 | Revenue Requirement in Base Rates | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (1,811,376) |
| 46 | TCR True-up Carryover | 511,332 | 511,332 | 511,332 | 511,332 | 511,332 | 511,332 | 511,332 | 511,332 | 511,332 | 511,332 | 511,332 | 511,332 | 511,332 |
| 47 | Revenue Requirement (RR) | 1,313,763 | 938,559 | 560,177 | 520,198 | 529,409 | 570,828 | 542,753 | 531,187 | 509,943 | 537,486 | 505,417 | 577,037 | 7,236,458 |
| 48 | Revenue Collections (RC) | 732,809 | 618,927 | 640,252 | 515,126 | 538,837 | 554,786 | 621,151 | 621,151 | 546,091 | 551,094 | 590,849 | 685,183 | 7,216,828 |
| 49 | Monthly RR - RC | 580,954 | 580,954 | (80,075) | (9,428) | (9,428) | (16,042) | (78,970) | (89,963) | (36,148) | (13,908) | (85,433) | (108,146) | - |
| 50 | Balance (RR - RC + Cumulative CC) | 580,954 | 500,586 | 420,511 | 425,583 | 416,155 | 432,197 | 353,227 | 263,264 | 222,117 | 213,208 | 127,776 | 19,630 | - |

| Line No | Amounts in dollars | 2018 Tracker | | | | | | | | | | | | Annual Total Forecast |
|---------|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------------|
| | | Jan-18 Forecast | Feb-18 Forecast | Mar-18 Forecast | Apr-18 Forecast | May-18 Forecast | Jun-18 Forecast | Jul-18 Forecast | Aug-18 Forecast | Sep-18 Forecast | Oct-18 Forecast | Nov-18 Forecast | Dec-18 Forecast | |
| 1 | Big Stone-Brookings | 48,947 | 48,683 | 48,416 | 48,205 | 48,058 | 47,911 | 47,764 | 47,616 | 47,469 | 47,322 | 47,175 | 47,027 | 574,594 |
| 2 | Black Dog - Savage | 4,086 | 4,076 | 4,066 | 4,056 | 4,046 | 4,036 | 4,026 | 4,016 | 4,006 | 3,997 | 3,987 | 3,977 | 48,377 |
| 3 | Black Dog - Wilson | (48) | (44) | (38) | (27) | (4) | 32 | 84 | 138 | 200 | 383 | 823 | 1,346 | 2,845 |
| 4 | Bluff Creek - Westgate | 10,063 | 10,033 | 10,005 | 9,976 | 9,947 | 9,919 | 9,890 | 9,862 | 9,833 | 9,804 | 9,776 | 9,747 | 118,854 |
| 5 | CAPX2020 Brookings | 248,896 | 248,347 | 247,798 | 247,250 | 246,701 | 246,152 | 245,603 | 245,054 | 244,506 | 243,957 | 243,408 | 242,859 | 2,950,532 |
| 6 | CAPX2020 - La Crosse Local | 28,753 | 28,686 | 28,620 | 28,553 | 28,487 | 28,420 | 28,354 | 28,287 | 28,221 | 28,154 | 28,088 | 28,022 | 340,645 |
| 7 | CAPX2020 - La Crosse MISO | 58,954 | 58,789 | 58,624 | 58,459 | 58,293 | 58,128 | 57,962 | 57,797 | 57,631 | 57,465 | 57,300 | 57,134 | 700,178 |
| 8 | CAPX2020 - La Crosse MISO - WI | 77,721 | 77,539 | 77,356 | 77,174 | 76,992 | 76,809 | 76,627 | 76,445 | 76,262 | 76,080 | 75,898 | 75,716 | 920,619 |
| 9 | CAPX2020 Fargo | 123,383 | 123,079 | 122,769 | 122,462 | 122,155 | 121,848 | 121,541 | 121,234 | 120,927 | 120,620 | 120,313 | 120,006 | 1,460,335 |
| 10 | Cass County SUB Expansion | 2,465 | 2,460 | 2,454 | 2,448 | 2,443 | 2,437 | 2,432 | 2,426 | 2,420 | 2,415 | 2,409 | 2,404 | 29,213 |
| 11 | Chaska - Hwy 212 Conversion | 7,843 | 7,826 | 7,808 | 7,791 | 7,773 | 7,756 | 7,739 | 7,721 | 7,704 | 7,686 | 7,669 | 7,651 | 92,967 |
| 12 | Chicago 2nd Transformer Addition | 3,238 | 3,230 | 3,222 | 3,214 | 3,206 | 3,199 | 3,191 | 3,183 | 3,175 | 3,167 | 3,159 | 3,151 | 38,335 |
| 13 | Dean Lake Substation | 1,751 | 1,745 | 1,740 | 1,734 | 1,729 | 1,723 | 1,718 | 1,712 | 1,707 | 1,701 | 1,696 | 1,690 | 20,648 |
| 14 | ELR - Breakers - NSPM | 1,568 | 1,552 | 1,516 | 1,505 | 1,519 | 1,523 | 1,524 | 1,500 | 1,506 | 1,512 | 1,520 | 1,526 | 18,271 |
| 15 | ELR - Relay - NSPM | 5,784 | 5,907 | 5,837 | 5,890 | 5,820 | 5,881 | 5,904 | 5,920 | 5,931 | 5,904 | 5,863 | 5,822 | 70,025 |
| 16 | ELR - Transformers - NSPM | 2,239 | 2,233 | 2,227 | 2,221 | 2,214 | 2,208 | 2,202 | 2,196 | 2,190 | 2,183 | 2,177 | 2,171 | 26,462 |
| 17 | Franklin Transformer | 3,201 | 3,194 | 3,186 | 3,179 | 3,172 | 3,164 | 3,157 | 3,149 | 3,142 | 3,134 | 3,127 | 3,119 | 37,924 |
| 18 | Gleason Lake Sub | 3,486 | 3,810 | 4,160 | 4,499 | 4,815 | 4,280 | 4,476 | 4,485 | 4,476 | 4,466 | 4,456 | 4,446 | 51,869 |
| 19 | Glencoe - Waconia | 11,670 | 11,644 | 11,617 | 11,591 | 11,564 | 11,537 | 11,511 | 11,484 | 11,457 | 11,431 | 11,404 | 11,377 | 138,288 |
| 20 | Hollydale Dist. 115KV | 1,516 | 1,647 | 2,046 | 2,909 | 3,802 | 4,531 | 5,177 | 5,636 | 6,122 | 6,552 | 6,892 | 7,334 | 54,164 |
| 21 | Kohlman Lake-Goose Lake 2nd ckt | 9,613 | 9,590 | 9,567 | 9,544 | 9,521 | 9,498 | 9,475 | 9,452 | 9,429 | 9,406 | 9,383 | 9,360 | 113,838 |
| 22 | Lake Marion Burnsville | 4,680 | 4,669 | 4,657 | 4,646 | 4,634 | 4,623 | 4,612 | 4,600 | 4,589 | 4,578 | 4,566 | 4,555 | 55,409 |
| 23 | Lawrence to Falls Capacity Enhancement | (118) | 14 | 406 | 989 | 1,645 | 1,677 | 1,798 | 1,802 | 1,798 | 1,794 | 1,790 | 1,786 | 15,380 |
| 24 | Line ELR - NSPM | 2,427 | 2,789 | 2,845 | 2,883 | 2,830 | 2,825 | 2,820 | 2,815 | 2,823 | 2,843 | 2,862 | 2,881 | 33,597 |
| 25 | Maple Lake - Annandale | 1,276 | 1,273 | 1,269 | 1,266 | 1,263 | 1,259 | 1,256 | 1,253 | 1,249 | 1,246 | 1,243 | 1,239 | 15,091 |
| 26 | Maple River 115KV MPC Interconnection | 1,212 | 971 | 998 | 995 | 993 | 991 | 989 | 987 | 985 | 982 | 980 | 978 | 12,061 |
| 27 | Maple River Red River | 2,455 | 2,522 | 2,586 | 2,651 | 2,726 | 2,850 | 3,268 | 4,132 | 5,077 | 5,809 | 6,544 | 7,379 | 48,000 |
| 28 | Minn Valley | 8,049 | 8,030 | 8,010 | 7,991 | 7,971 | 7,951 | 7,932 | 7,912 | 7,893 | 7,873 | 7,854 | 7,834 | 95,301 |
| 29 | Minot Load Spreading | 7,879 | 9,414 | 10,632 | 12,149 | 14,116 | 16,187 | 18,691 | 20,920 | 22,339 | 23,660 | 20,143 | 21,655 | 197,784 |
| 30 | MISO REC Sch. 26/26a | 5,189 | (13,067) | 26,442 | (9,078) | 28,800 | 12,686 | 18,498 | (12,019) | 11,547 | (148) | (19,787) | (22,220) | 26,842 |
| 31 | MPC Fossum IA | 64 | 64 | 64 | 64 | 64 | 64 | 64 | 64 | 64 | 64 | 64 | 64 | 795 |
| 32 | New Prague Area | 2,981 | 2,974 | 2,967 | 2,960 | 2,953 | 2,945 | 2,938 | 2,931 | 2,924 | 2,917 | 2,909 | 2,902 | 35,302 |
| 33 | NSM0953 Galloping Mitigate SPK | 2,987 | 2,980 | 2,973 | 2,967 | 2,960 | 2,953 | 2,946 | 2,940 | 2,933 | 2,926 | 2,919 | 2,913 | 35,397 |
| 34 | NSP Reloc B | 4,186 | 4,198 | 4,210 | 4,221 | 4,233 | 4,266 | 4,322 | 4,378 | 4,434 | 4,490 | 4,549 | 4,659 | 52,147 |
| 35 | NSPM Major Line Rebuild | 2,621 | 2,615 | 2,608 | 2,601 | 2,595 | 2,588 | 2,582 | 2,575 | 2,569 | 2,562 | 2,556 | 2,549 | 31,022 |
| 36 | NSPM Major Line Refurbishment | 213 | 219 | 225 | 231 | 237 | 244 | 250 | 256 | 262 | 268 | 274 | 280 | 3,730 |
| 37 | Prairie Sub Expansion | 6,922 | 6,901 | 6,880 | 6,859 | 6,838 | 6,817 | 6,796 | 6,775 | 6,755 | 6,734 | 6,713 | 6,692 | 81,682 |
| 38 | S&E - NSP Line | 14,582 | 14,552 | 14,521 | 14,490 | 14,459 | 14,428 | 14,397 | 14,366 | 14,335 | 14,304 | 14,273 | 14,242 | 175,955 |
| 39 | Scott Cty 345 KV Expansion | 10,987 | 10,960 | 10,934 | 10,907 | 10,880 | 10,853 | 10,826 | 10,799 | 10,772 | 10,745 | 10,718 | 10,691 | 130,072 |
| 40 | Sioux Falls Northern | 15,617 | 15,577 | 15,538 | 15,498 | 15,459 | 15,419 | 15,380 | 15,340 | 15,300 | 15,261 | 15,221 | 15,182 | 184,792 |
| 41 | Wilson Substation Conversion | (37) | (37) | (37) | (36) | (36) | (36) | (36) | (36) | (36) | (36) | (36) | (36) | 2,146 |
| 42 | Yanklee Reactor | 2,586 | 2,578 | 2,569 | 2,564 | 2,559 | 2,554 | 2,549 | 2,544 | 2,539 | 2,534 | 2,529 | 2,524 | 31,937 |
| 43 | ADIT Pro-Rate | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 2,364 | 28,365 |
| 44 | Transmission Projects | 754,250 | 736,582 | 716,659 | 742,852 | 782,964 | 768,052 | 776,580 | 748,027 | 773,065 | 762,817 | 740,293 | 740,647 | 9,102,789 |
| 45 | Revenue Requirement in Base Rates | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (150,948) | (1,811,376) |
| 46 | TCR True-up Carryover | 19,630 | | | | | | | | | | | | 19,630 |
| 47 | Revenue Requirement (RR) | 622,993 | 585,634 | 625,711 | 591,904 | 632,016 | 617,104 | 625,632 | 597,079 | 622,117 | 611,869 | 589,345 | 589,699 | 7,311,043 |
| 48 | Revenue Collections (RC) | 740,782 | 619,388 | 665,890 | 504,502 | 545,219 | 573,713 | 629,572 | 627,558 | 553,243 | 557,299 | 601,991 | 691,891 | 7,311,043 |
| 49 | Monthly RR - RC | (117,850) | (33,754) | (40,179) | 87,402 | 86,797 | 43,391 | (3,941) | (30,479) | 68,874 | 54,571 | (12,641) | (102,191) | (0) |
| 50 | Balance (RR - RC + Cumulative CC) | (117,850) | (151,604) | (191,783) | (104,381) | (17,584) | 25,807 | 21,868 | (8,613) | 60,261 | 114,832 | 102,191 | (0) | (0) |