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December 22, 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
2018 TRANSMISSION COST RECOVERY ELIGIBILITY AND ASSOCIATED RATE
CASE NO. PU-17-365

Dear Mr. Nitschke:

On October 2, 2017, Northern States Power Company, doing business as Xcel Energy, filed its 2018 Transmission Cost Recovery (TCR) Application. On December 20, 2017, the North Dakota Public Service Commission issued an ORDER ON TRANSMISSION FACILITY COST RECOVERY RATES approving a TCR billing surcharge of \$0.003270 per kWh effective January 1, 2018.

Tariff

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

North Dakota Electric Rate Book – NDPSC No. 2

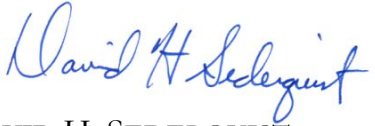
Sheet No. 5-86, revision 6

Customer Notification

North Dakota electric customers will be notified of the change with a bill onsert, 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 large 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

TRANSMISSION COST RECOVERY RIDER

Section No. 5
6th 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	\$0.003270 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:	10-02-17	By:	Christopher B. Clark	Effective Date:	01-01-18
			President, Northern States Power Company, a Minnesota corporation		
Case No.	PU-17-365			Order Date:	12-20-17



Transmission Cost Recovery Rider Rate Increase

Effective January 1, 2018

The Transmission Cost Recovery (TCR) line item on your bill recovers investment costs associated with transmission lines, substations, and equipment and certain regional transmission costs. Beginning January 1, 2018, the TCR rate will increase from \$0.003220 to \$0.003270 per kWh.

Residential Electric Service – Winter Month Bill Example

The chart below shows the impact on customer bills of the new TCR rate increase. The comparison does not reflect any other rate changes that may be happening concurrently.

Usage (kWh)	Prior				New				Change in Bill	Percent Increase
	Other Rates	Prior TCR Factor	Prior TCR Charge	Prior Bill	Other Rates	New TCR Factor	New TCR Charge	New Bill		
400	\$49.42	\$0.003220	\$1.29	\$50.71	\$49.42	\$0.003270	\$1.31	\$50.73	\$0.02	0.04%
500	\$58.15	\$0.003220	\$1.61	\$59.76	\$58.15	\$0.003270	\$1.64	\$59.79	\$0.03	0.05%
600	\$66.88	\$0.003220	\$1.93	\$68.81	\$66.88	\$0.003270	\$1.96	\$68.84	\$0.03	0.04%
750	\$79.97	\$0.003220	\$2.42	\$82.39	\$79.97	\$0.003270	\$2.45	\$82.42	\$0.03	0.04%
1000	\$101.80	\$0.003220	\$3.22	\$105.02	\$101.80	\$0.003270	\$3.27	\$105.07	\$0.05	0.05%
2000	\$189.10	\$0.003220	\$6.44	\$195.54	\$189.10	\$0.003270	\$6.54	\$195.64	\$0.10	0.05%

For more information

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