

MEMORANDUM

To: Commissioners Christmann, Fedorchak, and Kroshus

From: Victor Schock

Date: January 23, 2018

Re: Case No. PU-17-365

NSP Transmission Facility Cost Recovery Rider (2018)

On December 22, 2017, Northern States Power Company (NSP) filed its compliance filing for the 2018 annual update of its Transmission Facility Cost Recovery (TCR) rate. On December 5, 2017, as discussed with staff and during the informal hearing, NSP submitted a supplemental filing decreasing the annual expense projections by \$60,819 due to changes in eligibility dates of four projects. The resulting projected 2018 TCR revenue requirement, including a true-up amount from 2017 of \$100,938, is \$7.393 million.

The resulting customer billing surcharge for 2018 is 0.3270 cents per kWh for all retail sales, which is an increase of 0.005 cents per kWh from the surcharge billed in 2017.

The billing effect for a typical residential customer without electric space heating using 750 kWh per month would be an increase of 3 cents per month.