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December 18, 2018

**VIA U. S. AND ELECTRONIC MAIL**

Mr. Darrell Nitschke, Executive Secretary  
North Dakota Public Service Commission  
600 East Blvd.  
Bismarck, ND 58505

RE: XCEL ENERGY TAX CUTS & JOBS ACT SETTLEMENT (ELECTRIC)  
CASE NOS. PU-17-490, PU-18-155

Dear Mr. Nitschke:

After observing the Commission Work Session on Friday, December 14, 2018, Northern States Power Company (Xcel Energy, or the Company) would like to provide some additional clarification regarding a 2018 TCJA refund and request an informal hearing with the Commission to address the remaining elements of our Settlement Agreement with Advocacy Staff.

### **A. 2018 TCJA Refund**

At the outset, the Company would like to inform the Commission that, should they order a refund of the “2018 Amount” without approving the overall Settlement Agreement, we will not seek a formal hearing or additional process before moving forward with the refund. Rather, we will make a compliance filing within 30 days detailing our refund implementation plan.

### **B. Settlement Analysis**

As outlined in our December 13 letter, Xcel Energy continues to believe the remaining elements of the Settlement Agreement will result in customer benefits relative to a rate case outcome. However, we also recognize that additional information regarding our projected 2019 revenue deficiency is necessary for the Commission to better evaluate the settlement in comparison to the impacts of a potential rate case. We are happy to provide this information and respectfully

request an informal hearing with the Commission, where we can present an analysis of our projected revenue deficiency and a description of the drivers of that deficiency. We believe this information will enable the Commission to evaluate the benefits of the two-year moratorium contemplated in our Settlement with Advocacy Staff.

At the December 14 work session, some Commissioners raised the possibility of a formal hearing on this matter. While the Company is prepared to present this information at a formal hearing, we would prefer to address the Settlement Agreement through an informal hearing process. Utilizing the informal hearing procedures will (1) allow the Commission to better understand what the key drivers are for a potential 2019 rate case; (2) ensure that all appropriate Company personnel are available to answer questions rather than just a testifying witness; and finally (3) allow this process to move forward in a more timely manner.

We appreciate the Commission's attention to this matter, and we look forward to providing any additional information the Commission might find helpful in evaluating our Settlement.

Please contact Pamela Gibbs at (612) 330-2889 or [pamela.k.gibbs@xcelenergy.com](mailto:pamela.k.gibbs@xcelenergy.com) if you have any questions regarding this submission.

Sincerely,



DAVID H. SEDERQUIST  
SR. CONSULTANT, REGULATION & FINANCE

cc: Jack Schuh  
Victor Schock  
Pat Fahn  
Jerry Lein