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September 3, 2020

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

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

RE: COMPLIANCE FILING - TRANSMISSION COST RECOVERY TARIFF
CASE NO. PU-20-259

Dear Mr. Kahl:

On June 5, 2020, Northern States Power Company, doing business as Xcel Energy, filed its 2020 Transmission Cost Recovery (TCR) Application for Tariff Modifications in which it proposed clarifying revisions to the section of the tariff which detailed the true-up mechanism of the TCR. On August 28, 2020, the North Dakota Public Service Commission issued an ORDER ON TRANSMISSION FACILITY COST RECOVERY RATES approving the proposed text modification.

Tariff

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

North Dakota Electric Rate Book – NDPSC No. 2
Sheet No. 5-86, revision 9

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

Sincerely,

DAVID H. SEDERQUIST
SR. CONSULTANT, REGULATION/FINANCE

cc: Pat Fahn
Enclosures

13 PU-20-259 Filed 09/03/2020 Pages: 5
Compliance filing – revision to North Dakota Electric Rate Book, NDPSC No. 2
Northern States Power Company
David Sederquist

Legislative

TRANSMISSION COST RECOVERY RIDER

Section No. 5
98th 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 \$0.003322 per kWh

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 actual qualifying TCR ~~the corresponding transmission costs (revenue requirements) for the recovery period~~. The resulting true-up amount shall be recorded by May 1 of the following calendar year and will be netted with the forecasted TCR cost for the current calendar year. The difference between forecasted TCR revenue and forecasted qualifying TCR costs for the current calendar year is then included in the calculation of the TCR rate effective-proposed for the next-following calendar year ~~recovery period~~.

For example, Year 1 actual TCR Rider revenue will be compared to actual Year 1 TCR costs ~~revenue requirements for the same period~~ and the difference rolled into the forecasted Year 2 costs ~~recorded as an adjustment to the Tracker Account on or before May 1 of Year 2~~. Year 2 forecasted TCR revenue is then compared to forecasted Year 2 TCR costs and the difference ~~would then be~~ included in the calculation of the new-proposed TCR rate ~~(application to be filed in Year 2) to be~~ effective in January 1 of Year 3.

Date Filed: 09-27-19~~06-05-20~~ By: Christopher B. Clark Effective Date: 03-01-20
08-26-20
President, Northern States Power Company, a Minnesota corporation
Case No. PU-19-32820-259 Order Date: 02-19-20
08-26-20

Non-Legislative

TRANSMISSION COST RECOVERY RIDER

Section No. 5
9th 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	\$0.003322 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 will be calculated reflecting the difference between actual TCR revenue and actual qualifying TCR costs. The resulting true-up amount shall be netted with the forecasted TCR cost for the current calendar year. The difference between forecasted TCR revenue and forecasted qualifying TCR costs for the current calendar year is then included in the calculation of the TCR rate proposed for the following calendar year.

For example, Year 1 actual TCR revenue will be compared to actual Year 1 TCR costs and the difference rolled into the forecasted Year 2 costs. Year 2 forecasted TCR revenue is then compared to forecasted Year 2 TCR costs and the difference included in the calculation of the proposed TCR rate to be effective in Year 3.

Date Filed:	06-05-20	By: Christopher B. Clark	Effective Date:	08-26-20
		President, Northern States Power Company, a Minnesota corporation		
Case No.	PU-20-259		Order Date:	08-26-20