



414 Nicollet Mall
Minneapolis, Minnesota 55401

April 2, 2018

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— VIA ELECTRONIC FILING —

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

RE: RENEWABLE*CONNECT PILOT PROGRAM
COMPLIANCE REPORT, TRACKER ACCOUNT AND 2019 PROPOSED RATES
DOCKET NO. E002/M-15-985

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits our first annual Renewable*Connect compliance report and tracker account, as well as our proposed 2019 Month-to-Month and Special Event tariff rate and Neutrality Charge.

Please note that certain portions of our compliance report have been designated as Trade Secret information pursuant to Minnesota Statute § 13.37, subd. 1(b). In particular, the information designated as Trade Secret derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

In addition, we have designated certain customer information as private data on individuals. Specifically, data such as customer payments and costs in conjunction with the Renewable*Connect Government program have been removed from the public version of this report, consistent with Minn. Stat. §§ 13.37, Subd. 2(a), and 13.02, Subd. 12.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list.

Please contact Tim Edman at timothy.j.edman@xcelenergy.com or (612) 330-2952 or me at holly.r.hinman@xcelenergy.com or (612) 612-330-5941 if you have any questions regarding this filing.

SINCERELY,

/s/

HOLLY HINMAN
REGULATORY MANAGER

Enclosures

c: Service List

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STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange	Chair
Dan Lipschultz	Commissioner
Matthew Schuerger	Commissioner
Katie J. Sieben	Commissioner
John A. Tuma	Commissioner

PETITION OF NORTHERN STATES
POWER COMPANY FOR APPROVAL OF A
RENEWABLE*CONNECT PILOT
PROGRAM

DOCKET No. E002/M-15-985

**ANNUAL COMPLIANCE FILING,
TRACKER ACCOUNT REPORT,
AND PROPOSED 2019 TARIFF
RATES**

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission our initial Renewable*Connect pilot program compliance filing and tracker account report in accordance with the Commission's February 27, 2017 Order in Docket No. E-002/M-15-985. In addition, we are filing our 2019 Month-to-Month and Special Event tariff rate, as well as our Neutrality Charge, and we are requesting Commission approval of these rates.

We note that the Commission Order requires the Company to file an annual compliance report each April 1 after the "first full year of operation" which, on a calendar year basis, will be January 1 – December 31, 2018. This means our first annual compliance report is not due until April 1, 2019. However, given the interest in our pilot program, the Company is providing this report which covers the first nine months of the program (April 1, 2017 – December 31, 2017).¹ We note that the first

¹ Since this reporting period is off-cycle and covers only the initial nine months of the pilot program including the roll-out months, the data in this report will not be directly comparable to future calendar year reporting.

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monthly bill statement in conjunction with the Renewable*Connect Government Program was sent out in May, 2017, while the first monthly bill statements for the Renewable*Connect Program (residential and non-residential customers) were sent out in August 2017.

We are pleased with the strong customer interest in the Renewable*Connect pilot program since its launch in April 2017. As of December 31, 2017, the pilot program was 64 percent subscribed and we anticipate that a few large account customers may enter into a subscription soon.

More specifically, we can report the following subscriptions and sales for the Renewable*Connect Program:

Table 1 – Renewable*Connect Program Subscriptions & Sales

Customer Class	Number of Subscribers	Subscriber Percentages	kWh Sales	kWh Percentages
Residential	2104	95%	5,163,737	14%
Small General	32	2%	145,754	1%
C & I	74	3%	31,329,309	85%
Total	2210	100%	36,638,800	100%

In the report that follows, we provide the data required by Order Point 5 including a tracker report and related information. In addition, we address learnings generated in the first partial year.

I. REPORTING REQUIREMENTS

A. Compliance Requirements

This compliance filing covers Renewable*Connect Pilot Program activity for the period of April 1, 2017 to December 31, 2017. This nine month period includes the initial roll-out months and, consequently, the data presented in the tables in this compliance filing will not be comparable to future compliance report filings that cover all 12 months of a calendar year.

As required by the February 17, 2017 Order, each annual compliance report shall provide the following data:

Order Point 5.

Xcel shall file annual reports each April 1 after the first full year of operation as listed in its filing. The annual report shall contain:

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- a. Total number of participants broken down by customer class, and by length of contract (including special events) – See Table 2;
- b. Total wind production – See Table 3;
- c. Total solar production – See Table 3;
- d. Total Renewable*Connect expenses – See Table 4;
- e. Total Renewable*Connect Government expenses – See Table 5;
- f. Total Amount collected in Renewable*Connect charges – See Table 4;
- g. Total Amount collected in Renewable*Connect Government charges – See Table 5;
- h. The Tracker balances as shown in Attachment H of Xcel’s filing – See Section C. and Attachment A;
- i. Monthly comparisons of Renewable*Connect Pricing for participants with the Fuel Charge for nonparticipant customers – See Section D;
- j. Impact of Renewable*Connect pilots on all nonparticipant customers – See Section E;
- k. Impact on all Xcel Ratepayers through updates in base rates – See Section F.; and
- l. Information on the number of terminations and an accounting of termination fees – See Section G.

B. Summary Data (Order Points 5.a. – 5.g.)

Please note that certain portions of our compliance report data and tracker account have been designated as Trade Secret information pursuant to Minnesota Statute § 13.37, subd. 1(b). In particular, the information designated as Trade Secret derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

In addition, we have designated certain customer information as private data on individuals. Specifically, data such as customer payments and costs in conjunction with the Renewable*Connect Government program have been removed from the public version of this report, consistent with Minn. Stat. §§ 13.37, Subd. 2(a), and 13.02, Subd. 12.

Tables 2, 3, 4 and 5 below summarize some of the key data required by Order Point 5:

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**Table 2 – Renewable*Connect Participants by Class and Length of Contract
(Order Point 5.a.)**

Customer Class	Subscribers	Monthly	Percent	5 Year	Percent	10 Year	Percent
Residential	2,104	843	38%	767	35%	494	22%
Small General	32	11	1%	11	0.5%	10	1%
C & I	74	28	1%	16	0.5%	30	1%
Total	2,210	882	40%	794	36%	534	24%

There were no special event subscriptions during the current reporting period. We believe interest in this option will develop over time. However, we note that our WindSource program continues to be a popular option for Special Event subscriptions.

**Table 3 – Renewable*Connect Wind and Solar Production
(Order Point 5.b. – 5.c.)**

Resource	Production (kWh)	Percent
	[PROTECTED DATA BEGINS:	
Wind		
\$11,Solar		
	PROTECTED DATA ENDS]	

**Table 4 – Renewable*Connect Revenue & Expenses
(Order Point 5.d. and 5.f.)**

	Reporting Period
Revenue	
Customer Payments:	[PROTECTED DATA BEGINS:
Month-to-Month	
Five Year Contract	
Ten Year Contract	
Other:	
Capacity Credits	
Total Revenue	
Expenses	
Production Payments	
Neutrality Recovery	
Marketing/Admin.	
Total Expenses	
	PROTECTED DATA ENDS]
Balance	-\$335,426

* Under-recovery due primarily to up-front marketing costs that will be recovered over subsequent months of the program.

**Table 5 – Renewable*Connect Government Revenue & Expenses
(Order Point 5.e. and 5.g.)**

	Current Reporting Period
Revenue	
Customer Payments:	[PROTECTED DATA BEGINS:
Subscription	
Other:	
Capacity Credits	
Total Revenue	
Expenses	
Production Payments	
Neutrality Recovery	
Marketing/Admin.	
Total Expenses	
	PROTECTED DATA ENDS]
Balance	\$11,273

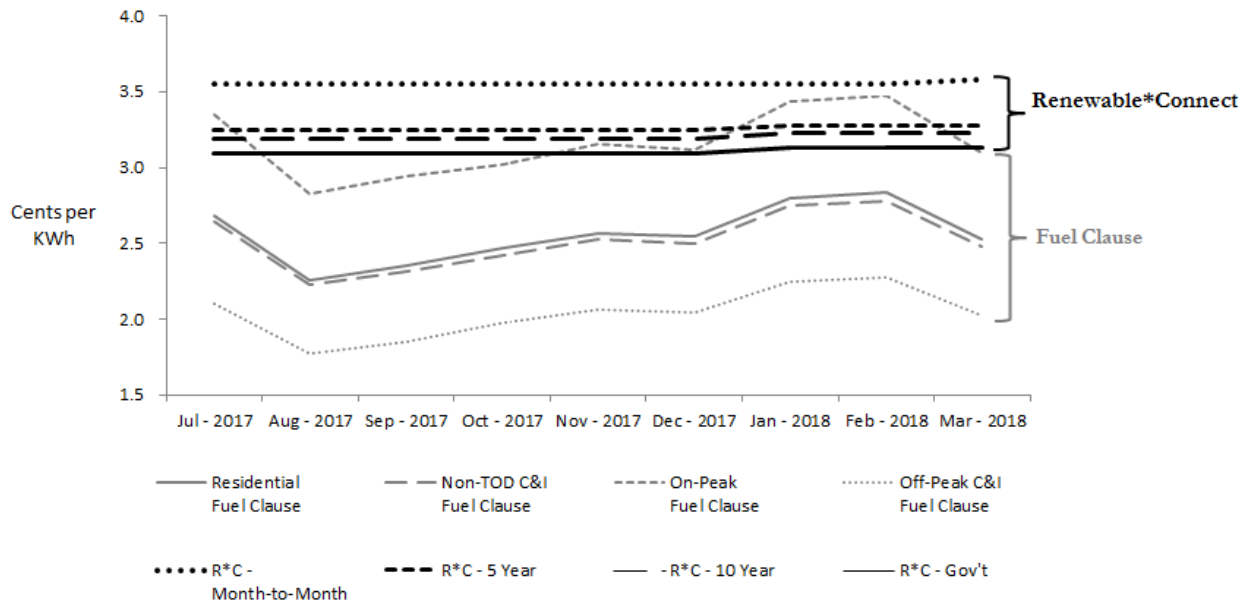
C. Tracker Account Report (Order Point 5.h.)

A Renewable*Connect Pilot Program tracker account report is included as Attachment A.

D. Pricing and Fuel Clause Rates (Order Point 5.i.)

The Renewable*Connect pricing for all subscription classes was slightly higher than fuel clause rates during the late months of summer and early months of fall. This was due primarily to lower than forecasted natural gas prices and higher than anticipated wind production. However, as fuel costs returned to expected levels in the winter months, the price differential became more narrow. See graph below.

Fuel Clause and Renewable*Connect Rates



E. Impact on Non-Participants/Ratepayers (Order Point 5.j)

To test the effectiveness of the Company’s neutrality charge, the Company reviewed the actual system impact of the resources across the identified categories. As expected, line losses were the most significant impact across the cost categories as illustrated in Table 6. Curtailments, on the other hand, were expected to have a larger impact based on experience with other resources. More specifically, the Company expected wind resources would be curtailed more often and solar resources would see minimal curtailments. In 2017, the opposite occurred. The program’s wind resources were minimally curtailed and solar resources experience an unexpected level of curtailments. Curtailments on programs solar resources totaled in excess of \$48,000 and \$3,283 were allocated to the program. Since 2017 was a partial program year and variations in curtailments occur from year-to-year, more observation is needed to draw conclusions about this non-participant impact category.

To understand the potential impact of the Renewable*Connect Program on non-participant energy cost, the Company performed an analysis that compared the marginal cost of energy, in this case on and off-peak LMP pricing, to the PPA cost of solar and wind resources allocated to Renewable*Connect. The results directionally indicate that non-participants were not impacted on a cost of energy basis as the cost of the wind and solar energy exceeded the marginal energy cost estimate. Therefore, in 2017 no incremental costs were borne by non-participating customers during the current reporting period.

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Finally, since wind and solar resources are not dispatchable, the system was used to balance wind and solar energy produced with program participants hourly usage. As result, the balance of the neutrality charge dollars credited to the fuel clause served as compensation for this balancing service. The Company has not yet developed a methodology to measure the value of the balancing service, but in the future the Company plans to outline a value range of this service based on physical resources necessary to provide the necessary balancing service.

Table 6 – Non-Participants Impact

	2017
Line Losses	\$94,282
Solar Curtailments	\$3,283
Wind Curtailments	\$10
Economic/Balancing*	\$89,276
Total	\$186,851
Neutrality Payments	\$186,851
Non-Participant Cost/(Benefit)	\$-0-

* Remainder of neutrality payments were allocated to balancing after accounting for line losses, curtailment and economic consideration.

F. Impact on all Xcel Energy Ratepayers Through Updates in Base Rates (Order Point 5.k.)

There was no impact through updates in base rates due to the Renewable*Connect pilot program. Base rates were updated October 2017 in conjunction with the settlement of the Company’s multi-year rate case (Docket No. E002/GR-15-826).

G. Terminations (Order Point 5.1.)

There were no business customer terminations during the current reporting period. There were four residential customer terminations, which resulted in a total of \$140 in termination fees. Of the four residential terminations, three were due to the customer moving out of our service territory.

II. LEARNINGS

As indicated in our initial petition, the Company offered Renewable*Connect as a pilot to test customer interest in program participation and learn more about how to meet customer renewable energy goals. We anticipate these learnings would help

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inform the structure of the program going forward including expansion of the current program, possible tariff revisions, and future tranches dedicated to customer needs.

Although our pilot program has been operational for less than one year, we can report a number of learnings including:

- Program resource requirements are difficult to forecast based on customer expressions of interest;
- A robust mix of marketing tactics is needed to yield a large amount of enrollments in a short period of time;
- Development of the Renewable*Connect Government program has contributed to the Company's ability to better understand the unique requirements of government customers;
- Some customers have enrolled in Renewable*Connect while expressing interest in additional options such as new renewable resources not yet in place to meet their green energy goals;
- For the first time, solar resources on our transmission system were subject to curtailment by the Midcontinent Independent System Operator (MISO); and
- Flexibility is key to addressing the unique situations of individual customers.

A brief discussion of these learnings follows:

Resource Requirements – It is difficult to determine program resource requirements based on customer expressions of interest. Not all customers who indicate program interest will actually subscribe to an offering. For example, at the close of the enrollment period for Renewable*Connect, customer interest was strong and the pilot tranche was nearly sold out. More than 1,900 residential customers had requested 13,500,000 kWh and 70 business customers requested 160,381,600 kWh of the first tranche. By the end of the contracting phase, however, customers entered into subscription contracts for about 60 percent of the first tranche. While some “fall off” is to be expected, it complicates the decision-making regarding program sizing, pricing and budgeting.

Marketing – An integrated marketing and communications strategy was developed to create awareness of the program and drive enrollments. These efforts included three phases – program introduction, program launch, and brand strengthening. Marketing efforts for residential customers included but was not limited to targeted email, digital advertising, bill inserts and social media. Similar efforts were employed for business customers although with more tailored messaging. Such efforts are continuing and new efforts are being tested including signage and messaging at a Minnesota Lynx basketball game. While we were able to enroll a large number of customers during the

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initial roll-out of the program, we will continue to evaluate various marketing tactics to determine their effectiveness and future use.

Government – In early 2016, the Company began working with the Minnesota Department of Administration to develop a renewable energy program that supported the state’s goal of reducing its environmental footprint and serving the energy needs of the state Capitol Complex. Through this collaborative effort, we were able to create a pilot with a longer term option (20 years) and launch the program prior to the grand reopening of the renovated Capitol building in August 2017. Although this long-term model may not work as well for regional and local units of government, we have gained valuable learnings about the unique budgetary and process requirements associated with government customers.

Renewable Options – As anticipated, some large C&I customers are interested in meeting their renewable energy goals and electric energy requirement through the procurement of additional renewable resources. Although some of these customers have subscribed to the current pilot program, others did not enter into a subscription as anticipated. The reasons for their decision not to participate in the pilot at this time vary including cost concerns, competitive challenges within their respective industry, and other renewable energy technology options. Regardless, the learning during this customer dialogue will help inform how we move forward with the next iteration of the Renewable*Connect program.

Curtailment – The North Star solar project was subject to curtailment by the Midcontinent Independent System Operator (MISO) during the months of May – December 2017. The MWh curtailed was less than one percent of the total MWh generated by the North Star facility during this same time period. MISO will curtail generation resources on the transmission system for a number of reasons such as economics, congestion, and unplanned outages. MISO curtailed the North Star facility due to economics. Future design of the Neutrality Adjustment will take into account solar curtailment.

Tariff Flexibility – The Company included a term limiting customer subscription sizing to 10 percent of the pilot tranche. Over the course of the program’s onset, it became clear that the 10 percent cap was not necessary and we obtained Commission approval to remove the cap for the first tranche. We believe program design that provides some flexibility to incorporate such learnings is important as we grow the program.

III. 2019 PROPOSED RATES

As indicated in our September 21, 2017 filing regarding revisions to the Renewable*Connect pilot program, the Company will file updates to its Month-to-Month and Special Event rate, as well as Neutrality Charge, in conjunction with our annual compliance filing. Please see Attachment B for our proposed 2019 Month-to-Month and Special Event rates, and Neutrality Charge. The proposed adjustments reflect the yearly costs associated with the production facilities utilized to support the pilot program.

CONCLUSION

Renewable*Connect is a valuable offering for customers, providing them with a blend of wind and solar resources to meet their renewable energy goals and electric energy requirements. We anticipate that customer participation will continue to increase. We respectfully request the Commission accept this compliance filing and tracker report, and approve our 2019 Month-to-Month and Special Event rates, and Neutrality Charge.

Dated: April 2, 2018

Northern States Power Company

Renewable*Connect Sales, Revenue and ExpenseTracker

In MWhs, except where labeled differently

Renewable*Connect Sales		December	January	February	March	April	May	June	July	August	September	October	November	December	Total
	Type/Detail	[Protected Data Begins:													
Month-to-Month	Billing Month														
5 Year Contract	Billing Month														
10 Year Contract	Billing Month														
Sub-Total R*C	Billing Month														
Government	Billing Month														
Total	Billing Month														
R*C Wind Requirement															
R*C Solar Requirement															
R*CG Energy Requirement	Production Month														
R*CG Wind Requirement	Production Month														
R*CG Solar Requirement	Production Month														
Total R*CG Requirement	Production Month														
Total Program Wind Requirement															
Total Program Solar Requirement															
Wind Production	Production Month														
Solar Production	Production Month														
Total Production	Production Month														
Wind Production to FCA	Net of R*C Requirement														
Solar Production to FCA	Net of R*C Requirement														
Total Production to FCA	Net of R*C Requirement														

Protected Data Ends]

Renewable*Connect Program Recovery (Dollars)		January	February	March	April	May	June	July	August	September	October	November	December	Total
Payments from Customer		[Protected Data Begins:												
Month-to-Month	Billing Month													
5 Year Contract	Billing Month													
10 Year Contract	Billing Month													
Sub-total Renewable*Connect														
Government	Billing Month													
Total Renewable*Connect														
Capacity Credits	Base Rate Allocation													
Total Renewable Connect Revenue		\$0	\$0	\$0	\$0	\$0	\$19,314	\$34,568	\$134,512	\$320,276	\$337,217	\$414,267	\$390,960	\$1,641,113

Protected Data Ends]

Renewable*Connect Program Expense (Dollars)		December	January	February	March	April	May	June	July	August	September	October	November	December	Total
Credits to the Fuel Clause		[Protected Data Begins:													
Month-to-Month															
5 Year Contract															
10 Year Contract															
R*C Production Cost															
R*CG Production Cost															
Total Production Cost		\$0	\$0	\$0	\$0	\$0	\$16,019	\$28,672	\$21,961	\$106,017	\$266,941	\$279,026	\$331,304	\$277,981	\$1,327,920
Neutrality Recovery		\$0	\$0	\$0	\$0	\$0	\$0	\$2,430	\$4,349	\$16,252	\$38,989	\$37,176	\$45,640	\$42,018	\$186,852
Credits to the Fuel Clause		\$0	\$0	\$0	\$0	\$0	\$16,019	\$31,101	\$26,309	\$122,268	\$305,930	\$316,201	\$376,943	\$319,999	\$1,514,772
Marketing and Admin. Expense		\$0	\$0	\$0	\$0	\$0	\$264,898	\$145,620	\$3,070	\$3,216	\$3,157	\$12,839	\$8,089	\$9,603	\$450,493
Total Renewable Connect Expense		\$0	\$0	\$0	\$0	\$0	\$280,917	\$176,722	\$29,380	\$125,485	\$309,087	\$329,040	\$385,033	\$329,602	\$1,965,265
Over/(Under) Recovery - Reserve for Future Expenses		\$0	\$0	\$0	\$0	\$0	(\$280,917)	(\$157,408)	\$5,188	\$9,027	\$11,189	\$8,177	\$29,234	\$51,358	(\$324,152)

MEMO: Individual Rate Component Recovery

Renewable*Connect Sales, Revenue and ExpenseTracker

In MWhs, except where labeled differently

Neutrality (Dollars)		January	February	March	April	May	June	July	August	September	October	November	December	Total
Credits to the Fuel Clause		[Protected Data Begins:												
Month-to-Month	0.472													
5 Year Contract	0.472													
10 Year Contract	0.472													
R*C Neutrality Recovery														
R*CG Neutrality Recovery	0.472													
Total Neutrality Recovery		\$0	\$0	\$0	\$0	\$0	\$2,430	\$4,349	\$16,252	\$38,989	\$37,176	\$45,640	\$42,018	\$186,852
Marketing & Admin (Dollars)		[Protected Data Begins:												
Marketing and Admin. Charge Revenue		[Protected Data Begins:												
Month-to-Month	0.550													
5 Year Contract	0.300													
10 Year Contract	0.250													
Sub-total R*C														
R*CG	0.150													
Total Marketing and Admin Recovery		\$0	\$0	\$0	\$0	\$0	\$772	\$1,382	\$10,109	\$22,339	\$23,297	\$27,922	\$26,036	\$111,857
Marketing and Admin. Expenses by Type		January	February	March	April	May	June	July	August	September	October	November	December	Total
Marketing Expense		\$0	\$0	\$0	\$0	\$260,670	\$139,224	\$0	\$68	\$508	\$11,000	\$4,950	\$7,016	\$423,435
Admin. Labor		\$0	\$0	\$0	\$0	\$4,228	\$6,396	\$3,070	\$3,149	\$2,650	\$1,839	\$3,139	\$2,587	\$27,057
Total Marketing & Admin Expense		\$0	\$0	\$0	\$0	\$264,898	\$145,620	\$3,070	\$3,216	\$3,157	\$12,839	\$8,089	\$9,603	\$450,493
Marketing and Admin. Expenses by Program		[Protected Data Begins:												
R*C														
R*CG														
Total Marketing & Admin Expense		\$0	\$0	\$0	\$0	\$264,898	\$145,620	\$3,070	\$3,216	\$3,157	\$12,839	\$8,089	\$9,603	\$450,493
Marketing/Admin - Over/(Under) Recovery		0	0	0	0	(264,898)	(145,620)	(3,070)	5,834	18,249	9,227	18,261	15,033	(346,984)
Capacity Credit Amount Embedded in Base Rates (Dollars)		[Protected Data Begins:												
Capacity Credit		[Protected Data Begins:												
Month-to-Month	0.659													
5 Year Contract	0.659													
10 Year Contract	0.659													
Sub-total R*C														
R*CG	0.659													
Total R*C and R*CG Sales		\$0	\$0	\$0	\$0	\$0	\$3,392	\$6,071	\$22,690	\$54,436	\$59,978	\$73,643	\$67,792	\$288,003

Redline

**VOLUNTARY RENEWABLE*CONNECT PILOT PROGRAM
 RIDER (Continued)**

Section No. 5
~~1st~~2nd Revised Sheet No. 150

RATE

The R*C Price for the pilot phase R*C Resources of each R*C Service Type shall be as follows based on year of production, unless otherwise provided for in this tariff:

Month-To-Month R*C or Single Event R*C Service Type	
Year number	\$/kWh
1 (2017) 2 (2018)	\$0.03555 \$0.03577
2 (2018) 3 (2019)	\$0.03577 \$0.03599

±
±
FDL
NLN
±

5-Year and 10-Year R*C Service Type

Year	5-Year Contract (\$/kWh)	10-Year Contract (\$/kWh)
2017	\$0.03243	\$0.03193
2018	\$0.03280	\$0.03230
2019	\$0.03317	\$0.03267
2020	\$0.03330	\$0.03280
2021	\$0.03345	\$0.03295
2022	\$0.03361	\$0.03349
2023	\$0.03429	\$0.03404
2024	\$0.03497	\$0.03460
2025	\$0.03569	\$0.03519
2026	\$0.03642	\$0.03580

NEUTRALITY CHARGE

The R*C Price includes a neutrality charge to mitigate the impact of the R*C Pilot program on non-participating customers. The standard neutrality charge is as follows:

Year number	\$/kWh
1 (2017) 2 (2018)	\$0.00472 \$0.00477
2 (2018) 3 (2019)	\$0.00477 \$0.00483

±
±
FDL
NLN

Customers receiving service under the Company's Business Incentive and Sustainability Rider, Competitive Response Rider, or Residential Electric Vehicle Service (Rate Code A08) shall not be subject to the neutrality charge portion of the R*C Price.

TRACKER ACCOUNT

Due to the variability of renewable resources, the Renewable*Connect program tracker account may have an excess or shortage of supply in any given hour or month. The Company will balance Renewable*Connect program usage at the end of the program year in accordance with the expected resource blend. As a result, the program may require more or less of a share of the expected program allocation. Energy produced by the R*C Resources that is not associated with any R*C Service subscription and therefore not allocated to an R*C Customer will be sold to all customers at the delivered cost through the Fuel Clause Adjustment. The Company will maintain accounting of the monthly balance of total R*C Resources production, total program usage, total revenues collected under the program and the expenses associated with offering the R*C Service, including the renewable energy purchases, marketing and other costs for this program. The Company may petition the Commission annually to true up the marketing and administrative cost tracker balance and apply the resulting true-up factors to the Month-To-Month R*C Price.

(Continued on Sheet No. 5-151)

Date Filed:	09-21-17 04-02-18	By: Christopher B. Clark	Effective Date:	02-21-18
		President, Northern States Power Company, a Minnesota corporation		
Docket No.	E002/M- 17-695 15-985		Order Date:	02-21-18

Clean

**VOLUNTARY RENEWABLE*CONNECT PILOT PROGRAM
 RIDER (Continued)**

Section No. 5
 2nd Revised Sheet No. 150

RATE

The R*C Price for the pilot phase R*C Resources of each R*C Service Type shall be as follows based on year of production, unless otherwise provided for in this tariff:

Month-To-Month R*C or Single Event R*C Service Type	
Year number	\$/kWh
2 (2018)	\$0.03577
3 (2019)	\$0.03599

DL
LN

5-Year and 10-Year R*C Service Type

Year	5-Year Contract (\$/kWh)	10-Year Contract (\$/kWh)
2017	\$0.03243	\$0.03193
2018	\$0.03280	\$0.03230
2019	\$0.03317	\$0.03267
2020	\$0.03330	\$0.03280
2021	\$0.03345	\$0.03295
2022	\$0.03361	\$0.03349
2023	\$0.03429	\$0.03404
2024	\$0.03497	\$0.03460
2025	\$0.03569	\$0.03519
2026	\$0.03642	\$0.03580

NEUTRALITY CHARGE

The R*C Price includes a neutrality charge to mitigate the impact of the R*C Pilot program on non-participating customers. The standard neutrality charge is as follows:

Year number	\$/kWh
2 (2018)	\$0.00477
3 (2019)	\$0.00483

DL
LN

Customers receiving service under the Company's Business Incentive and Sustainability Rider, Competitive Response Rider, or Residential Electric Vehicle Service (Rate Code A08) shall not be subject to the neutrality charge portion of the R*C Price.

TRACKER ACCOUNT

Due to the variability of renewable resources, the Renewable*Connect program tracker account may have an excess or shortage of supply in any given hour or month. The Company will balance Renewable*Connect program usage at the end of the program year in accordance with the expected resource blend. As a result, the program may require more or less of a share of the expected program allocation. Energy produced by the R*C Resources that is not associated with any R*C Service subscription and therefore not allocated to an R*C Customer will be sold to all customers at the delivered cost through the Fuel Clause Adjustment. The Company will maintain accounting of the monthly balance of total R*C Resources production, total program usage, total revenues collected under the program and the expenses associated with offering the R*C Service, including the renewable energy purchases, marketing and other costs for this program. The Company may petition the Commission annually to true up the marketing and administrative cost tracker balance and apply the resulting true-up factors to the Month-To-Month R*C Price.

(Continued on Sheet No. 5-151)

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President, Northern States Power Company, a Minnesota corporation

Docket No. E002/M-15-985

Order Date:

CERTIFICATE OF SERVICE

I, Jim Erickson, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

Docket Nos. E002/M-15-985

Dated this 2nd day of April 2018

/s/

Jim Erickson

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