



414 Nicollet Mall  
Minneapolis, Minnesota 55401

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September 29, 2015

**—VIA ELECTRONIC FILING—**

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

RE: SECOND REVISED PETITION  
RENEWABLE ENERGY STANDARD RIDER  
DOCKET NO. E002/M-15-805

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, respectfully requests that the Commission accept this Second Revised Petition for approval of a 2016 Renewable Energy Standard Rider Adjustment Factor. The Second Revised Petition updates our September 8, 2015 Revised Petition with a re-calculated REC Sales credit to customers.

Since our original filing, we re-examined the Commission's Order in Docket No. E002/M-15-515, which approved the amount to be credited to ratepayers for a sale of RECs made in 2015. In addition, we now have additional documentation in support of our RES Rider request. We therefore re-submit the entire Petition and associated attachments to make the following changes to the filing:

1. We update the REC Sales credit amount which increases the portion credited to customers. (See revised Attachment A.)
2. We update the narrative to acknowledge the issuance of the Commission's September 2, 2015 ORDER APPROVING ACQUISITION UNDER MINN. STAT. § 216B.1645, SUBD. 2A AND AUTHORIZING COST RECOVERY in Docket No. E002/M-15-401, the Courtenay Wind Farm acquisition docket.
3. We update the narrative to indicate that construction has begun on the Courtenay Wind Farm.

4. We include the now-available supporting tax documentation of the 2014 Production Tax Credit (PTC), which is required by the Commission's Order in Docket No. E002/M-15-304. (See Attachment M.)

For ease of review, we have shaded the narrative sections of the Petition that have been updated.

Pursuant to Minn. Stat. § 216.17, subd. 3, we have electronically filed this document, and served copies of the summary on the parties on the attached service lists.

If you have any questions regarding this filing please contact Rebecca Eilers at [rebecca.d.eilers@xcelenergy.com](mailto:rebecca.d.eilers@xcelenergy.com) or (612) 330-5570, or me at (612) 215-5367 or [amy.s.fredregill@xcelenergy.com](mailto:amy.s.fredregill@xcelenergy.com).

Sincerely,

/s/

AMY FREDREGILL  
RESOURCE PLANNING AND STRATEGY MANAGER

Enclosures  
c: Service List

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STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF THE PETITION OF  
NORTHERN STATES POWER COMPANY  
FOR APPROVAL OF THE RENEWABLE  
ENERGY STANDARD RIDER TRUE-UP  
REPORT FOR 2015, REVENUE  
REQUIREMENTS FOR 2016, AND A  
REVISED ADJUSTMENT FACTOR

DOCKET No. E002/M-15-805

**SECOND REVISED PETITION**

**OVERVIEW**

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Second Revised Petition requesting approval of our Renewable Energy Standard (RES) Rider true-up report for 2015, the 2016 RES Rider revenue requirements of \$17.2 million, and our proposed revised RES Adjustment Factor. The Second Revised Petition increases the amount of the REC Sales credit to customers, which alters the total revenue requirement and the resulting proposed RES Rider rate factor. In addition, we have added supporting tax documentation of the 2014 Production Tax Credit (PTC) as Attachment M, and we updated the narrative acknowledging the issuance of the Commission's Order in Docket No. E002/M-15-401.

Our 2016 RES Rider revenue requirement includes capital costs and expenses associated with the Courtenay Wind project, as well as actual and forecasted 2015 Production Tax Credits (PTCs) for all Company-owned wind farms scheduled to be in-service by the end of 2015. This total is off-set by proceeds received from a recent sale of Renewable Energy Credits (RECs).

The Company proposes a revised RES Adjustment Factor of 0.820 percent to be implemented on January 1, 2016, which would result in a bill increase of approximately \$0.55 for a typical residential customer using 750 kWh per month.

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In addition, we provide brief updates on several issues related to the RES Rider as required by the Commission in other dockets.

**I. SUMMARY OF FILING**

Pursuant to Minn. R. 7829.1300, subp. 1, a one-paragraph summary of the filing accompanies this petition.

**II. SERVICE ON OTHER PARTIES**

Pursuant to Minn. R. 7829.1300, subp. 2, we will serve a copy of the Petition Summary on all parties on Xcel Energy's miscellaneous electric service list.

**III. GENERAL FILING INFORMATION**

Pursuant to Minn. R. 7829.1300, subp. 3, Xcel Energy provides the following information.

**A. Name, Address, and Telephone Number of Utility**

Northern States Power Company, doing business as  
Xcel Energy  
414 Nicollet Mall  
Minneapolis, MN 55401  
(612) 330-5500

**B. Name, Address, and Telephone Number of Utility Attorney**

Amanda Rome  
Lead Assistant General Counsel  
Xcel Energy  
414 Nicollet Mall, 5<sup>th</sup> Floor  
Minneapolis, MN 55401  
(612) 215-5331

**C. Date of Filing and Proposed Effective Date of Rates**

The date of this filing is September 29, 2015. The Company proposes a RES Rider Adjustment Factor of 0.820 percent be reflected in the Resource Adjustment included in the Company's retail electric billing rates effective January 1, 2016.

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**D. Statutes Controlling Schedule for Processing the Filing**

Minn. Stat. § 216B.1645, Subd. 2a states that a utility may petition the Commission to approve a rate schedule that provides for the automatic adjustment of charges to recover prudently incurred investments, expenses, or costs associated with facilities constructed, owned, or operated by a utility to satisfy the requirements of section 216B.1691, provided those facilities were previously approved by the Commission. We are filing this Petition in accordance with Minn. Stat. § 216B.16, Subd. 1, which prescribes general timelines for rate and tariff changes, including, but not limited to, a requirement of a 60 day notice prior to any rate or tariff change.

Commission Rules define this filing as a “miscellaneous rate change” under Minn. R. 7829.0100, subp. 11. The accounting process that we will use to track revenues, costs and record the differences in the RES Rider Tracker account will comply with Accounting Standards prescribed under Minn. Stat. § 216B.10.

**E. Utility Employee Responsible for Filing**

Amy Fredregill  
Resource Planning and Strategy Manager  
Xcel Energy  
414 Nicollet Mall, 7<sup>th</sup> Floor  
Minneapolis, MN 55401  
(612) 215-5367

**IV. MISCELLANEOUS INFORMATION**

Pursuant to Minn. R. 7829.0700, Xcel Energy requests that the following persons be placed on the Commission’s official service list for this matter:

Amanda Rome  
Lead Assistant General Counsel  
Xcel Energy  
414 Nicollet Mall, 5<sup>th</sup> Floor  
Minneapolis, MN 55401  
amanda.rome@xcelenergy.com

SaGonna Thompson  
Regulatory Administrator  
Xcel Energy  
414 Nicollet Mall, 7<sup>th</sup> Floor  
Minneapolis, MN 55401  
regulatory.records@xcelenergy.com

Any information requests in this proceeding should be submitted to Ms. Thompson at the Regulatory Records email address above.

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**V. DESCRIPTION AND PURPOSE OF FILING**

**A. Background**

The RES Rider is designed to allow for the automatic adjustment of charges to recover prudently-incurred investments, expenses, or costs associated with facilities constructed, owned, or operated by a utility to satisfy the RES Statute,<sup>1</sup> provided those facilities were previously approved by the Commission. For the past several years, the RES Rider contained only those costs associated with the true-up of PTCs related to energy production at Company-owned wind farms. In this filing, we have calculated the RES Rider revenue requirement to include costs and expenses associated with a new Company-owned wind farm, Courtenay Wind, in addition to a true-up of actual PTCs for the first half of 2015 and a PTC forecast for the remainder of 2015.

The Commission's June 1, 2015 Order in Docket No. E002/M-15-304 approved a negative RES adjustment factor to provide a refund to customers in the month of July 2015. The RES Adjustment Factor was reduced to zero percent effective August 1, 2015.

**B. RES Eligibility of the Courtenay Wind Farm Project**

The Courtenay Wind Farm is a 200 MW wind resource in Stutsman County, North Dakota that the Company identified for acquisition through its February 2013 Request for Proposals (RFP) for additional wind resources. In its Order dated December 13, 2013, the Commission approved a Power Purchase Agreement (PPA) allowing the Company to purchase the output of the Courtenay Project.<sup>2</sup>

On April 30, 2015, the Company filed a Petition seeking Commission approval to develop, own, and operate the Courtenay Wind Farm.<sup>3</sup> The Commission approved the Company's proposal pursuant to Minn. Statute § 216B.1645, subd 2a in its Order dated September 2, 2015. The Order also authorizes recovery of the actual, reasonable and prudently incurred costs, not to exceed \$300 million, plus the associated Allowance for Funds Used During Construction (AFUDC) of the Courtenay Wind Farm. Therefore, we have included the costs and expenses associated with the Courtenay Wind Farm in our calculation of the 2016 RES Rider revenue requirement.

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<sup>1</sup> Minn. Stat. § 216B.1691

<sup>2</sup> Docket No. E002/M-13-603

<sup>3</sup> Docket No. E002/M-15-401

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Construction on the Courtenay Wind Farm began recently with the project expected to be in-service in December 2016 in order to be eligible for Production Tax Credits (PTCs) before the scheduled PTC expiration date.

**C. REC Sales**

The Company is required to return the proceeds from REC sale transactions to ratepayers through the RES Rider mechanism, but is also authorized to file a request to share in the net proceeds from such a sale of RECs.<sup>4</sup> The Company completed a sale of RECs in the spring of 2015 and subsequently filed a request to share the REC sales proceeds with customers on May 28, 2015.<sup>5</sup>

On August 26, 2015, the Commission issued its Order in Docket No. E002/M-15-515 (REC Sales Order) approving the Company's request to share the net proceeds from the REC sale with modifications. We have calculated the amount to be credited to customers through the RES Rider based on the Commission's REC Sales Order and have included that amount in our RES Tracker Account in this Petition. The Second Revised Petition updates our credit calculation, increasing the credit to customers. (See the revised Attachment A).

**D. Revenue Requirements Calculations**

As approved by the Commission in our four prior RES Rider dockets,<sup>6</sup> we propose to allocate costs using the percentage of revenue (interim rates) methodology to determine the percentage factor based on the quotient of the RES Rider cost over the base revenues without fuel, riders, and taxes. The percentage will then be applied to existing base revenues.

We request approval to include \$17.2 million in the RES Rider tracker for 2016. The amount includes:

- costs and expenses associated with the Courtenay Wind Farm;
- the true-up of actual PTCs received in 2015 (through July) as compared to the PTCs included in our 2015 test year;
- a forecast of PTCs for the remainder of 2015 as compared to the PTCs included in our 2015 test year;

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<sup>4</sup> May 17, 2013 ORDER SETTING PROCEDURES FOR FUTURE PROPOSALS in Docket No. E002/M-12-1132

<sup>5</sup> Docket No. E002/M-15-515

<sup>6</sup> Docket Nos. E002/M-10-1066, E002/M-13-475, E002/M-14-733 and E002/M-15-304

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- the net balance remaining from the July 2015 refund of the 2014 PTC over-collection;
- a credit accounting for customers’ share of proceeds from a sale of RECs in 2015; and
- A RES tracker account true-up for manually billed revenue.

The following table summarizes the various components of the 2016 RES Rider revenue requirements.

**Table 1: RES Rider Revenue Requirements**

	<b>RES Rider Tracker Balance</b>
2015-2016 Courtenay Wind Project Expenses	<i>\$17,349,028</i>
Net Balance of: 2015 PTC Balance (Jan.-July) 2015 PTC Forecast (Aug.-Dec.) 2014 PTC Refund Remaining Balance	<b>[TRADE SECRET BEGINS</b>
REC Sales Proceeds Credit to Customers	
Manual Billing Revenue True-Up	
	<b>TRADE SECRET ENDS]</b>
2016 RES Rider Revenue Requirement	\$17,244,395

The calculations in support of the proposed RES Adjustment Factor are provided in the following attachments:<sup>7</sup>

**Table 2: Attachments**

Attachment A	REC Sales Proceeds Credit Calculation – Revised
Attachment B	2015 Wind PTC Partial-Year True-Up and Forecast
Attachment C	RES Rate Calculation
Attachment D	Capital Expenditure Forecast Through 2017
Attachment E	Annual Tracker Summary
Attachment F	2015 Tracker
Attachment G	2016 Tracker
Attachment H	2017 Tracker
Attachment I	2016 Revenue Forecast
Attachment J	Universal Inputs
Attachment K	Courtenay Project Revenue Requirement by Month
Attachment L	Revised Tariff Sheet
Attachment M	2014 PTC Tax Documentation

<sup>7</sup> The revenue requirements were calculated consistent with past Commission Orders and in accordance with Minn. Stat. § 216B.1645.



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1. *Allocations to Other Jurisdictions*

The proposed revenue requirements are only those related to the State of Minnesota's retail share of eligible costs. In making our calculations, we used the most current data available and the following allocators:

*Interchange Agreement Allocator* allocates a share of the total costs to Northern States Power Company-Wisconsin (NSPW) by multiplying total eligible costs by the Company's currently-effective demand factor under the FERC-approved Interchange Agreement between the Company and NSPW. All investments and expenses received through the RES Rider are billed to NSPW based on demand, per the Interchange Agreement.

*Jurisdiction Allocator* excludes the portion of Company costs not related to serving Minnesota retail customers by multiplying the Company portion of the total by the Minnesota energy allocation factor. This step allocates a share of costs to the North Dakota and South Dakota retail jurisdictions. We used the energy allocator to allocate the wind project PTCs to each jurisdiction. We used both the energy and the demand allocators to allocate the capital expenses related to the Courtenay Wind project to each jurisdiction.

We have allocated costs incurred in a given year with that same year's allocators to properly align cost causation with cost recovery. The principle of matching a particular year's costs to that year's allocators is consistent with the allocation methodology approved in past RES Rider dockets.<sup>8</sup> The forecasted 2015 and 2016 allocators used in this filing will be consistent with the sales data used in our forthcoming rate case and provided in our sales forecast rate case pre-filing.

While we have calculated the revenue requirements in this Petition using forecasted allocators for 2015 and 2016, we propose to true-up the tracker account to the actual allocators when they become available. The actual allocators used to true-up the tracker will be consistent with the allocators used to allocate variable costs (including PTCs) to the Minnesota jurisdiction in our annual jurisdictional reports filed on May 1 each year.

Attachment J provides the Universal Inputs for detailed allocator percentages.

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<sup>8</sup> The most recent examples are Docket Nos. E002/M-10-1066, E002/M-13-475, E002/M-14-733 and E002/M-15-304.

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2. *PTC Forecast*

We estimate PTC benefits based on expected energy production. The Grand Meadow and Nobles wind projects are currently eligible for PTCs. The Border Winds and Pleasant Valley projects will be eligible for PTCs when they go into service in 2015, and Courtenay Wind will be eligible for PTCs when it goes into service in 2016.

The 2015 estimated PTC levels are a part of the base rate levels that were approved by the Commission in its May 8, 2015 Order in Docket No. E002/GR-13-868 and thus are included in base rates in our most recent electric rate case.<sup>9</sup> The PTC level was calculated by multiplying the expected kWh generated by the effective per kWh credit at that time. This filing trues up the PTCs based on actual wind generation for January through July 2015 to the PTCs included in base rates. We include the forecasted PTCs for July through December 2015 which will be trued up in our next RES Rider filing. At that time we will also true up the January through July 2015 PTCs for the actual 2015 jurisdictional energy allocator.

3. *Manual Billing Revenue Adjustment*

As we described in our May 26, 2015 Reply Comments in Docket No. G002/M-15-194 (State Energy Policy Rider), we discovered in early 2015 that the rider adjustment factors are applied to Interdepartmental Sales through a manual billing process. The Interdepartmental Sales are included in the sales forecast to calculate the RES adjustment factor, and the RES adjustment factor has been correctly applied to Interdepartmental billed sales. However, because of the manual nature of the billing process, the revenues collected under the RES adjustment factor for Interdepartmental Sales had been inadvertently excluded from total actual revenues reported in the RES tracker prior to March 2015 when we made the tracker adjustment.

We have made a one-time adjustment of [**TRADE SECRET BEGINS**  
**TRADE SECRET ENDS**] to correct for the underreported revenues in our RES tracker. The adjustment is shown in Table 1 and in the RES tracker.<sup>10</sup>

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<sup>9</sup> Docket No. E002/GR-13-868

<sup>10</sup> We made a similar adjustment in the Transmission Cost Recovery (TCR) Tracker in our June 30, 2015 compliance filing in Docket No. E002/M-14-852. See Footnote 1 and Attachment A, pages 1 and 3 of that filing.

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4. *CWIP and AFUDC*

Our calculations include recovery of a current return on the Construction Work in Progress (CWIP) balance in lieu of future recovery of an Allowance for Funds Used During Construction (AFUDC).

The revenue requirement model thus includes a current return on capital expenditures beginning with the cumulative CWIP balance for the Courtenay project per our requested eligibility date of September 1, 2015. The beginning CWIP balance includes AFUDC incurred prior to the eligibility date. After that date, the Minnesota jurisdictional portion of costs does not include AFUDC, and a current return is calculated on the CWIP balance. The costs included in this adjustment mechanism will not be recovered from customers under any other mechanism.

We note that other NSP jurisdictions do not provide for the same ratemaking treatment of CWIP as provided in the Minnesota jurisdiction. To ensure appropriate allocation to all jurisdictions, we use the traditional method of calculating AFUDC at the total Company level. However, beginning with the eligibility date for each project, we offset total Minnesota Company AFUDC in an amount equal to the AFUDC related to the State of Minnesota retail jurisdiction. This offset, in effect, reduces the amount of AFUDC leaving only the portion that would be allocated to non-Minnesota jurisdictions. In this way, we ensure that costs are appropriately assigned to each jurisdiction, pursuant to their specific ratemaking procedures.

5. *Rate of Return*

We used the 2015 Step returns approved in our most recent state of Minnesota electric rate case<sup>11</sup> to determine the return on CWIP and rate base. Specific components include a 7.37 percent overall rate of return, a 9.72 percent return on equity and an equity ratio of 52.50 percent. Allowable costs include the overall rate of return on investments, O&M expenses, property taxes, current and deferred taxes, and book depreciation.

6. *Depreciation*

The remaining life assumptions used in this filing are consistent with the most recently approved remaining life filing.<sup>12</sup> The Company is proposing a depreciable life

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<sup>11</sup> Docket No. E002/GR-13-868

<sup>12</sup> June 16, 2014 Order in Docket No. E,G002/D-14-181. The Company's most recent Petition to update remaining lives is pending in Docket No. E,G002/D-15-46.

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assumption of 25 years for the Courtenay Wind Farm as that is the standard depreciation the Company assigns to wind assets. If any changes are made to the Courtenay Wind Farm remaining life in future Commission Orders, those changes will be reflected in future filings.

7. *Internal Labor Removal*

Consistent with Commission precedent, we have excluded internal labor costs from the Courtenay project included in this filing. Internal labor expenditures for all years for which the project is under construction total \$4,023,424.

8. *Accumulated Deferred Income Taxes*

The Company is assessing its calculation of the plant related Accumulated Deferred Income Taxes offset to rate base to assure it is calculated in accordance with the proration formula in IRS regulation section 1.167(1)-1(h)(6). No estimates of the potential impact, if any, to the 2016 estimated annual revenue requirements are known at this time.

9. *Additional Information*

The Commission's March 20, 2008 Order in Docket No. E002/M-07-872 stipulated that only incremental costs not recovered elsewhere in Xcel Energy's rates are allowed to flow through the rider.<sup>13</sup> We confirm that our revenue requirements for the 2016 RES Rider Adjustment Factor include only incremental costs not recovered elsewhere in our rates. Costs recovered via the RES Rider are not included in base rates since the Courtenay Wind Farm was not in the 2014 or 2015 test years used in our last Minnesota rate case.

To provide further assurance of the accuracy of our calculations, a consultant has reviewed and verified the accuracy our filing through: (1) recalculation of our revenue requirements and trackers; (2) reviewing the compliance of these calculations with the intent of any statutes; Commission Orders and previous Company filings; and (3) verifying that costs proposed to be included in the RES Adjustment Factor are not included under any other cost recovery mechanism. We have taken these additional steps in this and all other rate rider filings to ensure greater accuracy.

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<sup>13</sup> Ordering Paragraph Number 2(a).

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**E. RES Rider True-up Report**

Similar to other rate adjustment mechanisms, this Rider uses a tracker account as the accounting mechanism. Each month as PTCs are generated, the Company tracks the amount of recovery under the RES Rider Adjustment Factor compared to the amount included in base rates. The under-recovered amounts are recorded in FERC Account 182.3, Other Regulatory Assets, and the over-recovered amounts are recorded in FERC Account 254, Other Regulatory Liabilities. Any over- or under-recovery PTC balance from the prior year is used in the calculation of the RES Adjustment Factor.

With the addition of a capital project to the RES Rider, each month as revenues are collected from retail customers, the Company will track the amount of recovery under the RES rate adjustment and compare that amount with the actual costs including a return on investments, depreciation expense, federal and state income taxes, production taxes, O&M expenses and royalty payments. The differences will be recorded in the RES Tracker account (FERC Account 182.3, Other Regulatory Assets) as the amount of over- or under-recovery. Any over- or under-recovery balance from the prior year is used in the calculation of the RES Adjustment Factor.

Per Commission Order dated March 20, 2008 in Docket No. E002/M-07-872:

*...Xcel is to provide, in subsequent filings, the amount collected from retail customers and the actual costs including a return on investment, depreciation expense, federal and state income taxes, production taxes, operation and maintenance expenses, royalty payments, and production tax credits.<sup>14</sup>*

The amount collected from retail customers and PTCs are included in Attachment B. Attachment E is the RES Rider Tracker.

**F. Calculation of the RES Adjustment Factor**

Attachment C shows the calculation of the RES Adjustment Factor to be applied in 2016:

All Classes	0.820%
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Implementation of this factor results in an average bill impact for a typical residential customer using 750 kWh per month of \$0.55.

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<sup>14</sup> Ordering Paragraph Number 2(d).

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If this Petition has not been approved in time to implement the new Adjustment Factor on January 1, 2016, we propose to update the final 2016 RES Adjustment Factor for the implementation month and include the calculations with the corresponding tariff pages in our compliance filing within 10 days of receiving a final Commission Order in this docket.

**G. Revised Tariff Sheet**

We provide a redline and clean revision to the RES Rider tariff sheet, Sheet No. 5-147, revision 10. Attachment L reflects our proposed 0.820 percent rate to be implemented on January 1, 2016.

**H. Customer Notification**

The Company proposes to provide the below message to customers as a notice on their January 2016 electric bills:

*This month the Resource Adjustment has increased due to changes in the Renewable Energy Standard Rider, which recovers our investments and expenses to add renewable energy systems to our generation resources. The RES Rider portion of the Resource Adjustment is 0.820% of these charges on your bill: basic service charge, energy charge, and demand charge.*

Consistent with past practice, we will work with the Department of Commerce and the Commission Staff regarding our proposed customer notices.

**I. Updates as per Order Points in Related Dockets**

1. *Wind Project Alternative Cost Recovery Stakeholder Discussions*

Order Point No. 24 of the Commission's May 8, 2015 FINDINGS OF FACT, CONCLUSIONS AND ORDER in Docket No. E002/GR-13-868 states:

*By September 1, 2015, or in its next Renewable Energy Standard-rider filing, the Company shall report the results of stakeholder discussions on alternative cost-recovery formulas for the Pleasant Valley and Border Winds projects designed to allocate risks and create incentives.*

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As we have noted in other update filings,<sup>15</sup> the Company and the Minnesota Chamber of Commerce have had several discussions regarding development of a wind incentive mechanism. While we have not, to date, reached a consensus, the discussions have been productive and have explored a number of potential approaches. We will continue to work closely with the Chamber on this issue and report to the Commission on progress.

2. *ND ITC*

In the Commission's discussion of the Courtenay Wind Farm at its July 30, 2015 hearing, the Commission orally approved Decision Option No. 2, which states that the Commission will "Defer making a decision on the disputed North Dakota Investment Tax (ND ITC) allocation issue to Xcel Energy's initial cost recovery filing (either the renewable energy rider or electric rate case." Because the ND ITC issue primarily impacts rate recovery of the Border Winds project which is included in base rates, we intend to comply with this decision option in our upcoming rate case instead of in the present RES Rider Petition.

3. *PTC Tax Documentation*

The Commission's June 1, 2015 Order in our last RES Rider proceeding requires the Company to submit 2014 tax documentation verifying our 2014 production tax credits in our 2015 RES filing.<sup>16</sup> The 2014 tax documentation became available in early September and is included as Attachment M.

**CONCLUSION**

Xcel Energy respectfully requests the Commission approve the proposed 2016 RES Rider revenue requirements and associated Adjustment Factor as described in this filing. Specifically, we request Commission approval of our:

- 2015 RES Rider True-Up Report;
- 2016 Revenue Requirement calculation;
- 2016 RES Rider Adjustment Factor; and
- Revised tariff and customer notice.

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<sup>15</sup> See December 22, 2014 and June 1, 2015 filings in Docket Nos. E002/M-13-603, E002/M-13-716, E002/GR-13-686, and E002/M-14-733.

<sup>16</sup> Docket No. E002/M-15-304

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The Company plans to continue pursuing investments in renewable energy generation projects and appreciates the interest and efforts of state policy makers in supporting this effort.

Dated: September 29, 2015

Northern States Power Company



STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF THE PETITION OF  
NORTHERN STATES POWER COMPANY  
FOR APPROVAL OF THE RENEWABLE  
ENERGY STANDARD RIDER TRUE-UP  
REPORT FOR 2015, REVENUE  
REQUIREMENTS FOR 2016, AND A  
REVISED ADJUSTMENT FACTOR

DOCKET No. E002/M-15-805

**SECOND REVISED PETITION**

**SUMMARY OF FILING**

Please take notice that on September 29, 2015 Northern States Power Company, doing business as Xcel Energy, submitted to the Minnesota Public Utilities Commission a Second Revised Petition for approval of our Renewable Energy Standard (RES) Rider true-up report for 2015, the 2016 RES Rider revenue requirements, and our proposed revised RES Adjustment Factor.

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Northern States Power Company  
State of Minnesota  
Renewable Energy Standard Rider (RES)

Docket No. E002/M-15-805  
Second Revised Petition  
Attachment A  
Page 1 of 1

**Refund of REC Sales Proceeds Calculation**

**REVISED**

*Trade Secret Data Shaded*

<b>Amount</b>	<b>Description</b>	<b>Calculation</b>	<b>Order Point</b>
<b>[TRADE SECRET BEGINS]</b>			
[REDACTED]	Gross Proceeds from Sale of FibroMinn RECs	[REDACTED]	1
\$ (100)	REC Issuance Fees		1A
\$ (17,200)	REC Acquisition Cost of \$0.86/REC	(20,000 RECs x \$0.86/REC)	1B
[REDACTED]	Net Proceeds		
x 5%	Company Share of Net Proceeds Shall Be 5%		1C
[REDACTED]	Company Share of Net Proceeds		
[REDACTED]	Customer Share of Net Proceeds		
\$ 100	REC Issuance Fees		
\$ 17,200	REC Acquisition Cost of \$0.86/REC	(20,000 RECs x \$0.86/REC)	
[REDACTED]	Total Customer Refund	<b>TRADE SECRET ENDS]</b>	

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Northern States Power Company  
State of Minnesota  
Renewable Energy Standard Rider (RES)

Docket No. E002/M-15-805  
Second Revised Petition  
Attachment B  
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<b>PTC Projected Tracker Activity for 2013-2015</b>			
	<b>2013</b>	<b>2014</b>	<b>2015</b>
2012 PTC True-up (1)	743,534	-	-
2013 PTC True-up (2)	(2,131,651)	-	-
2014 PTC True-up (3)	-	(4,955,952)	-
2015 PTC True-up (4)	-	-	902,361
<b>Balance Forward</b>	-	(1,466,393)	(5,059,771)
<b>Total Expense (5)</b>	<b>\$(1,388,117)</b>	<b>\$ (6,422,346)</b>	<b>\$ (4,157,410)</b>
			[TRADE SECRET BEGINS
<b>Revenues (6)</b>	<b>78,276</b>	<b>(1,362,575)</b>	
<b>Balance (7)</b>	(1,466,393)	(5,059,771)	

TRADE SECRET ENDS]

**Notes:**

- (1) Reflects the difference between actual and forecasted PTC's included in the test year in Docket No. E002/GR-10-971.
- (2) Reflects the difference between actual and forecasted PTC's included in the test year in Docket No. E002/GR-12-961.
- (3) Reflects the difference between actual and forecasted PTC's included in the test year in Docket No. E002/GR-13-868.
- (4) Reflects the difference between actual and forecasted PTC's included in the test year in Docket No. E002/GR-13-868.
- (5) Total Expense represents the total revenue requirements for 2013-2015.
- (5) Revenue represents the total revenue for 2013-2015.
- (7) Balance is the amount (over) under collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider.

**PUBLIC DOCUMENT:  
TRADE SECRET DATA EXCISED**

Northern States Power Company  
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<b>PTC Projected Tracker Activity for 2015</b>													
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Forecast	Forecast	
	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	2015 Total
2012 PTC True-up (1)													\$ -
2013 PTC True-up (2)													\$ -
2014 PTC True-up (3)													\$ -
2015 PTC True-up (3)	7,570	(543,652)	(1,295,342)	(479,112)	(138,031)	438,824	29,146	365,952	174,811	1,302,657	278,199	761,339	\$ 902,361
<b>Balance Forward (4)</b>	(5,059,771)												\$ (5,059,771)
<b>Total Expense (5)</b>	<b>\$(5,052,200)</b>	<b>\$ (543,652)</b>	<b>\$ (1,295,342)</b>	<b>\$ (479,112)</b>	<b>\$ (138,031)</b>	<b>\$ 438,824</b>	<b>\$ 29,146</b>	<b>\$ 365,952</b>	<b>\$ 174,811</b>	<b>\$ 1,302,657</b>	<b>\$ 278,199</b>	<b>\$ 761,339</b>	<b>\$(4,157,410)</b>
<b>Revenues (6)</b>	[TRADE SECRET BEGINS]												
<b>Balance (7)</b>													

TRADE SECRET ENDS]

**Notes:**

- (1) Reflects the difference between actual and forecasted PTC's included in the test year in Docket No. E002/GR-10-971.
- (2) Reflects the difference between actual and forecasted PTC's included in the test year in Docket No. E002/GR-12-961.
- (3) Reflects the difference between actual and forecasted PTC's included in the test year in Docket No. E002/GR-13-868.
- (4) Balance over or under recovered from the prior year.
- (5) Total Expense includes the carry-over balance reflecting 2012, 2013, and 2014 PTC true-ups.
- (6) Actual revenue collections.
- (7) Balance is the amount (over) under collected or the difference between the total revenue requirements and the amount of revenue received from customers under this rider.

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Total Production Tax Credit True-Up
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Total Production Tax Credit True-Up

**\$902,361**

2015 PTC True-Up																
	Forecast PTC's						2015 Step - Test Year PTC's (1)						Revenue Requirement True-Up			
	GM	Nobles	Pleasant Valley	Borders	Total	Mn Jur	GM	Nobles	Pleasant Valley	Borders	Total	Mn Jur	MN Jur	Rev Req	Revenue	True-Up
Jan-15	746,664	1,644,474	-	-	2,391,138	1,748,632	889,346	1,490,168			2,379,513	1,753,071	(4,438)	7,570	-	7,570
Feb-15	695,141	1,452,328	-	-	2,147,469	1,570,438	531,137	1,167,839			1,698,976	1,251,695	318,743	(543,652)	-	(543,652)
Mar-15	804,086	1,664,312	-	-	2,468,398	1,805,132	775,912	643,423			1,419,335	1,045,673	759,459	(1,295,342)	-	(1,295,342)
Apr-15	781,401	1,722,260	-	-	2,503,661	1,830,920	678,774	1,425,126			2,103,900	1,550,016	280,903	(479,112)	-	(479,112)
May-15	729,756	1,653,253	-	-	2,383,009	1,742,687	825,861	1,429,712			2,255,573	1,661,760	80,928	(138,031)	-	(138,031)
Jun-15	356,218	909,162	-	-	1,265,380	925,369	525,840	1,079,420			1,605,260	1,182,651	(257,282)	438,824	-	438,824
Jul-15	360,307	727,085	-	-	1,087,392	795,207	291,417	811,143			1,102,560	812,295	(17,088)	29,146	-	29,146
Aug-15	313,174	765,334	-	-	1,078,508	788,710	442,860	918,914			1,361,775	1,003,267	(214,557)	365,952	-	365,952
Sep-15	493,901	1,107,939	-	-	1,601,840	1,171,421	506,651	1,222,482			1,729,133	1,273,913	(102,492)	174,811	-	174,811
Oct-15	733,441	1,561,881	609,114	865,015	3,769,451	2,756,588	639,533	1,359,049	1,580,022	1,190,596	4,769,201	3,520,336	(763,748)	1,302,657	-	1,302,657
Nov-15	739,798	1,628,513	1,181,868	1,524,971	5,075,150	3,711,442	828,499	1,085,561	2,004,763	1,329,318	5,248,141	3,874,550	(163,108)	278,199	-	278,199
Dec-15	608,885	1,315,740	882,391	1,249,511	4,056,527	2,966,526	597,266	1,332,165	1,471,068	1,223,124	4,623,623	3,412,899	(446,373)	761,339	-	761,339
Annual 2015	7,362,772	16,152,281	2,673,373	3,639,497	29,827,923	21,813,071	7,533,096	13,965,002	5,055,853	3,743,039	30,296,990	22,342,125	(529,054)	902,361	-	902,361

  

2015 Allocators & Composite Tax Rate		
Forecast Allocators		
Line 1	Forecast State of Minnesota Energy Allocator	87.3422%
Line 2	Interchange Energy Allocator	83.7278%
Line 3	Composite Tax Rate	41.37%

**Note:**

(1) The Pleasant Valley and Border Winds PTC's can be found in the Company's response to DOC-160 and DOC-161 in Docket No. E002/GR-13-868

(2) The Grand Meadow and Nobles PTC's can be found in the Company's initial filing in Docket No. E002/GR-13-868, Volume 4, Test Year Workpapers, Section III. Rate Base (Plant), Tab P8., Tax Credits, Page P8-2

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**Wind Farm Production Tax Credits**

E																								
PTC Credit per kWh										2015 PTC														
\$ 23.00																								
		A	B	C=A+B	D=(C*E)/1000			A	B	C=A+B	D=(C*E)/1000			A	B	C=A+B	D=(C*E)/1000			A	B	C=A+B	D=(C*E)/1000	
GRAND MEADOW WIND FARM		Gross Energy kWh	Turbine Use kWh	Net Turbine Energy kWh	PTC Credit Value	NOBLES WIND FARM		Gross Energy kWh	Turbine Use kWh	Net Turbine Energy kWh	PTC Credit Value	BORDERS WIND FARM		Gross Energy kWh	Turbine Use kWh	Net Turbine Energy kWh	PTC Credit Value	PLEASANT VALLEY WIND FARM		Gross Energy kWh	Turbine Use kWh	Net Turbine Energy kWh	PTC Credit Value	
January		32,507,065	(43,423)	32,463,642	\$ 746,664	January		71,554,117	(55,266)	71,498,852	\$ 1,644,474	January		0	0	0	\$ -	January		0	0	0	\$ -	
February		30,255,985	(32,476)	30,223,509	\$ 695,141	February		63,204,342	(59,659)	63,144,683	\$ 1,452,328	February		0	0	0	\$ -	February		0	0	0	\$ -	
March		34,999,145	(38,901)	34,960,243	\$ 804,086	March		72,391,815	(30,410)	72,361,405	\$ 1,664,312	March		0	0	0	\$ -	March		0	0	0	\$ -	
April		33,991,826	(17,884)	33,973,942	\$ 781,401	April		74,921,883	(40,830)	74,880,853	\$ 1,722,260	April		0	0	0	\$ -	April		0	0	0	\$ -	
May		31,750,147	(21,629)	31,728,519	\$ 729,756	May		71,931,037	(50,459)	71,880,578	\$ 1,653,253	May		0	0	0	\$ -	May		0	0	0	\$ -	
June		15,519,326	(31,569)	15,487,757	\$ 356,218	June		39,633,168	(104,398)	39,528,770	\$ 909,162	June		0	0	0	\$ -	June		0	0	0	\$ -	
July		15,720,832	(55,289)	15,665,543	\$ 360,307	July		31,709,027	(96,640)	31,612,388	\$ 727,085	July		0	0	0	\$ -	July		0	0	0	\$ -	
August		13,616,242	0	13,616,242	\$ 313,174	August		33,275,397	0	33,275,397	\$ 765,334	August		0	0	0	\$ -	August		0	0	0	\$ -	
September		21,473,964	0	21,473,964	\$ 493,901	September		48,171,249	0	48,171,249	\$ 1,107,939	September		0	0	0	\$ -	September		0	0	0	\$ -	
October		31,888,747	0	31,888,747	\$ 733,441	October		67,907,849	0	67,907,849	\$ 1,561,881	October		26,483,202	0	26,483,202	\$ 609,114	October		37,609,357	0	37,609,357	\$ 865,015	
November		32,165,149	0	32,165,149	\$ 739,798	November		70,804,904	0	70,804,904	\$ 1,628,513	November		51,385,569	0	51,385,569	\$ 1,181,868	November		66,303,100	0	66,303,100	\$ 1,524,971	
December		26,473,273	0	26,473,273	\$ 608,885	December		57,206,088	0	57,206,088	\$ 1,315,740	December		38,364,805	0	38,364,805	\$ 882,391	December		54,326,561	0	54,326,561	\$ 1,249,511	
Total		320,361,702	(241,170)	320,120,531	\$ 7,362,772	Total		702,710,676	(437,661)	702,273,015	\$ 16,152,281	Total		116,233,576	0	116,233,576	\$ 2,673,373	Total		158,239,017	0	158,239,017	\$ 3,639,497	

<b>RES Rate - 2016</b>		
2016 Revenue Requirements	\$	17,244,395
Forecasted Base Revenues		2,102,881,335
RES Rate		0.820%

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Northern States Power Company  
State of Minnesota  
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<b>Capital Expenditures Excluding RWIP and Internal Labor Forecast Through 2017</b>								
<b>Total: Wind Projects</b>			<b>139,936</b>	-	<b>89,693,571</b>	<b>206,143,068</b>	-	<b>295,976,575</b>
Project Name	Sub Project	Eligibility Date	AFUDC Pre- Eligible Total	2014	2015	2016	2017	Total
Courtenay Wind	Production	Sep-15	139,936	-	88,397,727	190,204,153	-	278,741,815
Courtenay Wind	Transmission	Sep-15	-	-	214,255	6,760,351	-	6,974,606
Courtenay Wind	TSG	Sep-15	-	-	815,446	6,828,082	-	7,643,528
Courtenay Wind	Land Rights	Sep-15	-	-	266,143	2,350,483	-	2,616,626



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<b>Annual Tracker Summary</b>			
	<b>2015</b>	<b>2016</b>	<b>2017</b>
	<b>Mixed</b>	<b>Forecast</b>	<b>Forecast</b>
Courtenay Wind	1,442,091	14,877,961	28,938,515
Property Taxes	-	-	664,124
Courtenay PTCs	-	(43,433)	(18,022,294)
O&M (1)	-	871,630	4,886,185
Transmission Costs	-	200,778	1,606,225
<b>Total Courtenay Costs</b>	1,442,091	15,906,937	18,072,755
	<b>[TRADE SECRET BEGINS]</b>		
Manual Billing Revenue True-Up (2)			-
RES PTC Current Balance			-
REC Sales Credit (3)			-
Carryover Balance			(10)
<b>Revenue Requirement (RR)</b>		<b>17,244,395</b>	<b>18,072,746</b>
Revenue Collections (RC)		17,244,405	18,072,746
<b>Balance</b>		(10)	-

(1) Excludes internal labor amounts

(2) Amount includes underreported revenues through March 2015

(3) Docket No. E002/M-15-515

**TRADE SECRET ENDS]**

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Northern States Power Company  
State of Minnesota  
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2015 Tracker													
Carryover	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Annual Total
	Actual	Actual	Actual	Actual	Actual	Actual	Mixed	Forecast	Forecast	Forecast	Forecast	Forecast	Mixed
Courtenay Wind	-	-	-	-	-	-	-	-	199,770	357,089	380,580	504,652	1,442,091
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Courtenay PTCs	-	-	-	-	-	-	-	-	-	-	-	-	-
O&M	-	-	-	-	-	-	-	-	-	-	-	-	-
Transmission Costs	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Courtenay Costs	-	-	-	-	-	-	-	-	199,770	357,089	380,580	504,652	1,442,091
Manual Billing Revenue True-Up	-	-	[TRADE SECRET BEGINS]										
RES PTC Current Balance	-	-	[TRADE SECRET BEGINS]										
<b>Revenue Requirement</b>	-	-	[TRADE SECRET BEGINS]										
Revenue Collections	-	-	[TRADE SECRET BEGINS]										
<b>Balance</b>	-	-	[TRADE SECRET BEGINS]										

[TRADE SECRET ENDS]

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<b>2016 Tracker</b>													
Carryover	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Annual Total
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Courtenay Wind	610,826	621,814	639,606	681,507	759,262	982,869	1,349,320	1,643,664	1,815,250	1,904,453	1,963,050	1,906,340	14,877,961
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Courtenay PTCs	(3,619)	(3,619)	(3,619)	(3,619)	(3,619)	(3,619)	(3,619)	(3,619)	(3,619)	(3,619)	(3,619)	(3,619)	(43,433)
O&M (1)	72,636	72,636	72,636	72,636	72,636	72,636	72,636	72,636	72,636	72,636	72,636	72,636	871,630
Transmission Costs	-	-	-	-	-	-	-	-	-	-	66,926	133,852	200,778
Total Courtenay Costs	679,842	690,831	708,623	750,523	828,278	1,051,885	1,418,336	1,712,680	1,884,266	1,973,470	2,098,993	2,109,209	15,906,937
RES PTC Current Balance	[TRADE SECRET BEGINS]	-	-	-	-	-	-	-	-	-	-	-	-
REC Sales Credit (2)	-	-	-	-	-	-	-	-	-	-	-	-	-
Carryover Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TRADE SECRET ENDS]</b>													
<b>Revenue Requirement</b>	<b>791,297</b>	<b>802,286</b>	<b>820,078</b>	<b>861,978</b>	<b>939,733</b>	<b>1,163,340</b>	<b>1,529,791</b>	<b>1,824,135</b>	<b>1,995,721</b>	<b>2,084,925</b>	<b>2,210,447</b>	<b>2,220,664</b>	<b>17,244,395</b>
Revenue Collections	1,450,748	1,297,051	1,346,298	1,195,611	1,246,808	1,593,426	1,822,483	1,761,254	1,532,057	1,302,137	1,291,486	1,405,047	17,244,405
<b>Balance</b>	<b>(659,451)</b>	<b>(1,154,216)</b>	<b>(1,680,436)</b>	<b>(2,014,068)</b>	<b>(2,321,143)</b>	<b>(2,751,229)</b>	<b>(3,043,920)</b>	<b>(2,981,039)</b>	<b>(2,517,375)</b>	<b>(1,734,587)</b>	<b>(815,626)</b>	<b>(10)</b>	

(1) Excludes internal labor amounts  
(2) Docket No. E002/M-15-515

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Northern States Power Company  
State of Minnesota  
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<b>2017 Tracker</b>													
Carryover	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Annual Total
	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
Courtenay Wind	2,551,092	2,525,720	2,500,347	2,474,974	2,449,602	2,424,229	2,398,857	2,373,484	2,348,111	2,322,739	2,297,366	2,271,994	28,938,515
Property Taxes	55,344	55,344	55,344	55,344	55,344	55,344	55,344	55,344	55,344	55,344	55,344	55,344	664,124
Courtenay PTCs	(1,501,858)	(1,501,858)	(1,501,858)	(1,501,858)	(1,501,858)	(1,501,858)	(1,501,858)	(1,501,858)	(1,501,858)	(1,501,858)	(1,501,858)	(1,501,858)	(18,022,294)
O&M (1)	407,182	407,182	407,182	407,182	407,182	407,182	407,182	407,182	407,182	407,182	407,182	407,182	4,886,185
Transmission Costs	133,852	133,852	133,852	133,852	133,852	133,852	133,852	133,852	133,852	133,852	133,852	133,852	1,606,225
<b>Total Courtenay Costs</b>	<b>1,645,612</b>	<b>1,620,240</b>	<b>1,594,867</b>	<b>1,569,494</b>	<b>1,544,122</b>	<b>1,518,749</b>	<b>1,493,377</b>	<b>1,468,004</b>	<b>1,442,631</b>	<b>1,417,259</b>	<b>1,391,886</b>	<b>1,366,514</b>	<b>18,072,755</b>
RES PTC Current Balance	-	-	-	-	-	-	-	-	-	-	-	-	-
REC Sales Credit (2)	-	-	-	-	-	-	-	-	-	-	-	-	-
Carryover Balance (10)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(10)
<b>Revenue Requirement</b>	<b>1,645,611</b>	<b>1,620,239</b>	<b>1,594,866</b>	<b>1,569,494</b>	<b>1,544,121</b>	<b>1,518,748</b>	<b>1,493,376</b>	<b>1,468,003</b>	<b>1,442,631</b>	<b>1,417,258</b>	<b>1,391,885</b>	<b>1,366,513</b>	<b>18,072,746</b>
<b>Revenue Collections</b>	<b>1,645,611</b>	<b>1,620,239</b>	<b>1,594,866</b>	<b>1,569,494</b>	<b>1,544,121</b>	<b>1,518,748</b>	<b>1,493,376</b>	<b>1,468,003</b>	<b>1,442,631</b>	<b>1,417,258</b>	<b>1,391,885</b>	<b>1,366,513</b>	<b>18,072,746</b>
<b>Balance</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(1) Excludes internal labor amounts  
(2) Docket No E002/M-15-515

**2016 Base Revenue Forecast**

Sales		Jan 1, 2016 through Dec 31, 2016		
State	Class	Smr	Wtr	Total
MN	RES	3,100,387	5,072,666	8,173,053
MN	RSH	86,803	305,251	392,054
MN	SCI	4,829,795	8,716,946	13,546,742
MN	LCI	2,975,847	5,375,555	8,351,402
MN	PSHL	39,366	107,430	146,796
MN	OSPA	29,135	41,571	70,706
MN	ID	4,087	5,148	9,235
	<b>Total</b>	<b>11,065,418</b>	<b>19,624,567</b>	<b>30,689,986</b>

**2016 Rates - Docket No. E002/GR-13-868**

**Base Rev per kWh**

State	Class	Smr	Wtr	Ann
MN	RES	97.68	94.84	95.92
MN	RSH	102.40	65.52	73.64
MN	SCI	72.04	61.06	65.01
MN	LCI	50.13	43.61	45.92
MN	PSHL	162.51	123.45	133.99
MN	OSPA	91.82	81.20	85.50
MN	ID	62.45	62.45	62.45
	<b>Total</b>	<b>73.11</b>	<b>64.97</b>	<b>67.92</b>

**Base Revenue Jan 1, 2016 through Dec 31, 2016**

State	Class	Smr	Wtr	Total
MN	RES	302,838	481,081	783,919
MN	RSH	8,888	19,999	28,887
MN	SCI	347,927	532,258	880,184
MN	LCI	149,180	234,424	383,604
MN	PSHL	6,397	13,262	19,659
MN	OSPA	2,675	3,376	6,051
MN	ID	255	321	577
	<b>Total</b>	<b>818,161</b>	<b>1,284,721</b>	<b>2,102,881</b>

**PUBLIC DOCUMENT:  
TRADE SECRET DATA EXCISED**

Northern States Power Company  
State of Minnesota  
Renewable Energy Standard Rider (RES)

Docket No. E002/M-15-805  
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<b>Universal Inputs</b>							Jan-15	Jan-16	Jan-17
Dates						Forecast	Forecast	Forecast	
<b>Depreciation</b>									
Current			Production	Transmission	TSG	Land Rights			
2015	Book Depreciation Life (yrs)		25.00	57.66	66.32	25.00			
2015	Net Salvage %		-8.50%	-8.62%	-34.49%	0.00%			
Net Salvage %									
	Production						-8.50%	-8.50%	-8.50%
	Transmission						-8.62%	-8.62%	-8.62%
	TSG						-34.49%	-34.49%	-34.49%
	Land Rights						0.00%	0.00%	0.00%
Book Depreciation Lives									
	Production						25.00	25.00	25.00
	Transmission						57.66	57.66	57.66
	TSG						66.32	66.32	66.32
	Land Rights						25.00	25.00	25.00
Book Depreciation Rates (Composite)									
	Production						4.34%	4.34%	4.34%
	Transmission						1.88%	1.88%	1.88%
	TSG						2.03%	2.03%	2.03%
	Land Rights						4.00%	4.00%	4.00%
Book Depreciation Rate: Final Period									
	Production		100%						
	Transmission		100%						
	TSG		100%						
	Land Rights		100%						
<b>Tax Rates</b>									
Income Tax Rates									
	State Income Tax Rate						9.8000%	9.8000%	9.80%
	Federal Income Tax Rate						35.0000%	35.0000%	35.0000%
Composite Income Tax Rate									
	State Composite Income Tax Rate						41.3700%	41.3700%	41.3700%
	Company Composite Income Tax Rate						40.8097%	40.8097%	40.8097%
Tax Depreciation Schedule: MACRS			5	15	SL 20				
Annual	0		0.00%	0.00%	0.00%				
	1		20.00%	5.00%	2.50%				
	2		32.00%	9.50%	5.00%				
	3		19.20%	8.55%	5.00%				
	4		11.52%	7.70%	5.00%				
	5		11.52%	6.93%	5.00%				
	6		5.76%	6.23%	5.00%				
	7		0.00%	5.90%	5.00%				
	8		0.00%	5.90%	5.00%				
	9		0.00%	5.91%	5.00%				
	10		0.00%	5.90%	5.00%				
	11		0.00%	5.91%	5.00%				
	12		0.00%	5.90%	5.00%				
	13		0.00%	5.91%	5.00%				
	14		0.00%	5.90%	5.00%				
	15		0.00%	5.91%	5.00%				
	16		0.00%	2.95%	5.00%				
	17				5.00%				
	18				5.00%				
	19				5.00%				
	20				5.00%				
	21				2.50%				
<b>Cap Structure (Last Authorized)</b>									
	Long Term Debt %						45.6100%	45.6100%	45.6100%
	Long Term Debt Cost (\$s as a % of total)						4.9400%	4.9400%	4.9400%
	Short Term Debt %						1.8900%	1.8900%	1.8900%
	Short Term Debt Cost (\$s as a % of total)						1.1200%	1.1200%	1.1200%
	Weighted Cost of Debt						2.27%	2.27%	2.27%
	Common Stock %						52.5000%	52.5000%	52.5000%
	Common Stock Cost (\$s as a % of total)						9.7200%	9.7200%	9.7200%
	Preferred Stock %						0.0000%	0.0000%	0.0000%
	Preferred Stock Cost (\$s as a % of total)						0.0000%	0.0000%	0.0000%
	Weighted Cost of Equity						5.10%	5.10%	5.10%
							7.37%	7.37%	7.37%
<b>Allocators</b>									
	MN 12-month CP energy (Electric Energy)						87.3422%	87.3278%	87.3278%
	NSPM 36-month CP demand (Interchange Electric)						84.5789%	84.1349%	84.1349%
	<b>Wind</b> Jurisdictional Allocator						73.8731%	73.4732%	73.4732%
	MN 12-month CP demand (Electric Demand)						87.4041%	87.3461%	87.3461%
	NSPM 36-month CP demand (Interchange Electric)						84.5789%	84.1349%	84.1349%
	<b>Trans</b> Jurisdictional Allocator						73.9254%	73.4886%	73.4886%
	MN 12-month CP energy (Electric Energy)						87.3422%	87.3278%	87.3278%
	NSPM Interchange Energy (Interchange Electric)						83.7278%	83.3146%	83.3146%
	<b>PTC</b> Jurisdictional Allocator						73.1297%	72.7568%	72.7568%

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State of Minnesota  
Renewable Energy Standard Rider (RES)

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Courtenay Wind Production & Transmission	Jan-15	Feb-15	Mar-15	Apr-15	May-15	Jun-15	Jul-15	Aug-15	Sep-15	Oct-15	Nov-15	Dec-15	Total
<b>Rate Base</b>													
CWIP	-	-	-	5,555,000	5,885,606	6,114,376	6,560,562	7,005,657	51,914,133	53,357,789	58,719,661	89,833,507	89,833,507
Plant In-Service	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Accumulated Book Depreciation Reserve	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Accumulated Deferred Taxes	-	-	-	(1,430)	(5,266)	(8,499)	(11,871)	(15,469)	(51,332)	(115,549)	(184,014)	(274,948)	(274,948)
<b>End Of Month Rate Base</b>	-	-	-	<b>5,556,430</b>	<b>5,890,871</b>	<b>6,122,875</b>	<b>6,572,433</b>	<b>7,021,125</b>	<b>51,965,465</b>	<b>53,473,338</b>	<b>58,903,675</b>	<b>90,108,455</b>	<b>90,108,455</b>
<b>Return on Rate Base</b>													
Debt Return	-	-	-	5,255	10,827	11,363	12,008	12,857	55,791	99,728	106,290	140,941	455,060
Equity Return	-	-	-	11,807	24,326	25,529	26,978	28,886	125,347	224,057	238,801	316,651	1,022,382
<b>Total Return on Rate Base</b>	-	-	-	<b>17,063</b>	<b>35,153</b>	<b>36,892</b>	<b>38,985</b>	<b>41,744</b>	<b>181,138</b>	<b>323,785</b>	<b>345,091</b>	<b>457,591</b>	<b>1,477,442</b>
<b>Income Statement Items</b>													
AFUDC Pre-Eligible	-	-	-	(14,001)	(28,840)	(30,257)	(32,279)	(34,560)	-	-	-	-	(139,936)
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Book Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Taxes	-	-	-	(1,430)	(3,836)	(3,234)	(3,372)	(3,597)	(35,863)	(64,218)	(68,465)	(90,933)	(274,948)
Gross Up for Income Tax	-	-	-	3,132	7,365	6,924	7,094	7,584	125,149	223,819	238,569	316,495	936,131
<b>Total Income Statement Expense</b>	-	-	-	<b>(12,299)</b>	<b>(25,310)</b>	<b>(26,566)</b>	<b>(28,557)</b>	<b>(30,573)</b>	<b>89,286</b>	<b>159,601</b>	<b>170,104</b>	<b>225,562</b>	<b>521,248</b>
<b>Revenue Requirement</b>													
<b>Total</b>	-	-	-	<b>4,764</b>	<b>9,843</b>	<b>10,326</b>	<b>10,429</b>	<b>11,170</b>	<b>270,424</b>	<b>483,386</b>	<b>515,195</b>	<b>683,153</b>	<b>1,998,690</b>
Are costs eligible for recovery in the Rider?	-	-	-	-	-	-	-	-	1	1	1	1	1
<b>Rider Eligible Revenue Requirement</b>	-	-	-	-	-	-	-	-	199,770	357,089	380,580	504,652	1,442,091
<b>Rider Eligible Revenue Requirement: Annual Totals</b>	-	-	-	-	-	-	-	-	-	-	-	<b>1,442,091</b>	<b>1,442,091</b>

Note: Rider Eligible Requirements are calculated using both Energy and Demand allocators from the separate Production and Transmission components of the project

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Renewable Energy Standard Rider (RES)

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Courtenay Wind Production & Transmission	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Total
<b>Rate Base</b>													
CWIP	90,782,132	92,852,516	95,822,411	105,049,799	118,646,424	171,095,322	226,956,985	257,861,540	260,288,122	266,812,453	273,631,606	0	0
Plant In-Service	-	-	-	-	-	-	-	-	14,618,134	14,618,134	17,234,760	295,976,575	295,976,575
Less Accumulated Book Depreciation Reserve	-	-	-	-	-	-	-	-	11,933	35,800	64,027	600,674	600,674
Less Accumulated Deferred Taxes	(396,609)	(520,566)	(648,056)	(783,758)	(934,835)	(1,130,496)	(1,399,272)	(1,727,071)	(2,039,783)	(2,320,735)	(2,605,815)	20,413,087	20,413,087
<b>End Of Month Rate Base</b>	<b>91,178,740</b>	<b>93,373,082</b>	<b>96,470,467</b>	<b>105,833,557</b>	<b>119,581,258</b>	<b>172,225,818</b>	<b>228,356,258</b>	<b>259,588,611</b>	<b>276,934,105</b>	<b>283,715,522</b>	<b>293,408,154</b>	<b>274,962,814</b>	<b>274,962,814</b>
<b>Return on Rate Base</b>													
Debt Return	171,467	174,555	179,560	191,346	213,205	276,001	378,884	461,515	507,461	530,281	545,863	537,584	4,167,722
Equity Return	385,235	392,173	403,418	429,896	479,006	620,090	851,237	1,036,883	1,140,111	1,191,380	1,226,388	1,207,788	9,363,605
<b>Total Return on Rate Base</b>	<b>556,703</b>	<b>566,728</b>	<b>582,978</b>	<b>621,242</b>	<b>692,211</b>	<b>896,091</b>	<b>1,230,121</b>	<b>1,498,397</b>	<b>1,647,572</b>	<b>1,721,662</b>	<b>1,772,251</b>	<b>1,745,373</b>	<b>13,531,327</b>
<b>Income Statement Items</b>													
AFUDC Pre-Eligible	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Book Depreciation	-	-	-	-	-	-	-	-	11,933	23,867	28,228	536,647	600,674
Deferred Taxes	(121,661)	(123,957)	(127,490)	(135,702)	(151,077)	(195,661)	(268,777)	(327,798)	(312,712)	(280,953)	(285,080)	23,018,902	20,688,034
Gross Up for Income Tax	396,337	403,581	415,131	442,220	492,607	637,785	875,713	1,067,111	1,124,510	1,128,183	1,157,109	(22,705,603)	(14,565,315)
<b>Total Income Statement Expense</b>	<b>274,675</b>	<b>279,624</b>	<b>287,642</b>	<b>306,517</b>	<b>341,530</b>	<b>442,124</b>	<b>606,937</b>	<b>739,313</b>	<b>823,731</b>	<b>871,097</b>	<b>900,257</b>	<b>849,946</b>	<b>6,723,394</b>
<b>Revenue Requirement</b>													
<b>Total</b>	<b>831,378</b>	<b>846,352</b>	<b>870,619</b>	<b>927,759</b>	<b>1,033,742</b>	<b>1,338,215</b>	<b>1,837,057</b>	<b>2,237,710</b>	<b>2,471,303</b>	<b>2,592,759</b>	<b>2,672,507</b>	<b>2,595,318</b>	<b>20,254,721</b>
Are costs eligible for recovery in the Rider?	1	1	1	1	1	1	1	1	1	1	1	1	1
<b>Rider Eligible Revenue Requirement</b>	<b>610,826</b>	<b>621,814</b>	<b>639,606</b>	<b>681,507</b>	<b>759,262</b>	<b>982,869</b>	<b>1,349,320</b>	<b>1,643,664</b>	<b>1,815,250</b>	<b>1,904,453</b>	<b>1,963,050</b>	<b>1,906,340</b>	<b>14,877,961</b>
Rider Eligible Revenue Requirement: Annual Totals	-	-	-	-	-	-	-	-	-	-	-	-	<b>14,877,961</b>

Note: Rider Eligible Requirements are calculated using both E



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Renewable Energy Standard Rider (RES)

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Courtenay Wind Production & Transmission	Jan-17	Feb-17	Mar-17	Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Total
<b>Rate Base</b>													
CWIP	0	0	0	0	0	0	0	0	0	0	0	0	0
Plant In-Service	295,976,575	295,976,575	295,976,575	295,976,575	295,976,575	295,976,575	295,976,575	295,976,575	295,976,575	295,976,575	295,976,575	295,976,575	295,976,575
Less Accumulated Book Depreciation Reserve	1,641,379	2,682,084	3,722,789	4,763,494	5,804,198	6,844,903	7,885,608	8,926,313	9,967,018	11,007,723	12,048,427	13,089,132	13,089,132
Less Accumulated Deferred Taxes	23,150,700	25,888,312	28,625,925	31,363,538	34,101,150	36,838,763	39,576,376	42,313,988	45,051,601	47,789,214	50,526,826	53,264,439	53,264,439
<b>End Of Month Rate Base</b>	<b>271,184,497</b>	<b>267,406,179</b>	<b>263,627,862</b>	<b>259,849,544</b>	<b>256,071,227</b>	<b>252,292,909</b>	<b>248,514,592</b>	<b>244,736,274</b>	<b>240,957,957</b>	<b>237,179,639</b>	<b>233,401,322</b>	<b>229,623,004</b>	<b>229,623,004</b>
<b>Return on Rate Base</b>													
Debt Return	516,564	509,417	502,270	495,122	487,975	480,828	473,680	466,533	459,386	452,238	445,091	437,944	5,727,049
Equity Return	1,160,563	1,144,505	1,128,447	1,112,389	1,096,332	1,080,274	1,064,216	1,048,158	1,032,100	1,016,042	999,985	983,927	12,866,938
<b>Total Return on Rate Base</b>	<b>1,677,127</b>	<b>1,653,922</b>	<b>1,630,717</b>	<b>1,607,512</b>	<b>1,584,307</b>	<b>1,561,102</b>	<b>1,537,896</b>	<b>1,514,691</b>	<b>1,491,486</b>	<b>1,468,281</b>	<b>1,445,076</b>	<b>1,421,871</b>	<b>18,593,987</b>
<b>Income Statement Items</b>													
AFUDC Pre-Eligible	-	-	-	-	-	-	-	-	-	-	-	-	-
Operating Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Property Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Book Depreciation	1,040,705	1,040,705	1,040,705	1,040,705	1,040,705	1,040,705	1,040,705	1,040,705	1,040,705	1,040,705	1,040,705	1,040,705	12,488,458
Deferred Taxes	2,737,613	2,737,613	2,737,613	2,737,613	2,737,613	2,737,613	2,737,613	2,737,613	2,737,613	2,737,613	2,737,613	2,737,613	32,851,352
Gross Up for Income Tax	(1,982,591)	(1,993,922)	(2,005,253)	(2,016,583)	(2,027,914)	(2,039,244)	(2,050,575)	(2,061,906)	(2,073,236)	(2,084,567)	(2,095,897)	(2,107,228)	(24,538,917)
<b>Total Income Statement Expense</b>	<b>1,795,726</b>	<b>1,784,395</b>	<b>1,773,065</b>	<b>1,761,734</b>	<b>1,750,404</b>	<b>1,739,073</b>	<b>1,727,742</b>	<b>1,716,412</b>	<b>1,705,081</b>	<b>1,693,751</b>	<b>1,682,420</b>	<b>1,671,089</b>	<b>20,800,893</b>
<b>Revenue Requirement</b>													
<b>Total</b>	<b>3,472,853</b>	<b>3,438,318</b>	<b>3,403,782</b>	<b>3,369,246</b>	<b>3,334,710</b>	<b>3,300,175</b>	<b>3,265,639</b>	<b>3,231,103</b>	<b>3,196,567</b>	<b>3,162,031</b>	<b>3,127,496</b>	<b>3,092,960</b>	<b>39,394,880</b>
Are costs eligible for recovery in the Rider?	1	1	1	1	1	1	1	1	1	1	1	1	1
<b>Rider Eligible Revenue Requirement</b>	<b>2,551,092</b>	<b>2,525,720</b>	<b>2,500,347</b>	<b>2,474,974</b>	<b>2,449,602</b>	<b>2,424,229</b>	<b>2,398,857</b>	<b>2,373,484</b>	<b>2,348,111</b>	<b>2,322,739</b>	<b>2,297,366</b>	<b>2,271,994</b>	<b>28,938,515</b>
Rider Eligible Revenue Requirement: Annual Totals	-	-	-	-	-	-	-	-	-	-	-	-	<b>28,938,515</b>

Note: Rider Eligible Requirements are calculated using both E

**Redline**

**MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2**

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**RENEWABLE ENERGY STANDARD RIDER (Continued)**

Section No. 5

~~9th~~10th Revised Sheet No. 147

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**DETERMINATION OF RES ADJUSTMENT FACTOR**

The Renewable Energy Standard ("RES") Adjustment Factor shall be the RES annual forecasted revenue requirement as a percentage of "base" revenues. The RES annual forecasted revenue requirement shall be the sum of the Renewable Energy Standard Costs for the forecast period and any residual Tracker balance in the RES Tracker Account.

The RES Adjustment Factor may be adjusted with the approval of the Minnesota Public Utilities Commission (Commission). The RES Factor is:

All Classes

~~0.000%~~0.820%

R

**RENEWABLE ENERGY STANDARD COSTS**

The RES Costs shall be the annual revenue requirements including operation and maintenance (O&M) expenses for Company owned Renewable Energy Project costs and capacity related renewable energy purchased power costs not recoverable through the FCR, that are eligible for recovery under Minnesota Statute Section 216B.1645. A standard model will be used to calculate the total forecasted revenue requirements for each annual period that is determined by the Commission to be eligible for recovery under this Renewable Energy Standard Rider.

**RES TRACKER ACCOUNT**

For each annual true-up period, a true-up adjustment to the RES Tracker Account (residual Tracker balance) will be calculated reflecting the difference between the RES Adjustment recoveries and the actual expenditures for such period. The true-up adjustment shall be included in calculating the RES Adjustment Factor effective with the start of the next annual recovery period.

The RES Adjustment Factor includes a true-up of actuals as available for the previous recovery period and forecast information for the remainder of the recovery period. The Final true-up adjustment for a previous recovery period will be determined by September 1 of the following year, at which time the Company will record a Final adjustment to the RES Tracker Account.

All costs appropriately charged to the RES Tracker Account shall be eligible for recovery through this rider.

**PROVISION OF FORECAST DATA**

To assist commercial and industrial customers in budgeting and managing their energy costs, the Company will annually make available on September 1<sup>st</sup> a 24-month forecast of the RES Adjustment Factor applicable to demand billed C&I customers under this Rider. The forecast period begins January 1<sup>st</sup> of the following year. This forecast will be provided only to customers who have signed a protective agreement with the Company.

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Date Filed: ~~03-30-15~~09-29-15

By: Christopher B. Clark

Effective Date: ~~08-01-15~~

President, Northern States Power Company, a Minnesota corporation

Docket No. E002/M-15-~~304~~805

Order Date: ~~06-01-15~~

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**MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2**

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**RENEWABLE ENERGY STANDARD RIDER (Continued)**

Section No. 5  
10th Revised Sheet No. 147

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**DETERMINATION OF RES ADJUSTMENT FACTOR**

The Renewable Energy Standard ("RES") Adjustment Factor shall be the RES annual forecasted revenue requirement as a percentage of "base" revenues. The RES annual forecasted revenue requirement shall be the sum of the Renewable Energy Standard Costs for the forecast period and any residual Tracker balance in the RES Tracker Account.

The RES Adjustment Factor may be adjusted with the approval of the Minnesota Public Utilities Commission (Commission). The RES Factor is:

All Classes	0.820%
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**RENEWABLE ENERGY STANDARD COSTS**

The RES Costs shall be the annual revenue requirements including operation and maintenance (O&M) expenses for Company owned Renewable Energy Project costs and capacity related renewable energy purchased power costs not recoverable through the FCR, that are eligible for recovery under Minnesota Statute Section 216B.1645. A standard model will be used to calculate the total forecasted revenue requirements for each annual period that is determined by the Commission to be eligible for recovery under this Renewable Energy Standard Rider.

**RES TRACKER ACCOUNT**

For each annual true-up period, a true-up adjustment to the RES Tracker Account (residual Tracker balance) will be calculated reflecting the difference between the RES Adjustment recoveries and the actual expenditures for such period. The true-up adjustment shall be included in calculating the RES Adjustment Factor effective with the start of the next annual recovery period.

The RES Adjustment Factor includes a true-up of actuals as available for the previous recovery period and forecast information for the remainder of the recovery period. The Final true-up adjustment for a previous recovery period will be determined by September 1 of the following year, at which time the Company will record a Final adjustment to the RES Tracker Account.

All costs appropriately charged to the RES Tracker Account shall be eligible for recovery through this rider.

**PROVISION OF FORECAST DATA**

To assist commercial and industrial customers in budgeting and managing their energy costs, the Company will annually make available on September 1<sup>st</sup> a 24-month forecast of the RES Adjustment Factor applicable to demand billed C&I customers under this Rider. The forecast period begins January 1<sup>st</sup> of the following year. This forecast will be provided only to customers who have signed a protective agreement with the Company.

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Date Filed: 09-29-15

By: Christopher B. Clark

Effective Date:

President, Northern States Power Company, a Minnesota corporation

Docket No. E002/M-15-805

Order Date:

**Attachment M**

This attachment is Trade Secret in its entirety.

## 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 No. E002/M-15-805**

Dated this 29<sup>th</sup> day of September 2015

/s/

---

Jim Erickson

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