



414 Nicollet Mall
Minneapolis, Minnesota 55401

**PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED**

November 1, 2013

—Via Electronic Filing—

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: SUPPLEMENTAL FILING
CHANGES IN CONTRACT DEMAND ENTITLEMENTS
DOCKET NO. G002/M-13-663

Dear Dr. Haar:

Northern States Power Company, doing business as Xcel Energy, submits this Supplemental Filing in response to the August 29, 2013 Comments of the Minnesota Department of Commerce, Division of Energy Resources.

The Department recommended we provide a supplemental filing on November 1, 2013 detailing final demand entitlement levels and costs. They also recommend that we provide an update on any hedging transactions that are entered into for the 2013-2014 heating season.

We include the following revised attachments:

- Attachment 1, Schedule 2
- Attachment 2, page 2 of 2
- Attachment 2, Schedule 1, page 1 of 2
- Attachment 2, Schedule 2
- Attachment 3, Schedule 1

Changes to Demand Entitlement Levels

There have been two changes to firm transport entitlement levels that lower the estimated costs provided in the Petition filed August 1, 2013 in Docket No. G002/M-13-663. These changes are summarized below and presented in the revised Attachment 1, Schedule 2, Pages 1 and 2, and Attachment 2, Schedule 1.

1. In the Petition, we planned to purchase 14, 287 Dth/day of firm backhaul capacity on Viking Gas Transmission from Marshfield, WI to the Moorhead/Fargo area and 5,713 Dth/day of firm forward haul capacity from Emerson, Manitoba to the Moorhead/Fargo area for the months of December - February. After further review, we identified a less expensive option that does not require the purchase of the backhaul capacity. Instead, we plan to purchase 10,542 Dth/day of forward haul capacity from Emerson to Moorhead/Fargo and use 9,458 Dth/day of existing Northern Natural Gas upstream capacity at Chisago, MN to meet design day requirements. The upstream capacity is used to feed Northern on an average day; however, on a peak day, the capacity may be used to serve the Moorhead/Fargo area. This change reduces estimated costs \$90,328 from those reported in the Petition. We plan to purchase this capacity in November for a December 1 start date.
2. We released upstream capacity on ANR that is not needed for design day requirements for this winter. This change will further reduce costs by \$85,500.

Update on Hedging Transactions

Updated hedging transactions are presented on the revised Attachment 3, Schedule 1. To date, we have executed two call options and plan to purchase one more call option for the 2013-2014 heating season.

Miscellaneous

A revised Attachment 2, Page 2 contains a small change to the 2012-2013 peak day sendout to add the throughput delivered on Viking. The previously reported quantity reflected only Northern natural throughput. The prior number reported in the Petition did not contain throughput delivered on Viking. In addition, Supplier Entitlement Changes on Attachment 1, Schedule 2, Page 1 were revised to correct the MIECO contract which was originally reported as having a term of three months. The correct term is five months.

At the Commission's hearing of the 2012 Gas Annual Automatic Adjustment (Docket No. G999/AA-756) on September 12, 2013, all regulated gas utilities were ordered to treat all pipeline balancing charges as commodity costs beginning in the November 2013 PGA. The reduction of \$890,604 in demand costs is reflected in Attachment 1, Schedule 2, Page 2. This change is also included in the rate impacts in the revised Attachment 2, Schedule 2. \$890,604 of pipeline balancing costs were removed from the 12-month demand costs and will be included with commodity costs monthly as appropriate for the month (not as a twelfth of the \$890,000). The column "Estimated Nov. 2013 PGA with some Dmd costs moved to IR" now just contains the storage capacity demand costs. As mentioned in our original filing, when the written order in the 2012 Gas AAA is received, we will file an updated proposal in the 2007 – 2013

Contract Demand Entitlement filings to revise our proposal to move some demand costs to interruptible customers to only include storage capacity demand costs.

Portions of our filing contain trade secret information as defined under Minn. Stat. § 13.37. As such, this data is protected from public disclosure and has been marked accordingly. Xcel Energy makes extensive efforts to maintain the secrecy of this information. This information is not available outside the Company except to other parties involved in contracts and to regulatory agencies under the confidentiality provisions of state or federal law, as evidenced by the non-disclosure provisions in the contracts. Xcel Energy also provides this information to state regulatory agencies in the Annual Automatic Adjustment of Charges Reports and in the monthly purchased gas adjustment (PGA) filings in the confidential trade secret versions of these reports.

The supply information has economic value to Xcel Energy, its customers, suppliers, and competitors in at least three ways. If suppliers know the terms of Xcel Energy's supply and transportation contracts, they may be able to use this knowledge to fashion bids to Xcel Energy. Suppliers will be reluctant to offer special favorable terms to Xcel Energy if they know other competitors or customers will gain knowledge of the terms and demand similar terms in the future. Competitors of Xcel Energy such as other LDCs also purchase their services. These competitors may be able to leverage knowledge of Xcel Energy's costs to gain similar terms or may offer slightly better prices to suppliers, denying Xcel Energy's access to this gas or other services.

Any of these results would harm Xcel Energy and its natural gas customers. Because Xcel Energy competes for supplies, transportation, storage, and other services in the wholesale market, disclosure would directly harm Xcel Energy by making its delivered supply cost less competitive. To the extent that Xcel Energy supply costs rise, Xcel Energy's regulated sales customers would have to pay higher natural gas rates. This result would not serve the public interest.

We have electronically filed this document with the Commission, and copies have been served on the parties on the attached service lists.

Please contact Richard Derryberry at (303) 571-7104 or richard.derryberry@xcelenergy.com or me at (612) 330-7529 or paul.lehman@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

PAUL J LEHMAN
MANAGER, REGULATORY COMPLIANCE AND FILINGS

Enclosures
c: Service Lists

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Northern States Power Company
DEMAND COST OF GAS IMPACT - NOVEMBER 2013
REVISED

Docket No. G002/M-13-663
November 1, 2013 Supplement
Attachment 1
Schedule 2
Page 1 of 2

CHANGE IN CONTRACT DEMAND ENTITLEMENTS

<u>Contract Demand Entitlement Changes</u>	<u>Volume Dth/Day</u>	<u>Current Monthly Demand Rates</u>	<u>No. of Months</u>	<u>Total Annual Cost</u>
NNG TFX (Nov - Mar) ¹	4,839	\$ 15.1530	5	\$ 366,626.84
NNG TFX (Nov - Mar) ¹	(4,603)	\$ 15.1530	5	\$ (348,746.30)
NNG TFX (Apr - Oct) ¹	4,839	\$ 5.6830	7	\$ 192,500.26
NNG TFX (Apr - Oct) ¹	(4,603)	\$ 5.6830	7	\$ (183,111.94)
NNG TFX (Jan - Dec) ¹	2,078	\$ 3.8000	12	\$ 94,756.80
NNG TFX (Nov - Mar) ¹	1,498	\$ 8.6272	5	\$ 64,617.73
NNG TFX (Apr - Oct) ¹	1,498	\$ 4.0000	7	\$ 41,944.00
VGT FT-A (Dec - Feb) ²	10,542	\$ 3.7671	3	\$ 119,138.30
VGT FT-A (Dec - Feb) ²	(14,287)	\$ 4.8871	3	\$ (209,465.99)
VGT FT-A (Dec - Feb) ²	5,713	\$ 3.7671	3	\$ 64,564.33
GLGT FT (Nov - Mar) ³	6,706	\$ 9.4560	5	\$ 317,059.68
ANR FTS (Jan - Dec) ⁴	(4,895)	\$ 4.1700	7	\$ (142,885.05)
ANR FTS (Jan - Dec) ⁴	4,855	\$ 4.1600	7	\$ 141,377.60
ANR FSS (Jan - Dec) ⁵	17	\$ 2.0400	12	\$ 416.16
ANR FSS (Jan - Dec) ⁵	88	\$ 0.4000	12	\$ 421.60
Total				\$ 519,214.01

Supplier Entitlement Changes

Change in Supplier Reservation Fees

[TRADE SECRET BEGINS

Total MN & ND Demand Cost Adjustment

Minnesota Allocation Factor (MN/ND Allocated Demand)

MN only Demand Cost Adjustment due to MN/ND Allocated Demand

TRADE SECRET ENDS]

¹NNG Sixth Revised Volume No. 1, Fifth Revised Sheet No. 51, Effective April 1, 2013

²VGT Volume No. 1, Part 5.0 - Statement of Rates, v. 12.0.0, Effective April 1, 2013, demand rate are reduced 2% beginning January 1, 2013 per Docket No. RP13-185.

³GLGT Third Revised Volume No. 1, Part 4.1 - Statement of Rates, v. 2.0.0, Effective August 1, 2011

The GLGT contract for 15,266 Dth as reported in Docket. No. 12-0862 was never entered into.

⁴ANR Third Revised Volume No. 1, Part 4.3 - Statement of Rates, v. 0.0.0, Effective September 30, 2010

⁵ANR Third Revised Volume No. 1, Part 4.9 - Statement of Rates, v. 0.0.0, Effective September 30, 2010

⁶The Tenaska Exchange supply contract was effectuated instead of the GLGT contract for 15,266 Dth as reported in Docket No. 12-0862.

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Northern States Power Company
Demand Cost Changes from Prior Year
REVISED

Docket No. G002/M-13-663
November 1, 2013 Supplement
Attachment 1
Schedule 2
Page 2 of 2

	Volume	Rate	Months	Annual Cost	Winter Cost	Total Cost	Minnesota Deliverable	North Dakota Deliverable	Upstream/System Supply	Footnote
2012 FILED COSTS				\$29,648,751.08	\$27,470,718.55	\$57,119,469.64				
2012 CHANGES FILED TO ACTUAL COSTS										
<u>Contract Demand Entitlement Changes</u>										
GLGT FT (Nov - Mar)	(15,266)	\$ 3.6240	5		\$ (276,619.92)	\$ (276,619.92)	\$ (276,619.92)			1
<u>Supplier Entitlement Changes</u>										
[TRADE SECRET BEGINS										
										2
TRADE SECRET ENDS]										
2012 ACTUAL COSTS				\$29,648,751.08	\$27,253,756.93	\$56,902,508.02	\$ (216,961.62)			
CHANGES FOR 2013 SUPPLEMENTAL FILING										
<u>Contract Demand Entitlement Changes</u>										
NNG TFX (Nov-Mar)	4,839	\$ 15.1530	5		\$ 366,626.84	\$ 366,626.84	\$ 366,626.84			3
NNG TFX (Nov-Mar)	(4,603)	\$ 15.1530	5		\$ (348,746.30)	\$ (348,746.30)	\$ (348,746.30)			3
NNG TFX (Apr-Oct)	4,839	\$ 5.6830	7	\$ 192,500.26		\$ 192,500.26	\$ 192,500.26			3
NNG TFX (Apr-Oct)	(4,603)	\$ 5.6830	7	\$ (183,111.94)		\$ (183,111.94)	\$ (183,111.94)			3
NNG TFX (Nov-Mar)	2,078	\$ 3.8000	5		\$ 39,482.00	\$ 39,482.00	\$ 39,482.00			4
NNG TFX (Apr-Oct)	2,078	\$ 3.8000	7	\$ 55,274.80		\$ 55,274.80	\$ 55,274.80			4
NNG TFX (Nov-Mar)	1,498	\$ 8.6272	5		\$ 64,617.73	\$ 64,617.73	\$ 64,617.73			5
NNG TFX (Apr-Oct)	1,498	\$ 4.0000	7	\$ 41,944.00		\$ 41,944.00	\$ 41,944.00			5
VGT FT-A (Dec-Feb)	(14,287)	\$ 4.8871	3		\$ (209,465.99)	\$ (209,465.99)		\$ (37,254.73)	\$ (172,211.27)	6
VGT FT-A (Dec-Feb)	10,542	\$ 3.7671	3		\$ 119,138.30	\$ 119,138.30		\$ 119,138.30		7
GLGT FT (Nov - Mar)	6,706	\$ 9.4560	5		\$ 317,059.68	\$ 317,059.68	\$ 317,059.68			8
ANR FTS (Apr - Oct)	4,895	\$ 4.1700	7		\$ (142,885.05)	\$ (142,885.05)		\$ (142,885.05)		9
ANR FTS (Apr - Oct)	4,855	\$ 4.1600	7		\$ 141,377.60	\$ 141,377.60		\$ 141,377.60		9
ANR FSS (Jan - Dec)	17	\$ 2.0400	12		\$ 416.16	\$ 416.16		\$ 416.16		9
ANR FSS (Jan - Dec)	88	\$ 0.4000	12		\$ 421.60	\$ 421.60		\$ 421.60		9
NNG Rate Changes				\$ (28,916.16)	\$ (20,654.40)	\$ (49,570.56)	\$ (49,570.56)			10
ANR Rate Changes				\$ (579.48)	\$ (758.55)	\$ (1,338.03)		\$ (1,338.03)		10
ANRS Rate Changes				\$ (374,134.64)	\$ (374,134.64)	\$ (374,134.64)		\$ (374,134.64)		10
WBI Rate Changes				\$ (34,861.44)		\$ (34,861.44)		\$ (34,861.44)		10
ANR Capacity Release					\$ (85,500.00)	\$ (85,500.00)		\$ (85,500.00)		11
NNG SMS (12-Month)	30,650	\$ 2.1800	12	\$ (801,804.00)		\$ (801,804.00)		\$ (801,804.00)		12
VGT OBA (12-Month)	7,200	\$ 1.0000	12	\$ (86,400.00)		\$ (86,400.00)		\$ (86,400.00)		12
VGT OBA (12-Month)	200	\$ 1.0000	12	\$ (2,400.00)		\$ (2,400.00)		\$ (2,400.00)		12
Total				\$ (848,353.96)	\$ (133,005.02)	\$ (981,358.98)	\$ 496,076.50	\$ 47,022.14	\$ (1,524,457.62)	
<u>Supplier Entitlement Changes</u>										
[TRADE SECRET BEGINS										
										13
TRADE SECRET ENDS]										
Total				\$ -	\$ 741.70	\$ 741.70	\$ 741.70	\$ -	\$ -	
TOTAL OF 2013 CHANGES				\$ (848,353.96)	\$ (132,263.32)	\$ (980,617.28)	\$ 496,818.20	\$ 47,022.14	\$ (1,524,457.62)	
2013 COSTS				\$28,800,397.12	\$27,121,493.61	\$55,921,890.73				
2013 CHANGES AS A PERCENTAGE OF SYSTEM RESOURCES							91%	9%		14

Footnote

- Great Lakes backhaul contract reported last year in Docket No. 12-0862. Another contract was used in lieu of this proposed contract.
- Tenaska exchange contract that was entered into in place of the Great Lakes backhaul contract in footnote 1.
- Firm transport capacity serving Brainerd, MN starting November 1, 2013.
- Firm transport capacity serving Hugo, MN starting November 1, 2013.
- Firm transport capacity serving St. Cloud, MN starting November 1, 2013.
- Incremental capacity of 14,287 Dth/day on Viking expired February 28, 2013.
- Incremental transport capacity on Viking for December 1, 2013 through February 28, 2014.
- Incremental backhaul transport capacity on Great Lakes for November 1, 2013 through March 28, 2014. Will be used for ANRS storage withdrawals.
- Volume reductions on ANR transport and storage agreements. Upstream capacity serves demand in either MN or ND.
- Miscellaneous demand rate changes on NNG, ANR, ANRS and WBI contracts. These rate changes did not impact transport capacity volumes.
- Capacity release contract effective November 1, 2013 through March 31, 2014.
- The NNG SMS and VGT OBA agreements are used for system balancing and will be reallocated as commodity costs and no longer reported as demand costs effective November 1, 2013.
- New peaking supply contract with demand charges. Will be in effect November 1, 2013 through March 31, 2014, originally reported effective December 1, 2013 through February 28, 2014.
- Upstream/system supply refers to costs that are incurred to serve all customers on the system across MN and ND. For purposes of this schedule, it is reasonable to split these costs between MN and ND using the overall system jurisdictional factors.

PROPOSAL FOR ENTITLEMENT CHANGE
Department Format dated October 1, 1993

REVISED

1 Provide a peak-day/design-day study by class for the twelve months ending one year from the proposed implementation date of the change(s):

See Attachment 1, Schedule 3.

2 Provide Heating Degree Day (HDD) data for the most recent twelve month period ending March 31 or September 30. This should include HDD, use per firm customer, and the peak season and off-peak HDD used for calculating the Company's design days:

See Attachment 1, Schedule 1, and Attachment 1, Schedule 4.

3 Historical and Projected Design-Day and Peak Demand Requirements:

Minnesota State

Heating Season ¹	Number of Firm Customers ²	Design Day Requirement (Dth)	Total Entitlement plus Storage plus Peak Shaving ³ (Dth)	Peak Day Sendout (Dth)	Heating Degree Days	Actual Peak Day
-1	-2	-3	-4	-5	-6	
Proposed: 2013/2014	441,573	706,935	749,325	Unknown	Unknown	Unknown
2012/2013	439,210	702,159	745,247	689,747	71	1/21/2013
2011/2012	439,055	702,294	745,094	659,263	65	1/19/2012
2010/2011	436,594	699,611	743,781	675,667	69	1/20/2011
2009/2010	433,698	694,487	748,267	590,931	67	12/10/2009
2008/2009	428,852	685,005	732,291	601,425	78	1/15/2009
2007/2008	431,503	683,717	721,506	585,874	72	1/29/2008
2006/2007	424,415	677,733	696,257	568,963	67	2/2/2007
2005/2006	421,570	670,846	691,689	537,660	63	12/5/2005
2004/2005	410,986	649,655	675,120	537,374	60	1/5/2005
2003/2004	401,633	603,468	643,315	561,250	80	1/29/2004
2002/2003	395,807	607,856	642,275	534,385	65	1/20/2003

1 Per Annual Financial Reports.

2 Provide data and calculations for projected number of firm customers by class and in total corresponding to the design day requirement.

See Attachment 1, Schedule 1.

3 Total entitlement for Minnesota is calculated from the Proposed November 1 Entitlement.

See Attachment 1, Schedule 5.

4 Demand Profile:

See Attachment 2, Schedule 1.

5 Rate Impact:

See Attachment 2, Schedule 2.

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Northern States Power Company
COMPANY DEMAND PROFILE
2013-2014 Heating Season

REVISED

Contract No.	Type of Capacity or Entitlement	Current Amount Dth or MMBtu	Proposed Change Dth or MMBtu	Proposed Amount Dth or MMBtu	Contract Length and Expiration Date	Change Description	% of Peak Day Entitlement
Capacity Entitlements							
112183	NNG TF12 BASE (Max)	104,117	0	104,117	10 yrs - 10/31/17		12.36%
112183	NNG TF12 VARIABLE (Max)	0	0	0	10 yrs - 10/31/17		0.00%
112182	NNG TF12 BASE (Disc)	11,937	0	11,937	10 yrs - 10/31/17		1.42%
112182	NNG TF12 VARIABLE (Disc)	82,590	0	82,590	10 yrs - 10/31/17		9.80%
112183	NNG TF5 (Max)	62,415	0	62,415	10 yrs - 10/31/17		7.41%
112182	NNG TF5 (Disc)	29,599	0	29,599	10 yrs - 10/31/17		3.51%
111739	NNG TFX (Nov-Mar)	28,500	0	28,500	8 yrs - 10/31/17		3.38%
112185	NNG TFX (Disc. Nov-Mar)	56,106	2,078	58,184	10 yrs - 10/31/17	Incremental capacity	6.91%
112185	NNG TFX (Disc. 12-month)	21,680	0	21,680	10 yrs - 10/31/17		2.57%
112185	NNG TFX 5 (Disc)	4,415	2,078	6,493	10 yrs - 10/31/17	Incremental capacity	Summer Only
112185	NNG TFX 2 (Disc)	90	2,078	2,168	10 yrs - 10/31/17	Incremental capacity	Summer Only
112186	NNG TFX (Max)	46,855	0	46,855	10 yrs - 10/31/17		5.56%
112186	NNG TFX 2 (Max)	5,800	0	5,800	10 yrs - 10/31/17		Summer Only
112186	NNG TFX 5 (Max)	25,103	0	25,103	10 yrs - 10/31/17		Summer Only
112184	NNG TFX (Disc.)	25,000	0	25,000	10 yrs - 10/31/17		2.97%
122067	NNG TFX (Disc. Nov-Mar)	4,800	1,498	6,298	10 yrs - 10/31/17	Growth election	0.75%
122067	NNG TFX 7 (Disc)	4,800	1,498	6,298	10 yrs - 10/31/17	Growth election	Summer Only
122068	NNG TFX (Nov-Mar)	4,603	236	4,839	10 yrs - 10/31/24	Incremental capacity	0.57%
122068	NNG TFX 7 (Max)	4,603	236	4,839	10 yrs - 10/31/24	Incremental capacity	Summer Only

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VGT to NNG Chisago (1)							
VGT Pierz to NNG (2)							
Capacity Release							
AF0044	VGT FT-A 12 Mos.	29,002	0	29,002	5 yrs - 10/31/18	Contract renewal	3.44%
AF0044	VGT FT-A (Nov-Mar)	4,239	0	4,239	5 yrs - 10/31/18	Contract renewal	0.50%
AF0103	VGT FT-A (Apr-Oct)	5,000	0	5,000	15 yrs - 10/31/14		Summer Only
AF0103	VGT FT-A 12 Mos.	10,000	0	10,000	15 yrs - 10/31/14		1.19%
AF0037	VGT FT-A 12 Mos.	15,600	0	15,600	8.5 yrs - 10/31/17		1.85%
AF0116	VGT FT-A 12 Mos.	1,903	0	1,903	5 yrs - 5/31/16		0.23%
AF0156	VGT FT-A 12 Mos.	72,213	0	72,213	8 yrs - 10/31/17		8.57%
AF0195	VGT FT-A (Dec-Feb)	14,287	(14,287)	0	3 mos - 2/28/2013	Capacity expired	0.00%
TBD	VGT FT-A (Dec-Feb)	0	10,542	10,542	3 mos - 2/28/2014	Capacity acquisition	1.25%
WBI FT-1097		8,000	0	8,000	26.5 yrs - 10/31/19		0.95%
WBI FT-157		461	0	461	20 yrs - 07/01/33	Contract renewal	0.05%
City Gate Deliveries		24,000	0	24,000	10 yrs - 10/31/17		2.85%
LP Peak Shaving		90,000	0	90,000			10.68%
LNG Peak Shaving		156,000	0	156,000			18.52%
Total Design Day Capacity		836,698		842,411			100%
Heating Season Total		836,698		842,411			
Non-Heating Season Total		407,314		411,126			

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Miscellaneous Entitlements with Reservation Fees

Additional Pipeline Entitlements

ANR FIS-106209 12 Mos. (1)	4,829		4,829	7 yrs - 03/31/15		
ANR FIS-106211 (Summer) (1)	4,895	(40)	4,855	7 yrs - 03/31/15	Capacity decrease w/ fuel filing	
ANR FIS-106211 (Winter) (1)	15,171		15,171	7 yrs - 03/31/15		
ANR FIS-114492 12 Mos. (1)	66,500	0	66,500	9 yrs - 10/31/2019		
GLT FT14739 (2)	3,509	0	3,509	4 yrs - 03/31/14		
GLT FT14739 (2)	4,475	0	4,475	4 yrs - 03/31/14		
GLT Backhaul (2)	0	6,706	6,706	5 mos - 03/31/13	Capacity acquisition	
NNG SMS (3)	30,650		30,650	15 yrs - 10/31/17		
VGT OBA (3)	7,400		7,400	14 yrs - 10/31/09		

Supply Entitlements (4)

[TRADE SECRET BEGINS

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Storage Entitlements

ANR Pipeline Storage (.946 MMcf)	15,209	17	15,226	7 yrs - 3/31/15	Capacity increase w/ fuel filing
ANR Storage (.994 MMcf)	15,297		15,297	7 yrs - 3/31/14	
FDD Service (8.085 MMcf)	140,230		140,230	5 yrs - 5/31/17 (1.4 MMcf expires 5/31/13)	
FDD Service (4.5 MMcf)	78,050		78,050	15 yrs - 5/31/27	

(1) Not included in total peak deliverability -- feeds VGT (capacity not additive)

(2) Not included in total peak deliverability -- feeds NNG (capacity not additive).

(3) Not included in total peak deliverability -- entitlement delivered by or associated with TF or FT-A service.

(4) Supply contracts containing reservation fees.

Northern States Power Company
MINNESOTA STATE RATE IMPACT

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Date to implement proposed changes: November 1, 2013

REVISED

	Last Rate Case (G002/GR- 09-1153)	Last Approved Demand Change (G002/M- 06-1454)	Last Month PGA: October 2013	Nov. 2013 PGA with Proposed Demand Entitlement Changes (2)	Estimated Nov. 2013 PGA with some Dmd costs moved to IR (originally proposed in 07-1395) (3)	Change From Last Rate Case	Change From Last Approved Demand Change	Percent Change (%) From Last Month PGA	Change (\$) From Last Month PGA
Residential									
Commodity Cost of Gas (WACOG)	\$5.5042	\$7.0824	\$3.6381	\$3.8426	\$3.8426	-30.19%	-45.74%	5.62%	\$0.2045
Demand Cost of Gas (1)	\$0.9008	\$1.0716	\$0.9355	\$0.9166	\$0.9036	1.75%	-14.46%	-2.02%	(\$0.0189)
Distribution Margin	\$1.8591	\$1.6263	\$1.8591	\$1.8591	\$1.8591	0.00%	14.32%	0.00%	\$0.0000
Total per Dth Cost	\$8.2641	\$9.7803	\$6.4327	\$6.6183	\$6.6053	-19.91%	-32.33%	2.89%	\$0.1856
Average Annual Usage (Dk)	87	87	87	87	87				
Average Annual Total Cost	\$718.60	\$850.43	\$559.35	\$575.49	\$574.36	-19.91%	-32.33%	2.89%	\$16.14
Average Annual Total Demand Cost of Gas	\$78.33	\$93.18	\$81.35	\$79.70	\$78.57				
									Current Allocation
									(\$1.64)
									With Demand Costs moved to Interruptible
									(\$2.77)
Small Commercial									
Commodity Cost of Gas (WACOG)	\$5.4871	\$7.0824	\$3.6381	\$3.8426	\$3.8426	-29.97%	-45.74%	5.62%	\$0.2045
Demand Cost of Gas (1)	\$0.8984	\$1.0873	\$0.9331	\$0.9142	\$0.9012	1.76%	-15.92%	-2.03%	(\$0.0189)
Distribution Margin	\$1.2331	\$1.1366	\$1.2331	\$1.2331	\$1.2331	0.00%	8.49%	0.00%	\$0.0000
Total per Dth Cost	\$7.6186	\$9.3063	\$5.8043	\$5.9899	\$5.9769	-21.38%	-35.64%	3.20%	\$0.1856
Average Annual Usage (Dk)	284	284	284	284	284				
Average Annual Total Cost	\$2,163.87	\$2,643.22	\$1,648.57	\$1,701.28	\$1,697.59	-21.38%	-35.64%	3.20%	\$52.72
Average Annual Total Demand Cost of Gas	\$255.17	\$308.82	\$265.02	\$259.66	\$255.96				
									Current Allocation
									(\$5.37)
									With Demand Costs moved to Interruptible
									(\$9.06)
Large Commercial									
Commodity Cost of Gas (WACOG)	\$5.4871	\$7.0824	\$3.6381	\$3.8426	\$3.8426	-29.97%	-45.74%	5.62%	\$0.2045
Demand Cost of Gas (1)	\$0.8917	\$1.0569	\$0.9264	\$0.9075	\$0.8947	1.77%	-14.14%	-2.04%	(\$0.0189)
Distribution Margin	\$1.2315	\$1.1324	\$1.2315	\$1.2315	\$1.2315	0.00%	8.75%	0.00%	\$0.0000
Total per Dth Cost	\$7.6103	\$9.2717	\$5.7960	\$5.9816	\$5.9688	-21.40%	-35.49%	3.20%	\$0.1856
Average Annual Usage (Dk)	1,463	1,463	1,463	1,463	1,463				
Average Annual Total Cost	\$11,131.14	\$13,561.15	\$8,477.47	\$8,748.94	\$8,730.22	-21.40%	-35.49%	3.20%	\$271.47
Average Annual Total Demand Cost of Gas	\$1,304.24	\$1,545.86	\$1,354.99	\$1,327.35	\$1,308.62				
									Current Allocation
									(\$27.64)
									With Demand Costs moved to Interruptible
									(\$46.37)

(1) Includes demand smoothing

(2) Effective Nov. 1, 2013 - all pipeline balancing charges are included as commodity costs

(3) Proposal only includes moving some storage capacity demand charges to interruptible classes

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	Last Rate Case (G002/GR- 09-1153)	Last Approved Demand Change (G002/M- 06-1454)	Last Month PGA: October 2013	Nov. 2013 PGA with Proposed Demand Entitlement Changes (2)	Estimated Nov. 2013 PGA with some Dmd costs moved to IR (originally proposed in 07-1395) (3)	Change From Last Rate Case	Change From Last Approved Demand Change	Percent Change (%) From Last Month PGA	Change (\$) From Last Month PGA
Small Interruptible									
Commodity Cost of Gas (WACOG)	\$5.4926	\$7.0824	\$3.6381	\$3.8426	\$3.8426	-30.04%	-45.74%	5.62%	\$0.2045
Demand Cost of Gas (1)	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0725	#DIV/0!	#DIV/0!	#DIV/0!	\$0.0000
Distribution Margin	\$0.9635	\$0.8675	\$0.9635	\$0.9635	\$0.9635	0.00%	11.07%	0.00%	\$0.0000
Total per Dth Cost	\$6.4561	\$7.9499	\$4.6016	\$4.8061	\$4.8061	-25.56%	-39.54%	4.44%	\$0.2045
Average Annual Usage (Dk)	7,936	7,936	7,936	7,936	7,936				
Average Annual Total Cost	\$51,236.58	\$63,091.22	\$36,519.08	\$38,142.02	\$38,142.02	-25.56%	-39.54%	4.44%	\$1,622.93
Average Annual Total Demand Cost of Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$575.37				Current Allocation \$0.00
									With Demand Costs moved to Interruptible \$575.37
Medium Interruptible									
Commodity Cost of Gas (WACOG)	\$5.4696	\$7.0824	\$3.6381	\$3.8426	\$3.8426	-29.75%	-45.74%	5.62%	\$0.2045
Demand Cost of Gas (1)	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0592	#DIV/0!	#DIV/0!	#DIV/0!	\$0.0000
Distribution Margin	\$0.0475	\$0.3900	\$0.0475	\$0.0475	\$0.0475	0.00%	-87.82%	0.00%	\$0.0000
Total per Dth Cost	\$5.5171	\$7.4724	\$3.6856	\$3.8901	\$3.9493	-29.49%	-47.94%	5.55%	\$0.2045
Average Annual Usage (Dk)	64,709	64,709	64,709	64,709	64,709				
Average Annual Total Cost	\$357,008.03	\$483,533.20	\$238,493.09	\$251,726.13	\$255,556.91	-29.49%	-47.94%	5.55%	\$13,233.04
Average Annual Total Demand Cost of Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$3,830.79				Current Allocation \$0.00
									With Demand Costs moved to Interruptible \$3,830.79
Large Interruptible									
Commodity Cost of Gas (WACOG)	\$5.5006	\$7.0824	\$3.6381	\$3.8426	\$3.8426	-30.14%	-45.74%	5.62%	\$0.2045
Demand Cost of Gas (1)	\$0.0000	\$0.0000	\$0.0000	\$0.0000	\$0.0548	#DIV/0!	#DIV/0!	#DIV/0!	\$0.0000
Distribution Margin	\$0.4346	\$0.3565	\$0.4346	\$0.4346	\$0.4346	0.00%	21.91%	0.00%	\$0.0000
Total per Dth Cost	\$5.9352	\$7.4389	\$4.0727	\$4.2772	\$4.3320	-27.93%	-42.50%	5.02%	\$0.2045
Average Annual Usage (Dk)	862,845	862,845	862,845	862,845	862,845				
Average Annual Total Cost	\$5,121,167.08	\$6,418,618.68	\$3,514,118.01	\$3,690,569.84	\$3,737,853.76	-27.93%	-42.50%	5.02%	\$176,451.83
Average Annual Total Demand Cost of Gas	\$0.00	\$0.00	\$0.00	\$0.00	\$47,283.91				Current Allocation \$0.00
									With Demand Costs moved to Interruptible \$47,283.91

(1) Includes demand smoothing

(2) Effective Nov. 1, 2013 - all pipeline balancing charges are included as commodity costs

(3) Proposal only includes moving some storage capacity demand charges to interruptible classes

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Current Allocation

Summary	Commodity	Commodity	Demand	Demand	Demand	Total	Total
Change from most recent PGA	Change	Change	Change	Change	Annual	Annual	Annual
Customer Class	(\$/Dk)	(Percent)	(\$/Dk)	(Percent)	Change	Change	Change
					(\$/Dk)	(\$/Dk)	(Percent)
Residential	\$0.2045	5.62%	(\$0.0189)	-2.02%	(\$1.64)	\$16.14	2.89%
Small Commercial	\$0.2045	5.62%	(\$0.0189)	-2.03%	(\$5.37)	\$52.72	3.20%
Large Commercial	\$0.2045	5.62%	(\$0.0189)	-2.04%	(\$27.64)	\$271.47	3.20%
Small Interruptible	\$0.2045	5.62%	\$0.0000	NA	\$0.00	\$1,622.93	4.44%
Medium Interruptible	\$0.2045	5.62%	\$0.0000	NA	\$0.00	\$13,233.04	5.55%
Large Interruptible	\$0.2045	5.62%	\$0.0000	NA	\$0.00	\$176,451.83	5.02%

Demand Costs to Non-Firm

Summary	Commodity	Commodity	Demand	Demand	Demand	Total	Total
Change from most recent PGA	Change	Change	Change	Change	Annual	Annual	Annual
Customer Class	(\$/Dk)	(Percent)	(\$/Dk)	(Percent)	Change	Change	Change
					(\$/Dk)	(\$/Dk)	(Percent)
Residential	\$0.2045	5.62%	(\$0.0319)	-3.41%	(\$2.77)	\$15.01	2.68%
Small Commercial	\$0.2045	5.62%	(\$0.0319)	-3.42%	(\$9.06)	\$49.02	2.97%
Large Commercial	\$0.2045	5.62%	(\$0.0317)	-3.42%	(\$46.37)	\$252.74	2.98%
Small Interruptible	\$0.2045	5.62%	\$0.0725	NA	\$575.37	\$2,198.30	4.44%
Medium Interruptible	\$0.2045	5.62%	\$0.0592	NA	\$3,830.79	\$17,063.82	7.15%
Large Interruptible	\$0.2045	5.62%	\$0.0548	NA	\$47,283.91	\$223,735.74	6.37%

DERIVATION OF CURRENT PGA COSTS

November 1, 2013 Supplement

November 1, 2013 - Filed Costs

Attachment 2

REVISED

Schedule 2

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Demand Cost (Res, Sm & Lg Commercial Firm)

	<u>Annual Cost</u>	<u>Winter Cost</u>	<u>Total</u>
1. MN & ND Total Demand	\$28,800,397	\$27,121,494	
2. x <u>Minnesota Design Day Ratio (2013 Demand Entitlement Filing)</u>	88.95%	88.95%	
3. Annual System Demand Allocation to MN	\$25,617,953	\$24,124,569	
4. <u>MN State Design Day (2013 Demand Entitlement Filing)</u>	706,935	706,935	
5. - <u>Small & Large Demand Billed Dth (2013 Demand Entitlement Filing)</u>	21,262	21,262	
6. Non-Demand Billed Design Day Dkt (4 - 5)	685,673	685,673	
7. Non-Demand Billed Allocation (3 x 6 / 4)	\$24,847,442	\$23,398,975	
8. Demand Billed Cost Allocation (3 - 7)	\$770,511	\$725,594	
9. MN Annual / Seasonal Firm Therm Sales (2010 Rate Case)	527,615,567	403,181,815	
10. Demand Unit Cost \$/Therm (7 / 9)	\$0.04709	\$0.05804	\$0.10513
11. Demand Cost True-up - Residential, Oct-May			\$0.00016
12. Demand Cost True-up - Commercial, Oct-May			(\$0.00029)
13. Total Demand Rate - Residential (10 +11)			\$0.10529
14. Total Demand Rate -Commercial (10 + 12)			\$0.10484

Demand Cost (Demand Billed)

15. Cost Allocated to Demand Billed (8)	\$770,511	\$725,594	\$1,496,105
16. / <u>Annual Contract Billing Demand (2013 Demand Entitlement Filing)</u>			2,551,496
17. Monthly Commercial Demand Billed Demand Rate			\$0.58636

Commodity Costs

	<u>Monthly Cost</u>
18. NNG Annual/Best Effort/Viking/WBI/Xcel Energy Pk Shv	\$31,553,148
19. x <u>MN Portion of Monthly Retail Sales</u>	86.93%
20. MN Portion of Monthly Commodity Costs	\$27,429,151
21. MN Budgeted Calendar Month Retail Therm Sales	71,382,515
22. Commodity Unit Cost \$/Therm (20 / 21)	\$0.38426

Total Gas Cost per Therm

23. Residential (13 + 22)	\$0.48955
24. Small & Large Commercial (14 +22)	\$0.48910
25. Small & Large Demand Billed - Demand (17)	\$0.58636
26. Small & Large Demand Billed - Commodity; All Interruptible (22)	\$0.38426

CERTIFICATE OF SERVICE

I, SaGonna Thompson, 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. G002/M-13-663

Dated this 1st day of November 2013

/s/

SaGonna Thompson
Records Analyst

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