

May 28, 2015

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Xcel Energy Electric Rate Case April 30, 2015 Preliminary Compliance - Interim Rate Refund Schedules**
Docket No. E002/GR-13-868

Dear Mr. Wolf:

Attached are the *Comments* of the Minnesota Department of Commerce, Division of Energy Resources (the Department or DOC) in the following matter:

Preliminary Compliance Filing – Interim Rate Refund Schedules submitted by Northern States Power Company d/b/a Xcel Energy (Xcel Energy or the Company)

The *Preliminary Compliance Filing* was submitted on April 30, 2015 by:

Aakash H. Chandarana
Regional Vice President
Rates and Regulatory Affairs
Xcel Energy
414 Nicollet Mall
Minneapolis, MN 55401-1993

The Department reviewed the Company's compliance and recommends approval of the Company's alternate proposal, which is the Department's proposal.

Sincerely,

/s/ DALE V. LUSTI
Financial Analyst
651-539-1829

DVL/lt
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET No. E002/GR-13-868

The Minnesota Department of Commerce, Division of Energy Resources (Department or DOC) reviewed the methodology for determining the interim rate refund as proposed by Northern States Power Company, a Minnesota Corporation d/b/a Xcel Energy (Xcel Energy or the Company) in its April 30, 2015 Preliminary Compliance – Interim Rate Refund Filing in the current docket, and offers the following comments.¹

The Company's and Department's proposals are calculated in a similar manner, but with one distinct difference. The difference is that the Company's proposal would allow it to recover under-collections during the period of January 3, 2015 through May 7, 2015 whereas the Department's proposal would not.

As the Department's January 13, 2015 letter indicated, Minnesota statutes do not specifically provide direction on interim rate refunds in a multiyear rate proceeding. Thus, the Minnesota Public Utilities Commission (Commission) has discretion to make its own interpretation as to what is the appropriate interim rate over- or under-recovery, and potential refunds, surcharges, etc. As the Department stated in that letter, and as revised in the January 16, 2015 letter to reflect that Xcel waived the statutory deadline to allow the Commission more time to decide issues in this proceeding:

¹ The Department also filed comments and recommendations regarding Xcel's April 24, 2015, draft Compliance Filing – Preliminary Schedules ("Preliminary Financial Compliance Filing"). For example, in its May 28, 2015, Request for Reconsideration and Clarification in MPUC Docket No. E-002/GR-13-868 regarding the Commission's *Findings of Fact, Conclusions of Law and Order* ("Rate Case Order"), the Department objected to Xcel's incorrect calculation of the revenue effect of the Commission's May 8, 2015, decision in Docket No. E002/CI-13-754 that allowed Xcel no return on the Monticello plant cost overruns (Monticello Order). With respect to the Rate Case Order as well as to the Commission's Monticello Order, the Department recommended for purposes of clarity and ease of reviewing the Company's compliance that the Commission confirm that its decisions relied on Commission Staff's Footnote 1 of the Addendum to Staff Briefing Papers (Monticello Remedy Table), MPUC Docket No. E-002/CI-13-754, and that was e-filed on May 7, 2015 in the 13-754 docket). The Department also filed comments regarding Xcel's proposed rates.

In addition, on May 27, 2015, the Department filed comments regarding the insurance proceeds for the capital rebuild costs related to Sherco 3.

A key factor that appears to distinguish between these two options is whether the Commission focuses on rates or revenues. If the Commission focuses on revenues only, then Xcel's approach may be acceptable. However, if the Commission focuses on rates, then the Commission should consider the fact that there are two sets of rates to decide, one set for 2014 and one for 2015. In that case, the statute appears to require a comparison of interim rates and final rates separately for the two test years:

If, at the time of its final determination, the commission finds that the interim rates are less than the rates in the final determination, the commission shall prescribe a method by which the utility will recover the difference in revenues between the date of the final determination and the date the new rate schedules are put into effect.

If the Commission focuses on rates in each year of the multi-year rate case, then the approach of comparing interim rates to final rates for the two test years would be appropriate.

The Department observes that the language in statute refers to rates rather than revenues. Thus, for purposes of determining the interim rate refund in this proceeding, considering each test year separately appears to be more consistent with Minnesota Statutes Section 216B.16, subd. 3 (c). Thus, the Department recommends that the interim-rate refund be determined by adding interest to the 12 monthly over-collections during the year 2014, reduced by under-collections during the period of March 24, 2015 through the date new rate schedules are put into effect.

Now that the Commission has authorized final rates that are higher than interim rates, there is an additional matter to address regarding interim rates. When final rates are higher than interim rates, Minnesota Statutes section 216B.16, subd. 3(c) is clear that the relevant date for surcharging ratepayers is the date of final determination of rates:

If, at the time of its final determination, the commission finds that the interim rates are in excess of the rates in the final determination, the commission shall order the utility to refund the excess amount collected under the interim rate schedule, including interest on it which shall be at the rate of interest determined by the commission. The utility shall commence distribution of the refund to its customers within 120 days of the final order, not subject to rehearing or appeal. **If, at the time of its final determination, the commission finds that the interim rates are less than the rates in the final determination, the commission shall prescribe a method by which the utility will recover the difference in revenues between the date of the**

final determination and the date the new rate schedules are put into effect. (Emphasis added).

Thus, the Company's proposal to seek higher recovery from ratepayers than the level of interim rates for the period of January 3, 2015 through May 7, 2015 (assuming May 8 to be the date when final rates were in effect) is not statutorily recoverable, unless the Commission determines that exigent circumstances exist to support recovery during the January 3rd through May 7th period.² Table 1 below compares the Company's proposal to surcharge ratepayers for the period January 3, 2015 through May 7, 2015 to the Department's proposal.

Table 1

Interim Refund Estimates:	Description of Calculation	Company Proposal in Millions	DOC Proposal in Millions
2014 over-collection		\$65.5	\$65.5
2015 under-collection (Jan 3 - May 7)	\$3.4 million x 4 months = \$13.5 million	(\$13.5)	\$0.0
2015 statutorily allowed surcharge (May 8 - Aug 31)	\$3.4 million x 4 months = \$13.5 million	(\$13.5)	(\$13.5)
2015 total under-collection/surcharge		(\$27.0)	(\$13.5)
Final refund		\$38.5	\$52.0
Interest		\$2.2	\$2.4
Final refund plus interest		\$40.7	\$54.4
Estimated Average Residential Refund		\$14.55	\$19.46

1/ All data in Table 1 is from Schedule A, Page 1 of 7 of Xcel Energy's April 30, 2015 Preliminary Compliance - Interim Rate Refund Filing. The Department notes that if the authorized rate increase changes for either year, the authorized interest rate changes, and/or the actual revenue collections differ from Xcel Energy's assumptions; refund amounts will need to be recalculated.

2/ The estimated refunds are listed in dollars and cents; not in millions.

² Minnesota Statutes Section 216B.16, subd. 3(b) states: "Unless the commission finds that exigent circumstances exist, the interim rate schedule shall be calculated using the proposed test year cost of capital, rate base, and expenses, except that it shall include: (1) a rate of return on common equity for the utility equal to that authorized by the commission in the utility's most recent rate proceeding; (2) rate base or expense items the same in nature and kind as those allowed by a currently effective order of the commission in the utility's most recent rate proceeding; and (3) no change in the existing rate design."

Compliance with Minnesota Statutes section 216B.16, subd. 3(c)

On Page 5 of Schedule B, the Company implies that its Proposed Interim Refund Plan in the current docket is consistent with precedent from the 2010 rate case stating:

While it is true that this proceeding has gone on longer than most traditional rate cases, many traditional rate cases have interim rates in effect for longer than one year. And the interim rate calculation method the Company proposes here was utilized in our lengthier 2010 rate case [Docket No. E002/GR-10-971 (the 10-971 docket)]; the only difference in that case was that our interim rates were reduced to account for a settlement outcome, mitigating the effect of interim rates on our customers. The Company's proposal is consistent with this precedent.

However, the Company claim that its Proposed Interim Refund Plan in the current docket is consistent with precedent from the 2010 rate case is not accurate. Where the two rate cases differ is that the 13-868 docket has final rates *exceeding* the interim rate level during the 2nd year of the interim rates being collected; whereas the 10-971 docket had final rates lower than interim rates in the second year of the interim rates being collected, as shown in Attachment A.³

Compliance with Minnesota Statutes section 216B.16, subd. 19, and the Commission's June 17, 2013 Multiyear Rate plan Order (Docket No. E.G-999/M-12-587)

The Company on Page 5 of its Compliance Filing stated that, even if Xcel had requested interim rates in the second year of its multi-year rate case, final rates in 2015 still would have been higher:

...while we disagree with the Department's approach in this case, we do agree that MYRPs could depart from the historic method of setting rates by adjusting interim rate levels for each year of the MYRP while a rate case is pending. Had we asked for an increase in 2015 interim rates, the Department's approach to calculating the interim rate refund could be appropriate although the same result would occur under our proposal as well.

Whether a utility changes its interim rate levels for different years within a MYRP is irrelevant to how refunds of interim rates are calculated pursuant to Minnesota Statutes section 216B.16, subd. 3(c). Since the Company admits that the Department's approach could be appropriate if interim rate levels changed, and since interim rate level changes are irrelevant to how refunds are calculated pursuant to the above statute, it appears that the Company

³ Attachment A is Xcel Energy's cover letter and Schedule 9 as filed on June 4, 2012 in Docket No. E002/GR-10-971.

agrees that the DOC's proposed calculation of the interim rate refund in this proceeding is appropriate.

Extensions in this proceeding

In a traditional rate case, the Commission's Order would have been due by September 4, 2014. Minnesota Statutes section 216B.16, subd. 2(f) provided for a 90-day extension to December 3, 2015. Minnesota Statutes section 216B.16, subd. 19(d) on MYRPs provided an additional 90-day extension for the Commission to file its report by March 3, 2015. On February 7, 2014, the Company agreed to waive its rights under Minnesota Statutes section 216B.16, subds. 2(a) and (e) to allow the Commission an extension to file its Findings of Fact, Conclusions of Law and Order by March 24, 2015. On October 24, 2014, the Company agreed to a second waiver of its rights under Minnesota Statutes section 216B.16, subds. 2(a) and (e) to allow the Commission an extension to May 8, 2015.

Were it not for Minnesota Statutes section 216B.16, subd. 3(c), it would have been reasonable for the Commission to allow Xcel Energy to recover its under-collection of interim rates during the period March 3rd through May 7th because the Company was not required to waive its right to have a Commission decision by March 3, 2015. If the Commission were to find that exigent circumstances exist, recovery during the March 3rd through May 7th period would be reasonable.

Recommendation

In conclusion, the Department recommends that, unless the Commission finds exigent circumstances to support the Company's rate refund request of \$40.7 million (which includes interest), the Commission should approve an interim rate refund of \$54.4 million (including interest), which is the Company's alternate proposal. However, the refund amount would need to be recalculated if the Commission's authorized rate increase changes for either year (2014 or the 2015 Step), the authorized interest rate changes from the rate the Company used in the calculation, and/or the revenue collections differ from the Company's assumptions.

/lt



414 Nicollet Mall
Minneapolis, Minnesota 55401-1993

June 4, 2012

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

—Via Electronic Filing—

RE: XCEL ENERGY ELECTRIC RATE CASE
FINAL RATES COMPLIANCE FILING
DOCKET NO. E002/GR-10-971

Dear Dr. Haar:

Northern States Power Company, doing business as Xcel Energy, submits the enclosed Compliance Filing pursuant to the Minnesota Public Utilities Commission's *Findings of Fact, Conclusions, and Order* issued May 14, 2012 in the above-referenced docket. The Compliance Filing includes responsive descriptions and schedules submitted in accordance with Ordering Paragraph 5 of the Order.

This compliance filing is based on the authorized 2011 test year increase of \$58,036,000, which includes the \$30 million rate reduction related to depreciation,¹ to produce jurisdictional total retail related revenue of \$2,723,979,000 for the test year ending December 31, 2011. The 2012 step increase results in an authorized increase of \$72,851,000 to produce jurisdictional total retail related revenue of \$2,738,794,000 for the year beginning January 1, 2012. The rates reflected in the attached schedules are based on the authorized increase effective January 1, 2012 (including the step increase) and use the rate design approved by the Commission in Ordering Paragraphs 1, 2 and 3.

The Company requests the Commission allow Xcel Energy to put final rates in effect no later than August 1, 2012, with interim rate refunds commencing by September 11, 2012 (within 120 days from the Order date). The Company proposes to prorate the implementation of final rates.

¹ NSP-Minnesota reduced depreciation expense and revenues by approximately \$30 million in the fourth quarter of 2011 to reflect the proposed settlement in this case. See the Company's 2011 SEC Form 10-K issued February 27, 2012, Page 29, Footnote (a).

Our proposed Refund Plan is included as Schedule 9. Minn. Stat. §216B.16, subd. 3, paragraph (c) requires interim rate refunds to commence within 120 days of the date of the final Order, not subject to rehearing or appeal. Under our proposal, interim rates will terminate on July 31, 2012, new final rates will begin August 1, 2012 and customer refunds will commence approximately 30 days from the start of new rates, meeting the requirements of the statute.

In addition, the Refund Plan includes our proposal to handle the unrecovered Metro Emissions Reduction Project ("MERP") and Renewable Energy Standard ("RES") rider balances for 2012 through an adjustment to the interim rate refund. As proposed in the Direct Testimony of Company witness Ms. Anne Heuer, the revenue requirements previously collected through the MERP and RES riders are being rolled into base rates as part of this rate case. Because there are unrecovered MERP and RES Tracker balances, we are proposing an adjustment to the interim rate refund to reflect the uncollected amounts for 2012.

In our October 2011 MERP filing and November 2011 RES filing (Docket Nos. E002/M-02-633 and E002/M-10-1066), we indicated that at the time of our final rate compliance filing in this case, we would file revised rider adjustment factors to reflect that there will be no further recovery of costs under these riders. Further, in our MERP filing we indicated that depending on the Tracker balance at the time we roll the rider costs into base rates, we may propose to continue the rider for an additional year or propose another method to either return or collect the balance in the Tracker account. While we could continue the MERP and RES riders to recover the balances, our proposed adjustment to the interim rate refund effectively takes these riders to \$0 balances. Schedule 9 further describes our proposal.

Finally, we note that the Commission's Order approved a change related to the treatment of non-asset based margins beginning with the 2011 test year. While this change will be accounted for through an adjustment to the fuel clause rider and is not a part of this compliance filing, we summarize the information here for completeness. Non-asset based margins for 2011 were credited as usual to customers through the monthly FCA. The Commission Order in this case provides that the costs for 2011 be included in base rates and the non-asset based margins no longer be credited through the FCA. As such, we will reverse the credits that have already been applied for 2011 through a one-time adjustment to the FCA upon implementation of final rates in this case. Details related to this credit will be provided in our monthly FCA filing when the adjustment is included.

Dr. Burl Haar
June 4, 2012
Page 3 of 3

We have electronically filed this document with the Commission, which also constitutes service on the Department of Commerce and the Office of the Attorney General – Antitrust and Utilities Division. A copy of this filing has been served on all parties on the official service list in this docket.

Please contact me at (612) 330-7571 or debra.j.paulson@xcelenergy.com if you have any questions regarding this compliance filing.

Sincerely,

/s/

DEBRA J. PAULSON
MANAGER, RATE CASES

Enclosures
c: Service List

CERTIFICATE OF SERVICE

I, Lindsey Didion, 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/GR-10-971

Dated this 4th day of June 2012

/s/

Lindsey Didion
Administrative Assistant

Schedule 9: Interim Refund Plan

Ordering Paragraph 5., F.:

Provide a proposal to make refunds of interim rates, including interest calculated at the average prime rate, to affected customers.

- The Interim Refund Plan is provide in the following Schedule 9 and Attachments A through D.

INTERIM REFUND PLAN

Xcel Energy submits the following plan for refunding the portion of the interim rate surcharge that will exceed the final rate increase amount authorized by the Minnesota Public Utilities Commission (“Commission”) in its May 14, 2012 *Findings of Fact, Conclusions, and Order* (“Order”). The interim rate period subject to refund is January 2, 2011, when interim rates began, through April 30, 2012. (As discussed below, effective May 1, 2012, the Company reduced the interim rate increase to equal the final rate increase, including the 2012 step increase.) Interim rate refunds are proposed to begin by September 11, 2012, within 120 days of the Order

Background

On December 27, 2010, the Commission issued its Order setting interim rates and authorizing an interim increase of \$123,032,000 on an annual basis for service occurring on and after January 2, 2011. The interim rate surcharge was 7.58%.

During contested case proceedings, the Company and four interveners reached a settlement of all financial issues in the case (Stipulation and Settlement Agreement submitted November 11, 2011, “Settlement”). The Settlement reduced the proposed rate increase for 2011 to \$58,036,000 and the proposed additional “step” rate increase for 2012 to \$14,815,000, for a total rate increase of \$72,851,000. Under the terms of the Settlement, the parties also agreed to explore the potential for the Company to prospectively reduce interim rates on an expedited basis to levels reflecting the final revenue requirement agreed to in the Settlement.

On February 6, 2012, the Company filed a petition to prospectively reduce interim rates to the above levels, subject to the condition that it be held harmless if the Commission adopted a different revenue deficiency from the one proposed in the Settlement.

In its April 4, 2012 Order, the Commission granted the Company’s voluntary, conditioned request to reduce the interim rate increase to an annualized level of \$72,851,000, with a 4.49% interim rate factor on customer bills, effective for bills rendered on and after May 1, 2012. The Company implemented the reduced interim surcharge on May 1, 2012.

In its May 14, 2012 Order, the Commission approved the financial terms of the Settlement. As such, the 2011 test year refund amount is \$64,996,000, while the refund amount for 2012 is \$50,181,000 (annualized). The steps that Xcel Energy will use for distributing this refund are described below.

Interim Rate Refund Plan

The ordered 2011 test year revenue increase (line 2 of Attachment A) is subtracted from the authorized interim revenue increase (line 1 of Attachment A) to provide the test year interim refund (line 3 of Attachment A). The test year 2011 refund is shown in column 1 of Attachment A, while the 2012 refund is shown in column 2. For each year, the interim refund as a percent of the interim increase equals the interim refund factor (52.8285% for test year 2011 and 40.7869% for 2012; line 4 of Attachment A). These interim refund factors are applied to the actual monthly interim revenues collected in each year to provide actual monthly refund amounts (Attachment B). (Actual interim rate recoveries in 2011 were approximately \$116 million, less than the authorized \$123 million level.) The total refund amount without interest is estimated at \$76,762,674 (line 6 of column 3 of Attachment A).

As part of the refund, Xcel Energy will include interest, calculated by applying the monthly prime rate to the average refund balance for each month that interim revenues were collected (January 2011 through April 2012). The interest calculation is shown on Attachment C, with total interest charges to be refunded estimated at \$2,630,499.

In addition, the Metro Emissions Reduction Project (“MERP”) costs recovered through the Environmental Improvement Rider (“EIR”) and the costs recovered through the Renewable Energy Standard (“RES”) rider are being rolled into base rates as part of this rate case. As noted in our cover letter to this compliance filing, we are proposing an adjustment to the interim refund to reflect the uncollected amounts for 2012.

The Company has made an adjustment based on the Commission-approved 2011 MERP/RES revenue requirement compared to MERP/RES revenue collections for January 2012 through August 2012. The annual MERP/RES revenue requirement is shown on row 9 of Attachment A, with additional detail shown in Schedule 1C. Assuming that final rates are implemented on August 1, 2012, line 10 shows the Commission-approved annual revenue requirement adjusted for seven months of sales. Estimated actual MERP/RES revenues for January to August 2012 are shown on line 11 and Attachment D, while the MERP/RES revenue shortfall is shown on line 12. (The total shortfall is \$6.952 million.) The actual interim revenue refund obligation adjusted for interest (line 8 of Attachment A) less the MERP/RES revenue shortfall is shown on line 13. The total refund obligation as a percent of total actual interim revenues collected equals the actual interim revenue refund factor, which is estimated to be 47.1199% (line 14 of Attachment A).

For every customer assessed an interim rate charge, a refund will be calculated by multiplying the customer's actual interim rate charges during the period from January 2011 through April 2012 by the refund factor. Refunds of the applicable franchise fees and sales taxes will also be included in the refund amount. The interim rate refunds will be credited to accounts during a monthly billing cycle beginning no later than September 11, 2012. Refunds for existing customers will be in the form of a bill credit posted to the customer's account. A bill message will be developed to briefly describe the refund credit. Customers due a refund who are no longer Xcel Energy customers will receive a check if the refund amount is greater than \$2.00. Any residual unrefunded monies will be handled in accordance with Minn. Stat. § 345.34.

[3] = [1] + [2]

[2]

[1]

Test Year Interim Revenues

Total

2012

2011

	2011	2012	Total
1 Interim Rate Increase	\$123,032,000	\$123,032,000	
2 Settlement Base Rate Increase	\$58,036,000	\$72,851,000	
3 Interim Refund (line 1 - line 2)	\$64,996,000	\$50,181,000	
4 Interim Revenue Refund Factor (line 3 / line 1)	52.8285%	40.7869%	
5 Actual Interim Revenues Collected (Attachment B)	\$116,742,783	\$36,995,245	\$153,738,027
6 Actual Interim Revenue Refund w/o Interest (line 5 x line 4)	\$61,673,461	\$15,089,213	\$76,762,674
7 Interest on Interim Refund Balance (Attachment C)	\$949,667	\$1,680,832	\$2,630,499
8 Interim Refund Including Interest (line 6 + line 7)	\$62,623,128	\$16,770,046	\$79,393,173

RES and MERP Rider Roll-in Adjustment

9 Annual MERP/RES Revenue Requirement ¹			\$155,151,042
10 MERP/RES Revenue Req Prorated for 7 Months (line 9 * 57.97%) ²			\$89,941,000
11 Actual MERP/RES Revenues Jan 2012 - Jul 2012 ³			\$82,989,000
12 RES/MERP Shortfall (line 10 - line 11)			\$6,952,000
13 Total Refund Obligation (line 8 - line 12)			\$72,441,173
14 Final Refund Factor (line 13 / line 5)			47.1199%

Footnotes:

¹ See Schedule 1C, line 32

² 57.97% = Xcel Energy 2012 Sales Forecast; kWh Sales through July as a percent of Annual Sales

³ See Attachment D, Note that MERP/RES rider revenues are estimated for May-July 2012. Actual MERP/RES Rider revenues will be inserted when available.

Northern States Power Company, a Minnesota corporation
 State of Minnesota - Electric Utility
 Monthly Interim Revenue Refunds (without interest)

Docket No. E002/GR-10-971
 Final Rates Compliance Filing
 Schedule 9 - Page 5 of 7
 Attachment B

	[1]	[2]	[3] = [1 x 2]
	Interim Revenue Collected	Refund Factor ¹	Interim Revenue Refund (w/o Interest)
Jan-11	\$4,019,142	52.8285%	\$2,123,253
Feb-11	\$8,887,282	52.8285%	\$4,695,018
Mar-11	\$9,938,226	52.8285%	\$5,250,216
Apr-11	\$8,451,287	52.8285%	\$4,464,688
May-11	\$8,935,707	52.8285%	\$4,720,600
Jun-11	\$10,231,717	52.8285%	\$5,405,263
Jul-11	\$12,300,822	52.8285%	\$6,498,340
Aug-11	\$14,121,083	52.8285%	\$7,459,956
Sep-11	\$11,832,908	52.8285%	\$6,251,148
Oct-11	\$10,109,435	52.8285%	\$5,340,663
Nov-11	\$8,636,583	52.8285%	\$4,562,577
Dec-11	\$9,278,591	52.8285%	\$4,901,740
Jan-12	\$10,054,970	40.7869%	\$4,101,110
Feb-12	\$9,165,943	40.7869%	\$3,738,504
Mar-12	\$9,355,512	40.7869%	\$3,815,823
Apr-12	\$8,418,821	40.7869%	\$3,433,776
May-12	\$0	0.0000%	\$0
Jun-12	\$0	0.0000%	\$0
Jul-12	\$0	0.0000%	\$0
Aug-12	\$0	0.0000%	\$0
Sep-12	\$0	0.0000%	\$0

¹ Attachment A, Line 4

Northern States Power Company, a Minnesota corporation
 State of Minnesota - Electric Utility
 Interest Calculation - Interim Refund

Docket No. E002/GR-10-0971
 Final Rates Compliance Filing
 Schedule 9 - Page 6 of 7
 Attachment C

Revenue Month	[1] Beginning Balance	[2] Curr Mo Int Rev Refund	[3]=[1+2] Ending Balance	[4]=[1+3]/2 Average Balance	[5] Days	[6] Annual Interest ¹	[7]=[4*5*6]/365 Monthly Interest
Jan-11	\$0	\$2,123,253	\$2,123,253	\$1,061,626	30	3.25%	\$2,836
Feb-11	\$2,126,088	\$4,695,018	\$6,821,106	\$4,473,597	28	3.25%	\$11,153
Mar-11	\$6,832,260	\$5,250,216	\$12,082,475	\$9,457,367	31	3.25%	\$26,105
Apr-11	\$12,108,580	\$4,464,688	\$16,573,268	\$14,340,924	30	3.25%	\$38,308
May-11	\$16,611,576	\$4,720,600	\$21,332,176	\$18,971,876	31	3.25%	\$52,368
Jun-11	\$21,384,544	\$5,405,263	\$26,789,807	\$24,087,175	30	3.25%	\$64,342
Jul-11	\$26,854,149	\$6,498,340	\$33,352,489	\$30,103,319	31	3.25%	\$83,093
Aug-11	\$33,435,582	\$7,459,956	\$40,895,539	\$37,165,560	31	3.25%	\$102,587
Sep-11	\$40,998,126	\$6,251,148	\$47,249,273	\$44,123,700	30	3.25%	\$117,865
Oct-11	\$47,367,138	\$5,340,663	\$52,707,801	\$50,037,469	31	3.25%	\$138,117
Nov-11	\$52,845,918	\$4,562,577	\$57,408,495	\$55,127,206	30	3.25%	\$147,258
Dec-11	\$57,555,753	\$4,901,740	\$62,457,493	\$60,006,623	31	3.25%	\$165,635
Jan-12	\$62,623,128	\$4,101,110	\$66,724,238	\$64,673,683	31	3.25%	\$178,517
Feb-12	\$66,902,755	\$3,738,504	\$70,641,259	\$68,772,007	29	3.25%	\$177,583
Mar-12	\$70,818,842	\$3,815,823	\$74,634,665	\$72,726,753	31	3.25%	\$200,746
Apr-12	\$74,835,411	\$3,433,776	\$78,269,187	\$76,552,299	30	3.25%	\$204,489
May-12	\$78,473,676	\$0	\$78,473,676	\$78,473,676	31	3.25%	\$216,609
Jun-12	\$78,690,284	\$0	\$78,690,284	\$78,690,284	30	3.25%	\$210,200
Jul-12	\$78,900,485	\$0	\$78,900,485	\$78,900,485	31	3.25%	\$217,787
Aug-12	\$79,118,271	\$0	\$79,118,271	\$79,118,271	31	3.25%	\$218,388
Sep-12 ²	\$79,336,660	\$0	\$79,336,660	\$79,336,660	8	3.25%	\$56,514
							\$2,630,499

(1) Prime interest rates are from Federal Reserve Statistical Release H15 - Bank Prime Loan - Monthly
http://www.federalreserve.gov/releases/h15/data/Monthly/H15_PRIME_NA.txt

(2) Assumes the Refund will occur on September 9, 2012

	RES Rider ¹	MERP Rider ¹	Total RES & MERP Revenues
Jan-12	\$2,904,975	\$9,199,216	\$12,104,190
Feb-12	\$2,961,954	\$8,118,695	\$11,080,649
Mar-12	\$3,024,532	\$8,343,895	\$11,368,427
Apr-12	\$2,725,485	\$7,619,473	\$10,344,957
May-12 est.	\$2,930,355	\$8,395,146	\$11,325,501
Jun-12 est.	\$3,277,529	\$9,389,762	\$12,667,291
Jul-12 est.	\$3,647,706	\$10,450,278	\$14,097,984
Total Jan-12 to Jul-12	\$21,472,536	\$61,516,464	\$82,989,000

¹ Note that MERP/RES rider revenues are estimated for May-August 2012. Actual MERP/RES Rider revenues will be inserted when available.