

January 16, 2015

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

RE: Northern States Power Company's November 13, 2014 Proposed Methodology for
Determining the Interim Rate Refund
Docket No. E002/GR-13-868

Dear Mr. Wolf:

On January 13, 2015, the Minnesota Department of Commerce, Division of Energy Resources (Department or DOC) filed comments (1/13/15 DOC Comments) stating it reviewed the methodology for determining the interim rate refund as proposed by Northern States Power Company, a Minnesota Corporation (Xcel Energy or the Company) in the current docket, and offers the following comments. At this time, the Department is making a modification to its 1/13/15 Comments to reflect the Company's October 24, 2014 waiver of statutory deadline, which extended the deadline for the Commission to issue the final determination in this proceeding.

As a result of the Company's October 24, 2014 waiver of statutory deadline, which extended the deadline for the Commission to issue the final determination in this proceeding from March 24, 2015 to May 8, 2015, the Commission may wish to consider allowing the Company to recover the under-recovered rates during the period of March 24, 2015 (the statutory deadline waived in the Company's October 24, 2014 waiver) through the date new rate schedules are put into effect.

As a result of the Company's October 24, 2014 waiver described above, the Department's modification in these *comments* has the effect of modifying the final paragraph of its January 13, 2015 comments to read as follows:

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 ~~months of May, June and July of 2015~~ period of March 24, 2015 through the date new rate schedules are put into effect.

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Please note that the logic of the DOC hypothetical in Attachment 1 of its January 13, 2015 comments is unaffected by the above modification although the dates in the calculation would change; as a result, the Department does not update that hypothetical calculation.

Sincerely,

/s/ DALE V. LUSTI
Financial Analyst

DVL/ja

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce
Letter**

Docket No. E002/GR-13-868

Dated this 16th day of January 2015

/s/Sharon Ferguson

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