

**PUBLIC DOCUMENT
TRADE SECRET DATA HAS BEEN REMOVED**



Jim Wilcox
Government & Regulatory Affairs
500 West Russell Street
Sioux Falls, South Dakota 57101

June 1, 2011

—VIA ELECTRONIC FILING—

Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 East Capitol Avenue
Pierre, SD 57501

RE: ANNUAL REPORT OF JURISDICTIONAL EARNINGS
SOUTH DAKOTA JURISDICTION

Dear Ms. Van Gerpen:

Pursuant to the orders in the Transmission Cost Recovery Rider and Environmental Cost Recovery Rider, Docket Nos. EL07-007 and EL07-026, Northern States Power Company, a Minnesota corporation (“Xcel Energy” or the “Company”) provides its report of jurisdictional earnings for the calendar year 2010.

In both dockets, settlement stipulations agreed to by Commission Staff and the Company and approved by the Commission via orders dated January 13, 2009 specify that Xcel Energy shall provide to the Commission by June 1 of each year a report of our South Dakota jurisdictional earnings ("Cost of Service Study") for the preceding calendar year showing, among other things, the overall rate of return and return on equity (“ROE”) earned, and the South Dakota revenue excess or deficiency based on the ROE authorized in the last rate case. The determinations are to be presented on an actual and weather-normalized basis and should reflect South Dakota ratemaking practices.

Based on the Commission approved settlement in our last rate case, Docket No. EL09-009, the ROE is considered trade secret. Therefore, we present our revenue deficiency based on an overall rate of return, the components of which are marked as trade secret, but are based on the Company’s actual capital structure, cost of long-term debt and approved ROE from the last case. Please treat the designated material as confidential information. A non-public version of the report is being provided separately. Xcel Energy appreciates the opportunity for in between rate case cost recovery of transmission and environmental capital investments as allowed and we appreciate the

Commission's interest in obtaining this information on the Company's financial performance for last year.

Please feel free to contact me at (605) 339-8350 if you have any questions or comments regarding this filing.

SINCERELY,

A handwritten signature in cursive script, appearing to read "J C Wilcox".

JAMES C. WILCOX
MANAGER, GOVERNMENT & REGULATORY AFFAIRS

ENCLOSURE