

Exhibit ____ (KM-1)
Schedule 2

- Non Public Document – Contains Trade Secret Data
 Public Document – Trade Secret Data Excised
 Public Document

Xcel Energy

Docket No.: EL11-019

Response To: South Dakota Public Utilities Commission

Data Request No. 8-1

Date Received: February 3, 2012

Question:

Please provide the calculation of the revenue requirement included in the proposed revenue deficiency. Please provide this information in Excel spreadsheet format along with a narrative description. The information in Excel should include the assumed capacity factor as well as allocation to the various jurisdictions and any and all components used in the calculation of the revenue requirement. Please also provide the resulting \$/MWh cost per MWh generated.

Response:

Updating for actual investment placed in service through 2011, the revenue requirement to be included in our proposed deficiency for the Nobles Wind project at the current authorized capital structure is \$2,039 million. Please see Attachment A to this response for a working model that calculates the revenue requirement for the Nobles Wind Project updated with actual costs through 2011 that will be submitted in Rebuttal Testimony. Comments are included in the various tabs of Attachment A (submitted in live Excel spreadsheet format) to direct following the flow of information to arrive at the South Dakota revenue requirement. Attachment A also contains the calculation of the original revenue requirement that was included on Exhibit___(TEK-1) Schedule 6b, page 2, Column 17, Line 29. The revenue requirement calculation is based upon the capital expenditures and associated capital related costs; no capacity factor assumptions were used to derive the revenue requirement. As there is not generation information used in the calculation of the annual revenue requirement, no \$/MWh calculation was made.

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