



500 West Russell Street
Sioux Falls, South Dakota 57101

December 14, 2012

VIA ELECTRONIC FILING

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501

RE: FILING BY NORTHERN STATES POWER COMPANY DBA XCEL ENERGY FOR
APPROVAL OF A CREDIT MECHANISM FOR A DEPARTMENT OF ENERGY
SETTLEMENT PAYMENT
DOCKET NO. EL11-023

Dear Ms. Van Gerpen:

On August 16, 2011, Northern States Power Company, a Minnesota corporation doing business as Xcel Energy, submitted its request for approval of a credit mechanism for funds received from a settlement with the Department of Energy. In its January 30, 2012 Order in this docket, the Commission approved a one-time bill credit for the initial settlement amount and directed the Company to credit future settlement payments to ratepayers using the same one-time bill credit method within 90 days of receipt from DOE.¹ The most recent settlement payment from DOE was received on October 16, 2012. Pursuant to the Commission's Order in this docket, credit for these amounts is due to ratepayers by January 16, 2013.

On June 29, 2012, the Company filed its application to increase electric rates in South Dakota.² As addressed in our December 4, 2012 letter in Docket EL12-046, Staff and the Company are currently engaged in settlement negotiations in that docket.

The Company seeks to preserve the possibility of partially offsetting the decommissioning accrual expense in the rate case with the DOE settlement funds. Because the parties are currently in negotiations, it is unclear whether the rate case will be resolved by the due date to issue credits under the Commission's Order.

¹ ORDER APPROVING CREDIT MECHANISM; ORDER APPROVING DEFERRED ACCOUNTING TREATMENT OF FUTURE SETTLEMENT PROCEEDS, Docket EL11-023.

² *Application of Northern States Power Company for Authority to Increase Rates for Electric Service in South Dakota*, Docket EL12-046.

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Accordingly, we request the Commission suspend the Order in this docket requiring the credit be made within 90 days of receipt while the rate case proceeds. If the Commission chooses not to apply the DOE settlement proceeds to partially offset the decommissioning accrual expense, the Company will issue the bill credits to customers within 30 days of the Commission's order in Docket EL12-046.

The Company notes that the Commission directed the Company to file documentation of DOE settlement payments within 30 days of receipt. The Company inadvertently failed to meet this requirement for the most recent payment and we attach the relevant documentation with this request. We apologize for our oversight.

The Company has discussed this proposal with Commission Staff and it is our understanding that Staff does not object to our requested suspension. Should you have any questions regarding our request, please contact me at (605) 339-8350.

Sincerely,

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

JAMES C. WILCOX
MANAGER, GOVERNMENT AND REGULATORY AFFAIRS

Enclosures