



500 West Russell Street
Sioux Falls, South Dakota 57101-0988

June 7, 2013

—Via Electronic Filing—

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 E. Capitol Ave.
Pierre, SD 57501-5070

RE: 2013 TRANSMISSION COST RECOVERY ELIGIBILITY AND RATE
ADJUSTMENT PETITION
DOCKET NO. EL13-006

Dear Ms. Van Gerpen:

Northern States Power Company, doing business as Xcel Energy, submits this supplement to our 2013 Transmission Cost Recovery (TCR) Petition. Given a projected over-recovery of our 2013 TCR revenue requirements, we ask that the Commission approve the TCR rate to be set at \$0.00 for the remainder of 2013.

The current TCR adjustment factor was implemented on September 1, 2012 as per the Settlement Stipulation approved by the South Dakota Public Utilities Commission in its August 17, 2012 Order in our last TCR filing (Docket No. EL12-035). At that time, the TCR rate was set to recover the approved 2011-2012 revenue requirement over the last four months of 2012. Given the shorter time period for recovery, the rate was set to be higher than is typical (\$0.003038 per kWh versus the \$0.000094 per kWh set in 2010 when the revenue requirements were calculated to be recovered over 12 months). As our 2013 TCR Petition is still pending with the Commission, we continue to bill customers at this higher TCR rate. As a result, we will begin to over-collect our requested 2013 revenue requirements by June of 2013. Attachment A shows our forecasted revenues to be recovered in 2013 compared to our requested revenue requirement in the present docket. Attachment A includes the revisions discussed in our response to Data Request No. SDPUC-1-005, which we include as Attachment B. We do not anticipate any further revisions to our 2013 request.

Given the higher rate in place and the resulting projected over-recovery, we propose to reduce the TCR rate to \$0.00 beginning on July 1, 2013. To prevent potential

confusion for customers which may result if the rate were to change multiple times in one year, we propose to keep the \$0.00 rate in effect for the remainder of 2013. If the \$0.00 rate is implemented on July 1 and the Commission approves our currently-pending revised 2013 revenue requirements request in full, our forecasted over-collection would be \$236,273 including carrying charges in favor of customers, subject to true-up of actual revenues. As the estimated over-collection amount is relatively small, we propose to true-up the over-collection in our 2014 TCR Petition to be filed later in 2013. Our actual revenues (billed and unbilled) from January – May 2013 are \$2,374,614, compared to our revised 2013 revenue requirement request of \$2.79 million.

Attachment C is our proposed tariff page which updates the TCR adjustment factor to \$0.00. We also propose to forgo the standard bill notice to customers since the rate will be at \$0.00, but we are willing to discuss the best approach for notifying customers of the rate change with PUC Staff.

Confidential Information

Pursuant to South Dakota Admin. R. 20:10:01:41, we provide the following support for our request to classify certain documentation as confidential trade secret data.

We request confidential treatment of a portion of Attachment B (which is Attachment D to Data Request No. SDPUC-1-05) Pursuant to S.D. Codified Laws Chapter 20:10:01:41. The Company submits the following justification for confidential treatment of Attachment 31.

- (1) An identification of the document and the general subject matter of the materials or the portions of the document for which confidentiality is being requested.**

We request confidential treatment on the grounds that the material is proprietary and trade secret information, the disclosure of which would result in material damage to the Company's financial or competitive position. Attachment B contains financial information that is not available to the general public.

- (2) The length of time for which confidentiality is being requested and a request for handling at the end of that time. This does not preclude a later request to extend the period of confidential treatment.**

The Company requests that Attachment B be recognized as trade secret data in perpetuity.

(3) The name, address, and phone number of a person to be contacted regarding the confidentiality request.

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Manager, Regulatory Administration
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(605) 339-8350

(4) The statutory or common law grounds and any administrative rules under which confidentiality is requested. Failure to include all possible grounds for confidential treatment does not preclude the party from raising additional grounds in the future.

In accordance with South Dakota Admin. R. 20:10:01:39 through 42, Xcel Energy respectfully requests confidential treatment of certain information contained in this filing. In compliance with South Dakota Admin. R. 20:10:01:41, we have clearly marked each page containing confidential information as “CONFIDENTIAL” and submitted it in a separate sealed envelope along with this filing.

The claim for confidential treatment is based on South Dakota Admin. R. 20:10:01:39 (4) and S.D. Codified Laws Chapter 1-27-30. The information contained within the referenced documents meets the definition of “trade secret” under S.D. Codified Laws Chapter 37-29-1(4)(1), the South Dakota Uniform Trade Secrets Act, which is defined as information that “Derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use, and... is the subject of efforts that are reasonable under the circumstances to maintain its secrecy.” The information also meets the definition of “proprietary information” under S.D. Codified Laws Chapter 1-27-28, which is defined as “information on pricing, costs, revenue, taxes, market share, customers, and personnel held by private entities and used for that private entity’s business purposes.”

(5) The factual basis that qualifies the information for confidentiality under the authority cited.

The South Dakota Public Utilities Commission mandated that the Company’s return on equity and weighted cost of capital be kept trade secret. The Commission made this determination in the Company’s electric rate cases, Docket Nos. EL09-009 and EL12-046.

Please call me at (605) 339-8350 if you have any questions regarding this filing.

SINCERELY,

/s/

JAMES C. WILCOX
PRINCIPAL MANAGER

Enclosure