

REVISED INTERIM REFUND PLAN

Xcel Energy submits the following plan for refunding the portion of the interim rate surcharge that will exceed the amount of the Settlement Stipulation to this docket. The interim rate period subject to refund is January 1, 2015, when interim rates began, through June 30, 2015.

On November 12, 2014, the Company filed its Notice of Intent to Implement Interim Rates pursuant to S.D. Codified Laws § 49-34A-17. On January 1, 2015 Xcel Energy implemented an incremental interim increase of \$24,640,000 on an annual basis for service occurring on and after January 1, 2015. This included moving proposed rider amounts of \$9,040,000 to base rates.

In its Settlement Stipulation, the Parties agree to an increase in South Dakota jurisdictional electric revenues of \$15,211,230 (including \$8,289,230 from moving riders to base rates) to produce total retail related revenues of \$201,135,000 for the test year ending December 31, 2013. As such, the test year refund amount is \$9,428,770. The steps that Xcel Energy will use for distributing this refund are described below.

The ordered test year revenue increase (line 2 of Attachment A) is subtracted from the authorized interim revenue increase (line 1 of Attachment A) to provide the test year interim refund (line 3 of Attachment A). The test year interim refund (\$9,428,770) as a percent of the test year interim increase (\$24,640,000) equals the test year interim refund factor (38.2661%; line 4 of Attachment A). This interim refund factor is applied to the actual monthly interim revenues collected to provide actual monthly refund amounts (Attachment B). Please note that Attachment B includes estimated interim refund collections for June 2015. Actual interim revenue collections will be used in the calculations when they are available. The total refund amount without interest is estimated at \$4,060,555 (line 6 of Attachment A).

As part of the refund, Xcel Energy will include interest, calculated by applying a 7% annual interest rate to the average refund balance for each month that interim revenues were collected (January 2015 through June 2015). The interest calculation is shown on Attachment C, with total interest charges through July 1, 2015 estimated at \$62,802.

The actual interim revenue refund (line 6 of Attachment A) plus interest (line 7 of Attachment A) equals the total refund obligation (line 8 of Attachment A). The total refund obligation as a percent of total actual revenues collected equals the actual interim revenue refund factor, which is estimated to be 38.8579% (line 9 of Attachment A).

For every customer assessed an interim rate charge, a refund will be calculated by multiplying the customer's actual interim rate charges during the period from January 2015 through June 2015 by the refund factor. The estimated average refund per residential customer is \$23.90. Refunds of the applicable franchise fees and sales taxes will also be included in the refund amount. The interim rate refunds will be credited to accounts during a monthly billing cycle beginning no later than August 1, 2015. Refunds for existing customers will be in the form of a bill credit posted to the customer's account. A bill message will be developed to briefly describe the refund credit. Customers due a refund who are no longer Xcel Energy customers will receive a check if the refund amount is \$3.00 or more. Any residual un-refunded monies will be included in the fuel clause true-up adjustment for distribution to all remaining customers, consistent with the method approved by the Commission in Docket Nos. EL11-019 and EL12-046.

**Northern States Power Company
Electric Utility - State of South Dakota
Summary of Interim Refund**

**Docket No. EL14-058
Revised Attachment A**

2013 TY

<u>Interim Refund Factor Calculation</u>	<u>Base Rates</u>	<u>Riders</u>	<u>Totals</u>
1 Authorized Annual Interim Rate Increase	\$15,600,000	\$9,040,000	\$24,640,000
2 Approved Annual Base Rate Increase	<u>\$6,922,000</u>	<u>\$8,289,230</u>	<u>\$15,211,230</u>
3 Annualized Excess Interim Recovery (line 1- line 2)	\$8,678,000	\$750,770	\$9,428,770
4 % Refundable (line 3 / line 1)			38.2661%
5 Actual Interim Revenue Increase Collected ¹			\$10,611,364
6 Interim Refund Excluding Interest (line 4 x line 5)			<u>\$4,060,555</u>
7 Interest on Interim Refund Balance (Attachment C)			\$62,802
8 Interim Refund Including Interest (lines 6 + 7)			<u>\$4,123,357</u>
9 Est. Interim Refund Factor (line 8 / line 5)			38.8579%

Est. Average Interim Refund per Residential Customer

10 Est. Interim Revenues for Residential Customers	\$4,761,593
11 Average Residential Customers Jan. 2015 - Jun. 2015	77,431
12 Est. Ave. Interim Revenue per Residential Customer (line 10 / line 11)	\$61.49
13 Est. Ave. Interim Refund per Residential Customer (line 9 x line 12)	\$23.90

¹ Interim revenues collected from Jan. 1, 2015 through Jun. 30, 2015. See Attachment B.

**Northern States Power Company
Electric Utility - State of South Dakota
Interim Rate Refund by Month**

**Docket No. EL14-058
Revised Attachment B**

	Interim Revenue Collected	% Refundable¹	Interim Refund (excl. Interest)
Jan-15	\$925,043	38.2661%	\$353,978
Feb-15	\$1,706,484	38.2661%	\$653,005
Mar-15	\$2,044,890	38.2661%	\$782,500
Apr-15	\$1,788,290	38.2661%	\$684,309
May-15	\$1,646,656	38.2661%	\$630,111
Jun-15 Est.	\$2,500,000	38.2661%	\$956,653
	\$10,611,364		\$4,060,555

¹ Attachment A, Line 4

**Northern States Power Company
Electric Utility - State of South Dakota
Interim Refund Interest Calculation**

**Docket No. EL14-058
Revised Attachment C**

Revenue Month	Beginning Balance	Curr Mo Int Rev Refund	Ending Balance	Average Balance	Days	Annual Interest¹	Monthly Interest
Jan-15 ¹	\$0	\$353,978	\$353,978	\$176,989	31	7.00%	\$1,049
Feb-15	\$355,027	\$653,005	\$1,008,032	\$681,530	28	7.00%	\$3,650
Mar-15	\$1,011,682	\$782,500	\$1,794,182	\$1,402,932	31	7.00%	\$8,318
Apr-15	\$1,802,500	\$684,309	\$2,486,808	\$2,144,654	30	7.00%	\$12,305
May-15	\$2,499,114	\$630,111	\$3,129,225	\$2,814,169	31	7.00%	\$16,685
Jun-15 est	\$3,145,910	\$956,653	\$4,102,563	\$3,624,236	30	7.00%	\$20,795
2015 Total							\$62,802

¹ Interim rates effective January 1, 2015