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THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA

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IN THE MATTER OF THE APPLICATION OF EL11-019
NORTHERN STATES POWER COMPANY d/b/a XCEL
ENERGY FOR AUTHORITY TO INCREASE ITS
ELECTRIC RATES

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Transcript of Proceedings
July 17, 2012

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BEFORE THE PUBLIC UTILITIES COMMISSION,
CHRIS NELSON, CHAIRMAN
KRISTIE FIEGEN, VICE CHAIRMAN
GARY HANSON, COMMISSIONER

COMMISSION STAFF
Rolayne Ailts Wiest
Karen Cremer
Kara Semmler (by telephone)
Ryan Soye
Greg Rislov
Dave Jacobson
Jon Thurber
Brian Rounds
Chris Daugaard
Patrick Steffensen
Matthew Tysdal
Brittany Mehlhaff
Deb Gregg
Joy Irving

APPEARANCES
Kari Valley, Xcel Energy (by telephone)

Reported By Cheri McComsey Wittler, RPR, CRR

1 TRANSCRIPT OF PROCEEDINGS, held in the
2 above-entitled matter, at the South Dakota State Capitol
3 Building, 500 East Capitol Avenue, Pierre, South Dakota,
4 on the 17th day of July, 2012, commencing at 9:30 a.m.

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1 CHAIRMAN NELSON: EL11-019, In the matter of the
2 application of Northern States Power Company d/b/a Xcel
3 Energy for authority to increase its electric rates. And
4 the question we're dealing with today is the interim rate
5 refund plan and tariff sheets.

6 Jim or Kari, do you want to lead off on this?

7 MS. VALLEY: Thank you, Mr. Chair.

8 This is Kari Valley for Xcel Energy. As
9 outlined in the refund plan, we did propose to implement
10 our interim rate refund starting with bills in
11 September 16 with interest at 7 percent.

12 We don't have any other comments to make this
13 morning but certainly are available to answer any
14 questions of the Commissioners.

15 CHAIRMAN NELSON: Thank you.

16 Turn to Staff.

17 MR. THURBER: Thank you, Mr. Chairman. This is
18 Jon Thurber from Staff.

19 The revised tariff sheets proposed by NSP
20 reflect the rates, terms, and conditions as ordered by
21 the Commission on July 2. Staff recommends approving the
22 tariffs with an August 1 effective date and revising the
23 Order date on the tariffs to reflect the Order resulting
24 from the Commission's actions today.

25 NSP's proposed refund plan is very similar to

1 the plan ordered by the Commission in Black Hills Power's
2 last rate case docket EL09-018. The key features of the
3 plan include a 7 percent annual interest rate on
4 overcharges during the interim rate period, issue bill
5 credits to all existing customers, issue checks to former
6 customers if the overcharges plus interest exceed \$3, and
7 any overcharges that are not returnable to individual
8 customers, including those individual charges less than
9 \$3, will be refunded generally to customers through the
10 fuel clause.

11 Included in the interim rate refund is the
12 overcollection of the environmental cost recovery rider.
13 The ECR rate was reduced to 0 cents when the interim
14 rates were implemented on January 2 of this year, as the
15 projects that were previously recovered in the rider were
16 rolled into base rates in this case.

17 The overcollection, including interest, is
18 approximately \$290,000. Including the overcollection
19 with the interim rate refund, it seems like a reasonable
20 approach, as a separate refund process for the ECR would
21 ultimately cost more money to accomplish a similar
22 result.

23 The proposed refund mechanism applies an interim
24 rate refund factor as described in NSP's filing to the
25 actual interim revenue collected from each individual

1 customer to determine a customer's refund.

2 While this method bases the refund on the total
3 interim revenue collected rather than using historical
4 usage and the change in rates from docket EL09-009 to the
5 final rates in this docket to determine each customer's
6 refund, Staff believes this method is a reasonable
7 approach and administratively efficient way to calculate
8 customer refunds.

9 Since this method closely mirrors BHP's refund
10 mechanism from docket EL09-018, Staff reviewed our
11 records and contacted Black Hills Power to determine if
12 there were any customer complaints regarding the refund
13 plan in this case. Neither party received any complaints
14 regarding the refund mechanism.

15 Staff recommends approving NSP's refund plan
16 with the condition that NSP file a compliance report as
17 proposed in its supplemental filing to the Commission on
18 July 16, 2012.

19 Thank you.

20 CHAIRMAN NELSON: Thank you.

21 Questions from the Commission for either party?

22 Seeing none, is there a Motion?

23 COMMISSIONER FIEGEN: Mr. Chairman, in EL11-019
24 move that the Commission approve the interim rate refund
25 plan and approve the tariff sheets.

1 CHAIRMAN NELSON: Discussion on the Motion?
2 Commissioner Hanson.

3 COMMISSIONER HANSON: I guess I do have a
4 question. In looking at the next docket before us, is
5 there -- and I'll probably ask for -- have another
6 question on the next docket pertaining to this one.

7 Is there any -- I know that in the past we have
8 had some situations where we have a prohibition for a
9 utility to not submit another rate case within a certain
10 period of time.

11 Is there any such animal in this one?

12 MR. THURBER: No. In the settlement that Staff
13 reached in this case, and that did not include the
14 Nobles Wind Farm nor rate return, those were issues
15 decided by the Commission, there was no rate moratorium
16 in this case.

17 COMMISSIONER HANSON: Thank you. Thanks, Chair.

18 CHAIRMAN NELSON: Other questions?

19 Discussion?

20 I would simply say appreciate both sides working
21 expeditiously to put this refund together. That's
22 obviously important for consumers, and I appreciate
23 that.

24 Further discussion?

25 Seeing none, all those in favor will vote aye.

1 Commissioner Hanson.

2 COMMISSIONER HANSON: Aye.

3 CHAIRMAN NELSON: Commissioner Fiegen.

4 COMMISSIONER FIEGEN: Fiegen votes aye.

5 CHAIRMAN NELSON: And Nelson votes aye.

6 Motion carries.

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1 STATE OF SOUTH DAKOTA)

2 :SS CERTIFICATE

3 COUNTY OF SULLY)

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5 I, CHERI MCCOMSEY WITTLER, a Registered
6 Professional Reporter, Certified Realtime Reporter and
7 Notary Public in and for the State of South Dakota:

8 DO HEREBY CERTIFY that as the duly-appointed
9 shorthand reporter, I took in shorthand the proceedings
10 had in the above-entitled matter on the 17th day of July,
11 2012, and that the attached is a true and correct
12 transcription of the proceedings so taken.

13 Dated at Onida, South Dakota this 24th day of
14 July, 2012.

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Cheri McComsey Wittler,
Notary Public and
Registered Professional Reporter
Certified Realtime Reporter

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