



500 West Russell Street  
Sioux Falls, South Dakota 57101

April 19, 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: APPLICATION OF NORTHERN STATES POWER COMPANY DBA XCEL ENERGY  
FOR AUTHORITY TO INCREASE ITS ELECTRIC RATES  
DOCKET NO. EL11-019

Dear Ms. Van Gerpen:

Northern States Power Company, a Minnesota corporation operating in South Dakota, submitted its application to the South Dakota Public Utilities Commission for authority to increase rates for electric service in South Dakota on June 30, 2011. The Commission issued its ORDER FOR AND NOTICE OF PROCEDURAL SCHEDULE AND NOTICE OF HEARING (“Order”) in this matter on February 28, 2012.

The Commission Staff and the Company agreed to a suspension of the procedural schedule to allow for settlement discussions to proceed. These discussions resulted in a settlement of nearly all issues and a Settlement and Stipulation on these issues will be submitted for the Commission’s consideration. However, the Commission Staff and the Company have been unable to resolve issues related to the return on equity and related cost of debt and capital structure, and cost recovery for the Nobles wind project.

The Commission’s Order had initially established a due date of March 23 for the Commission’s Staff testimony and April 20 for the Company’s rebuttal testimony. The parties agreed to an extension for Commission Staff testimony while settlement negotiations proceeded and Commission Staff submitted its testimony on these issues on April 16. The Company proposes to extend the due date of rebuttal testimony to April 27 to respond to the issues raised in the Commission Staff testimony and it is the Company’s understanding that the Commission Staff is in agreement.

The Commission Staff and the Company discussed a procedural schedule to allow for the Commission to make its initial determination on the Settlement Stipulation prior to the hearing on the contested issues. This proposed schedule will allow for a later date for the hearings and provide for briefing prior to hearing. We propose the following schedule subsequent to the submission of testimony:

Xcel Energy Initial Brief	May 23
Commission Staff Response Brief	May 30
Xcel Energy Reply Brief	June 6
Evidentiary Hearings	June 13-14

The Company recognizes that if the Commission does not approve the Settlement Stipulation, the schedule will likely need to be modified.

The Company has discussed this proposal with Commission Staff and it is our understanding that Staff supports the proposed schedule, including the extension for Xcel Energy's submission of rebuttal testimony. Should you have any questions regarding our request, please contact me at (605) 339-8350.

Sincerely,



JAMES C. WILCOX  
MANAGER, GOVERNMENT AND REGULATORY AFFAIRS