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South Dakota

PUBLIC UTILITIES COMMISSION

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June 21, 2012

Patricia Van Gerpen
Executive Director
SD Public Utilities Commission
500 East Capitol Avenue
Pierre, SD 57501

RE: Docket No. EL11-019 - Application of Northern States Power Company, a Minnesota Corporation, for Authority to Increase Rates for Electric Service in South Dakota

Dear Ms. Van Gerpen:

Northern States Power Company (NSP) and Staff respectfully submit the financial and rate schedules reflecting the June 19, 2012, decisions of the South Dakota Public Utilities Commission in the above-entitled matter. We have determined the overall rate of return resulting from the Commission's decision on cost of long term debt, return on equity, and capital structure is 7.79% as reflected on Exhibit 6 enclosed. Staff and NSP agree NSP's revenue deficiency reflecting the Commission's authorized overall rate of return and full cost recovery for the Nobles wind plant is \$8,037,000 justifying an approximate 5.12% increase in retail revenue. Enclosed on Exhibits 1 through 5 are the revenue requirement, operating income statement, and rate base schedules supporting our revenue requirement determination. The distribution of the revenue deficiency among the rate classes is shown on Exhibit 7.

If you require additional information or have questions, please don't hesitate to contact us.

Sincerely,

Commission Staff


Jon Thurber, Utility Analyst

Northern States Power Company


Debra Paulson, Manager -- Rate Cases