



500 West Russell Street  
Sioux Falls, South Dakota 57101

July 5, 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, A MINNESOTA CORPORATION, FOR AUTHORITY TO INCREASE RATES FOR ELECTRIC SERVICE IN SOUTH DAKOTA  
FINAL RATE COMPLIANCE AND REFUND PLAN  
DOCKET NO. EL11-019

Dear Ms. Van Gerpen:

Northern States Power Company, a Minnesota corporation operating in South Dakota, hereby submits our compliance filing to set final rates stemming from the South Dakota Public Utilities Commission July 2, 2012 FINAL DECISION AND ORDER; NOTICE OF ENTRY (Order) in the above-entitled matter. Pursuant to the Commission's Order we provide our interim rate refund plan proposal and tariff sheets. Additionally included is the bill insert notifying customers of the rate change. We propose final rates to be effective beginning with service on and after August 1, 2012. Details related to each of these filing items are further described below.

To summarize, in this rate case interim rates were implemented on January 2, 2012. The Commission's Order has authorized a rate increase less than the interim rate level and consequently, customers will be refunded a portion of the interim rates collected during the period January 2 through July 31, 2012, with new rates beginning August 1, 2012. Our proposed approach for refunding the excess amounts is outlined in the attached Interim Rate Refund Plan and supported with calculations shown in Attachments A, B and C. The calculation of customer refunds includes an annual interest rate of 7% interest based on a previous

Commission decision<sup>1</sup>. As stated at the Commission's June 26<sup>th</sup> agenda meeting, the Company voluntarily agrees to refund the applicable interim rate amounts collected after the June 30<sup>th</sup> statutory date through July 31<sup>st</sup>. We proposed completing one (1) billing cycle at final rates prior to starting the refund process. Customers will begin receiving refunds as their bills are issued starting in mid-September.

The tariff sheets reflect the final rate class distribution of the approved revenue deficiency as shown in Exhibit 7 of the June 21, 2012 Joint Compliance Filing. Individual tariff sheets are provided in Attachment D in both legislative and final forms for review and approval. Please note, in preparing this compliance filing for submittal by the July 6<sup>th</sup> due date, we assumed a June 29, 2012 Commission Order date to include on each tariff sheet. The Company will conform the final tariff sheets to reflect the actual order date of July 2, 2012 prior to the August 1<sup>st</sup> effective date.

Additionally, we have included the final rate bill insert each customer will receive with their first billing statements reflecting the new rates starting August 1<sup>st</sup>.

Should you have any questions regarding this filing please contact Deb Paulson at (612) 330-7571 or [debra.j.paulson@xcelenergy.com](mailto:debra.j.paulson@xcelenergy.com).

Sincerely,



JAMES C. WILCOX  
MANAGER, GOVERNMENT AND REGULATORY AFFAIRS

Enclosures

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<sup>1</sup> Docket No. EL09-018, Commission Order dated August 11, 2010, In the Matter of the Application of Black Hill Power, Inc., for Authority to Increase Its Electric Rates.