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Xcel Energy

Docket No.: EL12-046

Response To: SDPUC

Data Request No.

Requestor:

3-009

Date Received: August 2, 2012

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Question:

Please explain why Company witness Kramer's testimony, pg. 58, describes the asset/non-asset adjustment as removing the 70 percent shareholder portion of the margin included in the unadjusted 2011 test year whereas the adjustment calculated on workpaper PF36-2 removes the South Dakota jurisdictional portion of the total 2011 non-asset based margins and asset based margins (customer and shareholder portions).

Response:

Based upon further review of the work papers, the formula for the calculation of the adjustment incorrectly calculated the adjustment using the "Total" column for both the asset and non-asset margin amounts rather than the "Shareholder Portion" column. As a result, the original adjustment level on work paper PF36-2 was overstated. In addition, the customer sharing percentage included in PF36-2 was at 30%, this percentage was effective beginning in 2012 and for the 2011 financial activity the proper percentage should be 25%. The appropriate level of non-asset margins that should have been removed is \$195,985 and not the \$753,757 amount on PF36-2. The Company will include an adjustment in rebuttal testimony to reflect this difference. See Attachment A for a recalculation of the non-asset adjustment level.

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Date: August 24 2012

**2011 Actual Adjustment for Prop, Gen & Spin Margins  
Adjustment to Remove Shareholder Portion of Margins - **Corrected**  
Allocated using 2011 actual sales  
South Dakota**

SD - shares 25% Non Asset & 100% Asset Based w/ Customers

	A	B	C= A * B	D = A-C	E= D * Energy Allocator
	Total	Customer Share	Customer Portion	Sharholder Portion	South Dakota Total Juris Adj
<b>Non Asset Margins</b>	4,621,823	25.00%	1,155,456	3,466,367	195,985
<b>Asset Margins</b>	<u>10,357,714</u>	100.00%	<u>10,357,714</u>	<u>0</u>	<u>0</u>
<b>Total Adjustment</b>	<b>14,979,537</b>		<b>11,513,170</b>	<b>3,466,367</b>	<b><u>195,985</u></b>

**Adjustment Recap**

753,757	Original Adjustment amount per PF36-2
195,985	Corrected Calculation
<u>557,772</u>	Rebuttal Adjustment

**2011 Actuals**

	SD State	Customer	Shareholder
Energy Allocator	5.6539%		
Interchange Energy Allocator	84.0901%		
Net Energy and Interchange	4.7544%		
Non Asset based Margins shared	25.00%	75.00%	
Asset Based Margins shared	100.00%	0.00%	