

Northern States Power Company  
Docket EL12-046  
Docket EL11-019 Rate Case Expense  
Adjusted Test Year Ended December 31, 2011

Line	Description	Original Estimate (b)	Actual Costs Incurred Through 3/31/2012 (c)	Estimated Costs Incurred After 3/31/2012 (d)	Actual Costs Incurred After 3/31/2012 (e)	Total Actual Costs (f)	Revised Estimate as of 6/29/12 (g)	Variance from Budget (h)	% Variance from Budget (i)
1	<u>Docket EL11-019 Rate Case Expense:</u>								
2									
3	ROE Consultant - Concentric	\$ 80,000	\$ 45,035	\$ 50,000	\$ 130,799	\$ 175,834	\$ 95,035	\$ 80,799	85.02%
4									
5	Outside Legal Fees - Moss & Barnett	175,000	53,247	80,000	176,360	229,607	133,247	96,360	72.32%
6									
7	South Dakota PUC Statutory Fee	110,000	60,479	65,000	64,521	125,000	125,479	(479)	-0.38%
8									
9	Administrative Costs	23,500	19,480	15,000	11,874	31,354	34,480	(3,126)	-9.07%
10									
11	Total Rate Case Expense	388,500	178,241	210,000	383,554	561,795	388,241	173,554	44.70%
12									
13	Remove % for Unregulated Business (0.1019%)	(396)				(572)	(386)		
14									
15	Total Recoverable Rate Case Expense	388,104				561,223	387,845		

SOURCES:

Column b, line 3 - 15: Docket EL11-019, Volume 3, Work Paper PF32  
Column c, lines 3 - 11: Docket EL11-019, Exhibit (MAT-1), Schedule 1. Agrees with approved Settlement Stipulation in Docket EL11-019, Section III.8.a.  
Column d, lines 3 - 11: Work Paper PF13-2  
Column e, lines 3 - 11: Response to DR 4-2, Attachment A. Email from Deb Paulson to Patrick Steffensen on 10/15/12. Reclassified 4 line items (line 32-34, 39, 103)  
Column f, lines 3 - 11: Column c + Column e  
Column g, lines 3 - 11: Column c + Column d  
Column h, lines 3 - 11: Column f - Column g  
Column i, lines 3 - 11: Column h / Column g

Docket E11-019  
Filed Rate Case Expense  
PF35-2 Adjusted

**NORTHERN STATES POWER COMPANY  
SOUTH DAKOTA  
RATE CASE EXPENSES**

<u>DESCRIPTION</u>	11-xxx 2010A Est.
Consulting Concentric	80,000
Outside Legal Fees Moss & Barnett	175,000
State Agency Fees State	110,000
Administrative Costs Court Reporter Inserts/Notices	5,000
Postage/Delivery/Copies	18,000
Rentals - Hearings	500
	<u>388,500</u>
Remove percent for unregulated business (.1019%)	(396)
	<u><u>388,104</u></u>

Amort 2 years 194,052

99,102  
35,026  
59,923

3 factor to SubBU

Prod	6.10700%
Trans	1.90000%
Dist	1.00000%

- Non Public Document – Contains Trade Secret Data
- Public Document – Trade Secret Data Excised
- Public Document

Xcel Energy

Docket No.: EL11-019

Response To: South Dakota Public  
Utilities Commission

Data Request No. 5-8

Date Received: January 6, 2012

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Question:

Refer to work paper PF35-2 regarding rate case expenses.

- a. Please provide a revised work paper PF35-2 reflecting the most recent actual costs.
- b. For each item listed in PF35-2, provide the basis for each cost estimate.
- c. Provide the relevant pages of all contracts that support the consulting/legal fees claimed in rate case expense.
- d. Please provide additional support for the two-year amortization period.

Response:

In accordance with ARSD §§ 20:10:01:39 through 42, Xcel Energy respectfully requests confidential treatment of Attachments A, B, C and D to this response. In compliance with ARSD § 20:10:01:40, we have clearly marked Attachments A-D as "CONFIDENTIAL".

Xcel Energy addresses the requirements for confidential treatment under ARSD §§20:10:01:41 as follows:

- (1) An identification of the document and the general subject matter of the materials or the portions of the document for which confidentiality is being requested;

Xcel Energy seeks confidential treatment of Attachments A-D to this response. These attachments include contracted prices between Xcel Energy and third-party vendors.

- (2) The length of time for which confidentiality is being requested and a request for handling at the end of that time. This does not preclude a later request to extend the period of confidential treatment;

Xcel Energy requests these documents be maintained as confidential forever.

(3) The name, address, and phone number of a person to be contacted regarding the confidentiality request;

James C. Wilcox  
Manager, Government and Regulatory Affairs  
Xcel Energy  
500 West Russell Street  
Sioux Falls, SD 57104

(4) The statutory or common law grounds and any administrative rules under which confidentiality is requested. Failure to include all possible grounds for confidential treatment does not preclude the party from raising additional grounds in the future.

The material is proprietary information the disclosure of which would result in material damage to Xcel Energy's financial or competitive position. See ARSD §§ 20:10:01:39 and 20:10:01:42. The Attachment contains confidential information of which disclosure may have an adverse impact on Xcel Energy and its ratepayers.

(5) The factual basis that qualifies the information for confidentiality under the authority cited.

Attachments A-D contain pricing terms for consulting and legal services procured for expertise in conjunction with an electric rate case. The Company treats this information as both highly confidential proprietary and trade secret information, not released to the public. This information would provide actual and potential competitors with information concerning Concentric Energy Advisors and Moss & Barnett P.A. services pricing; potentially providing an unfair competitive advantage and potentially affecting the price that Xcel Energy would be required to pay for such service in the future.

- a. See Attachment A for a listing of the actual costs incurred through December 31, 2011 by line item as listed on work paper PF35-2. The costs incurred through December 31, 2011 relate to preparation of the original filing and the First, Second and Third Data Request's from the South Dakota Public Utilities Commission staff.

- b. Cost estimates were generally based on actual expenses incurred in the last general rate case (Docket No. EL09-009).

Consulting expenses for Concentric Energy Advisors are related to retaining the services of an ROE expert to provide basic analysis of utility peer groups. This rate case expense estimate was based on a fixed amount for the market analysis and preparation of initial testimony and an estimate of potential costs for further analysis necessary to respond to any discovery questions and rebuttal testimony preparation and participation in hearings, as needed.

Legal costs were assumed to be similar to the estimate used to prepare the last South Dakota electric case and were not projected using an hourly rate.

State Agency fees were assumed to be the same as was incurred during processing of the most recent Xcel Energy South Dakota rate case.

Administrative costs were estimated to be approximately 10% higher than was incurred during the most recent Xcel Energy South Dakota rate case and is intended to cover items such as printing and binder cost of filing documents, customer bill inserts (design, printing, inserting, postage), miscellaneous costs as may be related to hearings.

- c. Please see Attachment B for the relevant pages from our services contract with Concentric. The initial work by this consultant was covered by a specific amount with subsequent work charged on a time and materials basis. Also, included as Attachment C is the retention letter for legal services for the law firm of Moss & Barnett PA with a 2011 budget. The Company's guidelines and expectations for outside counsel services, as referenced in the retention letter, are included here as Attachment D. As described in part b. above, the rate case budget used by the Company for Moss & Barnett PA was separately developed for the entire rate case and did not rely on hourly rates or estimates prepared by Moss & Barnett for those services provided in 2011.
- d. As stated in the direct testimony of Mr. Kramer on page 35, lines 9 through 11, "We propose to amortize these expenses over a two year period because we reasonably expect to file our next electric rate case within two years." The Company continues to believe that we will file our next rate case within 2 years or sooner.

Preparer: Debra J. Paulson / Thomas E. Kramer  
Title: Manager, Rate Cases / Principal Rate Analyst  
Department: Regulatory Administration/ Revenue Requirements - North  
Telephone: 612-330-7571 / 612-330-5866  
Date: February 1, 2012

**CONFIDENTIAL**

**Thurber, Jon**

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**From:** Kramer, Thomas E <Thomas.Kramer@xcelenergy.com>  
**Sent:** Monday, April 16, 2012 1:56 PM  
**To:** Thurber, Jon  
**Cc:** Felling, John M; Heuer, Anne E; Paulson, Debra J  
**Subject:** RE: SD Cost of Service Models and Bridge Schedules  
**Attachments:** Position Comparison for Settlement Attachment.xls; Settlement Petition SD Staff Position Bridge.XLS; Settlement Petition NSP Position Bridge.XLS; CWC Recalculations Both Parties.xls; Rate Case Expenses thru March 2012.xls; Weather Normalized Allocators Update to SD Nobles Position.xls

Good afternoon Jon,

Attached please find the following files:

Position Comparison for Settlement Attachment,  
Settlement Position SD Staff Position Bridge,  
Settlement Position NSP Position Bridge,  
CWC Recalculations Both Parties,  
Rate Case Expenses thru March 2012, and  
Weather Normalized Allocator Update to SD Nobles Position.

Hopefully this will provide you everything you need at this time. Please let me know if you have any questions.

Tom



Northern States Power Company

Docket EL11-019

**Rate Case Expense**

Adjusted Test Year Ended December 31, 2010

Updated Rate Case Exp Calc

<u>Line</u>	<u>Description</u>	<u>Amount</u>
	(a)	(b)
1	Moss & Barnett, outside Legal Fees	\$ 53,247
2	Consulting Fees	45,035
3	Administrative Costs	19,480
4	SD PUC Statutory Fee	60,479
5	Current Rate Case Expense	178,241
6	Unamortized expenses from EL09-009	162,000
7	Total Rate Case Expense	340,241
8	Amortization Period (years)	3
9	Annual Rate Case Expense Amortization	113,414
10	Test Year Rate Case Expense	54,000
11	Rate Case Expense Adjustment	59,414
12	Average Unamortized Rate Case Expense	170,121
13	Test Year Unamortized Rate Case Expense	243,550
14	Unamortized Rate Case Expense Rate Base Adjustment	(73,429)

Exhibit (JPT-19)  
Page 22 of 36

2011 South Dakota electric rate case  
EL11-019

Post Yr	Post Mo	Line Item Remark	2011 Actuals thru Dec	2012 Actuals thru March	Actuals thru March 2012	March Accruals	Total Booked thru March 2012
2011		8 CONCENTRIC - SOUTH DAKOTA ELEC	27,815.67				
2011		10 CONCENTRIC - SOUTH DAKOTA ELEC	17,219.69				
2012		3 CONCENTRIC - Accrual				3,000.00	
		<b>Total Concentric</b>			<u>45,035.36</u>		<u>48,035.36</u>
2011		6 MOSS & BARNETT LEGAL SERVICES	937.50				
2011		7 MOSS & BARNETT LEGAL SERVICES	9,712.50				
2011		7 IQN - 55892NSPM, 7/15/11	26,193.43				
2011		8 IQN W/E 8/13/11 XLS	88.14				
2011		11 MOSS & BARNETT LEGAL SERVICES	37.50				
2011		12 Moss & Barnett, PA (XE Legal)	4,264.20				
2011		12 IQN - 66952NSPM, 12/9/11	1,722.24				
2012		1 Moss & Barnett, PA (XE Legal)		(4,264.20)			
2012		1 Moss & Barnett, PA (XE Legal)		4,434.76			
2012		1 MOSS & BARNETT LEGAL SERVICES		975.00			
2012		2 Moss & Barnett, PA (XE Legal)		(4,434.76)			
2012		2 IQN - 69961NSPM 2/10/12		4,434.76			
2012		2 MOSS & BARNETT LEGAL SERVICES		3,637.50			
2012		3 IQN - 71692NSPM 3/16/12		3,745.87			
2012		3 MOSS & BARNETT LEGAL SERVICES		1,762.50			
2012		3 MOSS & BARNETT LEGAL SERVICES				#####	
		<b>Total Legal</b>			<u>53,246.94</u>		<u>64,086.28</u>
2011		11 SD Public Utilities Commission	26,149.96				
2012		SD Pub Utilities Comm - Costs		21,784.23			
2012		3 SD PUB UTIL COMMISSION - COSTS		12,544.44			
		<b>Total SD Commission</b>				#####	
					<u>60,478.63</u>		<u>137,149.63</u>
2011		8 P: CUSTOMER PROGRAM ADVE001378	1,813.08				
2011		5 xfer fr 2009 case	14.92				
2011		9 K&B COPY CONTRACT FOR LEGAL SE	15,871.54				
2011		7 BENCO DELIVERY SERVICE - MN DE	8.00				
2011		7 P: MAILINGS/ FREIGHT/ POWLLC08	1,238.24				
2011		8 P: MAILINGS/ FREIGHT/ POWLLC08	36.90				
2011		8 DST NSM PROCESSING / POSTAGE	42.76				
2011		10 DST NSM PROCESSING / POSTAGE	296.36				
2012		2 P: MAILINGS/ FREIGHT/ POWLLC08		58.03			
2012		2 P: MAILINGS/ FREIGHT/ POWLLC08		13.03			
2012		2 UNITED BUSINESS MAIL INV. 2022		19.55			
2012		2 P: MAILINGS/ FREIGHT/ POWLLC08		54.68			
2012		3 P: MAILINGS/ FREIGHT/ POWLLC08		13.03			
		<b>Total Administration</b>			<u>19,480.12</u>		<u>19,480.12</u>
			<u>133,462.63</u>	<u>44,778.42</u>	<u>178,241.05</u>	#####	<u>268,751.39</u>

Total W/O  
Accruals

Total with  
Accruals in  
Account  
248404.2010

Pages marked confidential in this exhibit do not contain confidential material. The company requested confidential treatment of certain attachments that are not included in this exhibit.

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- Non Public Document – Contains Trade Secret Data  
 Public Document – Trade Secret Data Excised  
 Public Document

Xcel Energy  
Docket No.: EL12-046  
Response To: SDPUC Data Request No.  
Requestor: South Dakota Public Utilities Commission 42  
Date Received: August 10, 2012

Question:

Regarding the rate case expense adjustments:

- a. Please provide an itemized account of actual rate case expenses incurred after March 31, 2012, in EL11-019 and to date in EL12-046 similar to what was done on page 2 of Work Paper PF51-2 in EL12-046.
- b. Please provide an updated estimate of future rate case expenses in EL12-046 with a basis for these estimations given any variances seen from total rate case expenses in EL11-019.
- c. Are there any outstanding rate case expenses associated with EL11-019?
- d. Have there been any changes to the contracts which support the consulting/legal fees provided in data request 5-8 in EL11-019? If so, please provide.
- e. Please provide proof that bringing in outside legal counsel is the lower cost alternative to having counsel provided in house.
- f. How do rate case expenses get tracked and allocated between jurisdictions when NSP has simultaneous rate cases?

Response:

- a. An itemized account of actual rate case expenses incurred after March 31, 2012 through August 31, 2012 in EL11-019 and in EL12-046 is provided in Attachment A to this response.
- b. Our original estimate of rate case expense for this current rate case (\$408,000) understated the value for the assessed SDPUC regulatory fees by \$125,000. The estimate included State Agency Fees of \$125,000 in total, however, since the EL10-019 case was filed, SD CL 49-1A-8 increased this amount to

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\$250,000 and the Commission authorized Commission Staff to incur up to this amount in processing our rate case. Including Agency Fees up to the statutory limit, an updated amount for rate case expenses for Docket No. EL12-046 is \$533,000 and including the prior residual costs from Docket No. EL11-019, \$743,000 in total. Please see Attachment D to this response for an updated Schedule 10 to the Direct Testimony of Mr. Kramer.

- c. Outstanding rate case expenses associated with EL11-019 may include additional billings associated with consulting fees incurred as a result of the June 2012 Commission hearings.
- d. Consulting and legal support are arranged specifically for each of the Company's rate cases. The Company has continued engagement of Moss & Barnett as legal counsel and Concentric Energy Associates for Cost of Capital expertise. Confidential contracts for the participation of each of these firms in our current rate case are provided in Confidential Attachments B and C to this response.
- e. The determination of when to use outside counsel in any particular case is based on expertise, workload, and cost. As a large corporation, the Company is faced with a myriad of complex legal issues related to corporate governance, business transactions, employee benefits, liability claims, regulatory and other matters. The Company continually reviews its current and projected needs and staffs accordingly. However, having in-house expertise in all areas could lead to inefficiency resulting from the costs of maintaining the expertise during times when the expertise was not needed. The Company does not perform a specific calculation of whether outside counsel is the lower cost alternative for any particular matter because the alternative, which is hiring additional in-house counsel, is a long-run decision that is not made on the basis of any particular matter. Rather, overall, we seek to have the right balance and it makes sense to rely on outside counsel for peak time demand projects and those requiring particular expertise.

With respect to rate cases, the Company relies on both in-house counsel and external counsel for the reasons stated above— expertise, workload and cost. Because a rate case requires subject matter expertise in a variety of areas, including resource planning, rate design, accounting and other matters, we have relied on both in-house counsel and outside counsel to address these issues. Relying solely on in-house counsel would require us to maintain staffing levels that may not be fully utilized during many periods. Reliance on outside counsel for some of these areas avoids the cost of maintaining the expertise during

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periods when the expertise is not needed. The hiring of a new in-house attorney in 2009 to work on South Dakota regulatory issues has reduced the use of outside counsel in our South Dakota jurisdiction but has not eliminated the need to bring in outside counsel to address matters outside of that attorney's expertise.

- f. The Company opens up a work order for each rate case. Expenses related to that case are charged to the work order and tracked for recovery in the relevant jurisdiction. Rate case expenses are not allocated between jurisdictions. Whether the Company has more than one rate case pending at any given time does not impact the expenses attributable to any one case.

In accordance with ARSD §§ 20:10:01:39 through 42, Xcel Energy respectfully requests confidential treatment of Attachments B and C to this response. In compliance with ARSD § 20:10:01:40, we have clearly marked Attachments B and C as "CONFIDENTIAL".

Xcel Energy addresses the requirements for confidential treatment under ARSD §§20:10:01:41 as follows:

- (1) An identification of the document and the general subject matter of the materials or the portions of the document for which confidentiality is being requested;

*Xcel Energy seeks confidential treatment of Attachments B and C to this response. These attachments include contracted prices between Xcel Energy and third-party vendors.*

- (2) The length of time for which confidentiality is being requested and a request for handling at the end of that time. This does not preclude a later request to extend the period of confidential treatment;

*Xcel Energy requests these documents be maintained as confidential forever.*

- (3) The name, address, and phone number of a person to be contacted regarding the confidentiality request;

— CONFIDENTIAL —

James C. Wilcox  
Manager, Government and Regulatory Affairs  
Xcel Energy  
500 West Russell Street  
Sioux Falls, SD 57104

(4) The statutory or common law grounds and any administrative rules under which confidentiality is requested. Failure to include all possible grounds for confidential treatment does not preclude the party from raising additional grounds in the future.

*The material is proprietary information the disclosure of which would result in material damage to Xcel Energy's financial or competitive position. See ARSD §§ 20:10:01:39 and 20:10:01:42. The Attachment contains confidential information of which disclosure may have an adverse impact on Xcel Energy and its ratepayers.*

(5) The factual basis that qualifies the information for confidentiality under the authority cited.

*Attachments B and C contain pricing terms for consulting and legal services procured for expertise in conjunction with an electric rate case. The Company treats this information as both highly confidential proprietary and trade secret information, not released to the public. This information would provide actual and potential competitors with information concerning Concentric Energy Advisors and Moss & Barnett P.A. services pricing, potentially providing an unfair competitive advantage and potentially affecting the price that Xcel Energy would be required to pay for such service in the future.*

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Preparer: Thomas E. Kramer / Debra J. Paulson / Kari L. Valley  
Title: Princ. Rate Analyst / Mgr, Rate Cases / Asst. General Counsel  
Department: Rev. Requirements – North / Regulatory / Legal  
Telephone: 612-330-5866 / 612-330-7571 / 612-215-4526  
Date: September 27, 2012

**South Dakota Rate Case Expenses**

**Expenses Incurred after March 31, 2012 through August 31, 2012**

<u>Line</u>	<u>Description</u>	<u>EL11-019 Amount</u>	<u>EL12-046 Amount</u>
1	Outside Legal Fees, Moss and Barnett	\$167,323	\$30,673
2	Consulting Fees	\$139,837	\$676
3	Administrative Costs	\$11,445	\$12,836
4	SD PUC Statutory Fee	\$64,950	\$0
5	Current Rate Case Expenses	<u>\$383,554</u>	<u>\$44,185</u>

**Steffensen, Patrick**

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**From:** Paulson, Debra J <Debra.J.Paulson@xcelenergy.com>  
**Sent:** Thursday, October 11, 2012 8:17 PM  
**To:** Steffensen, Patrick  
**Cc:** Kramer, Thomas E  
**Subject:** EL12-046 Followup to SDPUC DR 4-2  
**Attachments:** 4-002 Supplemental Rate Case Costs Info.xls

Pat,

In followup to our discussion last week, you requested we provide additional information related to rate case expenses incurred after March 31, 2012 for the prior rate case (Docket EL10-019) and explanation for why these costs were higher than estimated.

The rate case expenses identified and paid through March 31, 2012 would have included expenses billed and paid primarily for work done through February 2012. Expenses billed and paid in April would relate to the legal expenses for completing the discovery (concluded in March).

In addition to discovery costs, rate case expenses after 3/31/12 would include those pertaining to: outside expert witness on ROE, outside legal counsel, travel to Pierre, delivery charges, customer notices and PUC billings. These expenses were necessary for preparation of additional filed testimony, to prepare and present our case at hearing before the PUC and provide customer communication about new electric rates.

Taken together, costs before and after 3/31/12 are higher than the original \$388,500 of estimated rate case expenses by approximately \$173k due in large part to the additional consulting and legal expense of a contested case proceeding before the Commission. The attached file provides a detailed breakout of the costs into the categories of Legal, Consulting, Administrative and Commission Fees.

Please let me know if you need additional information or would like to discuss further.  
Thanks,

**Deb Paulson**  
**Xcel Energy**  
**Manager, Rate Cases**  
414 Nicollet Mall, 7th Floor Minneapolis, MN 55401  
P: 612.330.7571 C: 612.760.1684 F: 612.330.7601  
E: [debra.i.paulson@xcelenergy.com](mailto:debra.i.paulson@xcelenergy.com)

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**XCELENERGY.COM**

Please consider the environment before printing this email



Exhibit (JPT-19)  
Page 29 of 36

2011 South Dakota Electric Rate Case Expenses  
Associated with Docket EL11-019

Port Yr	Port Mo	Line Item	Remark	2011 Actuals thru Dec	2012 Actuals thru March	Cumulative through March 2012	2102 Actuals Apr - Aug	Actuals thru August 2012
				a	b	c=a+b	d	e=a+d
2011	6	MOSS & BARNETT LEGAL SERVICES		937.50				
2011	7	MOSS & BARNETT LEGAL SERVICES		9,712.50				
2011	7	IQN - 55892NSPM, 7/15/11		26,193.43				
2011	8	IQN W/B 8/13/11 XLS		88.14				
2011	11	MOSS & BARNETT LEGAL SERVICES		37.50				
2011	12	Moss & Barnett, PA (XB Legal)		4,264.20				
2011	12	IQN - 66952NSPM, 12/9/11		1,722.24				
2012	1	Moss & Barnett, PA (XB Legal)			(4,264.20)			
2012	1	Moss & Barnett, PA (XB Legal)			4,434.76			
2012	1	MOSS & BARNETT LEGAL SERVICES			975.00			
2012	2	Moss & Barnett, PA (XB Legal)			(4,434.76)			
2012	2	IQN - 69961NSPM 2/10/12			4,434.76			
2012	2	MOSS & BARNETT LEGAL SERVICES			3,637.50			
2012	3	IQN - 71692NSPM 3/16/12			3,745.87			
2012	3	MOSS & BARNETT LEGAL SERVICES			1,762.50			
2012	4	IQN - 72796NSPM 4/6/12					10,839.34	
2012	5	Moss & Barnett, PA (XB Legal)					40,784.33	
2012	5	IQN - 75261NSPM 5/25/12					757.75	
2012	8	Moss & Barnett, PA (XB Legal)					114,941.36	
Legal: Period Total				42,955.51	10,291.43	53,246.94	167,322.78	230,569.72
Legal: Cumulative								
2011	8	CONCENTRIC - SOUTH DAKOTA ELBC		27,815.67				
2011	10	CONCENTRIC - SOUTH DAKOTA ELBC		17,219.69				
2012	4	MOSS & BARNETT LEGAL SERVICES	*				600.00	
2012	5	MOSS & BARNETT LEGAL SERVICES	*				112.50	
2012	7	MOSS & BARNETT LEGAL SERVICES	*				7,725.00	
2012	8	NSP-SD ELECTRIC RATE CASE 2012	*				2,925.00	
2012	8	NSP-SD ELECTRIC RATE CASE 2012	*				76,163.75	
2012	8	NSP-SD ELECTRIC RATE CASE 2012	*				28,840.84	
2012	8	NSP-SD ELECTRIC RATE CASE 2012	*				19,950.08	
2012	8	MOSS & BARNETT LEGAL SERVICES	*				600.00	
Consulting: Period Total				45,035.36	-	45,035.36	130,816.97	384,872.33
* Consulting services billed through Moss & Barnett								
2011	8	P: CUSTOMER PROGRAM ADVB00137R		1,813.08				
2011	5	xfer P 2009 case		14.92				
2011	9	K&B COPY CONTRACT FOR LEGAL SE		15,871.54				
2011	7	BBNCO DELV/BRY SERVICE - MN DE		8.00				
2011	7	P: MAILINGS/FREIGHT/POWLLC08		1,338.24				
2011	8	P: MAILINGS/FREIGHT/POWLLC08		36.90				
2011	8	DST NSM PROCESSING / POSTAGE		42.76				
2011	10	DST NSM PROCESSING / POSTAGE		396.36				
2012	2	P: MAILINGS/FREIGHT/POWLLC08			58.03			
2012	2	P: MAILINGS/FREIGHT/POWLLC08			13.03			
2012	2	UNITED BUSINESS MAIL INV. 2022			19.55			
2012	2	P: MAILINGS/FREIGHT/POWLLC08			54.68			
2012	3	P: MAILINGS/FREIGHT/POWLLC08			13.03			
2012	6	PAULSON MAY2012 T: AIRFARE - SERVICE FEE					288.89	
2012	6	ALDERS J.R. JUNE 201 T: AIRFARE					383.80	
2012	6	ALDERS J.R. JUNE 201 T: AIRFARE - SERVICE FEE					594.79	
2012	6	ALDERS J.R. JUNE T: HOTEL					290.97	
2012	6	ALDERS J.R. JUNE T: LODGING TAX					24.72	
2012	6	ALDERS J.R. JUNE 201 P: BUSINESS MEALS					47.53	
2012	6	ALDERS J.R. JUNE 201 P: TIPS/TOLLS					8.00	
2012	7	THOMPSON FED EX EXPENSES					522.07	
2012	7	THOMPSON FED EX EXPENSES					807.85	
2012	7	VALLEY JUNE 2012 T: AIRFARE - SERVICE FEE					60.30	
2012	7	VALLEY JUNE 2012 T: AIRFARE					736.00	
2012	7	VALLEY JULY 2012 T: AIRFARE - SERVICE FEE					30.15	
2012	7	VALLEY JULY 2012 T: AIRFARE					388.00	
2012	7	BRKK06-Misc Recharges K Valley Expense Report					442.00	
2012	7	VALLEY JUNE 2012 T: TAXI/BUS/OTHER					1.75	
2012	7	PAULSON JUNE 2012 T: TAXI/BUS/OTHER					1.75	
2012	7	VALLEY JULY 2012 KLV T: TAXI/BUS/OTHER					3.50	
2012	7	BRKK06-Misc Recharges K Valley Expense Report					44.50	
2012	7	VALLEY JULY 2012 T: PERSONAL CAR MILEAGE					4.44	
2012	7	VALLEY JUNE 2012 T: HOTEL					213.98	
2012	7	VALLEY JUNE 2012 T: LODGING TAX					18.18	
2012	7	PAULSON JUNE 2012 T: HOTEL					290.97	
2012	7	PAULSON JUNE 2012 T: LODGING TAX					24.72	
2012	7	VALLEY JULY 2012 T: HOTEL					548.97	
2012	7	VALLEY JULY 2012 T: LODGING TAX					46.66	
2012	7	BRKK06-Misc Recharges K Valley Expense Report					146.46	
2012	7	VALLEY JUNE 2012 KLV P: TRAVEL MEALS					74.33	
2012	7	PAULSON JUNE 2012 P: TRAVEL MEALS					15.00	
2012	7	VALLEY JULY 2012 KLV P: TRAVEL MEALS					23.41	
2012	7	VALLEY JULY 2012 KLV T: TRAVEL MEALS					41.78	
2012	7	VALLEY JUNE 2012 KLV T: PARKING					40.00	
2012	7	VALLEY JULY 2012 KLV T: PARKING					114.00	
2012	8	THOMPSON FED EX EXPENSES					1,681.49	
2012	8	THOMPSON DEPARTMENTAL EXPENSE					17.20	
2012	8	DST NSM PROCESSING / BILL STAT					60.55	
2012	8	GIBBS P.K. QIBBS SRPTMBBR					3,405.96	
Administrative: Period Total				19,321.80	158.32	19,480.12	11,444.77	30,924.89
2011	11	SD Public Utilities Commission		26,149.96				
2012	2	SD Pub Utilities Comm - Costs			21,784.23			
2012	3	SD PUB UTIL COMMISSION - COSTS			12,544.44			
2012	4	SD PUB UTIL COMMISSION - COSTS					47,462.00	
2012	8	Precision Reporting Hearing T					428.50	
2012	8	SD PUBLIC UTILITIES COMM-COSTS					17,059.37	
SD Commission: Period Total				26,149.96	34,328.67	60,478.63	64,949.87	125,428.50
Total All Costs				133,462.63	44,778.42	178,241.05	383,534.39	561,795.44

**Steffensen, Patrick**

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**From:** Paulson, Debra J <Debra.J.Paulson@xcelenergy.com>  
**Sent:** Tuesday, October 23, 2012 2:39 PM  
**To:** Steffensen, Patrick  
**Subject:** RE: EL12-046 Followup to SDPUC DR 4-2  
**Attachments:** Informal Followup 4-2.pdf

Good afternoon Pat,

Attached please find the consulting invoices you requested. As with our request for confidential treatment of the consulting contract in response to data request 4-2, we request that these invoices be treated confidential for the same reasons outlined in that response. Regarding the legal invoice, the \$114,941.36 represents costs relating to time spent on the 2011 rate case for research, drafting pleadings, and preparation for and attendance at the June hearings. The invoices themselves are subject to attorney-client privilege and include information related to litigation strategy and presentation of our case and are not subject to discovery.

Please let me know if I've missed anything you were looking for or if you have further questions.  
Thanks for your patience on this,  
Deb

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**From:** Paulson, Debra J  
**Sent:** Wednesday, October 17, 2012 1:34 PM  
**To:** 'Steffensen, Patrick'  
**Subject:** RE: EL12-046 Followup to SDPUC DR 4-2

Hi Pat,

In response to your questions:

1. We charge PUC, ALJ and court reporter charges to deferred object account 748234 "Deferred Regulatory Fees – Direct". The tabulation of monthly charges posted to that object account was generally labeled as "PUC Commission" for summary purposes to describe direct Commission related expenses and includes \$125,000 of Commission fees and \$428.50 of court reporter fees. We agree your Commission billed amount was exactly \$125,000.
2. The EL11-019 was held June 13 & 14, however development of workpapers was done prior to the time of hearings in order to file the current case on June 30, 2012. Regardless of that timing, as with the court reporters fees for work at that hearing being billed/paid/posted in August, we did not have more complete knowledge of the legal and consulting fees than what was remaining in the prior estimate.
3. I'll do my best to get requested invoice information as quickly as possible.

Thanks  
Deb

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**From:** Steffensen, Patrick [mailto:Patrick.Steffensen@state.sd.us]  
**Sent:** Tuesday, October 16, 2012 2:43 PM  
**To:** Paulson, Debra J  
**Subject:** RE: EL12-046 Followup to SDPUC DR 4-2

Deb,

Thanks you for this additional information regarding rate case expense. Here are a few other items we will need addressed at your soonest convenience.

1. Should the \$428.50 posted in August 2012 to Precision Reporting be included in the Administrative section rather than the SD Commission section? Our records indicate we billed and received exactly \$125,000 for EL11-019.
2. Please provide additional information reconciling the budgeted and actual amounts for the consulting and legal categories. You mentioned in your email that the overages were due to a contested case proceeding; however, the hearing for EL11-019 was complete at the time work paper PF13-2 was submitted using residual consulting and legal costs of \$50,000 and \$80,000, respectively.
3. Please provide invoices for the August 2012 posting under legal in the amount of \$114,941.36 and the August 2012 postings under consulting in the amounts of \$2,925, \$79,103.75, \$28,840.64, and \$19,930.08.

Please let me know if you have any questions with these requests.

Thanks,  
Pat

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**From:** Paulson, Debra J [mailto:Debra.J.Paulson@xcelenergy.com]  
**Sent:** Thursday, October 11, 2012 8:17 PM  
**To:** Steffensen, Patrick  
**Cc:** Kramer, Thomas E  
**Subject:** EL12-046 Followup to SDPUC DR 4-2

Pat,

In followup to our discussion last week, you requested we provide additional information related to rate case expenses incurred after March 31, 2012 for the prior rate case (Docket EL10-019) and explanation for why these costs were higher than estimated.

The rate case expenses identified and paid through March 31, 2012 would have included expenses billed and paid primarily for work done through February 2012. Expenses billed and paid in April would relate to the legal expenses for completing the discovery (concluded in March).

In addition to discovery costs, rate case expenses after 3/31/12 would include those pertaining to: outside expert witness on ROE, outside legal counsel, travel to Pierre, delivery charges, customer notices and PUC billings. These expenses were necessary for preparation of additional filed testimony, to prepare and present our case at hearing before the PUC and provide customer communication about new electric rates.

Taken together, costs before and after 3/31/12 are higher than the original \$388,500 of estimated rate case expenses by approximately \$173k due in large part to the additional consulting and legal expense of a contested case proceeding before the Commission. The attached file provides a detailed breakout of the costs into the categories of Legal, Consulting, Administrative and Commission Fees.

Please let me know if you need additional information or would like to discuss further.  
Thanks,

**Deb Paulson**  
**Xcel Energy**  
Manager, Rate Cases  
414 Nicollet Mall, 7th Floor Minneapolis, MN 55401  
P: 612.330.7571 C: 612.760.1684 F: 612.330.7601  
E: [debra.j.paulson@xcelenergy.com](mailto:debra.j.paulson@xcelenergy.com)

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**CONFIDENTIAL**

**Docket Number:** EL11-019  
**Subject Matter:** Fifth Data Request  
**Request to:** Northern States Power Company (NSP)  
**Request from:** South Dakota Public Utilities Commission Staff  
**Date of Request:** January 6, 2012  
**Responses Due:** January 27, 2012

- 5-3. According to Xcel Energy's 2010 SEC 10-K, Page 77, the expected long-term rate of return on plan assets was decreased from 7.79% to 7.50% for 2011. For both 2010 (7.79%) and 2011 (7.50%) please provide a breakdown of the expected return by asset class (e.g. equities, small cap, mid cap, large cap; fixed income by type, as appropriate). Please also provide a copy of the corresponding report supporting the assumptions used for the expected return on pension plan assets.
- 5-4. On Exhibit\_\_\_\_(DSD-1), Schedule 8, Page 1 of 1, the "Becker" bonds are priced with a coupon rate of 6.543 percent, and Footnote 1 says that the rate has been adjusted from 8.50 percent to 6.543 percent, or 1.957 percent. On Statement G, Page 3 of 8, the "Becker" bonds are incorporated at the full cost of 8.50 percent. (a) Please explain the basis, and provide supporting work-papers, for the 1.957 percent adjustment, and (b) please explain why the 1.957 percent adjustment is not reflected on Statement G, or in the 6.03 percent weighted average cost of debt shown on Statement G.
- 5-5. Please provide digital (PDF) copies of the Northern States Power 2010 SEC-10K and subsequent 10-Q's.