

## **INTERIM REFUND PLAN**

Xcel Energy submits the following plan for refunding the portion of the interim rate surcharge that will exceed the amount of the Settlement Stipulation to this docket. The interim rate period subject to refund is January 1, 2015, when interim rates began, through June 30, 2015.

On November 12, 2014, the Company filed its Notice of Intent to Implement Interim Rates pursuant to S.D. Codified Laws § 49-34A-17. On January 1, 2015 Xcel Energy implemented an incremental interim increase of \$15,600,000 on an annual basis for service occurring on and after January 1, 2015.

In its Settlement Stipulation, the Parties agree to an increase in South Dakota jurisdictional electric revenues of \$6,922,000 to produce total retail related revenues of \$201,135,000 for the test year ending December 31, 2013. As such, the test year refund amount is \$8,678,000. The steps that Xcel Energy will use for distributing this refund are described below.

The ordered test year revenue increase (line 2 of Attachment A) is subtracted from the authorized interim revenue increase (line 1 of Attachment A) to provide the test year interim refund (line 3 of Attachment A). The test year interim refund (\$8,678,000) as a percent of the test year interim increase (\$15,600,000) equals the test year interim refund factor (55.6282%; line 4 of Attachment A). This interim refund factor is applied to the actual monthly interim revenues collected to provide actual monthly refund amounts (Attachment B). Please note that Attachment B includes estimated interim refund collections for the months May 2015 and June 2015. Actual interim revenue collections will be used in the calculations when they are available. The total refund amount without interest is estimated at \$4,498,721 (line 6 of Attachment A).

As part of the refund, Xcel Energy will include interest, calculated by applying a 7% annual interest to the average refund balance for each month that interim revenues were collected (January 2015 through June 2015). The interest calculation is shown on Attachment C, with total interest charges through July 1, 2015 estimated at \$74,254.

The actual interim revenue refund (line 6 of Attachment A) plus interest (line 7 of Attachment A) equals the total refund obligation (line 8 of Attachment A). The total refund obligation as a percent of total actual revenues collected equals the actual interim revenue refund factor, which is estimated to be 56.5464% (line 9 of Attachment A).

For every customer assessed an interim rate charge, a refund will be calculated by multiplying the customer's actual interim rate charges during the period from January 2015 through June 2015 by the refund factor. The estimated average refund per residential customer is \$26.91. Refunds of the applicable franchise fees and sales taxes will also be included in the refund amount. The interim rate refunds will be credited to accounts during a monthly billing cycle beginning no later than August 1, 2015. Refunds for existing customers will be in the form of a bill credit posted to the customer's account. A bill message will be developed to briefly describe the refund credit. Customers due a refund who are no longer Xcel Energy customers will receive a check if the refund amount is \$3.00 or more. Any residual un-refunded monies will be included in the fuel clause true-up adjustment for distribution to all remaining customers, consistent with the method approved by the Commission in Docket Nos. EL11-019 and EL12-046.

**Northern States Power Company  
Electric Utility - State of South Dakota  
Summary of Interim Refund**

**Docket No. EL14-058  
Attachment A**

**2013 TY**

**Interim Refund Factor Calculation**

1	Authorized Annual Interim Rate Increase	\$15,600,000
2	Approved Annual Base Rate Increase	\$6,922,000
3	Annualized Excess Interim Recovery (line 1- line 2)	\$8,678,000
4	% Refundable (line 3 / line 1)	55.6282%
5	Actual Interim Revenue Increase Collected <sup>1</sup>	\$8,087,123
6	Interim Refund Excluding Interest (line 4 x line 5)	<u>\$4,498,721</u>
7	Interest on Interim Refund Balance (Attachment C)	\$74,254
8	Interim Refund Including Interest (lines 6 + 7 )	<u>\$4,572,975</u>
9	<b>Est. Interim Refund Factor (line 8 / line 5)</b>	<b>56.5464%</b>

**Est. Average Interim Refund per Residential Customer**

10	Est. Interim Revenues for Residential Customers	\$3,726,043
11	Average Residential Customers Jan. 2015 - Jun. 2015	78,288
12	Est. Ave. Interim Revenue per Residential Customer (line 10 / line 11)	\$47.59
13	Est. Ave. Interim Refund per Residential Customer (line 9 x line 12)	<b>\$26.91</b>

<sup>1</sup> Interim revenues collected from Jan. 1, 2015 through Jun. 30, 2015. See Attachment B.

**Northern States Power Company  
Electric Utility - State of South Dakota  
Interim Rate Refund by Month**

**Docket No. EL14-058  
Attachment B**

	<b>Interim Revenue Collected</b>	<b>% Refundable<sup>1</sup></b>	<b>Interim Refund (excl. Interest)</b>
Jan-15	\$925,043	55.6282%	\$514,585
Feb-15	\$1,387,848	55.6282%	\$772,035
Mar-15	\$1,512,754	55.6282%	\$841,518
Apr-15	\$1,361,479	55.6282%	\$757,366
May-15 Est.	\$1,400,000	55.6282%	\$778,795
Jun-15 Est.	\$1,500,000	55.6282%	\$834,423
	<b>\$8,087,123</b>		<b>\$4,498,721</b>

<sup>1</sup> Attachment A, Line 4

**Northern States Power Company  
 Electric Utility - State of South Dakota  
 Interim Refund Interest Calculation**

**Docket No. EL14-058  
 Attachment C**

<b>Revenue Month</b>	<b>Beginning Balance</b>	<b>Curr Mo Int Rev Refund</b>	<b>Ending Balance</b>	<b>Average Balance</b>	<b>Days</b>	<b>Annual Interest<sup>1</sup></b>	<b>Monthly Interest</b>
Jan-15 <sup>1</sup>	\$0	\$514,585	\$514,585	\$257,292	30	7.00%	\$1,476
Feb-15	\$516,061	\$772,035	\$1,288,096	\$902,078	28	7.00%	\$4,831
Mar-15	\$1,292,926	\$841,518	\$2,134,444	\$1,713,685	31	7.00%	\$10,160
Apr-15	\$2,144,605	\$757,366	\$2,901,971	\$2,523,288	30	7.00%	\$14,478
May-15 est	\$2,916,449	\$778,795	\$3,695,243	\$3,305,846	31	7.00%	\$19,600
Jun-15 est	\$3,714,844	\$834,423	\$4,549,267	\$4,132,055	30	7.00%	\$23,709
2015 Total rider (lines 6 + 7 )							<b>\$74,254</b>

<sup>1</sup> Interim rates effective January 1, 2015