

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF SOUTH DAKOTA**

**THE MATTER OF THE APPLICATION OF)
NORTHERN STATES POWER COMPANY)
DBA XCEL ENERGY FOR AUTHORITY TO)
INCREASE ITS ELECTRIC RATES)
)
)**

**ORDER GRANTING JOINT
MOTION FOR APPROVAL
OF SETTLEMENT
STIPULATION**

EL11-019

On June 30, 2011, Northern States Power Company dba Xcel Energy (Xcel) filed with the South Dakota Public Utilities Commission (Commission) an Application for Authority to Increase Electric Rates in South Dakota and supporting pre-filed testimony. The Application seeks approval to increase rates for electric service to customers in its South Dakota service territory by approximately \$14.6 million annually or approximately 9.28% based on Xcel's 2010 test year. In addition, Xcel proposes to recover approximately \$1 million of ongoing investments in its Monticello nuclear generating plant through a Nuclear Cost Recovery Rider to go into effect with the final rates. Xcel states that a typical residential electric customer using 750 kWh per month would see an increase of 9.48%, or \$6.93 per month. The proposed rates may potentially affect approximately 84,000 customers in Xcel's South Dakota service territory.

On July 7, 2011, the Commission electronically transmitted notice of the Application and the intervention deadline of September 9, 2011, to interested individuals and entities. No petitions to intervene were filed. On July 20, 2011, the Commission issued an Order of Assessment of Filing Fee and Suspension of Imposition of Tariff assessing Xcel a filing fee not to exceed the statutory limit, suspending the operation of the schedule of rates proposed by Xcel for 180 days beyond June 30, 2011, and establishing an intervention deadline of September 9, 2011. On November 4, 2011, Xcel filed its Notice of Intent to Implement Interim Rates. On February 28, 2012, the Commission issued an Order for and Notice of Procedural Schedule and Notice of Hearing. On March 13, 2012, April 2, 2012, and April 9, 2012, Xcel and the Commission's staff (Staff) filed stipulations for extension of the procedural schedule deadline for filing and service of Staff's testimony to facilitate on-going settlement discussions. On April 16, 2012, Staff filed its pre-filed testimony. On April 19, 2012, Xcel filed a letter advising the Commission that settlement had been reached on all issues except two and that the parties had stipulated to an amended procedural schedule. On April 24, 2012, the Commission issued an Order for and Notice of Cancellation and Continuance of Hearing and Amended Procedural Schedule setting the matter for hearing on June 13-14, 2012. On April 27, 2012, Xcel filed its pre-filed rebuttal testimony. On May 5, 2012, Xcel filed a letter advising the Commission of a procedural schedule stipulation between it and Staff to accommodate Staff's pre-filing of rebuttal testimony. On May 8, 2012, Staff filed a Joint Motion for Approval of Settlement Stipulation (Joint Motion), Settlement Stipulation, and Staff Memorandum Supporting Settlement Stipulation.

The Commission has jurisdiction over this matter pursuant to SDCL Chapters 1-26 and 49-34A, including 1-26-20, 49-34A-3, 49-34A-6, 49-34A-8, 49-34A-8.4, 49-34A-10, 49-34A-11, 49-34A-12, 49-34A-13, 49-34A-13.1, 49-34A-14, 49-34A-19, 49-34A-19.1, 49-34A-19.2, and 49-34A-21.

The Joint Motion and Settlement Stipulation were duly noticed for Commission consideration and action at the Commission's regular meeting on May 22, 2012. The Commission heard from Xcel and Staff concerning the proposed Settlement Stipulation. Having thoroughly reviewed the filings in the docket and made inquiry of the parties at the meeting, the Commission found that the terms and conditions proposed in the Settlement Stipulation were just, reasonable, and in the public interest and that good and sufficient cause was demonstrated to approve the Settlement Stipulation. The Commission voted unanimously to grant the Joint Motion for Approval of Settlement Stipulation.

It is therefore

ORDERED, that the Joint Motion for Approval of Settlement Stipulation is granted. The Settlement Stipulation is incorporated by reference into this Decision and Order the same as if it had been set forth in its entirety herein.

Dated at Pierre, South Dakota, this 24th day of May, 2012.

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| CERTIFICATE OF SERVICE |
| The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, electronically. |
| By: <u>Joy Bering</u> |
| Date: <u>5-24-12</u> |
| (OFFICIAL SEAL) |

BY ORDER OF THE COMMISSION:

Chris Nelson
CHRIS NELSON, Chairman

Kristie Fiegen
KRISTIE FIEGEN, Commissioner

Gary Hanson
GARY HANSON, Commissioner