

**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**

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**ORDER FOR AND NOTICE  
OF HEARING**

**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. On May 24, 2012, the Commission issued an Order Granting Joint Motion for Approval of Settlement Stipulation. As a result of the Settlement Stipulation, two primary issues and one follow-on issue remain for hearing.

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-4, 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.

A hearing will be held commencing at 1:00 p.m. CDT, with marking of exhibits to begin at 12:30 p.m. CDT, on Wednesday, June 13, 2012, and continuing at 8:00 a.m., on June 14, 2012,

in Room 413, State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota. All persons testifying will be subject to cross-examination.

The issues at the hearing are: (i) To what extent, if any, should the capital costs and operating expenses associated with the Nobles Wind Project be included in Xcel's revenue requirement and recovered in rates? (ii) What is the appropriate return on equity, cost of debt, capital structure, and resulting overall rate of return to produce just and reasonable rates? (iii) What additional adjustments to rate elements are necessary as a result of the Commission's decisions on (i) and (ii) above?

The hearing will be an adversary proceeding conducted pursuant to SDCL Chapter 1-26. All parties have the right to be present and to be represented by an attorney. These rights and other due process rights may be forfeited if not exercised at the hearing. If a party or its representative fails to appear at the time and place set for the hearing, the Final Decision will be based solely on the testimony and evidence provided, if any, during the hearing or a Final Decision may be issued by default pursuant to SDCL 1-26-20. After the hearing, the Commission will consider all evidence and testimony that was presented at the hearing. The Commission will then enter Findings of Fact, Conclusions of Law, and a Final Decision regarding this matter. As a result of this hearing, the Commission will make decisions on the issues set forth above. The Commission's Final Decision may be appealed by the parties to the Circuit Court and the Supreme Court as provided by law. It is therefore

ORDERED, that the hearing shall commence at 1:00 p.m. CDT, with marking of exhibits to begin at 12:30 p.m. CDT, on Wednesday, June 13, 2012, and continuing at 8:00 a.m., on June 14, 2012, in Room 413, State Capitol Building, 500 East Capitol Avenue, Pierre, South Dakota.

Pursuant to the Americans with Disabilities Act, this hearing is being held in a physically accessible location. Please contact the Public Utilities Commission at 1-800-332-1782 at least 48 hours prior to the hearing if you have special needs so arrangements can be made to accommodate you.

Dated at Pierre, South Dakota, this 24<sup>th</sup> day of May, 2012.

**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: Joy Baum

Date: May 24, 2012

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Chris Nelson

CHRIS NELSON, Chairman

Kristie Fiegen

KRISTIE FIEGEN, Commissioner

Gary Hanson

GARY HANSON, Commissioner