



500 West Russell Street
Sioux Falls, South Dakota 57101

March 19, 2013

VIA ELECTRONIC FILING

Ms. Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501

RE: APPLICATION OF NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, FOR AUTHORITY TO INCREASE RATES FOR ELECTRIC SERVICE IN SOUTH DAKOTA
INTERIM RATE REFUND PLAN
DOCKET NO. EL12-046

Dear Ms. Van Gerpen:

Northern States Power Company, doing business as Xcel Energy, hereby submits our interim rate refund plan proposal associated with the March 15, 2013 Joint Motion for Approval of a Settlement Stipulation submitted by the South Dakota Public Utilities Commission Staff and the Company. As contemplated by the Settlement, we propose final rates to be implemented beginning with service on and after May 1, 2013. Our proposal is further described below.

To summarize, in this rate case interim rates were implemented on January 1, 2013. Commission approval of the March 15th Settlement would authorize a rate increase less than the interim rate level and consequently, customers would be refunded a portion of the interim rates collected during the period January 1 through April 30, 2013, with new rates beginning May 1, 2013. If approved as part of the Settlement, a new Rate Phase-In Rider would also be in effect in 2013. Our proposed approach for refunding the excess interim amounts is outlined in the attached Interim Rate Refund Plan and supported with calculations shown in Attachments A, B, C, and D. To address the new Rider for the interim rate period (January – April) we propose to net the Rider revenue that would have been collected during this time against the interim refund amount. Consistent with the Commission's decision in our prior rate case, the calculation of customer refunds includes an

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annual interest rate of 7% interest. We propose completing one (1) billing cycle at final rates prior to starting the refund process. Customers will begin receiving refunds as their bills are issued starting in late May or early June.

Additionally, the Settlement included the final rate bill insert we propose each customer to receive with their first billing statements reflecting the new rates starting May 1st.

Should you have any questions regarding this filing please contact Deb Paulson at (612) 330-7571 or debra.j.paulson@xcelenergy.com.

Sincerely,



JAMES C. WILCOX
MANAGER, GOVERNMENT AND REGULATORY AFFAIRS

Enclosures