

2011 Econ Dev Labor Cost Removal

Template V1.2

Period	Mn Co Electric												Jur Electric			
	Production				Transmission				Distribution				MN	ND	SD	Whls
	MN	ND	SD	Whls	MN	ND	SD	Whls	MN	ND	SD	Whls				

Statement of Income

Operating Expenses:

Fuel & Purchased Energy	Annual																
Power Production	Annual																
Transmission	Annual																
Distribution	Annual																
Customer Accounting	Annual																
Customer Service & Information	Annual																
Sales, Econ Dvlp & Other	Annual																
Administrative & General	Annual			(13)				(3)				(7)				(23)	
Total Operating Expenses:	Annual	0	0	(13)	0	0	0	(3)	0	0	0	(7)	0	0	0	(23)	0

Depreciation	Annual																
Amortization	Annual																

Taxes:

Property	Annual																
Gross Earnings Tax	Annual																
Deferred Income Tax & ITC	Annual																
Payroll & other	Annual																
Total Taxes:	Annual	0															

AFUDC	Annual																
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Jurisdiction Cash Working Capital

Labor Related

Regular Payroll	Annual	0	0	(8)	0	0	0	(2)	0	0	0	(4)	0	0	0	(14)	0
Incentive Compensation	Annual			(1)				(0)				(1)				(2)	
Pension & Benefits	Annual			(4)				(1)				(2)				(7)	
Total Labor & Related	Annual			(13)				(3)				(7)				(23)	

PF15-1

Northern States Power Company
 Estimated Labor Costs that Support SD Economic Development Activities
 Test Year ended December 31, 2011
 Whole Dollars

Manager for Governmental and Regulatory Affair @ 1.6%
 Manager South Dakota @ 2.4%
 Community Relations Representative @ 15.0%

Combined labor & incentive for ED activities \$ (15,825)

Pension/Insurance/Taxes's @42.71% (6,759)

Total Estimated Labor \$ (22,584)

2011 Actual Labor Loading Percentages

FICA	9.01%
Fed Unemp	0.10%
ST Unemp	0.55%
Insurance (Health Care)	17.44%
Pension	<u>15.81%</u>
Total PITS	<u>42.91%</u>

P-T-D Calc

Production	58.06%	(13,112)
Transmission	11.56%	(2,611)
Distribution	<u>30.38%</u>	<u>(6,861)</u>
	<u>100.00%</u>	<u>(22,584)</u>

Northern States Power Company
Calculation of ED Labor - Confidential

Wage	Percentage Calculated Labor	Calculated ED Labor	Calculated ED Incentive
		<u>13,761</u>	<u>2,064</u>

RE: Estimated ED time charged in 2011 - Message (HTML)

File Edit View Insert Format Tools Actions Help
Reply Reply to All Forward

From: Wilcox, James C
To: Kramer, Thomas E
Cc:
Subject: RE: Estimated ED time charged in 2011

Sent: Fri 5/11/2012 2:17 PM

Tom,

Mary Thoen says 15% of her time goes toward ED.

Jim Clark says 50 hours per year, which is 2.4% of his time.

I keep a database and keep track of every hour I work or don't work in a year.
For 2011, I documented 33 hours spent on ED admin tasks. Which is 1.6% of my time.

Sincerely,

Jim Wilcox

From: Kramer, Thomas E
Sent: Friday, May 11, 2012 2:07 PM
To: Wilcox, James C
Subject: Estimated ED time charged in 2011

Good afternoon Jim,

I am developing the appropriate adjustment to be incorporated into the 2012 SD Rate Case. One of those adjustments is the removal of labor costs associated with Economic Development activities. The following is an excerpt from a data response in the 2010 rate case which provided the estimated amount of time SD employees spent on Economic Development activities in 2010. Could you please provide an update to this information relative to fiscal year 2011.

Thanks

Tom

start Win... Inbo... 201... Adju... 6-07... 6-07... 201... SAG... RE: ... 8:21 AM



From: Jensen, Sarah R Sent: Mon 5/21/2012 9:11 AM
To: Kramer, Thomas E
Cc:
Subject: RE: Confidential Information Request for SD Rate Case

Tom,
Sorry! With my week last week I misplaced this email and forgot about it until this morning. Below if the information you requested.

Jim Wilcox
Mary Thoen
Jim Clark



Let me know if you have any questions or need anything else and sorry again for being a "slacker".
Sarah

Sarah Jensen
Xcel Energy | Responsible By Nature
HR Governance Consultant
414 Nicollet Mall, 2nd Floor Minneapolis, MN 55401
P: 612.330.1903 C: 651.675.8054 F: 612.330.1976
E: Sarah.Metz@xcelenergy.com

XCELENERGY.COM
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From: Kramer, Thomas E
Sent: Monday, May 14, 2012 12:06 PM
To: Jensen, Sarah R
Subject: Confidential Information Request for SD Rate Case

Good afternoon Sarah,

We are starting work on the 2012 South Dakota rate case to be filed the end of June and one of the proactive adjustments we are making is to estimate the level of economic development labor included in the 2011 actual cost test year. Based upon information I received from Jim Wilcox there are three individuals that I will need



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