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April 29, 2009

Darrell Nitschke, Executive Secretary
North Dakota Public Service Commission
State Capitol Building, Dept. 408
600 East Boulevard
Bismarck, ND 58505-0480

SUBJECT: Xcel Energy Interim Electric Rate Refund
Case No. PU-07-776

Dear Mr. Nitschke:

While the Commission's January 14, 2009 Order in Case No. PU-07-776 does not require any advance filing of an electric interim rate refund plan related to Case No. PU-07-776, Northern States Power Co., a Minnesota Corporation ("Xcel Energy" or the "Company") hereby submits the calculation of the final refund amount and factor, along with the supporting workpapers.

The refund amount of \$6.2 million is comprised of three parts:

1. The amount of the interim rate increase (in effect from February 5, 2008 through February 28, 2009) in excess of the final ordered base rate increase,
2. The customer share of wholesale margins realized from February 2008 through December 2008 (margins realized after January 1, 2009 are passed through the Fuel Cost Rider beginning March 1, 2009), and
3. Interest on the refund obligation during the interim rate period.

The calculations of these three refund elements are supported by the attached workpapers to this submission, including:

- Attachment A – Summary of the refund amount calculation and derivation of the related refund factor
- Attachment B – Actual interim rate revenues collected from Feb. 2008 through Feb. 2009
- Attachment C – Wholesale margins realized from Feb. 2008 through Dec. 2008 and the resulting customer credits included in the refund obligation

Attachment D – Calculation of interest accrued to customers during the interim
rate period

Note that, consistent with the Settlement, in the calculation of the wholesale margin credits, the small loss on non-asset-based activity shown in Attachment C is not included in the refund. In other words, the loss is not used to reduce the asset-based margins being credited back to customers.

Xcel Energy will implement the refund as a one-time credit on customer bills, to be issued during the May 2009 billing month. The average residential refund amount is estimated to be just over \$33.

Please call me if you have any questions. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "David H. Sederquist". The signature is written in a cursive style with a large initial 'D'.

David H. Sederquist
Sr. Consultant, Regulation & Finance
Xcel Energy

cc: Michael Diller

Xcel Energy
Electric Utility - State of North Dakota
Interim Refund Summary

Attachment A
Case No. PU-07-776

	<u>Amount</u>	
1. Test Year Interim Rate Increase	\$17,183,000	
2. Ordered Base Rate Increase	\$12,785,000	
3. Test Year Interim Refund Line 1 - Line 2	\$4,398,000	(excluding interest)
4. Interim Revenue Refund Factor Line 3 / Line 1	25.595%	
<hr/>		
5. Actual Interim Revenues Collected (see Attachment B)	\$17,306,723	(Feb 2008 thru Feb 2009)
6. Interim Revenue Refund Factor Line 4	25.595%	
7. Actual Interim Revenue Refund Line 5 X Line 6	\$4,429,656	(excluding interest)
8. Actual Wholesale Margin Credits (see Attachment C)	\$1,621,995	(excludes non-asset losses)
9. Interest on Refundable Balance (see Attachment D)	\$144,856	
10. Total Refund Obligation Line 7 + Line 8 + Line 9	<u>\$6,196,507</u>	
11. Computed Refund Factor Line 10 / Line 5	35.804%	
12. Adjustment for Impact of Rounding ¹	0.010%	
13. Refund Factor Line 11 + line 12	35.814%	

¹ Application of the computed refund factor of Line 11 to individual accounts generates rounding differences which will result in a slightly lower actual refund than Line 10. This adjustment compensates for this difference.

**Xcel Energy
 Electric Utility - State of North Dakota
 Monthly Interim Revenue Refunds (without interest)**

**Attachment B
 Case No. PU-07-776**

	Interim Revenue Collected	Refund Factor¹	Interim Revenue Refund (w/o Interest)
Feb-08	\$489,842	25.595%	\$125,375
Mar-08	\$1,350,409	25.595%	\$345,637
Apr-08	\$1,336,546	25.595%	\$342,089
May-08	\$1,219,544	25.595%	\$312,142
Jun-08	\$1,234,339	25.595%	\$315,929
Jul-08	\$1,440,146	25.595%	\$368,605
Aug-08	\$1,542,771	25.595%	\$394,872
Sep-08	\$1,523,733	25.595%	\$390,000
Oct-08	\$1,356,961	25.595%	\$347,314
Nov-08	\$1,040,315	25.595%	\$266,269
Dec-08	\$1,584,763	25.595%	\$405,620
Jan-09	\$1,621,785	25.595%	\$415,096
Feb-09	<u>\$1,565,570</u>	25.595%	<u>\$400,708</u>
	\$17,306,723		\$4,429,656

(1) Attachment A

Xcel Energy
Electric Utility - State of North Dakota
North Dakota Margin Sharing (February 2008 - December 2008)

Attachment C
Case No. PU-07-776

	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total
Calendar Month Sales												
MN Retail	2,574,405	2,637,579	2,415,002	2,468,530	2,603,331	3,108,396	3,039,245	2,602,395	2,589,024	2,573,789	2,670,810	
ND Retail	203,816	203,016	166,226	163,084	159,100	183,170	191,027	162,407	167,343	183,076	216,197	
SD Retail	155,721	155,958	142,835	146,173	156,698	207,373	186,105	155,057	153,109	155,894	168,508	
WI Retail	530,118	543,175	479,330	474,116	470,033	553,835	541,736	494,524	520,577	521,147	562,497	
MI Retail	12,852	12,012	11,129	10,392	9,650	10,580	10,621	9,796	10,323	12,274	14,702	
MN Wholesale	85,459	78,809	74,815	68,642	71,591	87,878	81,848	84,070	72,517	70,813	85,033	
WI Wholesale	48,125	48,102	44,734	41,580	43,675	47,650	47,292	43,919	43,944	43,654	46,973	
Total NSP System Sales	3,610,496	3,678,651	3,334,071	3,372,517	3,514,078	4,198,882	4,097,874	3,552,168	3,556,837	3,560,647	3,764,720	
ND Share of NSP System Sales	5.65%	5.52%	4.99%	4.84%	4.53%	4.36%	4.66%	4.57%	4.70%	5.14%	5.74%	
Asset-Based												
Physically Settled Sales	14,738,573	12,748,481	14,792,683	20,129,937	7,156,639	5,021,650	8,938,525	1,672,892	3,449,150	9,335,357	14,154,401	
Less: Costs	(9,091,020)	(9,226,656)	(10,176,038)	(8,510,077)	(4,087,027)	(3,928,458)	(8,589,848)	(3,556,975)	(606,583)	(6,681,904)	(10,392,417)	
System Asset-Based Margins	5,647,553	3,521,825	4,616,645	11,619,860	3,069,612	1,093,192	348,677	(1,884,083)	2,842,567	2,653,453	3,761,984	
North Dakota Allocation	318,810	194,361	230,171	561,899	138,977	47,689	16,254	(86,141)	133,738	136,431	216,040	
Customer Share	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	85%	
Asset Margin Credits	270,989	165,207	195,645	477,614	118,130	40,536	13,816	(73,220)	113,677	115,966	183,634	1,621,995
ND Share of NSPM Sales	6.75%	6.60%	5.94%	5.73%	5.32%	5.11%	5.46%	5.41%	5.61%	6.14%	6.88%	
Non-Asset-Based												
Physically Settled Sales	2,869,212	7,970,770	5,459,502	6,038,249	6,034,114	6,073,329	3,718,631	11,199,356	3,414,064	6,423,806	6,547,570	
Capacity	69,700	89,700	86,950	364,700	952,425	2,248,125	2,480,625	451,250	401,250	118,750	106,250	
Mark to Market	(1,336,318)	2,164,629	189,369	691,882	(1,848,687)	781,030	1,045,728	332,212	(102,341)	(652,810)	156,556	
FTR Settlements	(359,733)	(30,927)	43,607	3,312	95,164	92,246	1,873	186,734	47,399	219,546	-303,231	
Total Revenues	1,242,861	10,194,172	5,779,428	7,098,143	5,233,016	9,194,730	7,246,857	12,169,552	3,760,372	6,109,292	6,507,145	
Less: Physically Settled Cost	(2,822,556)	(7,113,685)	(5,452,840)	(5,687,487)	(6,745,053)	(6,169,279)	(3,514,383)	(10,580,532)	(3,628,774)	(6,340,332)	(9,080,061)	
Less: Capacity	(57,400)	(35,200)	(40,700)	(202,400)	(745,204)	(1,887,500)	(2,073,750)	(310,000)	(280,000)	(91,250)	-85,000	
Less: Broker & Fin Settlements	1,538,732	609,580	(38,811)	(52,098)	(172,271)	(1,141,703)	(1,273,089)	(105,316)	333,403	953,151	106,735	
Less: Transmission	(74,431)	(177,761)	105,877	(28,139)	(36,633)	(50,185)	(56,516)	(149,997)	(19,547)	(80,844)	-81,068	
Margin Before JOA	(172,794)	3,477,106	352,954	1,128,019	(2,466,145)	(53,937)	329,119	1,023,707	165,454	550,017	(1,671,628)	
Less: To PSCo and SPS	149,024	(185,019)	65,639	232,447	(313,860)	62,859	161,188	198,751	30,985	81,592	(868,029)	
Less: From PSCo	(672,517)	(758,611)	(94,553)	(252,087)	356,891	482,611	414,200	(399,684)	(154,786)	(695,234)	105,669	
Less: From SPS	-	-	(73)	(58)	(35)	(67)	(161)	(57)	(21)	-	-80,170	
Margin After JOA	(696,287)	2,533,476	323,967	1,108,321	(2,423,149)	491,466	904,346	822,717	41,632	(63,625)	(1,563,136)	
Less: MTM	1,336,318	(2,164,629)	(189,369)	(691,882)	1,848,687	(781,030)	(1,045,728)	(332,212)	102,341	652,810	-156,556	
Sys Non-Asset-Based Margins	640,031	368,847	134,598	416,439	(574,462)	(289,564)	(141,382)	490,505	143,973	589,185	(1,719,692)	
North Dakota Allocation	43,203	24,349	7,994	23,860	(30,560)	(14,787)	(7,720)	26,519	8,079	36,153	(118,385)	
Customer Share	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	
Non-Asset Margin Credits	21,602	12,175	3,997	11,930	(15,280)	(7,394)	(3,860)	13,260	4,040	18,077	(59,193)	(646)
Total Margin Credits	292,591	177,382	199,642	489,544	102,850	33,142	9,956	(59,960)	117,717	134,043	124,441	1,621,349

Xcel Energy
Electric Utility - State of North Dakota
Interest Calculation - Interim Refund

Attachment D
Case No. PU-07-776

	[1]	[2]	[3]	[4]=[1+2+3]	[5]=[1+4]/2	[6]	[7]	[8]=[5*6*7]/365 or 366
Revenue	Beginning	Curr Mo Int	Curr Mo	Ending	Average		Annual	Monthly
Month	Balance	Rev Refund	Marg Share	Balance	Balance	Days	Interest¹	Interest
Feb-08	\$0	\$125,375	\$270,989	\$396,363	\$198,182	25	6.00%	\$812
Mar-08	\$397,176	\$345,637	\$165,207	\$908,020	\$652,598	31	5.66%	\$3,129
Apr-08	\$911,148	\$342,089	\$195,645	\$1,448,883	\$1,180,015	30	5.24%	\$5,068
May-08	\$1,453,951	\$312,142	\$477,614	\$2,243,707	\$1,848,829	31	5.00%	\$7,830
Jun-08	\$2,251,537	\$315,929	\$118,130	\$2,685,596	\$2,468,567	30	5.00%	\$10,117
Jul-08	\$2,695,714	\$368,605	\$40,536	\$3,104,855	\$2,900,284	31	5.00%	\$12,283
Aug-08	\$3,117,137	\$394,872	\$13,816	\$3,525,825	\$3,321,481	31	5.00%	\$14,066
Sep-08	\$3,539,892	\$390,000	(\$73,220)	\$3,856,671	\$3,698,281	30	5.00%	\$15,157
Oct-08	\$3,871,828	\$347,314	\$113,677	\$4,332,820	\$4,102,324	31	4.56%	\$15,844
Nov-08	\$4,348,664	\$266,269	\$115,966	\$4,730,899	\$4,539,782	30	4.00%	\$14,885
Dec-08	\$4,745,784	\$405,620	\$183,634	\$5,335,038	\$5,040,411	31	3.61%	\$15,412
Jan-09	\$5,350,449	\$415,096		\$5,765,545	\$5,557,997	31	3.25%	\$15,342
Feb-09	\$5,780,887	\$400,708		\$6,181,595	\$5,981,241	28	<u>3.25%</u>	<u>\$14,912</u>
Total		<u>\$4,429,656</u>	<u>\$1,621,995</u>				3.270%	\$144,856

(1) Prime interest rates are from Federal Reserve Statistical Release H15 - Bank Prime Loan - Monthly
http://www.federalreserve.gov/releases/h15/data/Monthly/H15_PRIME_NA.txt