

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Northern States Power Company
Electric Rate Increase
Application**

Case No. PU-10-657

ORDER ON INTERIM RATES
January 26, 2011

On December 20, 2010, Northern States Power Company (NSP) filed an application to increase its electric rates including an interim rate increase.

Under N.D.C.C. §49-05-06(2) a company filing for a rate increase is entitled to an interim increase, but the rate increase must meet certain criteria. These include: the same rate of return on common equity authorized by the Commission in the public utility's most recent rate proceeding; rate base and expense items the same in nature and kind allowed by the Commission in its most recent rate proceeding and; no change in the existing rate design.

NSP's interim rate increase is based on a projected 2011 test year and seeks an increase in annual revenue collections of \$17,355,000, or an overall increase in retail revenues of 10.55%. To accomplish this, NSP filed an Interim Rate Adjustment of 16.71% to be applied to the non-fuel portion of the bill (the customer charge, demand charge, and energy charge). The monthly bill for a non-space-heating residential customer with electric usage of 750 kilowatt-hours would increase approximately \$7.19. The Interim Rate Adjustment will be shown as a separate line item on customers' bills.

On January 19, 2011, the Commission's advocacy staff filed comments stating that NSP's interim rate request should be approved.

In the event the interim rate amounts collected by NSP are in excess of the final rates approved by the Commission, NSP is required to refund the excess under North Dakota Century Code §49-05-06(4), including interest at a rate to be determined by the Commission.

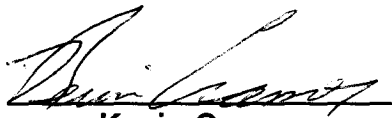
Order

The Commission orders:

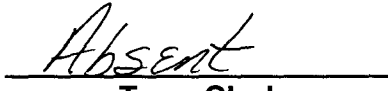
1. Northern States Power Company's proposed interim rate increase is approved to increase annual revenue collections by \$17,355,000.
2. Northern States Power Company's proposed interim rates shall be effective for service rendered on or after February 18, 2011.

3. Northern States Power Company is not required to obtain a bond under North Dakota Century Code §49-05-06(3) to secure a refund required under North Dakota Century Code §49-05-06(4).

PUBLIC SERVICE COMMISSION



**Kevin Cramer
Commissioner**



**Tony Clark
Chairman**



**Brian P. Kalk
Commissioner**