

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Northern States Power Company
2011 Electric Rate Increase
Application**

Case No. PU-10-657

**Northern States Power Company
2012 Electric Rate Increase
Application**

Case No. PU-11-55

**Northern States Power Company
Customer Credit – DOE Settlement
Application**

Case No. PU-11-557

**NOTICE OF HEARING
SEPTEMBER 16, 2011**

On December 20, 2010, Northern States Power Company (NSP) filed an application to increase its rates for electric utility service to provide additional 2011 test year annual revenue of \$19,773,000 or a 12.02% increase over current rates, Case No. PU-10-657.

On February 8, 2011, NSP filed an application to increase its rates for electric utility service to provide additional 2012 test year annual revenue of \$4,226,000 or 2.57%, Case No. PU-11-55.

On June 22, 2011, the Commission issued a Notice of Rescheduled Hearing scheduling a public hearing on Case No. PU-10-657 and Case No. PU-11-55 beginning October 18, 2011 at 8:30 a.m. CDT in the Commission Hearing Room, State Capitol, 12th Floor, Bismarck, North Dakota 58505. The notice identified issues to be considered in this matter include:

1. What is the value of NSP's property, used and useful, for the service and convenience of the public in North Dakota?
2. What is NSP's rate of return on its property, used and useful, for the service and convenience of the public in North Dakota?
3. What is a just and reasonable rate of return on NSP's property, used and useful, for the service and convenience of the public in North Dakota?
4. What rates and charges are necessary to provide a just and reasonable rate of return on NSP's property, used and useful, for the service and convenience of the public in North Dakota?

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5. Are NSP's proposed rate schedules designed in such a manner that they result in a basis of charge to its customers that is just and reasonable without discrimination?

6. Other relevant information or proposals concerning the proceeding.

On August 11, 2011, Northern States Power Company (NSP) filed with the Commission a petition for approval of a credit mechanism to refund approximately \$4.9 million received by NSP pursuant to a settlement with the United States regarding the Department of Energy's partial breach of its contract to take spent nuclear fuel beginning January 31, 1998, Case No. PU-11-557.

The issue in Case No. PU-11-557 is whether the proposed credit mechanism is just and reasonable.

On September 15, 2011, NSP and Commission Advocacy Staff filed with the Commission a settlement agreement (Settlement Agreement) which they assert will resolve the issues in Case No. PU-10-657, Case No. PU-11-55, and Case No. PU-11-557.

Therefore, the **Public Hearing scheduled to begin October 18, 2011 at 8:30 a.m. CDT in the Commission Hearing Room, State Capitol, 12th Floor, Bismarck, North Dakota 58505** will be held to consider whether the September 15, 2011 Settlement Agreement filed in Case No. PU-10-657, Case No. PU-11-55, and Case No. PU-11-557 is reasonable and should be approved and adopted by the Commission.

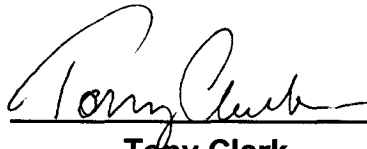
If, after hearing, the Commission does not approve and adopt the Settlement Agreement in full resolution of the three cases, further Commission proceedings may be required.

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400; or Relay North Dakota, 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials, please notify the Commission.

PUBLIC SERVICE COMMISSION



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