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FEB 08 2011

February 7, 2011

PUBLIC SERVICE COMMISSION VIA ELECTRONIC FILING

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

RE: APPLICATION OF NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, FOR AUTHORITY TO INCREASE RATES FOR ELECTRIC SERVICE IN NORTH DAKOTA (2011)
CASE No. PU-10-657

APPLICATION OF NORTHERN STATES POWER COMPANY, A MINNESOTA CORPORATION, FOR AUTHORITY TO INCREASE RATES FOR ELECTRIC SERVICE IN NORTH DAKOTA (2012)
NOTICE OF CHANGE IN RATES FOR ELECTRIC SERVICE
CASE No. PU-11-_____

Dear Mr. Nitschke:

On December 20, 2010, Northern States Power Company, a Minnesota corporation (“Xcel Energy” or the “Company”), filed a Notice of Changes in Rates for Electric Service in Case No. PU-10-657 (the “Notice”) with the North Dakota Public Service Commission (the “Commission”). In the Notice, the Company requested an increase in electric rates on and after January 19, 2011 based upon a 2011 test year (the “2011 rate increase request”). In addition to the use of the 2011 test year to support our 2011 rate increase request, Xcel Energy also requested a step increase in rates to be effective January 2, 2012 (the “2012 Step-In”) based on known and measurable costs that will create a 2012 deficiency.

Pursuant to N.D.C.C. § 49-05-04.1, the Company respectfully requests that the Commission sever our request for the 2012 Step-In from Case No. PU-10-657 and consider the requested 2012 Step-In in a new proceeding. However, in the

interests of efficiency and judicial economy, we request our Notice and the 2012 Step-In be consolidated for review and decision-making purposes.

The information provided in the Notice meets all the filing requirements of North Dakota Century Code, Sections 49-05-04; 49-05-04.1; and 49-05-05 for the Commission to consider the 2012 Step-In. Therefore, the Company additionally respectfully requests the supporting information filed with our Notice be included in the new proceeding for purposes of analyzing and considering our 2012 Step-In. Specifically, the Company has identified the following supporting information filed with the Notice that supports the request for the 2012 Step-In:

- The Direct Testimony of Ms. Laura McCarten (LM-1);
- The Direct Testimony of Ms. Anne Heuer (AH-1); and
- The following Schedules to the Direct Testimony of Mr. John M. Felling (JMF-1):
 - JMF-1, Schedule 5A - Rate Base Bridge Schedule
 - JMF-1, Schedule 5B - Income Statement Bridge Schedule
 - JMF-1, Schedule 7 - Summary of Revenue Requirements
 - JMF-1, Schedule 8B - 2012 Step Cost of Service
 - JMF-1, Schedule 11 - Income Statement Schedule
 - JMF-1, Schedule 15 - Rate Base Detail.

We are enclosing a copy of the materials filed with the Commission on December 20, 2010 in Case No. PU-10-657 to be docketed in the new proceeding. Pursuant to N.D.C.C. §49-05-04(11), we are also enclosing a check for the amount of one hundred twenty five thousand dollars (\$125,000.00) as the application fee for our request.

Please feel free to contact me at (612) 215-4501 with any questions.

Sincerely,



Matthew P. Loftus
Assistant General Counsel

Encls.