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Xcel Energy  
 Docket No.: PU-12-813  
 Response To: North Dakota Public Service Commission  
 Requestor: Michael Diller & Sara Cardwell  
 Date Received: February 26, 2013

**SUPPLEMENT**  
 Data Request No. NDPS-1-004

Question:

NDCC 49-05-04.1 1. C. states that a public utility selecting a future test year must file data for the twelve consecutive months immediately preceding the future test year and that period is the “current period” for the public utility. Please provide the Commission with the date this information will be available for 2012 and update all information within the filing using this data for the current period. Compare and contrast these results to the Company’s original proposal.

Response:

As has been customary in recent rate cases, the Company will file its annual jurisdictional financial report for 2012 on May 1, 2013. The report will be made part of the record in this rate case.

When we file our jurisdictional financial report, the Company will also provide a supplement to our filing which includes a “current period” jurisdictional Cost of Service Study for the 2012 year. This Study will be similar in format and content to Exhibit \_\_\_(AEH-1), Schedule 3.

The Company respectfully objects to the requests to “update all information within the filing” and “compare and contrast these results to the Company’s original proposal” as overly broad and unduly burdensome.

SUPPLEMENT:

Please see Attachment A for a jurisdictional Cost of Service Study reflecting 2012 weather normalized actual results.

Witness: Anne E. Heuer  
 Preparer: Charles Burdick  
 Title: Principal Rate Analyst  
 Department: Revenue Requirements North  
 Telephone: 612-330-6646  
 Date: April 11, 2013

138 PU-12-813 Filed: 10/10/2013 Pages: 7  
 Exhibit NSP-37 from Aug. 27, 28, & 29, 2013 formal hearing

Northern States Power Company

**SUPPLEMENT: May 2, 2013**

**ROE = 8.92%**  
**Deficiency = \$4,285**  
**% Increase = 2.38%**  
**Required ROE = 10.40%**

**Northern States Power Company (ND)**  
**Electric Utility - North Dakota Retail Jurisdiction**  
**Cost of Service Study**  
**2012 Actual W/N**

**Summary Reports**

**May 2, 2013**

Rate Base Summary

	<u>Total Company Electric</u>			<u>ND Retail Electric</u>			<u>All Other</u>		
	<u>Beginning Balance</u>	<u>Ending Balance</u>	<u>Average Balance</u>	<u>Beginning Balance</u>	<u>Ending Balance</u>	<u>Average Balance</u>	<u>Beginning Balance</u>	<u>Ending Balance</u>	<u>Average Balance</u>
1 Plant Investment	14,119,988	14,574,482	14,347,235	768,243	793,076	780,660	13,351,745	13,781,406	13,566,575
2 Depreciation Reserve	<u>(6,685,653)</u>	<u>(6,958,294)</u>	<u>(6,821,974)</u>	<u>(373,248)</u>	<u>(385,512)</u>	<u>(379,380)</u>	<u>(6,312,405)</u>	<u>(6,572,782)</u>	<u>(6,442,594)</u>
3 Net Utility Plant	7,434,335	7,616,188	7,525,261	394,995	407,564	401,280	7,039,340	7,208,624	7,123,981
4 C.W.I.P.	41,493	62,369	51,931	2,355	3,517	2,936	39,138	58,852	48,995
5 Accumulated Deferred Taxes	(1,582,831)	(1,768,599)	(1,675,715)	(73,790)	(85,855)	(79,822)	(1,509,041)	(1,682,744)	(1,595,893)
Other Rate Base:									
6 Cash Working Capital	0	0	0	0	0	0	0	0	0
7 Materials & Supplies	128,683	128,683	128,683	7,471	7,471	7,471	121,212	121,212	121,212
8 Fuel Inventory	90,424	90,424	90,424	5,634	5,634	5,634	84,790	84,790	84,790
9 Non-Plant Assets & Liab	(25,425)	(100,811)	(63,118)	(1,499)	(6,052)	(3,776)	(23,926)	(94,759)	(59,342)
10 Prepays & Other	62,734	95,681	79,208	3,913	5,688	4,801	58,821	89,993	74,407
<b>11 Total Rate Base</b>	<b>6,149,413</b>	<b>6,123,935</b>	<b>6,136,674</b>	<b>339,079</b>	<b>337,967</b>	<b>338,524</b>	<b>5,810,334</b>	<b>5,785,968</b>	<b>5,798,150</b>

Income Statement Summary

	<u>Total Company Electric</u>	<u>ND Retail Electric</u>	<u>All Other</u>
<u>Operating Revenues</u>			
1 Retail	3,106,982	180,349	2,926,633
2 CIP Adjustment to Program Costs	0	-	0
3 Interdepartmental	532	-	532
4 Other Operating	673,326	39,949	633,377
5 Gross Earnings Tax	0	-	0
6 Total Operating Revenues	<u>3,780,840</u>	<u>220,298</u>	<u>3,560,542</u>
<u>Expenses</u>			
Operating Expenses:			
7 Fuel & Purchased Energy	1,242,746	77,805	1,164,941
8 Power Production	727,894	42,550	685,344
9 Transmission	210,577	12,309	198,268
10 Distribution	111,134	6,387	104,747
11 Customer Accounting	53,705	4,128	49,577
12 Customer Service & Information	103,566	370	103,196
13 Sales, Econ Dvlp & Other	68	2	66
14 Administrative & General	222,349	12,969	209,380
15 Total Operating Expenses	<u>2,672,039</u>	<u>156,520</u>	<u>2,515,519</u>
16 Depreciation	364,429	19,869	344,560
17 Amortization	19,892	531	19,361
Taxes:			
18 Property	151,204	6,690	144,514
19 Gross Earnings	0	-	0
20 Deferred Income Tax & ITC	149,497	10,044	139,453
21 State & Federal Income (see Page 3)	0	(0)	0
22 Payroll & Other	31,462	1,866	29,596
23 Total Taxes	<u>332,163</u>	<u>18,600</u>	<u>313,563</u>
24 Total Expenses	<u>3,388,523</u>	<u>195,520</u>	<u>3,193,003</u>
25 AFUDC	0	-	0
26 Total Operating Income	<u>392,317</u>	<u>24,778</u>	<u>367,539</u>

Income Tax Summary

	<u>Total Company Electric</u>	<u>ND Retail Electric</u>	<u>All Other</u>
<u>Income Before Taxes</u>			
1 Total Operating Revenues	3,780,840	220,298	3,560,542
2 less: Total Operating Expenses	(2,672,039)	(156,520)	(2,515,519)
3 Book Depreciation & Amortization	(384,321)	(20,400)	(363,921)
4 Taxes (Other Than Current Income)	(332,163)	(18,600)	(313,563)
5 <b>Total Before Tax Book Income</b>	<b>392,317</b>	<b>24,778</b>	<b>367,539</b>
<u>Tax Additions</u>			
6 Book Depreciation	364,429	19,869	344,560
7 Deferred Income Taxes & ITC	149,497	10,044	139,453
8 Nuclear Fuel Burn (ex D&D)	114,221	6,574	107,647
9 Nuclear Outage Accounting	54,528	3,468	51,060
10 Avoided Tax Interest	30,012	1,728	28,284
11 Open Line	0	0	0
12 Open Line	0	0	0
13 Open Line	0	0	0
14 Open Line	0	0	0
15 Open Line	0	0	0
16 Other Book Additions	0	0	0
17 <b>Total Tax Additions</b>	<b>712,687</b>	<b>41,683</b>	<b>671,004</b>
<u>Tax Deductions</u>			
18 Debt Interest Expense	160,167	8,835	151,332
19 Tax Depreciation & Removal	1,024,516	62,391	962,125
20 Manufacture Production Deduction	0	0	0
21 Open	0	0	0
22 Open	0	0	0
23 Open	0	0	0
24 Other Tax/Book Timing Differences	(79,679)	(4,765)	(74,914)
25 Net Preferred Stock Deduction	0	0	0
26 <b>Total Tax Deductions</b>	<b>1,105,004</b>	<b>66,461</b>	<b>1,038,543</b>
<b>State Taxable Income</b>	<b>0</b>	<b>(0)</b>	<b>0</b>
27 State Income Tax Rate	9.08%	5.15%	N/A
29 State Taxes before Credits	0	(0)	0
30 State Credits	0	0	0
31 <b>Total State Income Taxes</b>	<b>0</b>	<b>(0)</b>	<b>0</b>
<b>Federal Taxable Income</b>	<b>0</b>	<b>(0)</b>	<b>0</b>
33 Federal Income Tax Rate	35.00%	35.00%	35.00%
34 Federal Tax before Credits	0	(0)	0
35 Federal Tax Credits	0	0	0
36 <b>Total Federal Income Taxes</b>	<b>0</b>	<b>(0)</b>	<b>0</b>
37 <b>Total Federal &amp; State Income Taxes</b>	<b>0</b>	<b>(0)</b>	<b>0</b>

(Dollars in Thousands)

**Revenue Requirement & Return Summary**

<u>Capital Structure</u>				<u>Weighted Cost</u>	<u>Composite Income Tax Rates</u>	
	<u>Rate</u>	<u>Ratio</u>				
1	Long Term Debt	5.7072%	45.3838%	2.5900%	State of North Dakota Tax rate	5.15%
2	Short Term Debt	0.9830%	1.8365%	0.0200%	Federal Statutory Tax rate	35.00%
3	Preferred Stock	0.0000%	0.0000%	0.0000%	Federal Effective Tax Rate (1-State Rate*Fed Rate)	33.20%
4	Common Equity	10.4000%	52.7797%	5.4900%	Total North Dakota Composite Tax Rate	38.35%
5	Required Rate of Return			8.1000%	Total Corporate Composite Tax Rate	40.90%

<u>Rate of Return (ROR)</u>	<u>Total Company Electric</u>	<u>ND Retail Electric</u>	<u>All Other</u>	
6	Total Operating Income	392,317	24,778	367,539
7	Total Average Rate Base	6,136,674	338,524	5,798,150
8	ROR (Operating Income / Rate Base)	6.39%	7.32%	6.34%

<u>Return on Equity (ROE)</u>				
9	Total Operating Income	392,317	24,778	367,539
10	Debt Interest (Rate Base * Weighted Debt Cost)	(160,167)	(8,835)	(151,332)
11	Preferred Stock (Rate Base * Weighted Preferred Cost)	0	0	0
12	Earnings Available for Common	232,150	15,943	216,207
13	Equity Rate Base ( Rate Base * Equity Ratio)	3,238,918	178,672	3,060,246
14	ROE (Earnings for Common / Equity Rate Base)	7.17%	8.92%	7.07%

<u>Revenue Deficiency</u>				
	Require Operating Income (Rate Base * Required Return)	497,071	27,420	469,650
	Operating Income	392,317	24,778	367,539
17	Operating Income Deficiency	104,753	2,642	102,111
18	Revenue Conversion Factor ( 1/(1-Composite Tax Rate) )	1.69207	1.62201	N/A
19	Revenue Deficiency (Income Deficiency * Conversion Factor)	177,250	4,285	172,965

<u>Total Retail Revenue Requirements</u>				
20	Retail Related Revenues	3,107,514	180,349	2,927,165
21	Revenue Deficiency	177,250	4,285	172,965
22	Total Retail Revenue Requirements	3,284,764	184,634	3,100,130

23	<u>Percentage Increase (Decrease)</u>	5.70%	2.38%	5.91%
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Rate Base Detail - Cash Working Capital

Expenses	Lead Days	Total Company Electric		ND Retail Electric		All Other	
		Dollars	Dollar x Days	Dollars	Dollar x Days	Dollars	Dollar x Days
<u>Includable Expenses</u>							
<u>Fuel Expenses</u>							
1 Coal & Rail Transport	0.00	0	0	0	0	0	0
2 Gas for Generation	0.00	0	0	0	0	0	0
3 Oil	0.00	0	0	0	0	0	0
4 Nuclear & EOL	0.00	0	0	0	0	0	0
5 Nuclear Disposal	0.00	0	0	0	0	0	0
6		0	0	0	0	0	0
<u>Purchased Power</u>							
7 Purchases	0.00	0	0	0	0	0	0
8 Interchange	0.00	0	0	0	0	0	0
		0	0	0	0	0	0
<u>Labor &amp; Related Costs</u>							
9 Regular Payroll	0.00	(10,255)	0	(9)	0	(10,248)	0
10 Incentive Compensation	0.00	(10,255)	0	(613)	0	(9,642)	0
11 Pension & Benefits	0.00	0	0	0	0	0	0
12 Subtotal Labor & Related		(20,510)	0	(622)	0	(19,888)	0
13							
14 All Other Operating Expenses	0.00	2,692,549	0	157,142	0	2,535,407	0
15 Property Tax	0.00	151,204	0	6,690	0	144,514	0
16 Employer's Payroll Taxes	0.00	31,482	0	1,868	0	29,596	0
17 Gross Earnings Tax	0.00	0	0	0	0	0	0
18 Federal Income Tax	0.00	0	0	0	0	0	0
19 State Income Tax	0.00	0	0	(0)	0	0	0
20 State Sales Tax Customer Billings	0.00	0	0	(0)	0	0	0
21 Total Expenses	0.00	2,854,705	0	165,076	0	2,689,629	0
22 Net Annual Expense Amount		0	0.00	0	0.00	0	0
<u>Revenues</u>							
	Laq Days	Dollars	Dollar x Days	Dollars	Dollar x Days	Dollars	Dollar x Days
23 Computer Billing	100.00%	3,106,982	0	180,349	0	2,928,633	0
24 Hand Billed	0.00%	0	0	0	0	0	0
25 Retail Revenue Adjustments	0.00	0	0	0	0	0	0
26 Interdepartmental	0.00	532	0	0	0	532	0
27 Late Payment	0.00	4,897	0	295	0	4,602	0
28 Connect and Trouble Charges	0.00	2,413	0	342	0	2,071	0
29 CIP Incentive	0.00	0	0	0	0	0	0
30 Rentals	0.00	4,211	0	268	0	3,945	0
31 Interchange Revenues	0.00	448,868	0	28,836	0	422,032	0
32 Sales for Resale	0.00	79,861	0	4,922	0	74,939	0
Production Associated Revenues	0.00	5,862	0	365	0	5,497	0
MISO	0.00	10,183	0	588	0	9,597	0
Point to Point Firm	0.00	63,568	0	3,659	0	59,909	0
36 Services & Facilities	0.00	8,760	0	500	0	8,260	0
37 Ancillary	0.00	37,983	0	2,185	0	35,778	0
38 Distribution Associated Revenues	0.00	142	0	0	0	142	0
39 Other	0.00	17,229	0	655	0	16,574	0
40 JOA - Rev fr/to PSC	0.00	(10,631)	0	(662)	0	(9,969)	0
41 (blank)	0.00	0	0	0	0	0	0
42 (blank)	0.00	0	0	0	0	0	0
43 (blank)	0.00	0	0	0	0	0	0
44 Total Revenues	0.00	3,780,840	0	220,298	0	3,560,542	0
45 Net Annual Amount		0	0	0	0	0	0
46 Expense / Revenue Factor		0.7550		0.7493			
47 Allocated Revenue Amount		0		0			
48 Net Cash Working Capital		0		0		0	