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February 18, 2014

— VIA E-MAIL & FEDERAL EXPRESS —

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

RE: NORTHERN STATES POWER COMPANY FOR
ELECTRIC RATE INCREASE APPLICATION
SECOND AMENDED SETTLEMENT AGREEMENT
CASE NOS. PU-12-813, PU-13-706, PU-13-707, PU-13-708, PU-13-742, PU-
13-743, PU-13-194, PU-13-195

Dear Mr. Nitschke:

Enclosed for filing is the Second Amended Comprehensive Settlement Agreement executed between Northern States Power Company, doing business as Xcel Energy, and the North Dakota Public Service Commission Advocacy Staff, and a Proposed Order adopting the settlement in the above captioned cases. This Second Amended Settlement modifies the Amended Settlement Agreement filed with the Commission on February 3, 2014, and reflects the Company's agreement to a reduction in the annual rate increase for each of 2013, 2014, and 2015 as discussed by the Commission at its February 12th Work Session.

In addition to the reduced rate increases, this Second Amended Settlement provides that final rates will be implemented May 1, 2014 or within 60 days of the Commission's Order approving our compliance tariffs. Previously, the Settlement had contemplated a March 1, 2014 implementation. The additional time is necessary to allow for staff review and Commission approval of the compliance

88	PU-13-195	Filed 02/18/2014	Pages: 65	81	PU-13-708	Filed 02/18/2014	Pages: 65
	Second Amended Settlement Agreement & proposed Order				Second Amended Settlement Agreement & proposed Order		
82	PU-13-194	Filed 02/18/2014	Pages: 65	81	PU-13-707	Filed 02/18/2014	Pages: 65
	Second Amended Settlement Agreement & proposed Order				Second Amended Settlement Agreement & proposed Order		
81	PU-13-743	Filed 02/18/2014	Pages: 65	81	PU-13-706	Filed 02/18/2014	Pages: 65
	Second Amended Settlement Agreement & proposed Order				Second Amended Settlement Agreement & proposed Order		
82	PU-13-742	Filed 02/18/2014	Pages: 65	196	PU-12-813	Filed 02/18/2014	Pages: 65
	Second Amended Settlement Agreement & proposed Order				Second Amended Settlement Agreement & proposed Order		

tariffs as well as provide the Company sufficient time to test and implement final rates in its billing process.

Attachment G of the Second Amended Settlement also provides an updated estimate of the interim rate refund. The May 1 implementation date will reduce the estimated interim rate refund from \$4.1 million to \$3.6 million. This is because current interim rates are less than final rates to be effective January 1, 2014 as reflected in the Second Amended Settlement. While this difference is relatively small, the passage of time and need for a later implementation date for final rates reduces the estimated overall refund amount accordingly.

The Company believes the Second Amended Settlement is reasonable and in the public interest, and we respectfully request Commission approval. Please contact me at 701-241-8632 or dave.sederquist@xcelenergy.com if there are any questions.

Sincerely,



SR. REGULATORY/FINANCIAL CONSULTANT
XCEL ENERGY

cc: Via Electronic Mail Only:
Patrick Ward, Administrative Law Judge
Illona Jeffcoat-Sacco, NDPSC Advisory Staff Counsel
Mitch Armstrong, NDPSC Advisory Staff Counsel
Ryan Norrell, NDPSC Advocacy Staff Counsel
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Mike Diller, NDPSC Advocacy Staff
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