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August 7, 2014

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



Re: CORRECTION - 2012 REPORT OF REGULATED EARNINGS FOR XCEL  
ENERGY'S NORTH DAKOTA ELECTRIC OPERATIONS

Dear Mr. Nitschke:

Attached is a corrected electronic version of Xcel Energy's Annual Report of 2012 regulated electric earnings in North Dakota.

An audit performed subsequent to the filing of our 2013 report on May 1, 2014 revealed that our 2013 electric *Other Revenues* did not include the proceeds from our sales of Renewable Energy Credits (RECs). The oversight occurred because the REC proceeds are booked in FERC Account 411.8, an account that is not normally included in the calculation of *Other Revenues*. Upon further review, we found that the REC proceeds were not properly included in *Other Revenues* in the 2012 Annual Report as well, the first year North Dakota REC sales were made.

The correction increases total 2012 revenue by \$280,039 and changes the actual return on equity from 8.69 percent to 8.78 percent. On a weather normalized basis, return on equity increases from 8.92 percent to 9.02 percent, still below the authorized level (and earnings sharing threshold) of 9.75 percent.

One original and two paper copies of the corrected 2012 report will be sent by mail under this cover letter to the Commission as well. I apologize for any inconvenience this may have caused.

Sincerely,

DAVID H. SEDERQUIST  
SR. CONSULTANT, REGULATION/FINANCE

c: Mike Diller

Enclosures