



414 Nicollet Mall  
Minneapolis, MN 55401

October 28, 2013

—Via Electronic Filing—

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101

RE: SUPPLEMENT  
PETITION FOR APPROVAL OF 2012 TRANSMISSION COST RECOVERY, PROJECT  
ELIGIBILITY, RATE FACTORS, AND 2011 TRUE-UP  
DOCKET NO. E002/M-12-50

Dear Dr. Haar:

Northern States Power Company, doing business as Xcel Energy, submits this Supplement in the above-referenced docket to update the Commission to reflect the actual revenue requirements and revenue collections for calendar years 2011 and 2012. We include in this Supplement:

- Attachment A – the updated 2011 Tracker;
- Attachment B – the updated 2012 Tracker; and
- Attachment C – the “Universal Inputs” used, showing the financial parameters of the TCR Tracker calculations.

We note two adjustments which we made in accordance with the recommendations of the Department of Commerce reflected in their Comments dated June 13, 2012 and November 1, 2012 in this docket. Attachments A and B have been adjusted to:

1. remove the internal labor costs for each TCR project; and
2. cap the costs of the CapX 2020 Bemidji project.

With the updated Tracker Reports and these two adjustments, the Company’s requested revenue requirement for 2013 has been reduced to \$22.9 million.

Dr. Haar  
October 28, 2013  
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We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list.

Please contact me at [paul.lehman@xcelenergy.com](mailto:paul.lehman@xcelenergy.com) or (612) 330-7529 if you have any questions regarding this filing.

Sincerely,

/s/

PAUL J LEHMAN  
MANAGER  
REGULATORY COMPLIANCE AND FILINGS

Enclosures  
c: Service List

<b>2011 Tracker</b>													
Carryover	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Annual Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Legacy Projects	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Amortizations	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPX2020 - Brookings	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPX2020 - Bemidji	42,572	44,619	44,106	54,965	59,596	58,394	65,177	78,147	88,029	94,528	106,155	127,072	863,361
CAPX2020 - Fargo	157,377	165,660	176,392	191,725	205,832	222,648	242,348	259,317	275,674	289,416	307,882	288,598	2,782,869
CAPX2020 - La Crosse Local	-	-	-	11	36	58	74	86	91	94	97	98	644
CAPX2020 - La Crosse MISO	59,145	59,728	60,427	60,935	61,468	62,731	65,321	67,270	68,267	69,371	70,347	71,199	776,209
CAPX2020 - La Crosse MISO - WI	18,203	18,558	19,350	21,167	22,908	24,104	25,622	27,014	28,129	29,113	29,714	30,694	294,578
Pleasant Valley - Byron	-	(3,928)	(8,559)	(11,064)	(12,334)	(9,214)	(13,773)	(18,807)	(8,365)	7,778	16,619	22,495	(39,153)
Glencoe - Waconia	-	-	-	-	-	-	-	-	-	-	6,070	6,479	12,549
Chisago - Apple River	282,673	284,230	288,152	291,394	295,026	297,768	296,846	295,562	294,647	293,398	291,979	290,640	3,502,315
RECB - 26 & 26(a)	60,956	244,783	915,945	67,749	202,603	308,302	303,840	145,967	226,554	152,342	80,554	164,980	2,874,574
Transmission Projects	620,926	813,650	1,495,813	676,882	835,136	964,790	985,457	854,555	973,024	936,039	909,418	1,002,255	11,067,945
Buffalo Ridge Restoration	-	-	-	-	-	-	-	-	-	-	-	276,703	276,703
Renewable Statute Projects	-	-	-	-	-	-	-	-	-	-	-	276,703	276,703
Revenue Requirement in Base Rates	-	(10,235)	(10,235)	(10,235)	(10,235)	(10,235)	(10,235)	(10,235)	(10,235)	(10,235)	(14,943)	(14,943)	(122,004)
Rev Requirement Impact of Project 18 Retirement	-	-	-	-	-	-	-	-	-	-	-	-	(67,146)
TCR True-up Carryover (2,183,962)	(181,997)	(181,997)	(181,997)	(181,997)	(181,997)	(181,997)	(181,997)	(181,997)	(181,997)	(181,997)	(181,997)	(181,997)	(2,183,962)
<b>Revenue Requirement</b>	<b>438,929</b>	<b>621,418</b>	<b>1,303,581</b>	<b>484,650</b>	<b>642,904</b>	<b>772,558</b>	<b>793,225</b>	<b>662,323</b>	<b>780,792</b>	<b>743,807</b>	<b>712,477</b>	<b>1,014,872</b>	<b>8,971,537</b>
<b>Revenue Collections</b>	<b>866,070</b>	<b>721,766</b>	<b>781,150</b>	<b>664,208</b>	<b>690,656</b>	<b>759,178</b>	<b>857,172</b>	<b>973,286</b>	<b>827,198</b>	<b>703,209</b>	<b>995,379</b>	<b>1,659,495</b>	<b>10,508,766</b>
<b>Balance</b>	<b>(427,140)</b>	<b>(527,489)</b>	<b>(5,058)</b>	<b>(184,616)</b>	<b>(232,368)</b>	<b>(218,988)</b>	<b>(282,935)</b>	<b>(593,898)</b>	<b>(640,303)</b>	<b>(599,705)</b>	<b>(882,606)</b>	<b>(1,537,229)</b>	

2012 Tracker													
Carryover	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Annual Total
	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual
Legacy Projects	-	-	-	-	-	-	-	-	-	-	-	-	-
Project Amortizations	-	-	-	-	-	-	-	-	-	-	-	-	-
CAPX2020 - Brookings	251,967	270,333	291,309	312,250	344,584	389,564	465,488	557,998	654,882	762,801	886,764	1,009,089	6,197,028
CAPX2020 - Bemidji	92,351	102,270	114,571	122,974	130,150	136,502	139,327	142,739	157,063	168,580	168,635	169,690	1,644,851
CAPX2020 - Fargo	388,488	400,762	415,064	436,813	459,225	482,365	510,423	537,888	561,901	581,997	603,000	629,760	6,007,686
CAPX2020 - La Crosse Local	104	118	132	132	133	133	146	159	165	174	179	179	2,896
CAPX2020 - La Crosse MISO	71,651	72,009	72,463	73,687	75,080	77,969	83,885	89,519	94,178	98,085	102,717	115,259	1,025,500
CAPX2020 - La Crosse MISO - WI	31,777	32,753	34,317	36,388	37,723	38,630	39,449	39,831	40,719	42,429	43,168	45,862	463,048
Pleasant Valley - Byron	28,665	31,174	34,128	36,374	35,979	34,427	32,853	32,184	29,787	27,586	27,218	28,446	378,820
Glencoe - Waconia	7,118	7,586	7,980	8,599	9,403	10,275	11,026	13,336	21,265	37,122	57,899	83,421	275,030
Chisago - Apple River	319,792	318,946	318,088	317,153	316,209	315,367	314,526	313,659	312,792	311,946	311,100	310,254	3,779,843
RECS - 26 & 26(a)	211,531	36,408	(78,022)	19,895	72,133	527,303	365,526	(52,828)	298,836	(83,785)	(21,985)	71,950	1,366,961
Transmission Projects	1,403,443	1,272,360	1,210,039	1,364,265	1,480,619	2,012,535	1,962,650	1,674,485	2,171,587	1,946,935	2,178,695	2,465,051	21,142,563
Buffalo Ridge Restoration	336,859	337,175	333,837	333,299	335,477	333,927	332,908	331,898	330,985	330,146	329,348	327,380	3,993,241
Renewable Statute Projects	336,859	337,175	333,837	333,299	335,477	333,927	332,908	331,898	330,985	330,146	329,348	327,380	3,993,241
Revenue Requirement In Base Rates	(31,533)	(31,533)	(31,533)	(31,533)	(31,533)	(31,533)	(31,533)	(31,533)	(31,533)	(31,533)	(31,533)	(31,533)	(378,402)
Rev Requirement Impact of Project 18 Retirement	(29,135)	(29,135)	(29,135)	(29,135)	(29,135)	(29,135)	(29,135)	(29,135)	(29,135)	(29,135)	(29,135)	(29,135)	(349,625)
TCR True-up Carryover	(1,537,229)	(128,102)	(128,102)	(128,102)	(128,102)	(128,102)	(128,102)	(128,102)	(128,102)	(128,102)	(128,102)	(128,102)	(1,537,229)
<b>Revenue Requirement</b>	<b>1,551,531</b>	<b>1,420,763</b>	<b>1,355,104</b>	<b>1,508,793</b>	<b>1,627,325</b>	<b>2,157,691</b>	<b>2,106,786</b>	<b>1,817,612</b>	<b>2,313,801</b>	<b>2,088,310</b>	<b>2,319,272</b>	<b>2,603,659</b>	<b>22,870,648</b>
Revenue Collections	1,831,746	1,688,190	1,740,445	1,576,711	1,705,822	1,854,456	2,272,362	2,285,285	1,837,417	1,829,398	1,626,512	1,658,388	21,906,733
<b>Balance</b>	<b>(280,215)</b>	<b>(547,642)</b>	<b>(932,982)</b>	<b>(1,000,901)</b>	<b>(1,079,398)</b>	<b>(776,163)</b>	<b>(941,739)</b>	<b>(1,409,412)</b>	<b>(933,028)</b>	<b>(674,116)</b>	<b>18,644</b>	<b>963,915</b>	

Universal Inputs						
Dates		Jan-11	Jan-12	Jan-13	Jan-14	
		Actual	Actual	Forecast	Forecast	
<b>Depreciation</b>						
Current						
	Book Depreciation Life (yrs)	Land	Line	Sub		
	Net Salvage %	0.00%	-17.18%	0.00%		
	Book Depreciation Rates					
	Land	0.0000%	0.0000%	0.0000%	0.0000%	
	Line	2.01%	2.01%	2.0098%	2.0098%	
	Sub	2.61%	2.61%	2.6114%	2.6114%	
	Book Depreciation Rate: Final Period					
	Land	0%				
	Line	100%				
	Sub	100%				
<b>Tax Rates</b>						
<b>Income Tax Rates</b>						
	State Income Tax Rate	9.8000%	9.8000%	9.8000%	9.8000%	
	Federal Income Tax Rate	35.0000%	35.0000%	35.0000%	35.0000%	
<b>Composite Income Tax Rate</b>						
	State Composite Income Tax Rate	41.3700%	41.3700%	41.3700%	41.3700%	
	Company Composite Income Tax Rate	40.9087%	40.8870%	40.8661%	40.8549%	
<b>Tax Depreciation Schedule: MACRS</b>						
Annual		0	0.00%			
		1	5.00%			
		2	9.50%			
		3	8.55%			
		4	7.70%			
		5	6.93%			
		6	6.23%			
		7	5.90%			
		8	5.90%			
		9	5.91%			
		10	5.90%			
		11	5.91%			
		12	5.90%			
		13	5.91%			
		14	5.90%			
		15	5.91%			
		16	2.85%			
<b>Tax Depreciation Schedule: MACRS</b>						
<b>Mid-Quarter</b>						
Year	Q1	Q2	2010	Q3	Q4	
1	8.75%		6.25%	3.75%	1.25%	
2	9.13%		9.38%	9.63%	9.88%	
3	8.21%		8.44%	8.66%	8.89%	
4	7.39%		7.59%	7.80%	8.00%	
5	6.65%		6.83%	7.02%	7.20%	
6	5.99%		6.15%	6.31%	6.48%	
7	5.90%		5.91%	5.90%	5.90%	
8	5.91%		5.90%	5.90%	5.90%	
9	5.90%		5.91%	5.91%	5.90%	
10	5.91%		5.90%	5.90%	5.91%	
11	5.90%		5.91%	5.91%	5.90%	
12	5.91%		5.90%	5.90%	5.91%	
13	5.90%		5.91%	5.91%	5.90%	
14	5.91%		5.90%	5.90%	5.91%	
15	5.90%		5.91%	5.91%	5.90%	
16	0.74%		2.21%	3.69%	5.17%	
<b>Bonus Depreciation Rate</b>						
		2009	50.00%			
		2010	50.00%			
		2011	50.00%			
		2012	60.00%			
		2013	50.00%			
<b>Cap Structure (Last Authorized)</b>						
	Long Term Debt %	46.8780%	46.8780%	45.3000%	45.3000%	
	Long Term Debt Cost (\$s as a % of total)	6.0936%	6.0936%	5.0200%	5.0200%	
	Short Term Debt %	0.5604%	0.6604%	2.1400%	2.1400%	
	Short Term Debt Cost (\$s as a % of total)	2.4326%	2.4326%	0.6800%	0.6800%	
	Weighted Cost of Debt	2.87%	2.87%	2.28%	2.28%	
	Common Stock %	52.5616%	52.5616%	52.5600%	52.5600%	
	Common Stock Cost (\$s as a % of total)	10.3700%	10.3700%	9.8300%	9.8300%	
	Preferred Stock %	0.0000%	0.0000%	0.0000%	0.0000%	
	Preferred Stock Cost (\$s as a % of total)	0.0000%	0.0000%	0.0000%	0.0000%	
	Weighted Cost of Equity	5.45%	5.45%	5.17%	5.17%	
<b>Property Tax Rates</b>						
	Percent Taxable	100.00%	100.00%	100.00%	100.00%	
	Asset Rate	1.492%	1.492%	1.492%	1.492%	
	Property Tax Rate	1.492%	1.492%	1.492%	1.492%	
<b>OATT</b>						
	Total Cost of Capital	8.3200%	8.3200%	7.4500%	7.4500%	
	Equity Gross-Up Rate	70.5611%	70.5611%	70.5611%	70.5611%	
	Equity Gross-Up	3.8456%	3.8456%	3.6480%	3.6480%	
	Total Cost of Capital Incl Gross-Up for Taxes - Annual Rate	12.1656%	12.1656%	11.0980%	11.0980%	
	Annual OATT Credit Factor	26.930%	20.770%	19.820%	19.950%	
<b>Allocators</b>						
	MN 12-month CP demand (Electric Demand)	88.3621%	88.1030%	87.9164%	87.4671%	
	NSPM 36-month CP demand (Interchange Electric)	83.8019%	83.9899%	84.8812%	84.7703%	
	Jurisdictional Allocator	74.0491%	73.9976%	74.6245%	74.1461%	

## CERTIFICATE OF SERVICE

I, SaGonna Thompson, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

**DOCKET No. E002/M-12-50**

Dated this 28<sup>th</sup> day of October 2013

/s/

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SAGONNA THOMPSON

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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