

For Immediate Release
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**MINNESOTA PUBLIC UTILITIES COMMISSION
ACTS ON XCEL ENERGY'S ELECTRIC RATE CASE**

St. Paul, Minnesota - The Minnesota Public Utilities Commission ("Commission") today took action on the petition by Northern States Power Company d/b/a Xcel Energy, Inc. ("Xcel") for a general increase in its electric rates. The Commission adopted a settlement presented to it by Xcel and several formal parties to the rate case proceeding, i.e., the Minnesota Chamber of Commerce, the Xcel Large Industrials, the Commercial Group and Verso Paper. The Minnesota Department of Commerce, representing Minnesota's ratepayers, did not oppose this settlement. The settlement approved by the Commission authorizes an overall \$72.8 million increase to be implemented on a phased-in basis; i.e., \$58 million in the initial step and \$14.8 million in the second phase. This total amount is an increase of 2.73 percent overall. Xcel had initially requested an overall increase of \$198.4 million to be phased in by a \$150.1 million initial increase followed by a \$48.3 million increase in the second step. That total amount initially requested by Xcel would have been an increase of 7.43 percent overall.

A major factor affecting the final authorized increase is the authorized return on equity. Xcel initially proposed a return on equity of 11.25%. The settlement approved by the Commission establishes an authorized return on equity of 10.37%. Though not a guaranteed return for Xcel, setting a return on equity is needed in order to establish final rates. Whether the company actually earns that return depends on numerous operational and financial factors.

The Commission's decision also addressed the Company's interim rates. Interim rates are temporary rate increases required by statute to be used during a rate case proceeding. The Commission's decision today results in a phase out of the interim rates which have been in place since the very early stages of the rate case. The interim rate surcharge will be reduced in May, with new final rates likely to go into effect in the summer or fall. Because the Commission's decision authorizes final revenues less than those being collected by interim rates, customers will be credited, in a month or two after final rates go into effect, with a proportionate refund (with interest) for any difference they paid.

Final written orders formally documenting the Commission's decisions will be issued in several weeks. Those orders will be filed in docket E002/GR-10-971, which is available on the Commission's website via the Commission's [e-Dockets](#) system.