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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's decisions reduce the overall amount of the allowed increase from the amount recommended by the Administrative Law Judge (ALJ) assigned to the case. As Commission staff processes the impact of the decisions made today, the Commission will be better able to calculate the total dollar amount approved and will communicate that information at that time.

The Administrative Law Judge assigned to the matter filed a report on July 5 with her findings and recommendations. The Judge recommended an increase of \$126.4 million or 4.7 percent. The Department of Commerce-Division of Energy Resources (the Department) had recommended to the Commission that it should approve an increase of \$98.6 million. Initially, Xcel asked for an increase of \$285.5 million, or 10.7 percent. Xcel has modified its original request over the course of these proceedings.

A major factor affecting the final approved increase is the authorized return on equity. Xcel initially proposed a return on equity of 10.60%. The return approved by the Commission establishes an authorized return on equity of 9.83%. 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 residential monthly service charge for standard overhead service was set at \$8.00 per month, a reduction of \$2.00 from the \$10.00 per month requested by Xcel as well as a reduction from the \$8.50 per month recommended by the Department and the ALJ. This basic service charge is an increase from the current \$7.11 per residence per month.

The Commission ordered an investigation, in conjunction with the Department, regarding Xcel's actions and expenses in refurbishing the reactor at the Monticello nuclear power plant. The project has extended over five years and the actual cost is now calculated to be more than twice the original projection. Xcel had estimated the expected cost of the project to be \$320 million when it began in 2008, but the company now has informed the Commission that the actual costs have totaled \$655 million. The investigation by the Commission is to determine whether Xcel's decisions in the matter have been prudent and if recovery of the costs from ratepayers is reasonable.

Because the Commission's decisions authorize final revenues less than those being collected by interim rates, customers will be credited, several months after final rates go into effect, with a proportionate refund, with interest, for any difference they paid. The Commission today set that interest rate at 7.45%.

Xcel filed its petition in this rate case on November 2, 2012.

Final written orders formally documenting the Commission's decisions will be issued in several weeks. Those orders will be filed in docket E002/GR-12-961, which is available on the Commission's website via the Commission's [e-Dockets](#) system.