

For Immediate Release
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**MINNESOTA PUBLIC UTILITIES COMMISSION
ACTS ON INTERIM RATES IN
XCEL ENERGY'S 2014-2015 ELECTRIC RATE CASE**

St. Paul, Minnesota - The Minnesota Public Utilities Commission ("Commission") today established the interim rates that may be collected by Northern States Power Company d/b/a Xcel Energy, Inc. ("Xcel") while state regulators review the company's most recent petition for a general increase in its electric rates. The Commission approved Xcel's proposal of an interim rate increase of \$127.4 million, or 4.6%, effective January 3, 2014.

The Commission also referred the case to the Office of Administrative Hearings for a contested case proceeding to develop an in-depth factual and legal record involving a trial-like evidentiary hearing. The assigned Administrative Law Judge (ALJ) will also hold a series of public hearings to seek public input on the proposed increase, and the public may also submit written comments. Notice of the hearings and how to file written comments will be sent to each customer, generally as an insert in their bill. The ALJ will submit a Report to the Commission containing findings and recommendations in the matter.

The Commission will be taking final action on the rate increase request by March of 2015. If the final rates allowed by the Commission are lower than the temporary, interim rates collected by Xcel until that time, customers will receive a refund of the difference, plus interest.

The Commission is aware of the large infrastructure investment decisions Xcel will be facing in the next several years. So while the Commission granted Xcel's requested interim rates, the Commission will be carefully examining all of the proposed expenditures of the company during the review of the rate increase request.

The Commission has asked that several issues, in particular, be examined during the review of this rate case:

- Is the rate increase sought by the company reasonable or will it result in unreasonable and excessive earnings by the company?
- Is the rate design proposed by the company reasonable?
- Are the company's proposals regarding capital structure and return on equity reasonable?
- Once the investigation is completed, how should the results of the Commission's investigation into Xcel's handling of the Monticello nuclear plant life cycle management/extended power uprate (LCM/EPU) project and the associated cost overruns be incorporated into Xcel's rates?

- How should Xcel's investment and associated costs, including any proceeds from insurance claims and litigation, related to the return of the Sherco 3 coal plant to service be incorporated into Xcel's rates, and
- The short and long-term consequences of Xcel's proposed multi-year rate mitigation/rate smoothing strategy.

Xcel filed its electricity rate case petition on November 4, 2013. Xcel's request is a multi-year rate plan, covering the years 2014 and 2015. Xcel is requesting an increase of \$193 million, 6.9%, in 2014 and \$98 million, 3.5%, in 2015, for a total of \$291 million, 10.4%, over two years. This will be the first such plan filed with the Commission since enactment of a new statutory provision in the 2011 Legislative Session that provides specific authority for a utility to propose, and the Commission to act on, a multi-year rate plan.

Final written orders formally documenting the Commission's decisions will be issued in several weeks. Those orders will be filed in docket E002/GR-13-868, which is available on the Commission's website via the Commission's e-Dockets system.