

XCEL ENERGY INC
Form 8-K
October 05, 2015

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) Oct. 1, 2015

Commission File Number	Exact Name of Registrant as Specified in its Charter; State of Incorporation; Address of Principal Executive Offices; and Telephone Number	IRS Employer Identification Number
001-3034	XCEL ENERGY INC. (a Minnesota corporation) 414 Nicollet Mall Minneapolis, Minnesota 55401 (612) 330-5500	41-0448030
001-03140	NORTHERN STATES POWER COMPANY (a Wisconsin corporation) 1414 W. Hamilton Avenue Eau Claire, Wisconsin 54701 (715) 737-2625	39-0508315

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 8.01 Other Events.

In May 2015, Northern States Power Company, a Wisconsin corporation (NSP-Wisconsin), and a wholly owned subsidiary of Xcel Energy Inc., filed a request with the Public Service Commission of Wisconsin (PSCW) to increase rates for electric and natural gas service effective Jan. 1, 2016. NSP-Wisconsin requested an overall increase in annual electric rates of \$27.4 million, or 3.9 percent, and an increase in natural gas rates of \$5.9 million, or 5.0 percent.

The rate filing is based on a 2016 forecast test year, a return on equity (ROE) of 10.2 percent, an equity ratio of 52.5 percent and a forecasted average net investment rate base of approximately \$1.2 billion for the electric utility and \$111.2 million for the natural gas utility.

On Oct. 1, 2015, the PSCW Staff and the intervenors filed their direct testimony in the case. The PSCW Staff recommended an electric rate increase of \$10.4 million, or 1.5 percent and a gas rate increase of \$3.0 million, or 2.5 percent, based on a ROE of 10.0 percent and an equity ratio of 52.5 percent. The Citizens Utility Board recommended an ROE of 8.75 percent. None of the intervenors presented a complete revenue requirements analysis. The majority of the testimony filed by the intervenors focused on cost of service and rate design issues.

The major components of the requested rate increases are summarized below:

Electric Rate Request (Millions of Dollars)	NSP-Wisconsin Request	PSCW Staff Recommendation
Capital investments	\$23.0	\$ 13.5
ROE & other capital structure adjustments	—	(3.6)
Generation and transmission expenses (excluding fuel and purchased power) ^(a)	37.2	42.7
Operating and maintenance (O&M) expenses	11.1	3.0
Reduced fuel and purchased power expenses	(16.9)	(18.2)
Sales forecast	(27.0)	(27.0)
Total electric rate increase	\$27.4	\$ 10.4

^(a) Includes Interchange Agreement billings. The Interchange Agreement is a Federal Energy Regulatory Commission tariff under which NSP-Wisconsin and its affiliate, Northern States Power Company, a Minnesota corporation, own and operate a single integrated electric generation and transmission system and both companies pay a pro-rata share of system capital and operating costs. For financial reporting purposes, these expenses are included in O&M.

Natural Gas Rate Request (Millions of Dollars)	NSP-Wisconsin Request	PSCW Staff Recommendation
Capital investments	\$3.7	\$ 3.1
ROE & other capital structure adjustments	—	(0.3)
O&M expenses	3.2	2.5
Environmental remediation expenses	2.9	2.9
Sales forecast	(3.9)	(5.2)
Total natural gas rate increase	\$5.9	\$ 3.0

Key dates in the procedural schedule are as follows:

• Rebuttal Testimony - Oct. 19, 2015;
 • Sur-Rebuttal Testimony - Oct. 27, 2015;
 • Technical Hearing - Oct. 29, 2015;
 • Initial Brief - Nov. 12, 2015; and

Reply Brief - Nov. 19, 2015.

A PSCW decision is anticipated in Dec. 2015 with new rates effective on or about Jan. 1, 2016.

Except for the historical statements contained in this 8-K, the matters discussed herein, including the expected impact of rate cases, are forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements are intended to be identified in this document by the words “anticipate,” “believe,” “estimate,” “expect,” “intend,” “may,” “objective,” “outlook,” “plan,” “project,” “possible,” “potential,” “should” and similar expressions. results may vary materially. Forward-looking statements speak only as of the date they are made, and we expressly disclaim any obligation to update any forward-looking information. The following factors, in addition to those discussed in Xcel Energy's and NSP-Wisconsin's Annual Report on Form 10-K for the fiscal year ended December 31, 2014, and Quarterly Reports on Form 10-Q for the quarter ended March 31, 2015 and June 30, 2015, and subsequent securities filings, could cause actual results to differ materially from management expectations as suggested by such forward-looking information: general economic conditions, including inflation rates, monetary fluctuations and their impact on capital expenditures and the ability of Xcel Energy Inc. and its subsidiaries (collectively, Xcel Energy) to obtain financing on favorable terms; business conditions in the energy industry; including the risk of a slow down in the U.S. economy or delay in growth recovery; trade, fiscal, taxation and environmental policies in areas where Xcel Energy and NSP-Wisconsin have a financial interest; customer business conditions; actions of credit rating agencies; competitive factors including the extent and timing of the entry of additional competition in the markets served by Xcel Energy and its subsidiaries; unusual weather; effects of geopolitical events, including war and acts of terrorism; cyber security threats and data security breaches; state, federal and foreign legislative and regulatory initiatives that affect cost and investment recovery, have an impact on rates or have an impact on asset operation or ownership; or impose environmental compliance conditions; structures that affect the speed and degree to which competition enters the electric and natural gas markets; costs and other effects of legal and administrative proceedings, settlements, investigations and claims; financial or regulatory accounting policies imposed by regulatory bodies; availability of cost of capital; and employee work force factors.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Oct. 5, 2015

Xcel Energy Inc.
(a Minnesota corporation)
Northern States Power Company
(a Wisconsin corporation)

/s/ TERESA S. MADDEN
Teresa S. Madden
Executive Vice President, Chief Financial Officer