

XCEL ENERGY INC
Form 8-K
February 15, 2011

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) Feb. 11, 2011

| 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 (a Minnesota corporation) 414 Nicollet Mall Minneapolis, Minnesota 55401 (612) 330-5500 | 41-0448030 |
| 001-03789 | SOUTHWESTERN PUBLIC SERVICE COMPANY (a New Mexico corporation) Tyler at Sixth Amarillo, Texas 79101 (303) 571-7511 | 75-0575400 |

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))
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Item 8.01.

Other Events.

In May 2010, SPS filed an electric rate case in Texas seeking an annual base rate increase of approximately \$71.5 million inclusive of franchise fees. On a net basis, the request seeks to increase customer bills by approximately \$53.4 million or 7 percent. The rate filing is based on a 2009 test year adjusted for known and measurable changes, a requested ROE of 11.35 percent, an electric rate base of \$1.031 billion and an equity ratio of 51.0 percent. The filing with the Public Utility Commission of Texas (PUCT) also includes a request to reconcile SPS' fuel and purchased power costs for calendar years 2008 and 2009. As of Dec. 31, 2009, SPS had a fuel cost under-recovery of approximately \$3.3 million.

In the fall of 2010, SPS filed an update to the cost of service to reflect the impact on Texas retail rates, primarily resulting from its sale of Lubbock facilities. The total request was reduced to approximately \$63.7 million and the net request \$47.6 million.

On Feb. 11, 2011, the parties reached an unopposed settlement to resolve all issues in the case. Effective Feb. 16, 2011 base rates will increase by \$39.4 million, of which \$16.9 is associated with the transfer of two riders, the Transmission Cost Recovery Factor (TCRF) and Power Cost Recovery Factor into base rates and a \$22.5 million traditional base rate increase. In addition, SPS is allowed to defer up to \$2.3 million of pension and benefit costs and \$1.6 million of renewable energy credits that had been included in SPS's base rate request.

Effective Jan. 1, 2012, the settlement provides for SPS to increase base rates by \$13.1 million and allows SPS to seek an energy efficiency cost recovery factor rider for \$2.9 million that if approved would result in an effective rate increase of \$16 million. SPS plans to make its filing for the rider by May 1, 2011 pursuant to a recent PUCT order. In addition, SPS is allowed to track and defer up to \$4.3 million of pension and benefit costs above the test year levels as well as \$1.6 million of renewable energy credits, as described above.

SPS agreed not to file another rate case until Sept.15, 2012. In addition, SPS cannot file a TCRF until 2013, and if the Company files a TCRF application before the effective date of rates in its next rate case, it must reduce the calculated TCRF revenue requirement by \$12.2 million.

Interim rates will become effective on Feb. 16, 2011, pending a final order from the PUCT approving the settlement. The PUCT is expected to consider the final order during the first half of 2011.

Except for the historical statements contained in this 8-K, the matters discussed herein, are forward-looking statements that are subject to certain risks, uncertainties and assumptions. Such forward-looking statements may be identified in this document by the words “would,” “believe,” “estimate,” “expect,” “likely,” “may,” “possible,” “potential,” “should” and similar expressions. Actual results may vary materially. Forward-looking statements speak only as of the date they are made, and we do not undertake any obligation to update them to reflect changes that occur after that date. Factors that could cause actual results to differ materially include, but are not limited to: general economic conditions, including the availability of credit and its impact on capital expenditures and the ability of Xcel Energy and its subsidiaries to obtain financing on favorable terms; business conditions in the energy industry; 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; 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; 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; actions of accounting regulatory bodies; and the other risk factors listed from time to time by Xcel Energy and SPS in reports filed with the Securities and Exchange Commission (SEC), including Risk Factors in Item 1A and Exhibit 99.01 of each of Xcel Energy’s and SPS’s Annual Report on Form 10-K for the year ended Dec. 31, 2009 and Quarterly Reports on Form 10-Q for the quarters ended June 30, 2010 and Sept. 30, 2010.

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.

Feb. 15, 2010

Xcel Energy Inc.
(a Minnesota corporation)
Southwestern Public Service Company
(a New Mexico corporation)

/s/ DAVID M. SPARBY
David M. Sparby
Vice President and Chief Financial Officer
