



2302 Great N. Drive
Fargo, North Dakota 58102

May 4, 2012

Darrell Nitschke, Executive Secretary
North Dakota Public Service Commission, Dept. 408
600 East Boulevard Avenue
Bismarck, ND 58505-0480

RE: UPDATE OF DEPARTMENT OF ENERGY SETTLEMENT PROCEEDS AND
CUSTOMER CREDITS (CASE NOS. PU-11-557, PU-10-657, AND PU-11-55)

Dear Mr. Nitschke:

Northern States Power Company, doing business as Xcel Energy (“Xcel Energy” or “the Company”), submits this update to the North Dakota Public Service Commission (the “Commission”) regarding the status of Settlement payments received by the Company from the Department of Energy (“DOE”). The payments relate to the DOE’s partial breach of its contract to begin accepting spent nuclear fuel on or before January 31, 1998 through 2013.

As you know, on February 29, 2012 the Commission issued an *Order Adopting Settlement* in the above referenced dockets, directing the Company to issue bill credits to North Dakota customers for the first settlement payment (less legal fees, plus interest) along with the 2011 interim rate refund. Per the Settlement Agreement, \$4,668,000 plus interest is to be credited to customers via a one-time bill credit. The credit is scheduled to begin appearing on customer bills on June 25, 2012.

On March 15, 2012, Xcel Energy received the second settlement payment from the DOE in the amount of \$18,646,577.39. The North Dakota jurisdictional share of that payment is \$878,748. As was the case in our initial DOE credit petition, we would like to forward these Settlement proceeds to our customers as promptly and efficiently as we can. Having recently completed the necessary preparations for issuing our upcoming interim rate refund and DOE bill credits (derived from the first DOE payment), we believe we are in a position to add the proceeds from this second payment to the proceeds from the initial payment and issue a larger DOE credit of \$5,546,748 (less legal fees, plus interest). We would continue to use the same methodology described in our March 27, 2012 Compliance Filing in the above-

135 PU-11-55 Filed 05/04/2012 Pages: 2
Petition to increase amount of customer credit for Dept of Energy Settlement proceeds
Northern States Power Company
David Sederquist

160 PU-10-657 Filed 05/04/2012 Pages: 2
Petition to increase amount of customer credit for Dept of Energy Settlement proceeds
Northern States Power Company

82 PU-11-557 Filed 05/04/2012 Pages: 2
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referenced cases.¹ This approach would enable the funds from the second payment to be credited to customers in the soonest timeframe while avoiding any future, additional billing preparations.

In order to begin issuing the credit for both the first and second payments on June 25, we respectfully request the Commission grant expedited approval of this higher credit amount – if possible on or before its May 30 regular meeting. We recognize this is a relatively short time frame, but given the consistency of this request with our originally-approved request, we believe the Commission need only consider whether combining both DOE payments to determine the billing credit is a reasonable approach.

We have discussed this proposal with Michael Diller and he encouraged us to seek Commission approval as soon as we are able. We are available to provide any additional information you may need, and are also open to considering other crediting options if the Commission so desires. Please feel free to contact me at 701-241-8632 should you have any questions.

Sincerely,



DAVID SEDERQUIST
SR. REGULATORY CONSULTANT

¹ The funds have been placed in a segregated account and all interest earned will be included in the final crediting.