

Memo from Advocacy Staff

To: Darrell Nitschke, Executive Secretary

CC: Matthew Loftus and Dave Sederquist, Northern States Power Company

From: Mike Diller, Director of Economic Regulation

Date: May 25, 2012

Re: Rationale for Amended Order -- May 30 Agenda
Case Nos. PU-10-657, PU-11-55 & PU-11-557

The advocacy staff has reviewed Northern States Power Company's (NSP) Petition to increase the amount of customer credit already ordered by the commission for the U.S. Department of Energy (DOE) settlement proceeds and concurs with its proposal.

In its original application dated August 11, 2011, Case No. 11-557, NSP described the Settlement with DOE for breach of contract including a five payment schedule. Since the second payment has now been received prior to the disbursement of the first payment scheduled to begin June 25, it makes administrative sense to combine the refunds and amend the Order to ensure a quick return of ratepayer dollars.

A Notice of Opportunity for Hearing is normally issued prior to amending an order because most of the time the amendment is driven by new information received. In this instance, the DOE Settlement has not changed. The only change is that NSP received the second payment of five for DOE's breach of contract to take spent nuclear fuel. Potentially interested parties had an opportunity to participate in the original Notice of Hearing dated September 16, 2011 as to "whether the proposed credit mechanism is just and reasonable", but none did. The issue is the same. The already approved credit mechanism is the same.

Staff recommends that the commission acknowledge the second payment by DOE and amend its order accordingly.