

May 3, 2013

—Via Electronic Filing—

Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
State Capitol, 600 E. Boulevard
Bismarck, North Dakota 58505

RE: SHERBURNE COUNTY GENERATING STATION UNIT 3
RESTORATION UPDATE (CASE NO. PU-12-12)

Dear Mr. Nitschke:

Northern States Power Company, doing business as Xcel Energy, provides this update to the North Dakota Public Service Commission on restoration activities at the Sherburne County Generating Station Unit 3.

We previously reported that we expect Unit 3 to return to service on or before September 30, 2013. Based on recent progress and current information, we affirm that return-to-service date. In our last update filed in April, we reported substantial completion of the on-site turbine and generator stator repairs, and that all major components that were being repaired off site had been returned to the plant. Below we provide a summary of the current status of each major component and additionally provide Attachment A which is a visual summary of our progress to date.

- *Generator Rotor and Stator (76% complete)*

Assembly of the generator has begun. Various internal components have been installed and preparations are proceeding to allow the installation of the generator end shields when they are returned to site at the end of May. After the end shields are trial fitted and tested, the rotor will be inserted. Consistent with what we reported in our last update, we continue to expect mechanical completion of the generator assembly to occur by the end of July.

- *High Pressure and Reheat Turbines (79% complete)*

High pressure and reheat turbine grouting is complete and the inner and outer shells for both turbines have been set in place to allow pipe attachment welding to commence. We currently forecast the high pressure and reheat turbines to be substantially assembled by mid-August.

- *Low Pressure Turbines (LP-A and LP-B rotors) (81% complete)*

Minor onsite repairs continue (for all parts of the turbine) as additional work is identified as the parts are fully assembled with each other. The LP turbines have been grouted. Final fit up, alignment, and installation of internal components has started. The extraction and seal steam piping connections to the LP turbines are complete. The first trial installation of the LP-A rotor is complete, as pictured below. Assembly of the two low pressure turbines is forecasted to be substantially complete by mid-August.



LP-A rotor successfully installed on May 1, 2013.

- *Generator Exciter (71% complete)*

The exciter rotor installation is complete and end shield/bearing alignment is in progress.

- *Balance of Plant Systems and Components*

The balance of plant systems and components, like piping and cable, continue to be installed and restored.

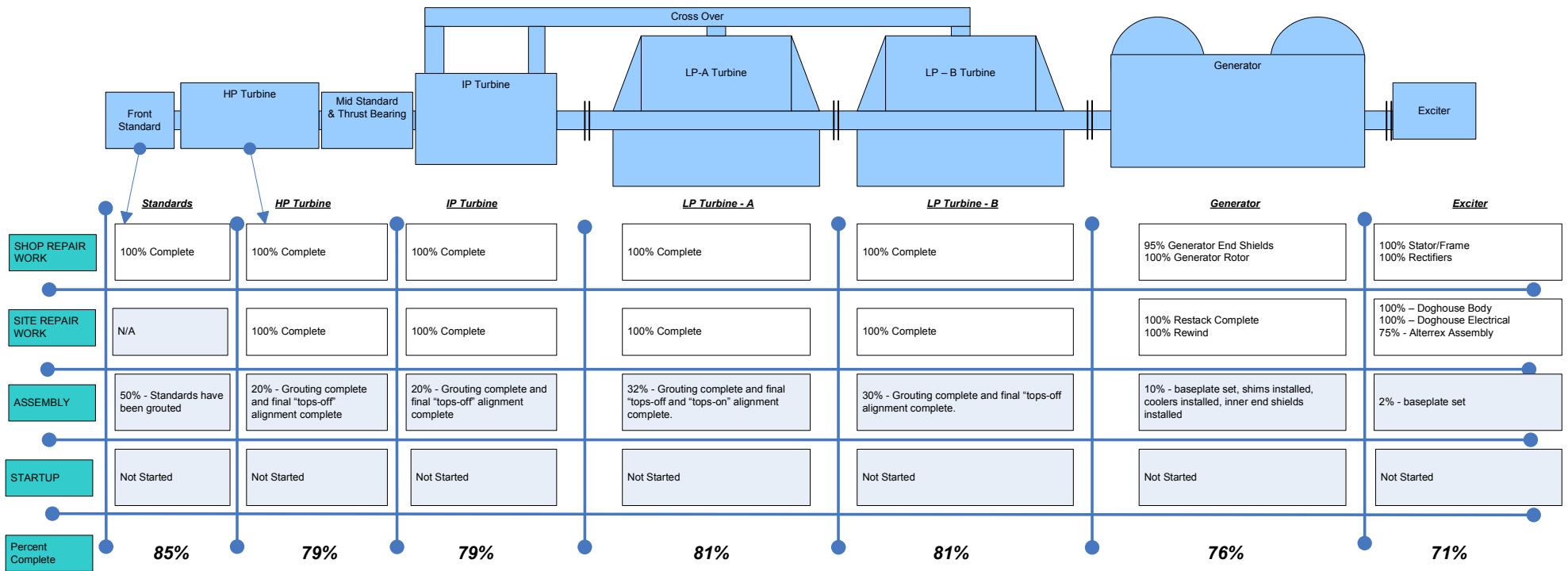
We will continue to provide updates to the Commission, with our next update expected to be filed in mid-May 2013. Please contact me at dave.sederquist@xcelenergy.com or 701-371-5256 if there are any questions regarding this update.

Sincerely,



DAVID H SEDERQUIST
SR. REGULATORY CONSULTANT
NORTH DAKOTA REGULATORY AFFAIRS

Xcel Energy
 SHERCO 3
 Restoration Project
 Update: May 1, 2013



Notes:
 1. BOP Mech/Electrical/Controls/Instrumentation/New Parts orders work not represented here, however, all is on track to support the re-assembly and startup of unit.