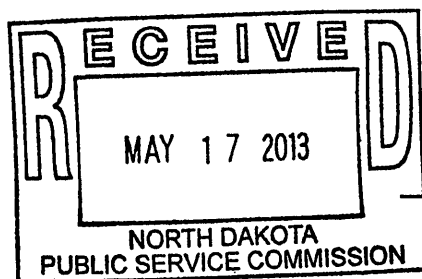




414 Nicollet Mall
Minneapolis, MN 55401

May 17, 2013



—Via Electronic Filing—

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: SHERCO UNIT 3 RESTORATION UPDATE
DOCKET NO. E002/AA-11-1173

Dear Dr. Haar:

Northern States Power Company, doing business as Xcel Energy, provides this update to the Minnesota Public Utilities Commission on restoration activities at the Sherburne County Generating Station Unit 3 after the event that occurred on November 19, 2011. We recently committed to provide bi-weekly updates to the Commission until Sherco 3 is returned to service.

We previously reported that we expect Unit 3 to return to service on or before September 30, 2013. We continue to make good progress and we now expect a mid-September return to service date. 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 (77% complete)*

Assembly of the generator continues. Various internal components have been installed and preparations are proceeding to allow the installation of the generator end shields (end bells) 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 (80% complete)*

Pipe welding to the high pressure and reheat turbines has started. The combined

reheat valves have been welded to the reheat turbine and the main steam leads have been welded to the high pressure turbine. We currently forecast the high pressure and reheat turbines to be substantially assembled by early-August.

- *Low Pressure Turbines (LP-A and LP-B) (83% complete)*

Minor repairs continue (for all parts of the turbine) as additional work is identified when the parts are fully assembled. Final fit up, alignment, and installation of internal components continues. Trial installation of the LP-B rotor was completed to allow final diaphragm adjustments to commence. Assembly of the two low pressure turbines is forecasted to be substantially complete by early-August.

- *Generator Exciter (74% complete)*

The exciter assembly is nearing completion. The rotor, bearings, and end shields have been trial assembled and aligned.

- *Balance of Plant Systems and Components*

The balance of plant systems and components, like piping and cable, continue to be installed and restored. We have established a schedule for the walk-down and valve line-up confirmation process for all balance of plant systems and components in preparation for the return to service. That schedule supports the turbine/generator restoration and return to service schedule and those system checks are in-progress.

We will continue to provide bi-weekly updates to the Commission, with our next update expected to be filed in early June 2013. We appreciate the opportunity to update the Commission on our work to restore Sherco 3 to service. Please contact me at christoper.b.clark@xcelenergy.com or (612) 215-4593 if there are any questions regarding this update.

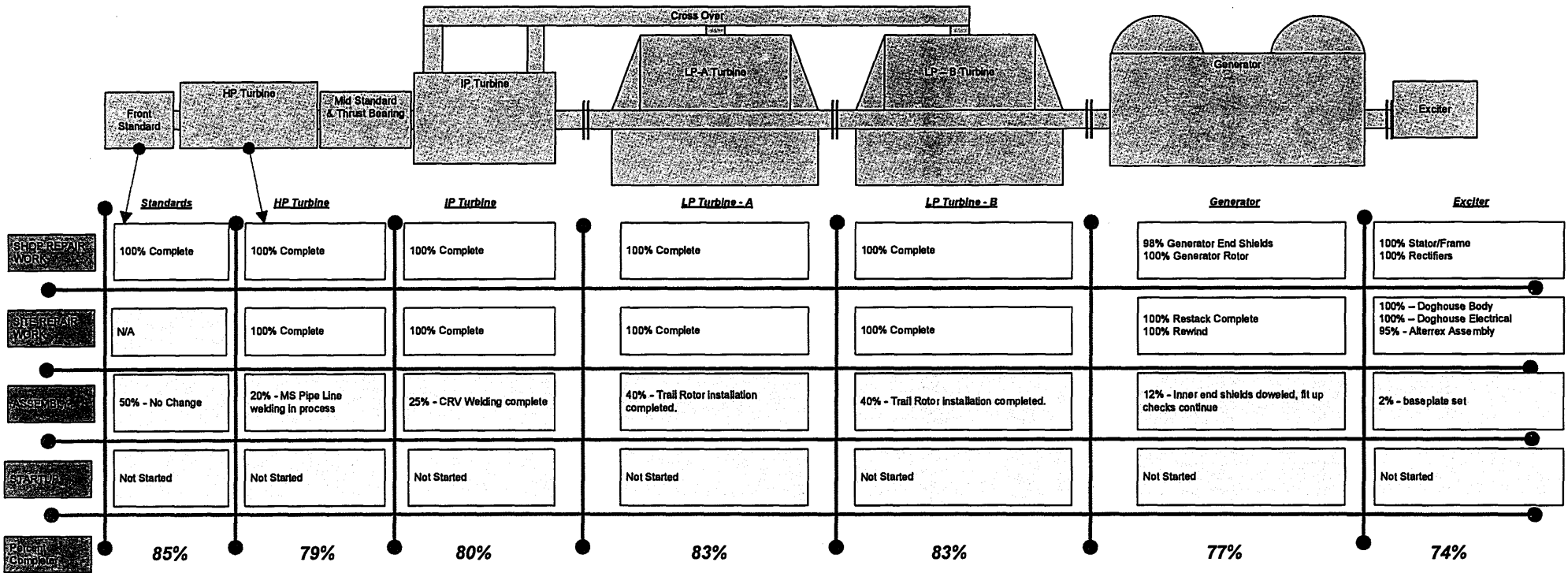
Sincerely,

/s/

CHRISTOPHER B. CLARK
REGIONAL VICE PRESIDENT
RATES AND REGULATORY AFFAIRS

Enclosures
c: Service List

Xcel Energy
 SHERCO 3
 Restoration Project
 Update: May 14, 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.

CERTIFICATE OF SERVICE

I, Ketti Lindberg, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota;

by email; or

by electronic filing.

Docket Nos.: E002/AA-11-1173 Sherco Unit 3 Restoration Update

Dated this 17th day of May 2013.

/s/

Ketti Lindberg

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