

July 26, 2013

—Via Electronic Filing—

Darrell Nitschke  
Executive Secretary  
North Dakota Public Service Commission  
State Capitol, 600 E. Boulevard  
Bismarck, ND 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 after the event that occurred on November 19, 2011.

We continue to make good progress on our restoration efforts and continue to expect Unit 3 to return to service in early September. Once returned to service, there will be a short period of testing (likely a couple of weeks) to complete testing, tuning, and ramping before releasing the unit for dispatch by MISO. 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.

In our last update we indicated that we have received the final root cause analysis report. We continue our detailed internal engineering examination of the 500+ page report and are implementing a plan to review the report with our internal stakeholders and senior executives by mid-August. We anticipate releasing the report in early September when our communication and review process has been completed.

- *Generator (95% complete)*

The generator stator frame has been aligned to the turbine rotors and preparations are underway to grout the support feet at their final position within the next week. The flushing of the high purity stator cooling water system continues. The generator seal oil system has been flushed and cleaned to allow the generator air test and lube oil system final flushing and cleaning to commence. The generator is expected to be ready for turning gear operation by mid August after completion of the lube oil flush and air testing.

- *High Pressure and Reheat Turbines (94% complete)*

The final alignment and assembly of all internal components and casings is complete. The high pressure and reheat turbines have been substantially assembled consistent with the time estimate provided in our previously communicated schedule. The final coupling bolting process will start later this week after which the final lube oil flushing/cleaning will commence. The high pressure and reheat turbines are expected to be ready for turning gear operation by mid August after completion of the lube oil flushing.

- *Low Pressure Turbines (LP-A and LP-B) (94% complete)*

Final fit up, alignment, and installation of internal components is complete. The final rotors installation and upper half components, including outer casings were completed on July 17. Assembly of the two low pressure turbines was substantially completed slightly earlier than the time estimate provided in our previously communicated schedule. The final coupling bolting process will start later this week after which the final lube oil flushing/cleaning will commence. The low pressure turbines are expected to be ready for turning gear operation by mid August after completion of the lube oil flushing.

- *Generator Exciter (94% complete)*


The flushing of the cooling water lines to the exciter rectifier units continues. Trial installation of the “doghouse” continues and grouting of the exciter and final installation of the “doghouse” enclosure are still forecasted to be completed by the end of July.

- *Balance of Plant Systems and Components*

The balance of plant systems and components, like piping and cable, continue to be installed and restored and turned over to the startup team for final commissioning and initial operation. The lube oil piping/system cleaning continues and the generator seal oil system cleaning/flushing was completed. We continue the walk-down and valve line-up confirmation process for all balance of plant systems and components in preparation for the return to service. The schedule supports the turbine/generator restoration and return to service schedule.

We will continue to provide updates to the Commission, with our next update expected to be filed in August 2013. Please contact me at [dave.sederquist@xcelenergy.com](mailto:dave.sederquist@xcelenergy.com) or (701) 241-8632 if there are any questions regarding this update.

Sincerely,

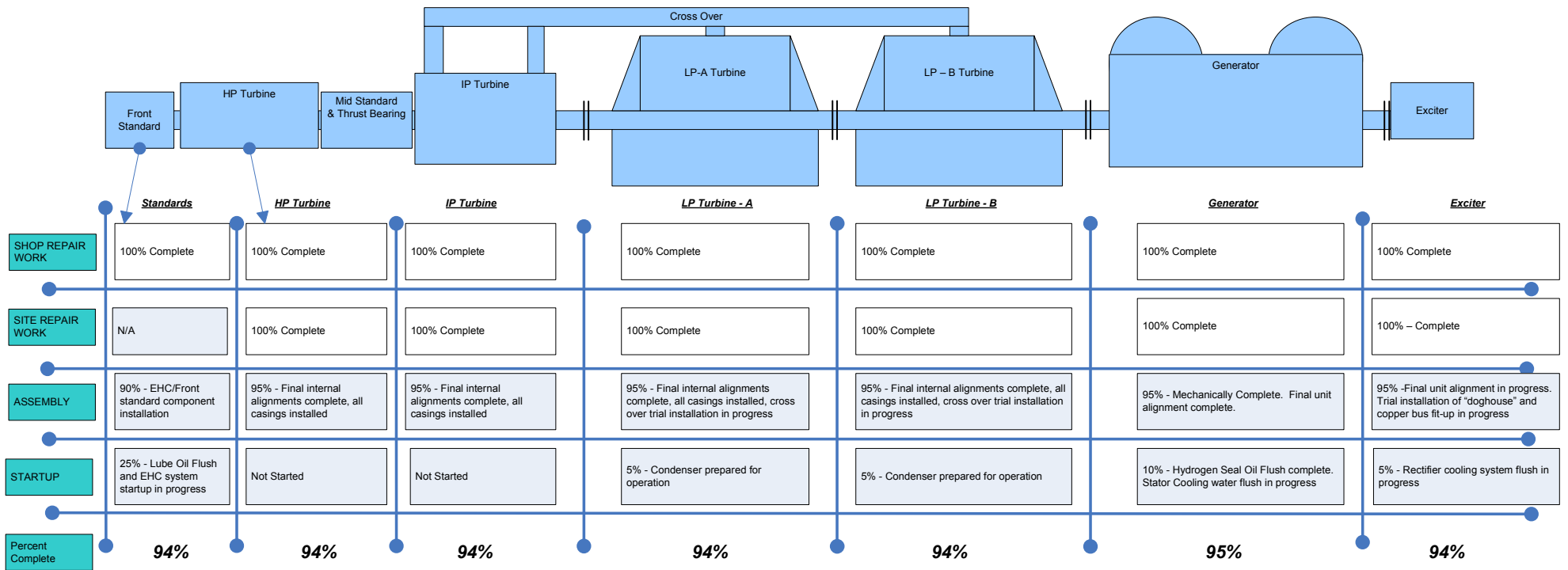


DAVID SEDERQUIST  
SR. REGULATORY CONSULTANT

cc: Sara Cardwell

Enclosures

Xcel Energy  
 SHERCO 3  
 Restoration Project  
 Update: July 23, 2013



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