



TIM O'CONNOR
NUCLEAR OPERATIONS
EVIDENTIARY HEARING OPENING STATEMENT
Case No. PU-12-813

Good morning. I am Tim O'Connor, Chief Nuclear Officer for Xcel Energy.

The Company has made and continues to make significant investment in the Prairie Island and Monticello nuclear facilities to maximize the clean, reliable energy produced over their extended operating lives. The investments are necessary to keep the units operating and available as round-the-clock, carbon-free base load resources.

The Company is ensuring that it is efficiently using its nuclear plants by performing work necessary to extend the operating lives of all plants and also increasing the generating capacity at Monticello. The Monticello extended power uprate/life cycle management project will allow us to provide safe, reliable, low cost energy to our customers through 2030. We are currently waiting for our power uprate license approval by the Nuclear Regulatory Commission, and have removed the licensing costs from our rate request. However, all investments and plant upgrades to date are in service and being used today to generate power and customers are currently benefiting from those investments. Therefore, as explained in my rebuttal testimony, the operating and maintenance costs for Monticello are not avoided due to the license delay. Rather all of these costs are currently being incurred as Monticello is in-service and providing electricity to all of our customers.

The nuclear operations arena is changing as safety continues to be redefined. Safe nuclear power operations is compliance-driven by an independent

regulator, the Nuclear Regulatory Commission, promulgating regulations in response to lessons learned from day-to-day operations of all nuclear plants operating world wide. The Fukushima event is an example of a world wide event reshaping nuclear safety and certainly USA nuclear operations. Public health and safety standards in nuclear operations are not stagnant as demonstrated by increased regulatory requirements. The license requirements under life extension are more stringent than those under the original license and we are responding accordingly, to ensure the safety and the long term availability of these key resources through their extended operating lives.

In addition, nuclear employee retention is a significant issue. The nuclear industry is facing a decline in experienced nuclear workers as well as increased competition globally for those remaining experienced workers, which has contributed to a shortage of specialized, skilled labor. We have implemented a practical and necessary plan for recruiting and retaining the highly qualified workforce to assure workforce stability as our customers are better served by retaining the employees with the experience and skill sets necessary to keep our plants operating safely, efficiently, and effectively.

I appreciate the opportunity to be here today and am available to answer any questions you may have.