



2302 Great N. Drive
Fargo, ND 58102

May 21, 2014

— VIA E-MAIL —

Darrell Nitschke
Executive Secretary and Director of Administration
North Dakota Public Service Commission
State Capitol Building
600 East Boulevard, Dept. 408
Bismarck, ND 58505-0480

**RE: SPENT NUCLEAR FUEL DISPOSAL FEE
CASE NO. PU-14-012**

Dear Mr. Nitschke:

Northern States Power Company, doing business as Xcel Energy, submits this informational letter regarding the discontinuance of the Department of Energy's (DOE) Spent Nuclear Fuel Disposal Fee.

The Company received notification from the DOE on May 12, 2014 that the Spent Nuclear Fuel Disposal Fee, which was 1.0 mill per kilowatt hour of electricity generated and sold, will be discontinued effective May 16, 2014. The Disposal Fee is an authorized component of FERC account 518. The charge has been collected from customers via a line item in our monthly Fuel Cost Charge filings. Given the May 16 effective date of the fee change to zero, the estimated fuel cost reduction for the typical North Dakota residential customer (using 850 kwh per month) is approximately 26¢ per month for the balance of 2014.

The July Fuel Cost Charge filing will reflect the May 16 change in the Disposal Fee. In future Fuel Cost Charge filings, we will no longer collect the Disposal Fee from North Dakota customers unless, of course, the DOE reinstates a fee again.

Please contact me at 701-241-8632 if you have any questions concerning this filing.

SINCERELY,

A handwritten signature in blue ink that reads 'David H. Sederquist'.

DAVID H. SEDERQUIST
SENIOR REGULATORY AND FINANCIAL CONSULTANT