

APPENDIX N10 – NUCLEAR WORKER TRANSITION PLAN**I. INTRODUCTION**

Minn. Stat. § 3.8851, subd. 4 requires Northern States Power Company, doing business as Xcel Energy, to submit to the Minnesota Public Utilities Commission updates periodically, with the resource plan filing, of the Worker Transition Plan (WTP) required under Minn. Stat. § 116C.772, subd. 3. The WTP is required to address the event of a shutdown of Prairie Island nuclear generating plant for longer than six months.

The 1995 WTP (the original filing of this plan) reported that the conditions that could lead to a short lead-time reactive worker transition due to an unplanned immediate shutdown were not typical of the scenario facing Minnesota. Minnesota's Monticello and Prairie Island Nuclear generating plants have a long history of being well-maintained resulting in safe, reliable and economic operations. The WTP described in 1995 assumed a long lead-time, proactive approach. Monticello and Prairie Island Units 1 and 2 continue to have strong operating records and are expected to operate until at least 2030, 2033 and 2034 respectively. This update continues to assume the long lead-time proactive approach to a WTP.

II. TRANSITION PLAN PHILOSOPHY

Monticello will reach the end of its current operating license in 11 years, or 2030. As part of our preferred plan, we are proposing to extend Monticello operations through 2040 or 21 years from now. Prairie Island Unit 1 will reach the end of its current operating license in 14 years, or 2033, and Prairie Island Unit 2 will reach the end of its current operating license in 15 years, or 2034. These extended operating periods and Xcel Energy's commitment to employees affords the opportunity to plan for employee transition resulting from a planned plant closure. Xcel Energy will continue to base staffing decisions on operational excellence and Nuclear Regulatory Commission (NRC) requirements that may result in changed staff assignments and levels.

Monticello and Prairie Island nuclear generating plants are operated by dedicated nuclear professionals. The extended plant lives, the fact that many workers will reach retirement age well before the extended licenses will expire, and a strong management commitment are critical to the success of the Xcel Energy Worker Transition Plan. This strategy provides employees the opportunity to develop their skills inventories so they are congruent with the changing needs of the company and the marketplace.

The proactive approach to managing human resources produces a workforce that is motivated, cross-functional and flexible. This approach greatly reduces the need for reactive planning.

Should Prairie Island or Monticello close, there are four transition paths available. They are:

1. Stay with Xcel Energy in a similar job/career path.
2. Stay with Xcel Energy in a different job/career path.
3. Retire.
4. Leave Xcel Energy for outside employment opportunities.

The proactive strategy for managing human resources allows employees to prepare for each path, and thus position themselves for a number of potential outcomes. Xcel Energy acknowledges that a proactive transition requires prior planning, total management support, complete understanding and support throughout all levels of the corporation and a comprehensive guiding process.

Xcel Energy values its employees and recognizes that they make the nuclear operations excellent. Xcel Energy has an obligation to help employees plan for the future. The result of effective planning is a partnership that yields strong nuclear operations and satisfied employees. Approximately 1,150 permanent, skilled positions would be eliminated or restructured should Monticello and Prairie Island close. Providing these employees with avenues to enhance their skills prior to plant closing will make the transition to new jobs (inside or outside of Xcel Energy) easier, but not painless. Xcel Energy's objective is to structure and develop its work force to meet the challenges inherent in a competitive business environment. That objective will be accomplished by:

1. Establishing Business Plan workforce effectiveness goals.
2. Translating those goals into an effective Human Asset Plan.
3. Producing employee development plans.

A breakdown of the number of employees that work at Monticello and Prairie Island appears in Table 1 below.

Table 1: Nuclear Employee Breakdown

	Nuclear Department		Total
	Bargaining	Non-bargaining	
Monticello	185	325	510
Prairie Island	335	311	646
Total	520	636	1,156

III. XCEL ENERGY TRANSITION PROCESSES

The transition processes described below apply to both non-bargaining and bargaining unit employees at Monticello and Prairie Island. For bargaining unit employees the transition plan is in accordance with the collective bargaining agreement and Xcel Energy programs and processes as described below.

IV. INTERNAL PLACEMENT

A. Job Opportunity Bulletin

Xcel Energy provides online notification of employment and career development opportunities in all new or replacement positions. This process, in accordance with our collective bargaining agreement, is used prior to outside hiring.

B. Leadership Essentials

Xcel Energy has a program to identify employees interested in becoming a member of the Xcel Energy management team, and provides assessment and development to them. Leadership Essentials is an on-line resource designed to help both beginning and experienced leaders learn, and continue to develop various leadership skills. All union employees are invited to participate.

C. Corporate Training Programs

Xcel Energy offers employees training and development courses for skills needed to stay current in their present job and development courses to prepare them for future positions. This training covers technical, computer and business skills.

D. Apprenticeship Training Programs

An apprentice is a person engaged in training for one of the skill areas covered in the current labor agreement. Programs are State of Minnesota registered and provide on-the-job training and related instruction in all areas of the apprenticeship being served.

E. Tuition Reimbursement

The Tuition Reimbursement Program gives employees financial assistance to take courses offered by accredited schools and institutions of higher learning to complete a degree program.

F. Severance

1. The severance pay agreement for bargaining unit employees is covered in the current labor agreements with IBEW locals 160 and 949.
2. The Company has a severance plan for non-bargaining employees which covers regular, full-time or part-time employees of the Company not covered by a current labor agreement. To be eligible for severance, certain eligibility requirements must be met.

V. SUMMARY

The foundation for this type of worker transition program is based on the availability of long-term planning. If a premature closure of Prairie Island or Monticello were to occur, the results would be less favorable. In that case, employees would be afforded less time to prepare themselves for other employment within Xcel Energy or for careers outside of the company. No amount of prior planning can alleviate employees' personal hardships should a valuable and efficient plant be forced to close prematurely. Such an occurrence would be highly speculative, and it would not be cost-effective to prepare contingencies based on scenarios that are not likely to occur.

VI. CONCLUSIONS

1. Xcel Energy is committed to its employees. That commitment is reflected in the scope of resources available to employees. Xcel Energy will continue to invest heavily in employees' training and development so that the transition to a business environment will be proactive.
2. Xcel Energy's commitment to excellence in operations is unequivocal, as is the Company's commitment to operate Monticello and Prairie Island

Units 1 and 2 until 2030, 2033 and 2034, respectively. In addition, as part of our preferred plan we are proposing to extend Monticello another 10 years through 2040.

3. The long lead-time prior to potential plant closings affords Xcel Energy and its employees an opportunity to plan for the transition.
4. An orderly transition is possible through Business and Human Asset Planning as performed by Xcel Energy.

VII. COMMITMENTS

1. Xcel Energy will continue to account for changes in the workforce through business planning and Human Asset Planning.
2. Xcel Energy will continue to work with affected unions to promote the retention and training of its highly skilled and dedicated workforce.