



2302 Great Northern Drive
Fargo, ND 54802

March 7, 2024

—Via Electronic Mail and U.S. Mail—

Steven M. Kahl, Executive Director
North Dakota Public Service Commission
State Capitol Building, Dept. 408
600 East Boulevard
Bismarck, ND 58505-0480

RE: LETTER
14TH DEPARTMENT OF ENERGY (DOE) SETTLEMENT PAYMENT
CASE NO. PU-23-364

Dear Mr. Kahl:

On December 20, 2023, Northern States Power Company, doing business as Xcel Energy submitted an application proposing to utilize the fourteenth Department of Energy (DOE) Settlement Payment to offset payments to be made to the Prairie Island Indian Community (PIIC) related to operation of the Prairie Island Nuclear Generating Plant (PINGP).

An Informal Hearing was held between the Company and the Commission on February 22, 2024 to discuss the Application. Commissioners and Staff asked for additional information during and after the Informal Hearing. Find below our responses to these requests:

1. **Additional information about the process that led to PINGP being within the City of Red Wing for taxation purposes:**
 - o The Minnesota Municipal Commission (MMC) approved the consolidation of Burnside Township and the City of Red Wing by Order dated April 9, 1971. The PINGP is situated within what was formerly the Burnside Township. The Commission found that the “City of Red Wing and the Town of Burnside are one community geographically, economically and sociologically and can best be served by a new City of Red Wing.” As further background, a Petition for Further Hearings was filed by Northern States Power Company on December 11, 1970. The Petition was duly denied by the MMC. We have no further information regarding the Petition for Further Hearings, but could speculate that it was done in an effort to protect customer interests.

2. Annual operating cost of PINGP:

- The 2022 O&M costs were: \$149.5 million
- The 2022 capital costs were: \$86.8 million

3. Clarification regarding the commitments that PIIC made within the 2023 Agreement regarding the extension of PINGP through 2053 and 2054:

- The 2023 Agreement between NSP and PIIC is trade secret in entirety and will be provided under separate cover. The commitments from the PIIC can be found section “3. Obligations of the Tribe” on page 5 of 7 of the 2023 Agreement. We are enclosing an Application for Trade Secret protection with this filing and sending a hard copy of the agreement to the Commission via US mail.

4. Clarification regarding how the PI Payments are recovered in Xcel Energy’s other jurisdictions:

- Minnesota: Recovery of the Minnesota jurisdictional portion began on March 1, 2024 through the Minnesota State Energy Policy (SEP) Rider.
- South Dakota: A filing was made in November 2023 seeking recovery through the South Dakota Infrastructure Rider. The decision is pending.
- Wisconsin: Governed by the Interchange Agreement between NSPM and NSPM as filed with FERC.

We hope that the information contained herein is helpful. As stated in the Application, if it is preferred by the Commission that the fourteenth DOE Settlement Payment be refunded through the Bill Credit Rider (BCR) we will proceed to do so immediately. The Company would then proceed to file an application with the Commission for deferred accounting on the PI Payments.

We thank the Commission and Staff for your time and consideration of this matter. Please contact me at Alex.J.Nisbet@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

ALEX NISBET
REGULATORY POLICY SPECIALIST

cc: Adam Renfandt
Enclosures