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SOUTH DAKOTA PUBLIC
UTILITIES COMMISSION

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October 10, 2006

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Dear Ms. Van Gerpen:

CONFIDENTIAL TREATMENT REQUESTED

Enclosed for filing please find an original and ten copies of Xcel Energy's petition for approval of a refund of a DOE settlement.

Xcel Energy respectfully requests confidential treatment of the filing as specified in ARSD 20:10:01:41 - Requests for confidential treatment of information. All pages, which include such proprietary information, have been marked "Confidential." Following are Xcel Energy's responses to the five points cited in this administrative rule:

(1) An identification of the document and the general subject matter of the materials or the portions of the document for which confidentiality is being requested;

Xcel Energy seeks confidential treatment of proprietary information presented in this petition.

(2) The length of time for which confidentiality is being requested and a request for handling at the end of that time;

Xcel Energy requests these documents be maintained confidential through the lifetime of the docket. Xcel Energy requests that all confidential information provided by the Company in this docket be returned to Xcel Energy following resolution of this docket.

(3) The name, addresses, and phone number of a person to be contacted regarding the confidentiality request;

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(4) The statutory or common law grounds and any administrative rules under which confidentiality is requested.

The material is proprietary information, the disclosure of which would result in material damage to the company's financial or competitive position. ARSD 20:10:01:42. The petition contains confidential information of which disclosure might have an adverse impact on Xcel Energy and its ratepayers.

(5) The factual basis that qualifies the information for confidentiality under the authority cited.

The material reveals confidential legal fees incurred in obtaining a refund from the U.S. Department of Energy.

If anyone has any questions, please call me at 339-8350

Sincerely,

A handwritten signature in cursive script that reads "J Wilcox".

Jim Wilcox

**STATE OF SOUTH DAKOTA
BEFORE THE
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION**

IN THE MATTER OF THE PETITION OF
NORTHERN STATES POWER COMPANY
D/B/A XCEL ENERGY FOR APPROVAL
OF A REFUND OF A DOE SETTLEMENT

DOCKET No. _____

PETITION

INTRODUCTION

Pursuant to SDCL 49-34A-25 Northern States Power Company d/b/a Xcel Energy (“Xcel Energy” or the “Company”) petitions the South Dakota Public Utilities Commission (the “Commission”) for approval of a refund to customers of proceeds received as the result of a settlement reached for overpayments for uranium enrichment services performed by the Department of Energy (“DOE”). The Company also requests that legal fees incurred in pursuit of this settlement be deducted from the proceeds and the net amount be returned to customers through the fuel clause adjustment. The Company proposes to include the net refund amount in FERC account 518, nuclear fuel expense, for inclusion in the calculation of the South Dakota fuel clause adjustment (“FCA”).

I. General Filing Information

Xcel Energy provides the following information.

A. Name, Address, and Telephone Number of Utility

Northern States Power Company d/b/a Xcel Energy
500 West Russell Street
Sioux Falls, South Dakota 57104
(605) 339-8350

B. Name, Address, and Telephone Number of Utility Attorney

David A. Gerdes, Attorney
May, Adam, Gerdes & Thompson LLP, Attorneys
PO Box 160
503 S. Pierre St.
Pierre, SD 57501
(605) 224-8803; Fax (605) 224-6289

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SETTLEMENT AGREEMENT

This is a Settlement Agreement between the United States (the "Defendant"), and Arizona Public Service Company, Calvert Cliffs Nuclear Power Plant, Inc., Consumers Energy Company, EURATOM Supply Agency, FirstEnergy Nuclear Operating Company (on behalf of itself and the claim it acquired from plaintiff GPU Nuclear, Inc.), Nebraska Public Power District, Northern States Power Company d/b/a/ XCEL Energy, PSEG Nuclear LLC, Rochester Gas and Electric Corporation, Southern California Edison Company, STP Nuclear Operating Company, E.On Kraftwerk Sverige (formerly Sydsvenska Varmekraftaktiebolaget) and Union Electric Company d/b/a AmerenUE (collectively "Plaintiffs"), the Plaintiffs in Case No. 01-592C ("the Case") in the United States Court of Federal Claims. For the purpose of disposing of Plaintiffs' claims, without any further judicial proceedings and without there being any further trial or adjudication of any issue of law or fact, and without constituting an admission of liability on the part of Plaintiffs or the Defendant, and for no other purpose, the parties stipulate and agree as follows:

1. Plaintiffs allege the Department of Energy overcharged them for uranium enrichment services.

2. The parties hereto entered into negotiations designed to resolve amicably Plaintiffs' claims without further trial or adjudication. Plaintiffs have offered to settle the Case in exchange for a payment by the United States in the amount of \$27,500,000.00, inclusive of any interest, payable in trust to Plaintiffs' attorneys for disbursement to Plaintiffs, with each party to bear its own costs, attorney fees, and expenses.

3. The offer has been accepted on behalf of the Attorney General of the United States.

4. Upon satisfaction of the terms set forth in paragraph 2, the Plaintiffs agree to join with the United States in stipulating to the dismissal of the Case with prejudice.

5. Upon satisfaction of the terms set forth in paragraph 2, Plaintiffs release, waive, and abandon all claims against the United States, its political subdivisions, its officers, agents, and employees, arising out of or related to the contracts at issue or otherwise involved in the Case, regardless of whether such claims were included in the complaint, including but not limited to any claims for costs, expenses, attorney fees, compensatory damages, and exemplary damages; provided that nothing in this Settlement Agreement shall release, waive or abandon any claims against the United States Enrichment Corporation, as the transferee of the contracts at issue in the Case, arising on or after July 1, 1993.

6. This Settlement Agreement is in no way related to or concerned with income or other taxes for which Plaintiffs are now liable or may become liable in the future as a result of this Settlement Agreement.

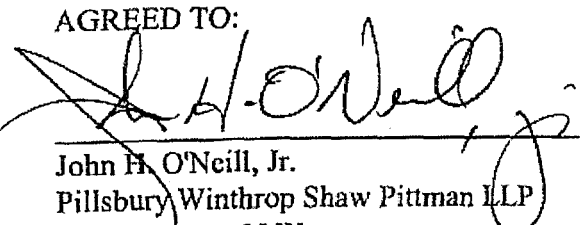
7. Plaintiffs warrant and represent that no other action or suit with respect to their claims advanced in the Case are pending or will be filed in or submitted to any other court, administrative agency, or legislative body. They further warrant and represent that they have made no assignment or transfer of all or any part of their rights arising out of or relating to the claims advanced in the Case. Should there be now or in the future any violation of these warranties and representations, any amount paid by the United States pursuant to this Settlement Agreement shall be refunded promptly by Plaintiffs, together with interest thereon at the rates provided in 41 U.S.C. § 611, computed from the date the United States makes payment.

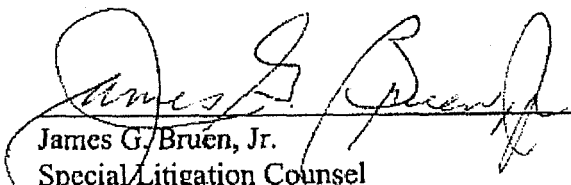
8. This Settlement Agreement is for the purpose of settling the Case, and for no other purpose. Accordingly, this Settlement Agreement shall not bind the parties, nor shall it be cited or otherwise referred to, in any proceedings, whether judicial or administrative in nature, in which the parties or counsel for the parties have or may acquire an interest, except as is necessary to effect the terms of this Settlement Agreement or to provide information to any regulatory body with jurisdiction over any Plaintiff(s).

9. Plaintiffs' counsel represents that he has been and is authorized to enter into this Settlement Agreement on behalf of Plaintiffs.

10. This document constitutes a complete integration of the agreement between the parties and supercedes any and all prior oral or written representations, understandings or agreements among or between them.

AGREED TO:


John H. O'Neill, Jr.
Pillsbury Winthrop Shaw Pittman LLP
2300 N Street, N.W.
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Attorney for Plaintiffs


James G. Bruen, Jr.
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P.O. Box 875
Washington, D.C. 20044
Tel: (202) 307-0493
Attorney for Defendant

DATED: February 15, 2006

DATED: 2/15/06

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