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VIA ELECTRONIC FILING

December 5, 2007

Patricia Van Gerpen
Executive Director
South Dakota Public Utilities Commission
Capital Building, 1st Floor
500 East Capital Avenue
Pierre, SD 57501-5070

RE: PETITION
ACCOUNTING TREATMENT FOR NUCLEAR REFUELING OUTAGE COSTS

Dear Ms. Van Gerpen:

Enclosed is the petition of Northern States Power Company, a Minnesota corporation ("Xcel Energy" or "the Company") operating in South Dakota, seeking a South Dakota Public Utilities Commission decision regarding a proposed accounting method for planned refueling outages at our nuclear plants pursuant to SDCL § 49-34A-7 and ARSD § 20:10:13:48.

If approved, the Company would change from direct-expense accounting of these costs to a deferral-and-amortization method, as outlined by the Financial Accounting Standards Board ("FASB") Staff Position, No. AUG AIR-1, *Accounting for Planned Major Maintenance Activities* ("Staff Position Paper"). After completion of the first full cycle of outages at our three reactor sites, costs will be smoothed, more predictable, facilitate the appropriate reflection of normalized cost levels in a general rate case, and provide an improved matching of customer costs and benefits. The Company requests this accounting method, using a normalized level of expense be approved for use in nuclear fuel outages occurring after January 1, 2008.

A REQUEST FOR CONFIDENTIAL TREATMENT OF INFORMATION is being separately filed seeking protection for Schedule B, *Forecast Outage Refueling Schedule*, and Schedule E, *Amortization of Reload O&M Costs*, which are referred to in the attached petition.

The Company's attorney for this matter is:

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You may direct any questions regarding this filing to me at 605-399-8350 or Ms. Hertzler at (612) 215-4589.

Sincerely,



Jim Wilcox, Manager
Government & Regulatory Affairs
Northern States Power Company, a Minnesota corporation
operating in South Dakota

Enclosures

**PUBLIC UTILITIES COMMISSION
STATE OF SOUTH DAKOTA**

IN THE MATTER OF THE PETITION OF
NORTHERN STATES POWER COMPANY, A
MINNESOTA CORPORATION, REGARDING
THE ACCOUNTING TREATMENT FOR
NUCLEAR REFUELING OUTAGE COSTS

PETITION

INTRODUCTION

Pursuant to SDCL § 49-34A-7 and ARSD § 20:10:13:48, Northern States Power Company, a Minnesota corporation (“Xcel Energy” or the “Company”) operating in South Dakota, petitions the South Dakota Public Utilities Commission (the “Commission”) for a finding regarding the accounting method for costs associated with routine nuclear refueling outages at our nuclear plants. Our request is based on the Financial Accounting Standards Board (“FASB”) Staff Position, No. AUG AIR-1, *Accounting for Planned Major Maintenance Activities* (“FASB Staff Position paper”), attached as Schedule A to this Petition.

Currently, Xcel Energy uses the direct-expense method for the costs associated with reloading the nuclear reactors with fuel, which are incurred during refueling outages at our three nuclear reactors (Monticello and Prairie Island Units 1 and 2). We respectfully request that the Commission find that the deferral-and-amortization method outlined in the FASB Staff Position paper is an acceptable method of accounting for these costs.¹ Under this approach, the refueling costs would be deferred and amortized during the period between refueling outages, as opposed to expensed as the costs are incurred. In this way, after completion of the first full cycle of outages at our three reactor sites, costs will be smoothed and more predictable.

SDCL § 49-34A-7 provides that the Commission shall designate a system of accounts to be kept by public utilities, and ARSD § 20:10:13:48 provides that: “all statements, schedules, and working papers shall be prepared in accordance with the classifications set forth in the commission’s orders and in the FERC uniform system of accounts

¹ The FASB Staff Position paper discusses four methods of accounting for these large and reoccurring maintenance costs: direct expense, built-in overhaul, deferral, and accrual (accrue-in-advance). Although there are four methods, the FASB does not believe the accrue-in-advance method is consistent with FASB Concept Statements No. 6, *Elements of Financial Statements*, indicating that accrue-in-advance is not an acceptable accounting method.

....” Because more than one appropriate generally accepted accounting method exists for nuclear refueling costs and because we believe the deferral-and-amortization method offers benefits for all stakeholders, we respectfully request that the Commission find it is the appropriate accounting method for use in South Dakota, effective for the first refueling outage in 2008.

I. Description and Purpose of Filing

A. Background

1. Refueling Outages

Each of our three nuclear reactors requires refueling outages on a regular basis to replenish fuel supplies and to remove and store the spent nuclear fuel created (roughly one-third of the oldest fuel is replaced in each outage). During the time the unit is out of service for refueling, plant personnel work to realign the core for the new fuel configurations and perform any necessary repairs and inspections to ensure a safe and efficient operating cycle. The Company’s objective is to perform the work as quickly as possible without compromising safety, thus returning the plant quickly and efficiently to providing low-cost energy for our customers.

The tasks performed in a refueling outage will vary – some will require more extensive work and time to comply with specific Nuclear Regulatory Commission (“NRC”) guidelines, while others may be more confined to typical refueling and maintenance activities. Generally speaking, in a “base” or regular refueling outages, typical work performed includes:

- Replacement of approximately one-third of the oldest nuclear fuel assemblies in the reactor core,
- Numerous inspections on equipment to ensure safety and compliance with requirements,
- Tests and maintenance jobs that can be performed only when the reactor is shut down, and
- Repairs and refurbishment of major nuclear and non-nuclear components of the plant (*e.g.*, control rods, main coolant pumps, steam generators, turbine valves and blading, main electric generator).

Beyond the work done in a “base” refueling outage, more extensive work may be required during certain refueling outages to comply with periodic NRC and insurance requirements. In addition, we anticipate more extensive refueling outages in the near

future to implement life extension and power uprates at the units, assuming all appropriate regulatory approvals are obtained. These more extensive outages will require longer periods and higher costs than typical refueling outages, and involve one-time expenses that are not anticipated to be repeated over the license renewal period.

We attempt to schedule the refueling outages for our three nuclear units during non-peak periods on our system to help minimize the impact on customer rates. Because each unit has different operating characteristics and parameters, each has its own fuel cycle, generally ranging from 18 to up to 24 months. Thus, the number of refueling outages scheduled in any given year will vary, with two outages occurring in most years, one in others, and the potential for even three refueling outages occurring in some years. Extensive planning goes into the preparation and execution of these outage schedules.

We provide our current schedule of anticipated refueling outages for our three nuclear units in Schedule B, *Forecast Outage Refueling Schedule*. Schedule B has been separately provided along with a Request For Confidential Treatment of Information.

2. *Use of Direct-Expense Method in South Dakota*

Xcel Energy has used the direct-expense method of accounting for nuclear refueling expenses, where the costs are expensed as they are incurred. While this method reflects the approach generally used for operating and maintenance costs (“O&M”), it leads to large swings in expenses from year to year when used for nuclear refueling costs, depending on the number of refueling outages that occur. Given that the cost of a base refueling outage typically exceeds \$20 million (total Company), the annual outage expenses may range from \$20 million in a single outage year to over \$50 million in a two-outage year, creating large swings in expenses. These swings increase as the length, complexity, and number of outages increase.

Our current outage schedule anticipates two refueling outages per year in seven of the next ten years (beginning in 2008), a number of which will meet the more extensive outage requirements for relicensing and power uprates. We currently expect that costs for the 2008 outages will surpass \$50 million (total Company).

3. *Use of Deferral-and-Amortization Method in Other Jurisdictions*

In early 2007, it came to our attention that other utilities use the deferral-and-amortization method of accounting for nuclear refueling costs. The FASB Staff Position paper provides that deferral and amortization between refueling outages is a

generally accepted accounting method for planned outage costs. We thus investigated the possibility for implementing this approach on our system. This review identified at least five utilities use the deferral-and-amortization accounting method outlined in the FASB Staff Position paper in seven state jurisdictions, as noted below.

USE OF THE DEFERRAL-AND-AMORTIZATION METHOD

Company	State Jurisdiction
Tennessee Valley Authority	Alabama, Tennessee
Entergy Gulf States	Louisiana
Indiana Michigan Power Company	Indiana, Michigan
Kansas City Power & Light	Kansas
Georgia Power	Georgia

B. Change in Accounting Request

The Company respectfully requests the Commission find that the deferral-and-amortization method of accounting for nuclear refueling outage costs is appropriate for use in South Dakota, pursuant to SDCL § 49-34A-7, which provides that the Commission may prescribe a method of accounting, and ARSD § 20:10:13:48, which provides that utilities shall file financial statements in accordance with Commission orders. Therefore, we believe that a Commission Order under this rule is required for us to change the method of accounting from direct-expense to deferral-and-amortization, consistent with SFAS No. 71, *Accounting for the Effects of Certain Types of Regulation*.

We note that we are filing similar requests to implement this accounting change in the other jurisdictions we serve. These include Minnesota, North Dakota, and with the Federal Energy Regulatory Commission (“FERC”), which governs the interchange agreement through which these costs are shared between the Company and its affiliate, Northern Sates Power Company, a Wisconsin corporation (“NSPW”). As jurisdictions consider and approve this accounting change, we would implement jurisdictional accounting for this method. This approach would accommodate the possible situation of differing decisions across the jurisdictions. If all jurisdictions do not adopt the deferral-and-amortization method, the Company would employ jurisdictional accounting to effectively track the different expensing methods in each jurisdiction. This approach would ensure that the method adopted by a jurisdiction would be reflected appropriately in associated rate proceedings, and that no overlap between amortization and direct expense would occur.

In the sections below, we offer further detail on our proposed implementation of this accounting change, and offer supporting reasons for why its adoption is consistent with the public interest and will benefit our customers and all stakeholders.

1. *Details of Request*

We propose to implement the deferral-and-amortization method consistent with the approach outlined in the FASB Staff Position paper. The applicable FERC Accounts affected by the change in accounting are:

FERC Account	Account Title
<i>Operations</i>	
517	Operation Supervision and Engineering
519	Coolants and Water
520	Steam Expenses
523	Electric Expenses
524	Miscellaneous Nuclear Power Expenses
<i>Maintenance</i>	
528	Maintenance Supervision and Engineering
529	Maintenance of Structures
530	Maintenance of Reactor Plant Equipment
531	Maintenance of Electric Plant
532	Maintenance of Miscellaneous Nuclear Plant

To ensure that only appropriate costs associated with the nuclear refueling outages are included in the deferral, we have developed an accounting policy that defines the type of costs and activities that would be subject to the deferral-and-amortization method. We provide a copy of this accounting policy as Schedule C, *Planned Major Maintenance – Nuclear Refueling Outage (Uniform Policy)*. This policy will ensure that only appropriate

nuclear refueling outage costs – and not other generation or nuclear costs – are subject to the deferral-and-amortization method.²

Our accounting under this method would work as follows: Beginning with O&M costs associated with the first refueling outage occurring after January 1, 2008, we propose to accumulate into work orders (cost tracking) the appropriate nuclear refueling costs; this accumulation will continue through the refueling outage. These work orders will be used as tracking mechanisms within FERC Account 182.3, Other Regulatory Assets, and will track the costs by the appropriate FERC Account listed above. The work orders also will track by each facility (Monticello or Prairie Island), and by unit for the Prairie Island facility. We provide a sample of our proposed FERC Account 182.3 tracking mechanism as Schedule D, *Accounting Example*.

After a refueling outage is completed and the plant is returned to service, we would begin to record the amortization amounts as expense in the appropriate FERC Accounts. The amortization periods used to determine the monthly expense amount would be the number of months anticipated between refueling outages for each nuclear unit. Thus, for example, for a unit on a 20-month refueling cycle, we would amortize the deferred amounts by FERC Account over a 20-month period, reflecting 1/20th of the costs in each month. Consequently, the amortization periods will vary by nuclear unit and will be determined based on our planned schedule for refueling outages. To avoid any overlapping amortizations for a particular unit or to eliminate a situation where no amortization occurs in a given month, we will include in the amortization period any month where the unit comes out of service or is shut down through the end of the month. Further, should the timing of an scheduled outage vary from what was initially assumed when determining the amortization period, we would employ a remaining life approach and adjust the amortization accordingly so that the unamortized balance will be expensed in full over the remaining revised amortization period. We believe this approach will ensure an appropriate matching of the amortized costs to the period between refueling outages.

To illustrate this approach, consider the example of the first refueling outage that will occur at Prairie Island Unit 1 starting in February 2008. We expect this outage to last approximately 35 days, with the unit coming back on line by the end of March. The

² We note that non-outage activities may be added to the outage schedule based on the benefits that can be gained by delaying the work until the outage. Although this work is performed at the same time as the refueling outage, it would not be accounted for using the deferral-and-amortization method and would instead remain direct expensed. In addition, costs associated with unplanned outages would not be subject to the deferral-and-amortization method. Schedule C provides detail on our accounting guidelines to ensure appropriate tracking and recording of costs under our proposal.

next refueling outage for Prairie Island Unit 1 in the forecast begins September 2009, lasting approximately 35 days and completing by October 2009. Therefore, we would use a 19-month period over which the accumulated deferred costs would be expensed, from March 2008 through September 2009. The next accumulation of refueling costs would begin to amortize in October 2009. The amortization period will vary slightly as reload schedules shift, but generally the amortization will occur over an 18- to 24-month period, as reflected in our planned outage schedules.

Over time, the amortization amounts recorded will eventually reflect amounts for each of the three nuclear units once we have implemented the initial refueling outages post-accounting change for each unit. Thus, the amounts recorded in each FERC Account for nuclear refueling costs will build over time (by April 2009), up to a more levelized amount reflecting refueling costs for all three nuclear units.

3. *Impact of the Request*

To demonstrate the impact of this change in accounting, we prepared an example showing the build-up of costs over time as each unit completes a refueling outage. We show the details of the accounting for this initial cycle of refueling outages Schedule E, *Amortization of Reload O&M Costs*. Schedule E has been separately provided along with a Request For Confidential Treatment of Information.

To assist all parties in monitoring the impacts of the change in accounting, we propose to provide a compliance report each May 1st. In this report, we would provide information on actual refueling outage expenses deferred during the year and the details behind the amortization expense recognized. We also would provide an independent auditors' letter prepared by our external auditors on the Company's application of the deferral-and-amortization accounting method as approved. We believe this additional information would be helpful in tracking the amortization expense that results as units complete refueling outages and would facilitate review of our compliance with the accounting guidelines for qualifying costs. We are willing to discuss the format and information to be provided in this annual compliance report to ensure it meets the needs of stakeholders.

C. **Rationale for Request**

We believe that the deferral-and-amortization method of accounting for nuclear refueling costs is superior to the direct-expense method and should be adopted for use in future ratemaking in South Dakota. Key reasons in support of this conclusion include:

- It levels the costs over time, facilitating the appropriate reflection of normalized cost levels in the general rate case proceeding that occurs after the first full cycle of outages.
- It appropriately spreads the costs over the period that customers receive the benefits of the expenses.
- It is appropriate to implement the change in accounting outside of a general rate case, thus allowing the costs to build toward the normalized levels for reflection in the first general rate case following a full cycle of outages.
- It better matches revenues with expenses.

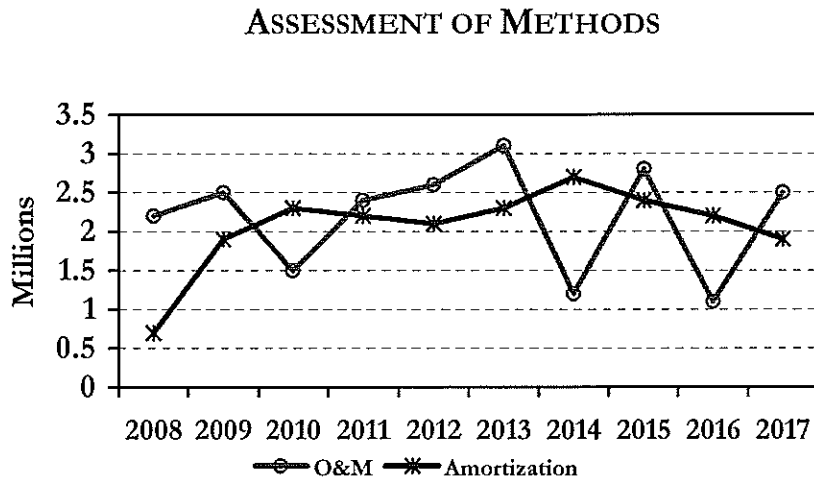
Further, adoption of this method would in no way change the Commission's ability to audit any expense and verify the prudence of such costs as needed, or to ensure our compliance with the approved accounting guidelines. Our proposed reporting requirements are intended to facilitate effective regulatory oversight of these costs.

1. Levelized Costs

The direct-expense method of accounting requires reflection of the costs as expense on the Company's books and records in the month incurred. Generally speaking, it is unusual to have intermittent expense items of this magnitude (\$20 million and above) incurred in a single month; the fact that the number of refueling outages vary by year exacerbates this situation. Further, from the Company's perspective, actual costs may differ substantially from allowed cost recovery simply due to the scheduling of nuclear refueling outages, making earnings more volatile and subject to large swings. This volatility in expenses and limited ability to manage the timing or level of these costs creates significant and unique challenges for owners of nuclear generating plants compared to owning other types of generating assets.

In contrast, the deferral-and-amortization method will smooth these swings by spreading costs over the period in which the benefit of the refueling outage is provided to customers. Once established, this method will facilitate reflection of "normal" costs in a general rate case proceeding, and parties will not need to address situations where the test year may have greater or fewer refueling outages than anticipated in coming years.

We illustrate the impact of the change in accounting on the predictability of these costs on the chart below:



While variation still exists in the later years due to the more extensive and higher cost outages to facilitate life extension and power uprates (if approved), the deferral-and-amortization method is substantially more stable than the direct-expense method, in which wide swings in expense levels occur.

As shown, once the first full cycle of refueling outages occurs (*i.e.*, outages have occurred at all three units) and costs of all three nuclear units are reflected in the amortization, the costs are more stable, reflective of ongoing expense levels, and amenable to reflection in a rate case as compared to the direct-expense method, where costs vary substantially depending on the number of outages occurring in a given year.

2. *Matching of Costs and Benefits*

Deferral and amortization will spread the refueling outage costs over the period that customers benefit from the costs – specifically, the period during which the plants produce energy from the reloaded fuel. This matching of costs and benefits is an appropriate regulatory goal and facilitates reflection of an appropriate cost level in rate proceedings. We believe all parties would benefit from these outcomes stemming from use of the deferral-and-amortization method.

3. *Timing of Implementation*

Adopting the deferral-and-amortization method outside of a general rate case proceeding is appropriate and accommodates reflection of the benefits of this method in future rate cases. Were the Commission to adopt the accounting method change in a general rate case, the amortization would be at its lowest point, as not all of the plants will have been through a refueling outage. This approach would not reasonably reflect the ongoing expense levels associated with nuclear refueling outages.

In contrast, allowing the amortization levels to grow toward the more normal levels as units complete the first cycle of refueling outages under the new method will bring the benefits of the increased stability and predictability to the next rate case, facilitating better representation of ongoing costs. At the same time, regulators will retain full ability to audit our costs and compliance with the accounting guidelines to ensure only appropriate costs are reflected in the amortizations. The additional reporting we propose to provide in our annual jurisdictional earnings reports will facilitate ongoing regulatory oversight of these costs.

Thus, we believe this is an opportune time to implement the accounting change, allowing for the build up of costs toward more normal levels to be reflected in the next general rate case proceeding. We are willing to work with stakeholders regarding appropriate reporting or other conditions to facilitate implementation of this accounting change.

4. *Summary*

Overall, we believe the deferral-and-amortization method of accounting for nuclear refueling costs offers distinct advantages over the direct-expense method. Further, we believe it is appropriate to implement the change outside of a general rate case proceeding beginning calendar year 2008, allowing the costs to build toward normal levels as nuclear units complete refueling outages. Based on these considerations, we believe a Commission finding that the deferral-and-amortization method is appropriate for use in South Dakota is reasonable and should be adopted.

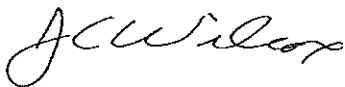
CONCLUSION

Xcel Energy requests that the Commission find the deferral-and-amortization method to be an acceptable accounting method for nuclear refueling outage costs, pursuant to SDCL § 49-34A-7, which provides that the Commission may prescribe a method of accounting, and ARSD § 20:10:13:48, which provides that utilities shall file financial statements in accordance with Commission orders. We believe this method offers

significant benefits for all parties compared to the direct-expense method currently used. We respectfully request that the Commission authorize this change in accounting for use in 2008, beginning with the first refueling outage at Prairie Island Unit 1.

Dated: December 5, 2007

Northern States Power Company
A Minnesota corporation operating in South Dakota



By: _____

JIM WILCOX
MANAGER
GOVERNMENT & REGULATORY AFFAIRS

FSP AUG AIR-1

FASB STAFF POSITION

No. AUG AIR-1

Title: Accounting for Planned Major Maintenance Activities

Date Posted: September 8, 2006

Introduction

1. This FASB Staff Position (FSP) addresses the accounting for planned major maintenance activities. This FSP amends certain provisions in the AICPA Industry Audit Guide, *Audits of Airlines* (Airline Guide), and APB Opinion No. 28, *Interim Financial Reporting*.

Background and Scope

2. The principal source of guidance on the accounting for planned major maintenance activities is the Airline Guide. The Airline Guide permits four alternative methods of accounting for planned major maintenance activities: direct expense, built-in overhaul, deferral, and accrual (accrue-in-advance). Those methods are widely used by other industries.

3. The Board believes that the accrue-in-advance method of accounting for planned major maintenance activities results in the recognition of liabilities that do not meet the definition of a liability in FASB Concepts Statement No. 6, *Elements of Financial Statements*, because it causes the recognition of a liability in a period prior to the occurrence of the transaction or event obligating the entity. The fact that an entity may incur future maintenance costs to improve the operating efficiency of an asset, comply with regulatory operating guidelines, or extend the useful life of the asset does not embody a present duty or responsibility of the entity prior to the obligating transaction or event. The entity can decide whether to use the asset in such a way to avoid the need for future maintenance activities.¹

4. The guidance in this FSP is applicable to entities in all industries.

FASB Staff Position

5. This FSP prohibits the use of the accrue-in-advance method of accounting for planned major maintenance activities in annual and interim financial reporting periods.

¹ In contrast, as explained in FASB Statement No. 143, *Accounting for Asset Retirement Obligations*, and as demonstrated in examples in FASB Interpretation No. 47, *Accounting for Conditional Asset Retirement Obligations*, the liability required to be recorded for an asset retirement obligation is based on a legal obligation for which the event obligating the entity has occurred.

FSP AUG AIR-1

6. An entity shall apply the same method of accounting for planned major maintenance activities in annual and interim financial reporting periods.

Amendments to Airline Guide

7. This FSP amends the Airline Guide as follows: [Added text is underlined and deleted text is ~~struck out.~~]

a. Paragraph 3.69:

Air carriers should adopt an accounting method that recognizes overhaul expenses in the appropriate period. This may result in different methods for different aircraft, as well as different methods for airframe overhauls and engine overhauls. The method chosen should recognize, among other things, the carrier's operating practices with respect to airframe and engine overhauls. The following accounting methods are ~~most often employed~~permitted:

- Direct expensing method
- Built-in overhaul method
- Deferral method
- ~~Accrual method~~

b. Paragraph 3.73:

~~*Accrual Method.* The accrual method provides for estimating the cost of the initial overhaul and accruing the cost, based on an hourly rate, to the overhaul. At that time, the actual cost of overhaul is charged to the accrual, with any deficiency or excess charged or credited to expense. The cost of the next overhaul is then estimated, based on the new rate, and accrued to that overhaul, at which time the process is repeated.~~

c. Paragraph 3.74:

In the case of the built-in overhaul ~~and accrual methods~~, the estimated cost of initial overhauls should be tested by reference to manufacturers' specifications, historical experience, and the like. Actual capitalized costs of succeeding overhauls should be examined for propriety. Time between overhauls (TBO) should be tested by reference to FAA overhaul requirements, manufacturers' specifications, or the carrier's experience. Resulting rates and their application should be tested for reasonableness.

d. Paragraph 4.11.2:

Maintenance and engineering accounting—In the airline industry ~~four~~three alternative methods exist for performing scheduled maintenance accounting (direct expensing method, built-in overhaul method, and deferral method, ~~and accrual method~~). An airline using the ~~accrual~~, deferral, or built-in overhaul methods must make certain assumptions as to the cost and timing of the

FSP AUG AIR-1

scheduled maintenance events, which can affect the recorded results. In addition an airline must apply the method selected consistently and should not switch back and forth between methods.

Amendment to Opinion 28

8. This FSP amends Opinion 28 as follows:

a. Paragraph 16(a):

When a cost that is expensed for annual reporting purposes clearly benefits two or more interim periods (~~e.g., annual major repairs~~), each interim period should be charged for an appropriate portion of the annual cost by the use of accruals or deferrals.

Effective Date and Transition

9. The guidance in this FSP shall be applied to the first fiscal year beginning after December 15, 2006. Earlier adoption is permitted as of the beginning of an entity's fiscal year. The guidance in this FSP shall be applied retrospectively for all financial statements presented, unless it is impracticable to do so. This should include the recognition of:

- a. The cumulative effect of the change to the new accounting principle on periods prior to those presented in the carrying amounts of assets and liabilities as of the beginning of the first period presented
- b. An offsetting adjustment, if any, made to the opening balance of retained earnings (or other appropriate components of equity or net assets in the statement of financial position) for that period
- c. Adjustments to financial statements for each individual prior period presented to reflect the period-specific effects of applying the new accounting principle.

10. If retrospective application to all years presented is impracticable, the financial statements presented shall be retrospectively adjusted for as many consecutive prior years as practicable, and the cumulative effect of applying the guidance in this FSP shall be applied to the carrying amounts of assets and liabilities as of the beginning of the earliest period to which the FSP can be retrospectively applied. An offsetting adjustment, if any, shall be made to the opening balance of retained earnings (or other appropriate components of equity or net assets in the statement of financial position) for that period. If it is impracticable to retrospectively apply the provisions of this FSP to any prior year, the cumulative effect shall be included in beginning retained earnings in the year in which the guidance in the FSP is first applied.

Disclosures

11. As of the date this FSP is adopted, an entity shall disclose the following:

- a. The method of accounting for planned major maintenance activities selected

FSP AUG AIR-1

- b. A description of the prior-period information that has been retrospectively adjusted, if any
- c. The effect of the change on income from continuing operations, net income (or other appropriate captions of changes in the applicable net assets or performance indicator), any other affected financial statement line item, and any affected per-share amounts for any periods retrospectively adjusted
- d. The cumulative effect of the change on retained earnings or other components of equity or net assets in the statement of financial position as of the beginning of the earliest period presented
- e. If retrospective application to all prior periods is impracticable, the reasons why it is impracticable and a description of the alternative method used to report the change (paragraph 9).

Forecast Refueling Outage Schedule - By Unit

CONFIDENTIAL
PUBLIC DOCUMENT
TRADE SECRET DATA HAS BEEN REMOVED
SCHEDULE B
Page 1 of 1

	Year	Month Outage Begins	Month Returning to Service	Unit
[Begin Trade Secret	2008	February	March	Prairie Island Unit 1
	2008			

End Trade Secret]



**Planned Major Maintenance – Nuclear Refueling Outage
(Uniform Policy)**

Last Updated: November 28, 2007

Planned Major Maintenance – Nuclear Refueling Outage (Uniform Policy)

Statement of Purpose.....	3
Applicability.....	3
Summary.....	3
Definitions.....	4
Content.....	4
Characterization.....	4
Definition.....	5
Pre-outage Costs.....	6
Post-outage Costs.....	7
Non-outage Costs.....	7
Unplanned Outage Costs.....	8
Accounting.....	8
Deferred Work Order.....	8
Other Regulatory Assets.....	8
Various Jurisdictions.....	8
Amortization.....	9
Direct Expensing.....	10
Tax Treatment.....	11
Policy Application.....	11
Regulatory.....	11
Interchange Agreement.....	11
Internal Controls.....	11
Accountabilities.....	12
Business Unit Personnel.....	12
Regulatory Accounting.....	12
References.....	13
Supercedure.....	13
Appendices.....	13

Planned Major Maintenance – Nuclear Refueling Outage (Uniform Policy)

Statement of Purpose

This accounting policy addresses the operations and maintenance (O&M) expenditures that are associated with the routine refueling of a nuclear unit and are categorized as planned major maintenance activities. Please refer to the attached list of definitions for any terminology used in this policy. Xcel Energy's utility subsidiaries are subject to regulation by the Federal Energy Regulatory Commission (FERC) and by various state commissions. All of the utility subsidiaries' accounting records must conform to the FERC Uniform System of Accounts. Additionally, Xcel Energy is subject to regulation by the Securities and Exchange Commission (SEC).

The overall goal of this document is to achieve a consistent policy that defines common procedures to ensure correct and consistent accounting that complies with FERC guidelines and SEC regulations for the proper handling of planned major maintenance activities associated with routine nuclear refueling across all applicable entities. It is common practice across the industry to allow expenditures to be charged to a deferred work order associated with a routine nuclear refueling in order to amortize the costs over the next fuel cycle. Due to the magnitude of this issue, it is necessary that the proper accounting be defined to assure accurate books and records of the Company. Currently, Northern States Power Company, a Minnesota corporation (NSPM) is the only Xcel Energy operating company with nuclear facilities, but the policy would apply to any subsidiary with such facilities.

Applicability

This Uniform Policy is effective on the date stated below and on that date, this policy became effective for all utility subsidiary companies. This Uniform Policy is applicable to all Xcel Energy utility subsidiaries that deal with nuclear facilities.

Summary

Because Xcel Energy is regulated by various government entities, the Corporate Controller is responsible for accounting policies for Xcel Energy within the framework of the SEC, FASB, FERC, and state regulatory requirements. These policies will include establishing and maintaining effective internal controls as it relates to the books and records of Xcel Energy and the preparation of all consolidated external reports as required by the SEC, FERC, and the state regulators.

Within this framework, Regulatory Accounting will establish appropriate accounting policies in order to meet the FERC and GAAP/SEC accounting requirements. At the end of each month, in order to recognize the regulatory assets correctly on the Company's balance sheet and to provide for the proper amortization to the income statement, only those refueling O&M expenditures that satisfy the criteria defined herein should be recognized to the appropriate deferred work orders.

Planned Major Maintenance – Nuclear Refueling Outage (Uniform Policy)

This policy defines the expectations surrounding treatment of routine refueling O&M expenditures as planned major maintenance activities that should be charged to deferred work orders to assure proper internal controls are in place and a proper audit trail exists. Where allowed by a regulatory jurisdiction, the deferral and subsequent amortization of these expenditures meet the guidance issued under FASB Staff Position No. AUG AIR-1 (FSP AUG AIR-1), *Accounting for Planned Major Maintenance Activities*. It is Regulatory Accounting's responsibility to maintain this policy and to ensure, in conjunction with the business unit personnel, consistent application of the procedures contained in the policy. Regulatory Accounting will monitor FERC regulations and other accounting rules that impact this policy and make changes as necessary to maintain accounting compliance. Thus, business areas are responsible to understand and to adhere to the policy. Regulatory Accounting will assist business areas to appropriately apply the policy.

Definitions

Capital – The purchase or construction of a retirement unit that will be recorded on the balance sheet as an asset after meeting the GAAP criteria for being an asset

FASB – Financial Accounting Standards Board

FERC – Federal Energy Regulatory Commission

FSP – FASB Staff Position

GAAP – Generally Accepted Accounting Principles

O&M Expenditure – Expenditure incurred in the normal operations of the assets or restores the fixed asset to operating status and assists in assuring that the fixed assets achieve useful life expectations

SEC – Securities and Exchange Commission

Work Order – An account numbering system used to group costs (often referred to as a subledger in the JD Edwards general ledger system)

Content

Characterization

This policy is based on the FSP AUG AIR-1 that modifies certain positions of AICPA Industry Audit Guide, Audits of Airlines, which defines three allowable treatments for planned major maintenance activities: direct expense, built-in overhaul, or deferral. Xcel Energy uses two methods: direct expensing and deferral with an amortization, often referred to as a “deferral-and-amortization method”. The deferral-and-amortization method is used only when authorized by a specific regulatory jurisdiction. Thus, if no approval exists for a specific jurisdiction, the jurisdiction must use the direct expense method. As the costs for planned major maintenance activities provide value to the constructed asset over the next cycle to which the refueling relates (typically the next 18 to 24 months), the deferral-and-amortization method has the benefit of better matching costs to the period in which it relates. These costs include, but are not limited to; contract labor, company labor and

Planned Major Maintenance – Nuclear Refueling Outage (Uniform Policy)

benefits, materials and supplies, transportation, machine equipment, tool usage, permits, equipment rental, taxes, and various incurred for planned major maintenance activities such as cleaning, servicing, replacement, or repair, as well as costs of replacement components, minor parts, and interactive agents (such as certain fluids or elements).

In general, those nuclear refueling outage costs that are properly includable to a regulatory asset under the deferral-and-amortization method should be charged to the appropriate reload-specific set of deferred work orders. A series of deferred work orders will be established for each reload to align with the applicable FERC Account to which the O&M cost would have been charged if it had been expensed, such that the amortization is expensed to those same O&M FERC Accounts. Any work done during a refueling outage that meets the requirements for capitalization is not includable in the deferred work orders. In addition, costs for standard maintenance or normal operations, which occur during a refueling outage and which are not listed in the definition of includable expenses shown below, are to be expensed to the appropriate O&M accounts. This policy defines the expenses allowed to the deferred work orders established for refueling outage costs and helps one understand the limits in the use of these deferred work orders.

Definition

Nuclear reactors are typically shut down once every 18 to 24 months to refuel approximately one third of the reactor core. There are many costs associated with a refueling outage. These include the following O&M costs:

- Replacement of approximately one third of the nuclear fuel assemblies in the reactor core;
- Numerous inspections on equipment to ensure safety and compliance with requirements;
- Test and maintenance jobs that can be performed only when the reactor is shut down; and
- Repairs and refurbishment of major nuclear and non-nuclear components of the plant (e.g., control rods, main coolant pumps, steam generators, turbine valves and blading, main electric generator).

This is a general list of items. However, other costs arise during a refueling outage that may be appropriate for deferral and amortization. Such costs may only be deferred following a review of the new charges for compliance with this policy and, upon compliance, approval by the outage manager and the site accounting manager (with retention of the appropriate documentation). If work begins on these activities prior to receiving approval, the expenditures will be treated as an O&M expense. However, certain costs occurring before and after the actual period when the unit is off-line are allowable to deferred work orders. Descriptions of allowed pre-outage costs and post-outage costs are included below.

In addition to the work performed in a “base” refueling outage, more extensive work is required during refueling outages, usually staggered over a 10-year period, to comply with periodic Nuclear

Planned Major Maintenance – Nuclear Refueling Outage (Uniform Policy)

Regulatory Commission (NRC) and insurance requirements. In addition, it is anticipated that more extensive refueling outages occasionally will be needed as larger projects are completed. These more extensive outages will require longer periods and higher costs than typical refueling outages, but are one-time expenses not anticipated to be repeated over the license renewal period. Because each unit has different operating characteristics and parameters, each has its own fuel cycle, ranging from 18 to up to 24 months. Thus, the number of refueling outages scheduled in any given year will vary, with two outages occurring in most years, one in others, and the potential for even three refueling outages occurring in some years. Extensive planning goes into the preparation and execution of these outage schedules.

The deferral-and-amortization method of accounting will include only costs directly associated with a planned refueling outage. All other work, albeit done at the time of the outage, will be directly charged to the appropriate O&M or capital accounts as has been traditionally done. Planned outage costs for the next refueling can begin soon after the unit returns to service as contracts are being set and material is being ordered. However, most of the costs associated with planned outage work occur within the actual outage period. An activity or work order is considered planned outage work if one of the following conditions applies:

- The plant impact of the work scope requires an outage to complete;
- The work scope is required by Technical Specifications, license-based provisions, or other regulatory requirements to be performed during the outage timeframe;
- The work scope duration required exceeds greater than 75% limited condition operations (“LCO”) duration;
- The work scope requires a preventative maintenance test (“PMT”) or a test that can only be performed during an outage, and the work that is required ensures unit reliability for the next cycle.

Pre-outage Costs

As with any large project, capital or maintenance, there is considerable planning that occurs in order for the outage to be as efficient as possible. These planning costs are allowed as part of the deferred work order even if the costs occur in a prior year. The earliest that outage costs can occur is shortly after the unit comes on-line from the last outage. Costs cannot be deferred that occur any earlier than the beginning of the operating cycle immediately before the outage being planned.

Allowable costs during the pre-outage period include the following:

- Outage milestone planning to develop a systematic approach for preparing for an outage;
- Surveillance and special testing of equipment;
- Any work issues identified for performance prior to a planned outage.

Planned Major Maintenance – Nuclear Refueling Outage (Uniform Policy)

As with all the costs, proper documentation must exist to support the appropriateness of the charge to the FERC specific deferred work order. Any charge that does not meet the above requirements should be charged directly, in the current period, to the appropriate O&M account.

Post-outage Costs

Typically, costs continue to come in throughout the month following the return to service. This is expected, however any costs that are known and measurable in the month when the unit returns to service should be recorded as an unvouchered liability in that month. The month when the bill is received will then contain a reversal of the unvouchered liability and recognition of the actual expense. This true up from estimate to actual is often referred to as a “pick up”.

Allowable costs during the post-outage period include the following:

- Resolution of disputed outage contractor issues;
- Delay charges;
- Costs associated with the removal of equipment to support outage activities.

As with all the costs, proper documentation must exist to support the appropriateness of the charge to the FERC specific deferred work order. Any charge that does not meet the above requirements should be charged directly, in the current period, to the appropriate O&M account.

Non-outage Costs

Non-outage activities may be added to the outage schedule based on work benefits that can be gained by delaying the work until the outage. Although this work is performed at the same time as the refueling outage, it is not included in the deferral and amortization. This includes the following, but is not limited to these examples:

- Personnel exposure to radiation that can be measurably reduced by performing the work when the unit is shutdown rather than at power assuming the work can be deferred to a planned outage;
- Regular maintenance work on the same component that is scheduled for work during the outage and the work can be safely delayed until the outage;
- Work based on economic considerations and surveillance or preventative maintenance tasks that are scheduled during the outage period and cannot be rescheduled outside of the outage period.

Planned Major Maintenance – Nuclear Refueling Outage (Uniform Policy)

Unplanned Outage Costs

Unplanned outages includes the work that cannot be delayed until the next planned outage and requires the unit to be shutdown in order for the work to be completed. Also included in unplanned outages is any work done when the unit is brought off line for safety reasons. Costs related to these unplanned outages, as well as all non-outage activity costs, are not eligible for the deferral-and-amortization method of accounting, and will continue to use the direct expense accounting method.

Accounting

Deferred Work Order

Each outage for each unit is assigned a separate set of FERC specific deferred work orders. Before the first refueling outage charge is anticipated, the business area will request a series of deferred work orders be issued. The set of deferred work orders will include one work order for each nuclear production FERC O&M account anticipated to be charged (the same FERC accounts used to record the refueling outage costs to expense). As costs are incurred during the outage, the FERC specific deferred work order will accumulate costs previously charged to the specific FERC O&M account. The use of work orders facilitates the accumulation of charges, but it also facilitates review for audit purposes.

Other Regulatory Assets

The accumulation of refueling outage costs for those jurisdictions allowing the deferral-and-amortization method will be cleared from the deferred work order to FERC Account 182.3, *Other Regulatory Assets*. The subsequent amortization of each balance reduces the regulatory asset to zero over the period the plant is operating until the next reload outage. The regulatory asset account will be maintained separate for each reload at each unit and also by each applicable nuclear production FERC O&M account. It is anticipated that this information will be segregated via a work order tag in the regulatory asset account.

Various Jurisdictions

For any rate jurisdiction that has not approved the use of the deferral-and-amortization method for nuclear refueling outage costs, that jurisdiction will continue to use the direct expensing method for its portion of the nuclear refueling outage costs. Therefore, unless all rate jurisdictions authorize use of the deferral-and-amortization method, the accounting will be maintained by rate jurisdiction. Assuming there are some rate jurisdictions that will allow the use of the deferral-and-amortization method and others that will not, the following steps generally will occur:

1. The nuclear plant personnel identify the refueling expenses that are appropriate to be deferred. Plant personnel do not allocate jurisdictional costs and thus gather total company charges only under this policy.

Planned Major Maintenance – Nuclear Refueling Outage (Uniform Policy)

2. The plant personnel assign the identified costs in step 1 to a deferred work order, with each work order being specific to a FERC account and a particular reload.
3. The charges in the deferred work order are allocated to the various rate jurisdictions each month (based on the appropriate jurisdictional allocation factor in use at the time for each nuclear production FERC O&M account).
4. For those jurisdictions using the deferral-and-amortization method, the jurisdictional work order will set up the regulatory asset for amortization.
5. For those jurisdictions using the direct expense method, the costs in the jurisdictional work order are expensed in the month incurred.
6. The regulatory asset is maintained by each reload and by each applicable FERC O&M account such that the amortization is charged to the appropriate FERC O&M account each month

Amortization

The monthly amortization is calculated for each nuclear production FERC account for each reload for each unit separately. The amortization is a straight-line calculation derived by dividing the amount accumulated for the refueling outage by the number of months in the amortization period. The following method is used to calculate the amortization period.

Amortization Period

The amortization begins with the month the unit comes on-line, and continues through the month before it comes back on-line with the next refueled core. The intent behind using this period is to be assured that the previous deferral finishes the month prior to the next one beginning, leaving no months without an amortization or having amortizations from the previous and current reload overlapping. For example, the unit comes off line in February 2008 to refuel and comes back on-line March 2008. The plant operates through the rest of 2008, all of 2009, and comes off-line in February 2010 for the next refueling. This refueling is complete in March 2010. The amortization period is the number of months from March 2008 to February 2010, or 24 months in this example.

The number of months in the amortization is set based on the expected future refueling date for the next outage. The date, although a forecast, is a fairly certain date that will usually only fluctuate by one or two months on either side of the forecast date. When it is known that the next reload date has moved, the amortization period is adjusted. The amortization is adjusted for the remaining months by dividing the current balance by the remaining months in the amortization period. Continuing the above example, if the refueling date is revised from February 2010 to April 2010 in January 2010, then the remaining amortization period is lengthened by two months. In January 2010, the remaining amortization was 2 months and is lengthened to 4 months based on the revised date for refueling.

FERC O&M Accounts

Based on accumulating the charges to a FERC specific deferred work order, the amortization is calculated for the month for each applicable O&M account. Each refueling operation may have a different spread of the costs incurred across the various nuclear O&M accounts; therefore, there may

Planned Major Maintenance – Nuclear Refueling Outage (Uniform Policy)

be many amortizations being calculated for each reload to effectively charge the correct FERC O&M account. The amortization is charged to the same nuclear production O&M expense account as would be used for direct expensing. The amortization period is the same across all FERC O&M account amortizations.

Applicable FERC O&M Accounts to Nuclear Refueling Outages

FERC Account	Account Title
<i>Operations</i>	
517	Operation Supervision and Engineering
519	Coolants and Water
520	Steam Expenses
523	Electric Expenses
524	Miscellaneous Nuclear Power Expenses
<i>Maintenance</i>	
528	Maintenance Supervision and Engineering
529	Maintenance of Structures
530	Maintenance of Reactor Plant Equipment
531	Maintenance of Electric Plant
532	Maintenance of Miscellaneous Nuclear Plant

Pick-ups

The term “pick-ups” is used to refer to the trailing costs that occur subsequent to the completion of the work. Business unit personnel are expected to book all known or estimable costs in the final month of the outage work. By recognizing an estimate of work completed to date, the amortization can begin with a very close approximation of total costs in the deferred work orders. The costs incurred in the “post-outage” phase are recognized in the deferred work orders with a debit offset by a credit to account payable or unvouchered liabilities. When the final costs are determined, the entire estimate is reversed with the actual payment being recognized to the appropriate deferred work order. There is a time limit on this process. Costs not finalized within three months after the unit begins operating are settled to expense.

Direct Expensing

Assuming a jurisdiction may not adopt this change of accounting for its customers, their portion of the O&M costs will be expensed when incurred. The jurisdictional split is determined at the time the set of FERC specific deferred work orders is requested for the outage. Every charge booked to the deferred work order will be allocated between jurisdictions that allowed the deferral-and-amortization method of accounting and those jurisdictions using the direct expense method. For example, if 75%

Planned Major Maintenance – Nuclear Refueling Outage (Uniform Policy)

of the jurisdictions allow deferred accounting and 25% do not, for every dollar incurred, 25 cents is expensed immediately and 75 cents is deferred and amortized. See steps defined under the “*Various Jurisdictions*” section above.

Tax Treatment

The treatment described to this point deals with the financial treatment of these costs for book purposes. The treatment of these costs for tax purposes is not impacted by whether the costs are deferred and amortized or expensed as incurred. The amount spent in a given year on refueling costs is what is deducted for income tax purposes. Therefore, choosing to defer some of the O&M costs for the books creates a timing difference between the book and tax recognition for these refueling costs. To recognize this difference, a deferred tax liability is created, setting up when the costs are expensed for taxes and flowing back when the amortization is complete.

Policy Application

Making the decision of where a particular cost should be charged may not always be clear and concise and interpretations will have to be made. Nuclear refueling costs meeting the above criteria for deferral can be charged to a deferred work order while all routine maintenance and standard operating costs should be charged to the appropriate O&M expense accounts. Any uncertainty about this policy should be directed to Regulatory Accounting for resolution.

Regulatory

Interchange Agreement

Costs incurred in the nuclear production O&M FERC accounts are shared between the two Northern State Power companies through the FERC jurisdictional “Restated Agreement to Coordinate Planning and Operations and Interchange Power and Energy between Northern States Power Company (Minnesota) and Northern States Power Company (Wisconsin)” (Interchange Agreement). Costs are shared based on assignment to specific FERC accounts using a ratio of either the 36 month coincident peak demand or current year energy requirements. Through the Interchange Agreement, NSPM bills a proportionate share of the nuclear production O&M expense to NSPW. The use of the deferral-and-amortization method of accounting for nuclear production O&M costs will change the pattern of expensing, however, the content of what is being expensed as well as the FERC accounts used to record those same expenses has not changed. Therefore, there is no impact to the Interchange Agreement resulting from this use of the deferral-and-amortization method.

Internal Controls

Regulatory Accounting has initiated the following tasks to assure that a valid work order for the regulatory assets resulting from this process exists from month to month:

Planned Major Maintenance – Nuclear Refueling Outage (Uniform Policy)

- Working with the nuclear plant personnel to assure that proper documentation of cost assignment is being maintained;
- Periodically reviewing deferred work orders to assure that only proper costs are being included;
- Establishing the appropriate jurisdictional allocations for each deferred work order;
- Communicating this policy and its implications for the budgeting process for departmental operating expenses to all business unit personnel responsible for departmental budgets;
- Providing forecast information for the future amortizations applicable to this method based on the business area's budget of deferred costs.

Accountabilities

Business Unit Personnel

Business unit personnel are responsible for the following:

- Requesting set of deferred work orders prior to the first refueling outage charge;
- Making sure all costs are being appropriately tracked based on the rules stated above;
- Assuring unvouchered liabilities are booked timely;
- Providing all supporting documentation for the costs contained in any deferred work order;
- Keeping Regulatory Accounting aware of any changes to the refueling schedule in time to affect the monthly amortization.

Regulatory Accounting

Regulatory Accounting is responsible for the following:

- Performing the compliance accounting associated with this deferral;
- Providing the appropriate jurisdictional allocators for the various accumulating work orders;
- Calculating and documenting the monthly amortization;
- Providing all relevant deferral related information for the amortization for the forecast and for rate case preparations;
- Periodically reviewing work orders for the appropriateness of charges and working with the business unit personnel to resolve any issues.

Planned Major Maintenance – Nuclear Refueling Outage (Uniform Policy)

References

FASB Staff Position No. AUG AIR-1, *Accounting for Planned Major Maintenance Activities*, September 2006

Supercedure

This is the first issuance of this policy.

Appendices

There are no appendices to this policy

Illustration of Deferred Accounting for Nuclear Refueling Outage Expenses
Assuming Approval for Deferred Accounting in all NSPM Jurisdictions
Entire Process Set Up for Each Outage at Each Facility

Managerial Business View - Nuclear plant assigns cost to project accumulating work order as Subledger. Project accumulating work order set up specific for each nuclear outage and FERC account.

Project Accumulating Work Orders - Allocates between Deferred and Expense by FERC

Deferred Work Order FERC 182.3 Other Regulatory Assets

Financial View Amortization By FERC Account

Interchange Agreement Billing of Financial View Expense / Amortizations by FERC Account

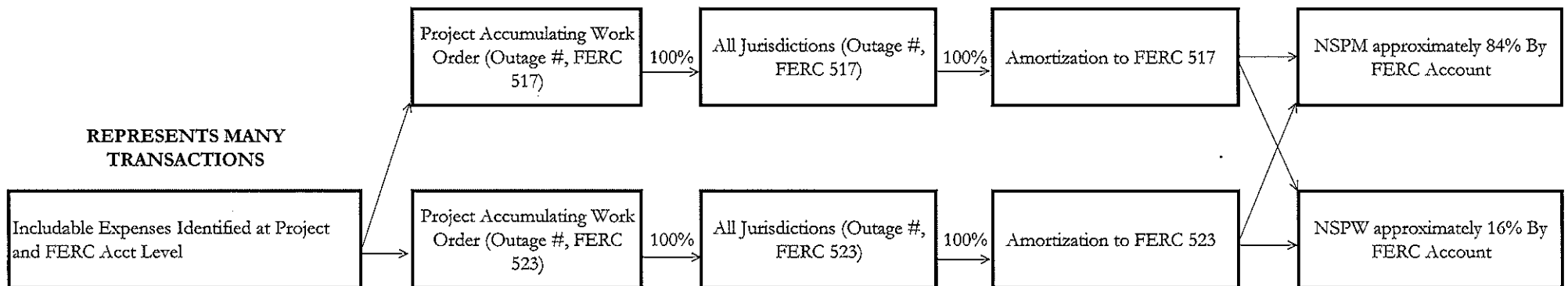


Illustration of Deferred Accounting for Nuclear Refueling Outage Expenses
Assuming not all NSPM Jurisdictions Approve Deferred Accounting
Entire Process Set Up for Each Outage at Each Facility

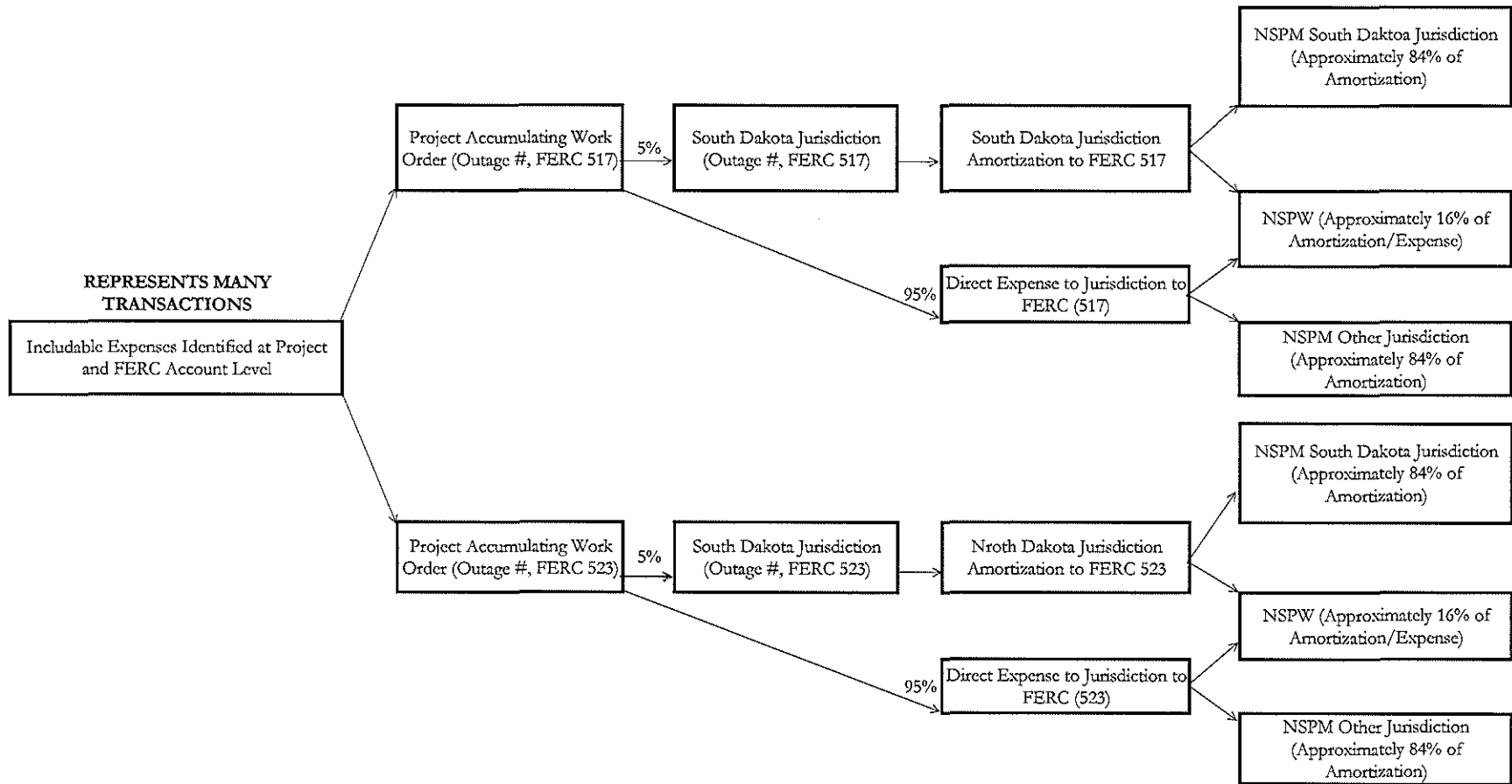
Managerial Business View - Nuclear plant assigns cost to project accumulating work order as Subledger. Project accumulating work order set up specific for each nuclear outage and FERC account.

Project Accumulating Work Orders - Split between Deferred and Expense by FERC Account

Deferred Work Order FERC 182.3 Other Regulatory Assets

Financial View Amortization OR Expense By FERC Account by Jurisdiction

Interchange Agreement Billing of Financial View Expense / Amortizations by FERC Account



Amortization of Reload O&M Costs - Summary

PUBLIC DOCUMENT
 TRADE SECRET DATA HAS BEEN REMOVED
 ATTACHMENT E

	Total All Units		O&M Allocation		SD Jurisdiction Allocators		SD Jurisdiction - All Units	
	O&M Expense	Amortization	Demand	Energy	Demand	Energy	O&M Expense	Amortization
2008	50,759,000	16,535,421	60.8828%	39.1172%	4.3562%	4.2958%	2,199,168	716,408
2009	58,821,000	44,282,980	60.8828%	39.1172%	4.3562%	4.2958%	2,548,460	1,918,590
2010	35,000,000	52,307,202	60.8828%	39.1172%	4.3562%	4.2958%	1,516,399	2,266,245
2011	55,769,000	51,845,836	60.8828%	39.1172%	4.3562%	4.2958%	2,416,230	2,246,256
2012	60,854,000	47,577,085	60.8828%	39.1172%	4.3562%	4.2958%	2,636,541	2,061,309
2013	71,504,000	52,313,419	60.8828%	39.1172%	4.3562%	4.2958%	3,097,959	2,266,514
2014	27,992,000	61,257,183	60.8828%	39.1172%	4.3562%	4.2958%	1,212,772	2,654,009
2015	64,114,000	56,269,503	60.8828%	39.1172%	4.3562%	4.2958%	2,777,782	2,437,914
2016	26,206,000	50,107,440	60.8828%	39.1172%	4.3562%	4.2958%	1,135,393	2,170,939
2017	57,698,000	44,567,807	60.8828%	39.1172%	4.3562%	4.2958%	2,499,805	1,930,930

Amortization of Refueling Outage Costs - By Unit, By Month
Total Company

PUBLIC DOCUMENT
 TRADE SECRET DATA HAS BEEN REMOVED
 ATTACHMENT E

Monticello		Prairie Island Unit 1		Prairie Island Unit 2		Total	
Refueling Costs	Amortization	Refueling Costs	Amortization	Refueling Costs	Amortization	Refueling Costs	Amortization

2008 [Begin Trade Secret

- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
- Oct
- Nov
- Dec

End Trade Secret]

50,759,000 16,535,421

2009 [Begin Trade Secret

- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
- Oct
- Nov
- Dec

58,821,000 44,282,980

**Amortization of Refueling Outage Costs - By Unit, By Month
Total Company**

**PUBLIC DOCUMENT
TRADE SECRET DATA HAS BEEN REMOVED
ATTACHMENT E**

Monticello		Prairie Island Unit 1		Prairie Island Unit 2		Total	
Refueling Costs	Amortization	Refueling Costs	Amortization	Refueling Costs	Amortization	Refueling Costs	Amortization

2010 [Begin Trade Secret

Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec

35,000,000 52,307,202

2011 [Begin Trade Secret

Jan
Feb
Mar
Apr
May
Jun
Jul
Aug
Sep
Oct
Nov
Dec

End Trade Secret]
55,769,000 51,845,836

**Amortization of Refueling Outage Costs - By Unit, By Month
Total Company**

PUBLIC DOCUMENT
TRADE SECRET DATA HAS BEEN REMOVED
ATTACHMENT E

Monticello		Prairie Island Unit 1		Prairie Island Unit 2		Total	
Refueling Costs	Amortization	Refueling Costs	Amortization	Refueling Costs	Amortization	Refueling Costs	Amortization

2012 [Begin Trade Secret

- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
- Oct
- Nov
- Dec

End Trade Secret]

60,854,000 47,577,085

2013 [Begin Trade Secret

- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
- Oct
- Nov
- Dec

End Trade Secret]

71,504,000 52,313,419

Amortization of Refueling Outage Costs - By Unit, By Month
Total Company

PUBLIC DOCUMENT
 TRADE SECRET DATA HAS BEEN REMOVED
 ATTACHMENT E

Monticello		Prairie Island Unit 1		Prairie Island Unit 2		Total	
Refueling Costs	Amortization	Refueling Costs	Amortization	Refueling Costs	Amortization	Refueling Costs	Amortization

2014 [Begin Trade Secret

- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
- Oct
- Nov
- Dec

End Trade Secret]

27,992,000 61,257,183

2015 [Begin Trade Secret

- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
- Oct
- Nov
- Dec

End Trade Secret]

64,114,000 56,269,503

Amortization of Refueling Outage Costs - By Unit, By Month
Total Company

PUBLIC DOCUMENT
 TRADE SECRET DATA HAS BEEN REMOVED
 ATTACHMENT E

Monticello		Prairie Island Unit 1		Prairie Island Unit 2		Total	
Refueling Costs	Amortization	Refueling Costs	Amortization	Refueling Costs	Amortization	Refueling Costs	Amortization

2016 [Begin Trade Secret

- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
- Oct
- Nov
- Dec

End Trade Secret]

26,206,000 50,107,440

2017 [Begin Trade Secret

- Jan
- Feb
- Mar
- Apr
- May
- Jun
- Jul
- Aug
- Sep
- Oct
- Nov
- Dec

End Trade Secret]

57,698,000 44,567,807