



414 Nicollet Mall
Minneapolis, Minnesota 55401

–Via Email & U.S. Mail–

December 1, 2014

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

RE: COMPLIANCE FILING
DOCKET NO. EL11-023

Dear Ms. Van Gerpen:

In 1998, Northern States Power Company (Xcel Energy or the Company) filed the first of two suits against the United States Department of Energy (DOE) seeking to recover damages associated with storage of spent nuclear fuel at our Prairie Island and Monticello nuclear generating plants. The Company's claims were for partial breach of the Standard Contract for Disposal of Spent Nuclear Fuel for failing to take title to, transport, and dispose of spent nuclear fuel beginning no later than January 31, 1998. The first lawsuit sought damages through 2004; the second sought damages through 2008.

The Company reached a settlement with the U.S. Government on these suits on July 7, 2011. The 2011 Settlement Agreement provided a mechanism for the Company to recover its spent nuclear fuel storage damages through December 31, 2013. In its January 30, 2012 Order in Docket No. EL11-023, the Commission

directed that the payments under the Settlement Agreement be returned to customers through a bill credit.¹

The Company and the Government have agreed to extend the Settlement Agreement to allow for the recovery of spent fuel storage damages through December 31, 2016. A copy of the Addendum to Settlement Agreement is included as Confidential Attachment A to this letter.

We expect the first payment under the extension to be received in late 2015 or early 2016 for damages in 2014, with the subsequent payments following a similar schedule. The Company does not propose that the Commission take any action at this time on how best to return these payments to our customers. Rather, the Company will submit a proposal for review in late 2015, at which time the 2014 payment may be known.

If the Company receives any payments under the extension prior to a Commission determination of how to apply the funds, the Company will deposit the funds into a segregated bank account established specifically and solely for the settlement proceeds similar to the Company's treatment of the first payments under the 2011 Settlement Agreement.

Request for Confidential Treatment of Information:

Pursuant to ARSD § 20:10:01:41, the Company respectfully requests confidential treatment of the Addendum to Settlement Agreement. The Company addresses the Commission's five factors for consideration of confidential data as follows:

(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:

Attachment A includes a copy of the Confidential Addendum to Settlement Agreement between the Company and the U. S. Government.

¹ *In re Northern States Power Company dba Xcel Energy for Approval of a Credit Mechanism for a Department of Energy Settlement Payment with Deferred Accounting and Approval to depart from its Fuel Clause Tariff, as Necessary, Order Approving Credit Mechanism; Order Approving Deferred Accounting Treatment of Future Settlement Proceeds, Docket No. EL11-023.*

(2) The length of time for which confidentiality is being requested and a request for handling at the end of that time. This does not preclude a later request to extend the period of confidential treatment:

The Company requests that the Addendum to Settlement Agreement be treated as confidential forever.

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

Kari L. Valley
Assistant General Counsel
Xcel Energy
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Minneapolis, MN 55401
612-215-4526

(4) The statutory or common law grounds and any administrative rules under which confidentiality is requested. Failure to include all possible grounds for confidential treatment does not preclude the party from raising additional grounds in the future:

The attached Addendum to Settlement is Agreement is considered a highly confidential non-public settlement document between the parties and is not subject to public disclosure at this time. The disclosure could result in material damage to Xcel Energy's financial position. *See* ARSD §§ 20:10:01:39 and 20:10:01:42. The materials contain confidential information regarding legal claims and settlements the disclosure of which may have an adverse impact on Xcel Energy and its ratepayers.

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

Attachment A (The Addendum to Settlement Agreement) is a highly confidential non-public settlement document between the parties and is not subject to public disclosure at this time. The Addendum to Settlement Agreement is confidential in its entirety. The release of the Addendum to Settlement Agreement could provide

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outside parties insight into the negotiation strategy of the Company that could adversely affect future negotiations and Settlements in this matter.

Please contact me at 605-339-8350 with any questions regarding this matter.

Sincerely,

/s/

JAMES C. WILCOX
PRINCIPAL MANAGER, REGULATORY PROJECTS

cc: Service List