



500 West Russell Street
Sioux Falls, South Dakota 57101

December 6, 2013

VIA ELECTRONIC FILING

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

RE: NOTICE OF RECEIPT OF FOURTH PAYMENT
CREDIT MECHANISM FOR A DOE SETTLEMENT
DOCKET NO. EL11-023

Dear Ms. Van Gerpen:

On August 16, 2011, Northern States Power Company, a Minnesota corporation doing business as Xcel Energy, submitted its request for approval of a credit mechanism for funds received from a settlement with the Department of Energy. In its January 30, 2012 Order in this docket, the Commission approved a one-time bill credit for the initial settlement amount and directed the Company to credit future settlement payments to ratepayers using the same one-time bill credit method within 90 days of receipt from DOE.¹ The most recent settlement payment from the DOE was received on November 7, 2013. We submit this report in compliance with the Commission's January 30th, 2012 ORDER in the above-referenced Docket. We also provide for the Commission's information an update on a recent U.S. Court of appeals decision regarding the DOE's Nuclear Waste Fund.

DOE Settlement Payment

The Company received the fourth payment totaling \$42,628,118.94 on November 7, 2013. As with previous payments, we deposited the funds into an external

¹ ORDER APPROVING CREDIT MECHANISM; ORDER APPROVING DEFERRED ACCOUNTING TREATMENT OF FUTURE SETTLEMENT PROCEEDS, Docket EL11-023.

interest bearing account. Please see Attachment A for a copy of the wire transfer confirming the amount received. We have redacted company sensitive banking information contained on the wire transfer documentation.

Please see attachment B for a breakdown of the jurisdictional amount for South Dakota retail customers and allocations of the fourth payment by customer class. Pursuant to the Commission's Order in this docket, implementation of the credit to South Dakota customers resulting from the fourth payment will begin on or before February 5, 2014.

The Company determined the amounts used to calculate the customer credit for the third settlement amount did not include \$246.76 (\$420.47 in interest minus \$173.71 in bank fees) for the interest earned from receipt of the settlement payment in October 2012. We will carry this amount forward and included it in the credit for the fourth payment.

DOE Nuclear Waste Fund

On November 19, 2013 the U.S. Court of Appeals for the District of Columbia issued its decision regarding the National Association Regulatory Utility Commissioners lawsuit challenging the DOE's collection of nuclear waste storage fees. The decision states that "so long as the government has no viable alternative to Yucca Mountain as a depository for nuclear waste they [nuclear plant owners] should not be charged an annual fee to cover the cost of that disposal." The Court ordered the Secretary of Energy to submit to Congress a proposal to change the fee to zero until such time as either the Secretary chooses to comply with the Nuclear Waste Policy Act as it is currently written, or until Congress enacts an alternative waste management plan. The Energy Department has 45 days to ask for a re-hearing on the Court's decision, after which time it must submit a proposal setting the fee at zero to Congress. Lawmakers have 90 days to act on the request.

While there are still procedural steps to be completed before the final outcome is known, and there are no immediate impacts to Xcel Energy, we wanted to inform the Commission of this decision that may result in reduced fees charged to Xcel Energy and thus reduced costs for our customers. We will keep the Commission informed as we receive any additional information from the DOE concerning our payments into the Nuclear Waste Fund under contracts to remove the used nuclear fuel for disposal from our Monticello and Prairie Island facilities.

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Should you have any questions regarding this filing, please contact me at 612-330-6935.

Sincerely,

/s/

GAIL BARANKO
MANAGER, REGULATORY PROJECT MANAGEMENT

Enclosures