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Xcel Energy

Docket No.: EL12-046

Response To: South Dakota Public
Utilities Commission

Data Request No. 7-18

Date Received: August 31, 2012

Question:

Provide a detailed description of typical collective bargaining procedures and negotiations including the timeline from commencement to finalization, number of meetings, number of offers exchanged, number and identification of those involved, company approval process, etc.

Response:

In response, following is a description of Northern States Power Company's 2010 general negotiations process with bargaining units.

The Company's Negotiations team consisted of 11 individuals representing Human Resources and business areas leaders from the Minnesota and Wisconsin companies. Representatives from other Xcel Energy areas (i.e. Legal, Benefits, and Finance) as well as external consultants were brought in to support the negotiations team as needed. Prior to negotiations, the chief spokesperson of the Company's negotiating committee meets with executive leadership of the Company to discuss financial and operational issues and has the authority to commit the Company during negotiations.

The Unions' Negotiations team consisted of two representatives from each of the five IBEW unions – Locals 23, 160, 949, 953, and 1426; representing the following 12 contracts:

Contract	Effective Date	Expiration Date
Local 23 Metro East	January 1, 2011	December 31, 2013
Local 23 Metro East Locating	January 1, 2011	December 31, 2013
Local 160 Metro West	January 1, 2011	December 31, 2013
Local 160 Metro West Locating	January 1, 2011	December 31, 2013

Contract	Effective Date	Expiration Date
Local 160 Northwest	January 1, 2011	December 31, 2013
Local 160 Construction	January 1, 2011	December 31, 2013
Local 160 Field Credit Support	March 1, 2012	December 31, 2013
Local 949 Brainerd Lakes, North Dakota, NW and SE Regions, South Dakota	January 1, 2011	December 31, 2013
Local 953 Wisconsin	January 1, 2011	December 31, 2013
Local 1426 North Dakota	January 1, 2011	December 31, 2013
Locals 23, 160, 949 – I&CS	January 1, 2011	December 31, 2013
Locals 160, 949, 953 - Collectors	January 1, 2011	December 31, 2013

Negotiations began on August 4, 2010, where opening letters were presented. The Company's opening letter contained 20 amendments to be negotiated, and the Unions' opening letter contained 24 amendments to be negotiated.

A total of 22 sessions were held over a six-month period, concluding with an interest arbitration hearing held on February 4, 2011.

A tentative agreement was reached on October 14, 2010 between the Company and the unions. The agreement was brought before the union membership and was rejected on November 24, 2010.

Open enrollment for annual benefits was delayed until a final agreement could be reached.

Negotiations continued on December 4, 2010 with a representative from the IBEW International and a mediator from Federal Mediation and Conciliation Services (FMCS). Another tentative agreement was reached on December 4, 2010. This agreement was brought before the union membership and was again rejected on January 20, 2011.

The parties mutually agreed to submit unresolved issues to binding interest arbitration and to extend the existing contract until the arbitrator rendered a final decision.

An interest arbitration hearing was held on February 4, 2011 before Arbitrator Jay Fogelberg. The arbitrator's decision on February 16, 2011 finalized the terms of the contract and was based on the tentative agreements previously reached between the Company and Local Unions 23, 160, 949, 953, and 1426.

In addition, following is a description of the Company's process when negotiating contracts with nuclear operations labor.

Currently there are seven Nuclear Operations labor agreements that cover employees that work at either the Monticello Nuclear Generating Plant or the Prairie Island Nuclear Generating Plant. Each contract is negotiated separately with the group of employees that are covered by the specific labor agreement. Listed below are the Nuclear Operation labor agreements:

Contract	Effective Date	Expiration Date
Local 160 - Monticello Planners	January 1, 2010	December 31, 2012
Local 160 - Monticello Schedulers/Work Week Coordinators	January 1, 2010	December 31, 2012
Local 160 - Monticello Radiation Protection and Chemistry Specialists	October 1, 2010	December 31, 2013
Local 949 - Prairie Island Engineering Section	September 1, 2010	September 2, 2013
Local 949 - Prairie Island Maintenance Planners	January 1, 2012	December 31, 2014
Local 949 - Prairie Island Quality Control	January 1, 2010	December 31, 2012
Local 949 - Prairie Island Radiation Protection and Chemistry Specialists	January 1, 2010	December 31, 2012

The Company's negotiating committee for each contract is usually led by an Xcel Energy Workforce Relations Consultant and also includes the site Plant Manager and the department manger. Representatives from other Xcel Energy areas (i.e., Legal, Benefits, Human Resources and Finance) may be brought in to support the negotiations team as needed. The Union negotiation committee includes the Local Union Business Representative and two to three union employees covered under the specific labor agreement that is being negotiated.

Negotiations usually commence three to four months prior to the expiration of the contract. Both the Company and the Union exchange initial proposals. As negotiations progress, the parties may exchange three to 12 proposals before a specific proposal is presented to the represented employees for ratification vote. Some of the

contracts have been ratified on a first vote, and some of the contracts have required two to three votes before ratification is reached.

If a new contract is not reached prior to the current contract expiration date, the parties have historically agreed in writing to continue negotiations under the current terms and conditions.

If the parties are unable to reach an agreement, a Federal Mediator is brought in to assist in reaching an agreement. The Unions have also brought in a district or International Representative to assist with reaching a labor agreement.

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