



500 West Russell Street
Sioux Falls, South Dakota 57101

–Via Email & U.S. Mail–

December 8, 2017

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

RE: NOTICE OF EXTENDED SETTLEMENT
COMPLIANCE FILING
DOCKET NO. EL16-001

Dear Ms. Van Gerpen:

Northern States Power Company, doing business as Xcel Energy, submits to the South Dakota Public Utilities Commission this informational update with regard to the Company's continued claims against the United States Department of Energy (DOE) seeking recovery of damages associated with storage of spent nuclear fuel at our Prairie Island and Monticello nuclear generating plants. For your reference, a background summary detailing the DOE settlement payments, history and commission action is included as Attachment A.

On February 23, 2017, the Company and the U.S. Government agreed to extend the Settlement Agreement to allow for the recovery of spent fuel storage damages through December 31, 2019 (Payments 9-11), which resolves the issues of damages for spent nuclear fuel storage through 2019. We expect the first payment (Payment 9) under this extension to be received in late 2018 for damages in 2017, 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 2018, at which time the 2017 payment may be known. This will allow the Commission time to review the amount at issue and, given the circumstances present next year, determine how best to return the funds to customers.

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If the Company receives any payments under the extension of the 2017 Settlement Agreement 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.

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

Sincerely,

A handwritten signature in cursive script that reads "Steve Kolbeck". The signature is written in black ink and is positioned above the printed name.

STEVE T. KOLBECK
PRINCIPAL MANAGER, REGULATORY PROJECTS

Enclosure
cc: Service List