

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

<b>IN THE MATTER OF A PETITION BY )</b>	<b>ORDER APPROVING</b>
<b>NORTHERN STATES POWER COMPANY FOR )</b>	<b>ISSUANCE OF LETTERS</b>
<b>STATEMENTS TO THE SECURITIES AND )</b>	
<b>EXCHANGE COMMISSION REGARDING )</b>	<b>EL00-033</b>
<b>INVESTMENT IN FOREIGN UTILITIES AND )</b>	
<b>EXEMPT WHOLESALE GENERATORS )</b>	

On November 15, 2000, Northern States Power Company (NSP) filed a request with the South Dakota Public Utilities Commission (Commission) that the Commission issue two letters to the Securities and Exchange Commission (SEC) pursuant to SEC Rule 53 indicating that the Commission has jurisdiction over NSP. The certification would represent that the Commission has authority and resources to protect ratepayers of NSP and that it intends to exercise that authority.

As part of its application, NSP represented to the Commission that Xcel Energy Inc., the registered holding company parent of NSP, and its affiliates intended to acquire interests in foreign utility companies (FUCOs) and exempt wholesale generators (EWGs) up to an amount equal to 100% of the consolidated retained earnings of Xcel Energy Inc. NSP stated that a letter of certification from the Commission to the SEC is necessary in order to allow this. NSP further requested a separate certification to the SEC which would allow Xcel Energy Inc. to exceed the 100% of consolidated retained earnings investment cap by the amount equal to the net book value of generation assets transferred from Xcel Energy Inc's wholly owned subsidiary Southwestern Public Service Company (SPS) to a new subsidiary. This transfer is mandated by electric restructuring law in Texas and New Mexico which requires vertically integrated utilities serving in those states to separate ownership of generating and power supply assets from ownership of transmission and distribution assets.

In its application, NSP makes the commitment that "[n]either NSP nor any current or future subsidiary or affiliate will ever seek to recover either directly or indirectly from South Dakota ratepayers through regulated utility rates any costs or expenses associated with any investment in any FUCO or any EWG, other than an EWG which has been approved by the Commission to sell power to NSP." NSP further stated "[w]ithout limitation of the foregoing and subject to the one exception noted above (i.e. for an EWG which has been approved by the Commission to sell power to NSP), NSP intends to exclude from South Dakota rate recovery all expenses, effects on the costs of capital or capital structure of NSP (or any present or future affiliate of NSP) and other financial costs arising directly or indirectly from any participation in any form of ownership of any FUCO or EWG."

Commission staff recommended granting the letters of certification with the following conditions:

1. Xcel Energy Inc. shall provide advance notice of any intent to acquire interests in foreign utilities and exempt wholesale generators in amounts exceeding 100% of its consolidated retained earnings plus the additional amount of the generation assets transferred by SPS to a new separate subsidiary of Xcel Energy Inc. in order to meet the requirements of restructuring laws of Texas and New Mexico and shall obtain separate certification for any such investment.

2. Xcel Energy Inc. or any of its current or future affiliates will not incur any South Dakota property because of these foreign utility company or exempt wholesale generation investments.

3. Neither Xcel Energy Inc. or any of its current or future affiliates will ever seek to recover, either directly or indirectly, from South Dakota ratepayers through any regulated utility rates, any costs, expenses or losses of any nature whatsoever which may result from this or any other investment in foreign utility companies or exempt wholesale generators.

4. This certification is conditioned on and subject to being removed or withdrawn at any time by the Commission as to any future foreign utility company or exempt wholesale generator investments if the Commission deems such action is warranted.

At its regularly scheduled April 17, 2001, meeting, the Commission considered this matter. The Commission voted unanimously to grant the letters of certification, subject to the conditions delineated above as recommended by staff.

The Commission has jurisdiction in this matter pursuant to SEC Rule 53 and SDCL 49-34A-6. It is therefore

ORDERED, that the Commission shall issue the letters of certification as petitioned for by NSP upon the four conditions specified above.

Dated at Pierre, South Dakota, this 24<sup>th</sup> day of April, 2001.

<b>CERTIFICATE OF SERVICE</b>	
The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.	
By:	<u><i>Nelaine Kolbo</i></u>
Date:	<u>4/24/01</u>
(OFFICIAL SEAL)	

BY ORDER OF THE COMMISSION:

*James A. Burg*  
JAMES A. BURG, Chairman

*Pam Nelson*  
PAM NELSON, Commissioner