BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF SOUTH DAKOTA

IN THE MATTER OF THE FILING BY NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY FOR APPROVAL OF A REFUND OF A DEPARTMENT OF ENERGY SETTLEMENT

ORDER APPROVING REFUND OF DEPARTMENT OF ENERGY SETTLEMENT

EL06-026

On October 12, 2006, Northern States Power Company d/b/a Xcel Energy (Xcel), filed with the Public Utilities Commission (Commission) a Petition for approval to refund to customers proceeds received as a result of a settlement reached for overpayments for uranium enrichment services performed by the Department of Energy. Xcel also requests that legal fees incurred in pursuit of this settlement be deducted from the proceeds and the net amount be returned to customers through the fuel adjustment clause.

At its regularly scheduled meeting of November 14, 2006, the Commission considered approval of the Petition. Commission Staff explained that the Commission had previously considered similar filings in Dockets EL00-002, EL00-003 and EL00-009 and had approved those filings after hearing with certain conditions. The conditions imposed by the Commission in those proceedings were that (1) interest be added to the refund, computed at the company's last approved overall rate of return, from the time the proceeds were received by the company to the time the proceeds are returned to customers and (2) allowance of the deduction of legal fees incurred in the litigation and settlement of this matter is not to be interpreted as allowing future litigation expenses to be recovered through the fuel adjustment clause and any future recovery of such litigation expenses must be approved by the Commission. Commission Staff recommended approval with these conditions also applied in this matter.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A. As the Commission's final decision in this matter, it is therefore

ORDERED, that the refund of Department of Energy Settlement, net of litigation expenses, is approved with the condition that (1) interest be added to the refund, computed at the company's last approved overall rate of return, from the time the proceeds were received by the company to the time the proceeds are returned to customers and (2) allowance of the deduction of legal fees incurred in the litigation and settlement of this matter is not to be interpreted as allowing future litigation expenses to be recovered through the fuel adjustment clause and any future recovery of such litigation expenses must be approved by the Commission.

Dated at Pierre, South Dakota, this 4th day of November, 2006.

CERTIFICATE OF SERVICE
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:
Date: 12/5/06

BY ORDER OF THE COMMISSION

OUSTIN M./JOHNSON, Commissioner

GARY MANSON, Commissioner