

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

**IN THE MATTER OF THE PETITION OF)
NORTHERN STATES POWER COMPANY)
REGARDING THE ACCOUNTING TREATMENT)
FOR NUCLEAR REFUELING OUTAGE COSTS)**

**ORDER APPROVING
PETITION**

EL07-035

On December 5, 2007, the Public Utilities Commission (Commission) received a petition from Northern States Power Company d/b/a Xcel Energy (Xcel) seeking a decision regarding a proposed accounting method for planned refueling outages at three nuclear plants. Xcel is seeking to change from direct-expense accounting to a deferral-and-amortization method. Xcel is also seeking confidential treatment of its Forecast Outage Refueling Schedule and Amortization of Reload O&M Costs.

On December 6, 2007, the Commission electronically transmitted notice of the filing and the intervention deadline of January 4, 2008, to interested individuals and entities. No petitions to intervene or comments were filed.

The Commission has jurisdiction in this matter pursuant to SDCL 49-34A.

At a regularly scheduled meeting of October 7, 2008, the Commission considered this matter. Staff recommended approval of the petition with the condition that the deferral/amortization accounting method and the resulting creation of a regulatory asset (the deferred balance) shall not preclude Commission review of these amounts for reasonableness for rate recovery in any determination of rates, including both rate filings by the company and rate reviews initiated by the Commission. The Commission voted unanimously to approve the petition with the condition that the deferral/amortization accounting method and the resulting creation of a regulatory asset (the deferred balance) shall not preclude Commission review of these amounts for reasonableness for rate recovery in any determination of rates, including both rate filings by the company and rate reviews initiated by the Commission. It is therefore

ORDERED, that Xcel's petition is approved with the condition that the deferral/amortization accounting method and the resulting creation of a regulatory asset (the deferred balance) shall not preclude Commission review of these amounts for reasonableness for rate recovery in any determination of rates, including both rate filings by the company and rate reviews initiated by the Commission.

Dated at Pierre, South Dakota, this 21st day of October, 2008.

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, electronically.
By: <u>Heidi Kolbeck</u>
Date: <u>10/22/08</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

Gary Hanson
GARY HANSON, Chairman

Steve Kolbeck
STEVE KOLBECK, Commissioner

Dustin M. Johnson
DUSTIN M. JOHNSON, Commissioner