

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

IN THE MATTER OF THE FILING BY)	ORDER DENYING REQUEST
NORTHERN STATES POWER COMPANY)	TO SUSPEND THE ORDER
DBA XCEL ENERGY FOR APPROVAL OF A)	APPROVING CREDIT
CREDIT MECHANISM FOR A DEPARTMENT)	MECHANISM
OF ENERGY SETTLEMENT PAYMENT WITH)	
DEFERRED ACCOUNTING AND APPROVAL)	EL11-023
TO DEPART FROM ITS FUEL CLAUSE)	
TARIFF, AS NECESSARY)	

On August 16, 2011, the Public Utilities Commission (Commission) received a Petition from Northern States Power Company dba Xcel Energy (Xcel) for approval of a credit mechanism for funds received from a settlement (Settlement) with the United States Department of Energy (DOE) pursuant to DOE's partial breach of its contract to begin accepting spent nuclear fuel on or before January 31, 1998. According to the filing, the gross amount currently available for credit is \$99,996,841 on a total NSP system basis, or approximately \$4.3 million on a South Dakota jurisdictional basis, for damages incurred through December 31, 2008. This amount is currently reflected in Xcel's revenues. Xcel also requested that the amount of the credit be net of South Dakota's share of outside legal costs of just over \$0.25 million incurred in pursuit of the Settlement and that the interest received from a separate interest bearing account be included in calculating the amount of the credit. As the Settlement also provides a mechanism for Xcel to recover its nuclear spent fuel storage damages incurred from January 1, 2009, through December 31, 2013, Xcel additionally requested that the Commission authorize deferred accounting for any anticipated future payments from DOE if the amounts cannot be credited to ratepayers in the year received. Xcel further requested that the order regarding the appropriate credit mechanism be issued by the end of 2011 or that the Commission grant approval for deferred accounting treatment of the Settlement monies on or before December 31, 2011, in order to avoid the tax consequences of having potential income in 2011 that will ultimately be returned to customers in 2012.

On August 18, 2011, the Commission electronically transmitted notice of the filing and the intervention deadline of September 2, 2011, to interested individuals and entities. No parties sought intervention. The Commission has jurisdiction over this matter pursuant to SDCL Chapter 49-34A, specifically 49-34A-4, 49-34A-6, 49-34A-8, 49-34A-10, and 49-34A-12.

On December 6, 2011, the Commission voted unanimously to approve the deferred accounting treatment of the 2011 Settlement proceeds. On December 28, 2011, Staff filed its Memorandum setting forth its recommendations on the remaining issues. On January 17, 2012, the Commission voted unanimously to approve the recommendations of Staff, see *Order Approving Credit Mechanism; Order Approving Deferred Accounting Treatment of Future Settlement Proceeds*, dated January 30, 2012.

On April 3 and May 25, 2012, Xcel filed compliance letters showing implementation of the credit to South Dakota customers. On December 14, 2012, Xcel filed its request to suspend

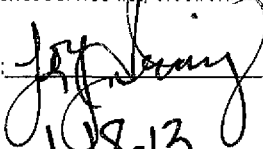
the January 30, 2012, Order requiring that the credit of Settlement proceeds be made within 90 days of receipt with respect to Settlement proceeds received by Xcel on October 16, 2012. Xcel argued it was appropriate to preserve the option of partially offsetting the decommissioning accrual expense with the Settlement proceeds in Docket EL12-046 and therefore suspend the credit pending a decision in EL12-046.

At its regularly scheduled meeting on January 15, 2013, the Commission considered this matter. Following a discussion of Xcel's request, the Commission voted unanimously to deny Xcel's request and to require that payment of the Settlement proceeds be made as expeditiously as possible. It is therefore

ORDERED, that Xcel's request to suspend the *Order Approving Credit Mechanism; Order Approving Deferred Accounting Treatment of Future Settlement Proceeds*, dated January 30, 2012, is hereby denied. It is further


ORDERED, that Xcel shall refund the Settlement proceeds as expeditiously as possible.

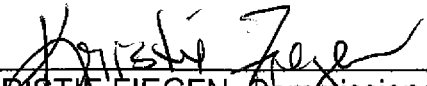
Dated at Pierre, South Dakota, this 17th day of January, 2013.

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></u>
Date: <u>1-18-13</u>
(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:


GARY HANSON, Chairman


CHRIS NELSON, Commissioner


KRISTIE FIEGEN, Commissioner