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 Public Document – Trade Secret Data Excised
 Public Document

Xcel Energy

Docket No.: EL12-046

Response To: South Dakota Public
Utilities Commission

Data Request No.

Requestor:

2-2

Date Received: July 30, 2012

Question:

Referring to the Monticello PPA Fire Model Tool adjustment:

- a) Please provide copies of work order authorizations.
- b) Provide a statement of status for the project, i.e., actual expenditures and projected expenditures by month, expected in-service date, etc.
- c) Please provide revised PF18 workpapers to reflect actual costs incurred.
- d) Please provide the work paper that supports the property tax rate used on PF18-10.
- e) Please provide a copy the new regulation, NFPA 805, for compliance with certain fire protection regulations.
- f) Please explain why NSP decided against incorporating the use of NFPA 805 into its operating license. Has the NRC reviewed and concurred with NSP's decision? Please explain.
- g) Was the development of a probabilistic risk assessment tool required to support NSP decision regarding NFPA 805? Please explain.
- h) Based on the Witness Kramer's testimony indicating that the fire model tool is not expected to be completed and in-service until December 2012, please explain how the tool was used to help with the decision on implementing NFPA 805 when the tool isn't complete.

Response:

- a) The Nuclear Project Authorizations for this project are included as Attachments A and B to this response.
- b) Actual costs and projected expenditures are included in the updated work paper PF18-11 included in Attachment C. Expected in-service date is October 1, 2013.

- c) Please see Attachment C for updated work papers PF18-1 through PF18-11 which reflect actual project costs through June, 2012.
- d) Please see Attachment D for a copy of the Actual Property Tax Rates work sheet that was used in the development of the revenue requirement for the Monticello PPA Fire Model Tool adjustment PF18. The work sheet was based upon the 2010 property tax information which was the most current available at the time.
- e) The Nuclear Regulatory Commission regulation governing fire protection is contained in Title 10 of the Code of Federal Regulations Part 50, Section 50.48. Section 50.48(c) approves use of the 2001 edition of the NFPA 805 standard as modified in 50.48(c). Section 50.48(c) is provided in its entirety below.

Section 50.48(c) *National Fire Protection Association Standard NFPA 805*

- (1) Approval of incorporation by reference. National Fire Protection Association (NFPA) Standard 805, "Performance-Based Standard for Fire Protection for Light Water Reactor Electric Generating Plants, 2001 Edition" (NFPA 805), which is referenced in this section, was approved for incorporation by reference by the Director of the Federal Register pursuant to 5 U.S.C. 552(a) and 1 CFR part 51. Copies of NFPA 805 may be purchased from the NFPA Customer Service Department, 1 Batterymarch Park, P.O. Box 9101, Quincy, MA 02269-9101 and in PDF format through the NFPA Online Catalog (<http://www.nfpa.org>) or by calling 1-800-344-3555 or (617) 770-3000. Copies are also available for inspection at the NRC Library, Two White Flint North, 11545 Rockville Pike, Rockville, Maryland 20852-2738, and at the NRC Public Document Room, Building One White Flint North, Room O1-F15, 11555 Rockville Pike, Rockville, Maryland 20852-2738. Copies are also available at the National Archives and Records Administration (NARA). For information on the availability of this material at NARA, call (202) 741-6030, or go to:
http://www.archives.gov/federal_register/code_of_federal_regulations/ibr_locations.html.
- (2) Exceptions, modifications, and supplementation of NFPA 805. As used in this section, references to NFPA 805 are to the 2001 Edition, with the following exceptions, modifications, and supplementation:
 - (i) Life Safety Goal, Objectives, and Criteria. The Life Safety Goal, Objectives, and Criteria of Chapter 1 are not endorsed.
 - (ii) Plant Damage/Business Interruption Goal, Objectives, and Criteria. The Plant Damage/Business Interruption Goal, Objectives, and Criteria of Chapter 1 are not endorsed.

- (iii) Use of feed-and-bleed. In demonstrating compliance with the performance criteria of Sections 1.5.1(b) and (c), a high-pressure charging/injection pump coupled with the pressurizer power-operated relief valves (PORVs) as the sole fire-protected safe shutdown path for maintaining reactor coolant inventory, pressure control, and decay heat removal capability (i.e., feed-and-bleed) for pressurized-water reactors (PWRs) is not permitted.
- (iv) Uncertainty analysis. An uncertainty analysis performed in accordance with Section 2.7.3.5 is not required to support deterministic approach calculations.
- (v) Existing cables. In lieu of installing cables meeting flame propagation tests as required by Section 3.3.5.3, a flame-retardant coating may be applied to the electric cables, or an automatic fixed fire suppression system may be installed to provide an equivalent level of protection. In addition, the italicized exception to Section 3.3.5.3 is not endorsed.
- (vi) Water supply and distribution. The italicized exception to Section 3.6.4 is not endorsed. Licensees who wish to use the exception to Section 3.6.4 must submit a request for a license amendment in accordance with paragraph (c)(2)(vii) of this section.
- (vii) Performance-based methods. Notwithstanding the prohibition in Section 3.1 against the use of performance-based methods, the fire protection program elements and minimum design requirements of Chapter 3 may be subject to the performance-based methods permitted elsewhere in the standard. Licensees who wish to use performance-based methods for these fire protection program elements and minimum design requirements shall submit a request in the form of an application for license amendment under § 50.90. The Director of the Office of Nuclear Reactor Regulation, or a designee of the Director, may approve the application if the Director or designee determines that the performance-based approach;
 - (A) Satisfies the performance goals, performance objectives, and performance criteria specified in NFPA 805 related to nuclear safety and radiological release;
 - (B) Maintains safety margins; and
 - (C) Maintains fire protection defense-in-depth (fire prevention, fire detection, fire suppression, mitigation, and post-fire safe shutdown capability).

- (3) Compliance with NFPA 805.
- (i) A licensee may maintain a fire protection program that complies with NFPA 805 as an alternative to complying with paragraph (b) of this section for plants licensed to operate before January 1, 1979, or the fire protection license conditions for plants licensed to operate after January 1, 1979. The licensee shall submit a request to comply with NFPA 805 in the form of an application for license amendment under § 50.90. The application must identify any orders and license conditions that must be revised or superseded, and contain any necessary revisions to the plant's technical specifications and the bases thereof. The Director of the Office of Nuclear Reactor Regulation, or a designee of the Director, may approve the application if the Director or designee determines that the licensee has identified orders, license conditions, and the technical specifications that must be revised or superseded, and that any necessary revisions are adequate. Any approval by the Director or the designee must be in the form of a license amendment approving the use of NFPA 805 together with any necessary revisions to the technical specifications.
 - (ii) The licensee shall complete its implementation of the methodology in Chapter 2 of NFPA 805 (including all required evaluations and analyses) and, upon completion, modify the fire protection plan required by paragraph (a) of this section to reflect the licensee's decision to comply with NFPA 805, before changing its fire protection program or nuclear power plant as permitted by NFPA 805.
- (4) Risk-informed or performance-based alternatives to compliance with NFPA 805. A licensee may submit a request to use risk-informed or performance-based alternatives to compliance with NFPA 805. The request must be in the form of an application for license amendment under § 50.90 of this chapter. The Director of the Office of Nuclear Reactor Regulation, or designee of the Director, may approve the application if the Director or designee determines that the proposed alternatives:
- (i) Satisfy the performance goals, performance objectives, and performance criteria specified in NFPA 805 related to nuclear safety and radiological release;
 - (ii) Maintain safety margins; and
 - (iii) Maintain fire protection defense-in-depth (fire prevention, fire detection, fire suppression, mitigation, and post-fire safe shutdown capability).

- f) NSP decided against transitioning from Appendix R to NFPA 805 because Monticello has a high degree of separation and relies on very few operator actions for fire initiating events. Regulatory Guide 1.189 Revision 2 and Enforcement Guidance Memorandum EGM 09-02 were issued by the NRC for plants that are not transitioning to NFPA 805. A decision was made to withdraw Monticello from transitioning to NFPA 805 and remain an Appendix R plant because of the guidance provided by the NRC to resolve Multiple Spurious Operation issues. Modifications were performed for Multiple Spurious Operation using the guidance in RG 1.189 Revision 2 at Monticello during the refueling outage in 2011. The NRC staff accepted NSP's withdrawal of our intent to adopt 10 CFR 50.48(c) on October 22, 2010. A copy of the NRC's October 22, 2010 letter is included as Attachment E to this response.
- g) The development of the Probabilistic Risk Assessment tool was needed to gain an understanding of the costs and benefits of transitioning to NFPA 805, and was used in the decision to terminate the transition to NFPA 805 for the Monticello Nuclear Generating Plant.
- h) The experience gained in partially developing the fire modeling tool gave NSP insights about the effort and costs of implementing the NFPA 805 program as part of Monticello's operating license with the NRC. However, it was not necessary to have the fire model complete before making the decision whether or not to adopt NFPA 805. Once the decision to not adopt NFPA 805 was made the completion date of the fire modeling tool was no longer driven by a regulatory compliance date. As noted in our response to item b the expected inservice date of the fire modeling tool is now October 1, 2013. We will use the completed fire model tool to evaluate issues regarding fire protection compliance in the future.

Preparer: Terry A. Pickens \ Thomas E. Kramer
Title: Director, Regulatory Policy \ Principal Rate Analyst
Department: Nuclear Policy & Planning \ Revenue Requirements – North
Telephone: 612-330-1906 \ 612-330-5866
Date: August 16, 2012

NUCLEAR PROJECT AUTHORIZATION (NPA)

The NPA is a request for O&M and Capital Study, Design, and Implementation Phase authorization. In addition, updated NPAs are required to request additional project authorizations due to project overruns, and/or changes in scope, schedule, and cost in accordance with FP-BUS-PRG-01, Project Review and Approval Process. The NPA records the historical project information after initial funding authorization. The NPA is signed by the Project Manager and Project Sponsor to document their agreement at each project phase and/or changes in scope, schedule, and cost. The Site VP signature and VP Nuclear Projects signatures are required for Capital project authorization. The Site VP Signature is required for O&M project authorization. For additional instructions on how to fill out the NPA form reference FP-BUS-PRG-01.

Budget Year(s):	2011-2012	Plant: MT		Log #: 2006-051
Classification:	Capital: X	O&M:		Date: 2/3/2011

Project Title: Fire PRA Model Software

CAP: N/A

Project Prioritization
(Use FP-BUS-IPP-01 Integrated Planning Process)

Urgency:	2	
Risk:	2	

Phase:	Study	Design	Implementation	Close-out
New /Additional Funding Requested:	\$	\$ 0	\$	\$
Current Authorization:	\$	\$ 9,781,171	\$	\$
YTD Phase Actual:	\$	\$ 0	\$	\$
Project to Date:	\$	\$ 6,454,473	\$	\$
Original Project Phase Cost:	\$	\$ 9,781,171	\$	\$
(Identify contingency separate)	\$	\$	\$	\$
Revised Project Phase Cost:	\$	\$ 9,781,171	\$	\$

YTD Actual Cost:	\$ 0
Revised Total Project Cost:	\$ 9,781,171
Original Total Project Cost:	\$ 9,781,171

- Study Phase
- Design Phase
- Implementation Phase
- *Project Overrun
- *Scope Change
- *Cash Flow Change
- *Schedule Change

NUCLEAR PROJECT AUTHORIZATION (NPA)

***Provide a clear explanation of why this funding or change is being requested:**

Change cash flows to defer some costs from 2011 to 2012. This allows the site staff to focus on outage support and EPU.

Financial Analysis (NPV):

Project Manager:	Barb Brown	Project Sponsor:	Steve Porter
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M. Kelly

G. Sherwood

Concise Problem Statement: (Provide the problem description or the new requirement or function the project will meet).

This project will design, provide inputs and complete the Monticello site PRA Fire Model computer based analysis tool.

Project Scope: (Provide what the project will and will not deliver, and what functionality is and is not included in the final product. Identify affected equipment, associated equipment, and similar equipment commodities that are included. If project includes O&M and Capital scope, separate scopes below in alignment with the calculated cash-flows documented toward the end of the NPA. See Financial Manager for assistance.)

Capital Scope: No change from currently approved project.

O&M Scope:

Project Description: (For the recommended alternative being considered, provide the specific tasks that will be completed in sufficient detail to describe how the project will be implemented. Include any key assumptions use for the project).

No change from currently approved project.

Justification / Benefits: (What is the justification for selecting the recommended alternative and what are the expected benefits).

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NUCLEAR PROJECT AUTHORIZATION (NPA)

No change from currently approved project.

Project Risk Assessment: (Provide the key assumptions and risks which could impact the success of the project).
No change from currently approved project.

Alternatives: (List and briefly describe other alternatives, including non-authorization, that were considered).
No change from currently approved project.

Material Management: (Identify how this project may create obsolete parts, require additional parts, or require the disposition of removed items).
No change from currently approved project.

Are there any spare parts or material (regular inventory or capitalized) that will no longer be usable as a result of implementing this project? Identify and determine the value of each.
No

Are there any additional spare parts or material (regular inventory or capitalized) that will be needed as a result of implementing this project? Identify and determine the value of each.
No

Are there any parts or material that will need to be retired or refurbished as a result of implementing this project? Identify and determine the value of each.
No

NUCLEAR PROJECT AUTHORIZATION (NPA)

Cash Flow

Capital

design 3/15/11

Year	2011	2012					
Phase	Implementation	Imp					
Jan	125,000	125,000					
Feb	125,000	125,000					
Mar	125,000	125,000					
Apr	125,000	125,000					
May	125,000	125,000					
Jun	125,000	125,000					
Jul	125,000	125,000					
Aug	125,000	125,000					
Sep	125,000	125,000					
Oct	125,000	125,000					
Nov	125,000	125,000					
Dec	125,000	125,000					
TOTAL	1500000	1500000	0	0	0	0	0

(The above table is an inserted Excel worksheet. Double click on table to enter data. Ensure when finished all data is shown before printing)

For carryover projects, enter the cash flow in the previous years' months.

Outage Related: Yes No Year/Outage Number(s):

O&M

Year							
Phase							
Jan							
Feb							
Mar							
Apr							
May							
Jun							
Jul							
Aug							
Sep							
Oct							
Nov							
Dec							
TOTAL	0	0	0	0	0	0	0

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NUCLEAR PROJECT AUTHORIZATION (NPA)

(The above table is an inserted Excel worksheet. Double click on table to enter data. Ensure when finished all data is shown before printing)

For carryover projects, enter the cash flow in the previous years' months.
Outage Related: Yes No Year/Outage Number(s):

Project Estimate and Project Milestones: (An estimate of Total Project cost and Project Milestones must be included for Design and Implementation phases).

Complete internal events PRA = October 2011

Internal Events PRA Peer Review = December 2011

Complete Fire PRA = October 2012

Fire PRA Peer Review = December 2012

NUCLEAR PROJECT AUTHORIZATION (NPA)

Project Agreement

Project Manager: <i>R. ROYER</i>	Date: <i>2/4/11</i>
Project Sponsor: <i>CARLY SHERWOOD</i>	Date:

PRG Sub-Committee Disposition

Accept Date:

Reject

Recommendation:

*PRG Review
3/11/11
Approved for ~~implementation~~
design KMO 3/15/11*

Validate Urgency: 1 2 3 (Check one)

Risk: (Refer to FP-BUS-IPP-01)

PRG Disposition

Approve Date: *2/22/11*

Reject

Recommendation: *Too many disconnects - due dates to meet compliance & \$ to support timing - Alignment needed
Schedule & cashflow to be revised - Project needs to be finished by June 2012.*

Savings and Use Guidance (See FG-BUS-FIN-01)

Form QF-2134 Required (AFCR)? Yes No

Budget Offset Recommendation:

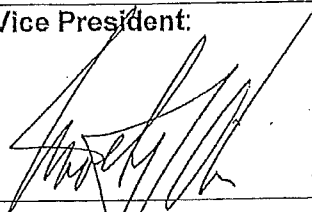
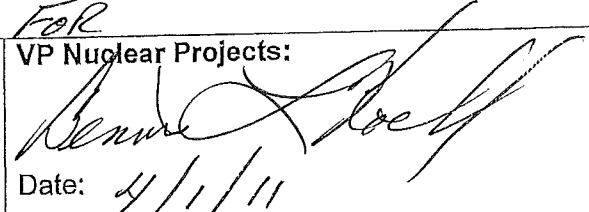
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NUCLEAR PROJECT AUTHORIZATION (NPA)

O&M and CAPITAL

CAPITAL

Site Vice President:  Date: 3-11-11	<i>FOR</i> VP Nuclear Projects:  Date: 4/1/11
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(Note: If Form QF-2134 (AFCR) is required, Authorization for funding can not be finalized until approved Form QF-2134 is signed by CNO and attached to NPA)

Site Finance Manager

Accounting Charge Number:
Site Finance Manager:
Date:

NUCLEAR PROJECT AUTHORIZATION (NPA)

The NPA is a request for O&M and Capital Study, Design, and Implementation Phase authorization. In addition, updated NPAs are required to request additional project authorizations due to project overruns, and/or changes in scope, schedule, and cost in accordance with FP-BUS-PRG-01, Project Review and Approval Process. The NPA records the historical project information after initial funding authorization. The NPA is signed by the Project Manager and Project Sponsor to document their agreement at each project phase and/or changes in scope, schedule, and cost. The Site VP signature and VP Nuclear Projects signatures are required for Capital project authorization. The Site VP Signature is required for O&M project authorization. For additional instructions on how to fill out the NPA form reference FP-BUS-PRG-01.

Budget Year(s):	2011, 12, 13	Plant: MT	Monticello	Log #:	2006-051
Classification:	Capital: 100%	O&M:0%		Date:	11/16/11

Project Title: Fire PRA Model Software

CAP: N/A

Project Prioritization
(Use FP-BUS-IPP-01 Integrated Planning Process)

Urgency:	2C	<i>Fails to implement a significant improvement to a regulatory required program such as MR, FP, EP, or CAP.</i>
Risk:	2C	<i>Present a risk that might violate a regulatory initiated requirement or commitment.</i>

Phase:	Study	Design	Implementation	Close-out
New /Additional Funding Requested:	\$	\$ 0	\$	\$
Current Authorization:	\$	\$ 9,781,171	\$	\$
YTD Phase Actual:	\$	\$ 0 (2012)	\$	\$
Project to Date:	\$	\$ 7,447,184	\$	\$
Original Project Phase Cost:	\$	\$ 9,781,171	\$	\$
(identify contingency separate)	\$	\$	\$	\$
Revised Project Phase Cost:	\$	\$ 9,781,171	\$	\$

YTD Actual Cost:	\$ 0 (2012)
Revised Total Project Cost:	\$ 9,781,171
Original Total Project Cost:	\$ 9,781,171

- Study Phase
- Design Phase
- Implementation Phase
- *Project Overrun
- *Scope Change
- *Cash Flow Change
- *Schedule Change

NUCLEAR PROJECT AUTHORIZATION (NPA)

***Provide a clear explanation of why this funding or change is being requested:**

The progress on the project has been delayed for three reasons.

1. Fleet Engineering management shifted some of the work into 2012 at the request of Monticello site management to free up \$200,000 for Turbine Building roof repairs.
2. Fleet Engineering management diverted resources from this project to support emergent issues and higher priority projects during the year. Total loss of resources was about 1.3 FTE.
Specifically:
 - a. John Bickel was redeployed from April to September to work on PINGP NFPA 805 project. That is a regulatory commitment with a firm deadline, so it has higher priority. John had been loaded at 100% on the Monticello project. Loss of 22 person-weeks
 - b. Tim Wellumson (50%), Adam Stein (50%), Dave Blanchard (25%), and John Bickel (100%) were redeployed from the project for a month to resolve SDP issues related to intake structure fire protection. That was an urgent project with significant regulatory impact, so it has higher priority. Loss of 9 person-weeks.
 - c. Julie Weber was redeployed from the project from July 2011 through February 2012 to attend SRO Cert training. Her cert provides long-term benefits to the PRA group and to the station. Julie was loaded at 50% on the project. Loss of 13 person-weeks in 2011 and 4 person-weeks in 2012.
 - d. Adam Stein (50%) was redeployed from the project for two months to support target set development for the Force-on-Force inspection. Loss of 4 person-weeks.
 - The project was able to acquire only .65 FTE in staff augmentation during the year instead of the planned 1 FTE. Loss of 18 person-weeks.
3. The primary contractor, Maracor, has been hampered in meeting their commitments because Xcel energy has not been able to provide them inputs, review comments, or decisions due to our people being redeployed. They shifted resources to other customers provided a more active interface. With John Bickel's re-engagement, Maracor is shifting their focus back to Monticello.

Financial Analysis (NPV):

Project Manager:	(none)	Project Sponsor:	Gary Sherwood
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Concise Problem Statement: (Provide the problem description or the new requirement or function the project will meet).
This project will design, provide inputs, and complete the Monticello site PRA Fire model based analysis tool.

Project Scope: (Provide what the project will and will not deliver, and what functionality is and is not included in the final product. Identify affected equipment, associated equipment, and similar equipment commodities that are included. If project

NUCLEAR PROJECT AUTHORIZATION (NPA)

includes O&M and Capital scope, separate scopes below in alignment with the calculated cash-flows documented toward the end of the NPA. See Financial Manager for assistance.)

Capital Scope: No change from currently approved scope.

O&M Scope: None

Project Description: (For the recommended alternative being considered, provide the specific tasks that will be completed in sufficient detail to describe how the project will be implemented. Include any key assumptions use for the project).
No change from currently approved project.

Justification / Benefits: (What is the justification for selecting the recommended alternative and what are the expected benefits).
No change from currently approved project.

Project Risk Assessment: (Provide the key assumptions and risks which could impact the success of the project).
No change from currently approved project.

Alternatives: (List and briefly describe other alternatives, including non-authorization, that were considered).
No change from currently approved project.

Material Management: (Identify how this project may create obsolete parts, require additional parts, or require the disposition of removed items).
No change from currently approved project.

Are there any spare parts or material (regular inventory or capitalized) that will no longer be usable as a result of implementing this project? Identify and determine the value of each.
No

NUCLEAR PROJECT AUTHORIZATION (NPA)

Are there any additional spare parts or material (regular inventory or capitalized) that will be needed as a result of implementing this project? Identify and determine the value of each.
No

Are there any parts or material that will need to be retired or refurbished as a result of implementing this project? Identify and determine the value of each.
No

Cash Flow

Capital

NUCLEAR PROJECT AUTHORIZATION (NPA)

Year	2011	2012	2013				
Phase	Design	Design	Design				
Jan	\$106,283	\$160,000	\$81,289				
Feb	\$64,250	\$75,000	\$81,000				
Mar	\$106,508	\$75,000	\$81,000				
Apr	\$62,747	\$75,000	\$81,000				
May	\$98,856	\$75,000	\$80,000				
Jun	\$122,924	\$75,000	\$81,000				
Jul	\$131,094	\$75,000	\$80,000				
Aug	-\$19,676	\$75,000	\$81,000				
Sep	\$91,026	\$110,000	\$120,000				
Oct	\$108,744	\$75,000	\$80,000				
Nov	\$84,696	\$75,000	\$81,000				
Dec	\$35,259	\$55,000	\$80,000				
TOTAL	\$992,711	\$1,000,000	\$1,007,289	0	0	0	0

(The above table is an inserted Excel worksheet. Double click on table to enter data. Ensure when finished all data is shown before printing)

For carryover projects, enter the cash flow in the previous years' months.

Outage Related: Yes No Year/Outage Number(s):

O&M

Year							
Phase							
Jan							
Feb							
Mar							
Apr							
May							
Jun							
Jul							
Aug							
Sep							
Oct							
Nov							
Dec							
TOTAL	0	0	0	0	0	0	0

(The above table is an inserted Excel worksheet. Double click on table to enter data. Ensure when finished all data is shown before printing)

For carryover projects, enter the cash flow in the previous years' months.

Outage Related: Yes No Year/Outage Number(s):

NUCLEAR PROJECT AUTHORIZATION (NPA)

Project Estimate and Project Milestones: (An estimate of Total Project cost and Project Milestones must be included for Design and Implementation phases).

Complete internal events PRA = March 2012

Internal Events PRA Peer Review = April 2012

Complete Fire PRA = March 2013

Fire PRA Peer Review = April 2013

All peer review comments addressed and project closed = June 2013

Project Agreement

NUCLEAR PROJECT AUTHORIZATION (NPA)

Project Manager: <i>R. ROHRER</i> <i>[Signature]</i>	Date: <i>1/17/2012</i>
Project Sponsor: <i>GARY SHERWOOD</i> <i>[Signature]</i>	Date: <i>1/17/2012</i>

PRG Sub-Committee Disposition

Accept
 Reject

Date: *1/17/12*

Recommendation: *Recommended - need offsets
bring forth to PRG*

Validate Urgency: 1 2 3 (Check one)

Risk: *2C* (Refer to FP-BUS-IPP-01)

PRG Disposition

Approve
 Reject

Date: *1/24/12*

Recommendation: *\$1,000,000 2012 Capital
PM to provide updated cashflow w/contingency*

2/14/12 svp approved as budgeted
Savings and Use Guidance (See FG-BUS-FIN-01)

Form QF-2134 Required (AFCR)? Yes No

Budget Offset Recommendation:

O&M and CAPITAL

CAPITAL

Site Vice President: <i>[Signature]</i> <i>2/14/12</i>	VP Nuclear Projects: Sr. Director Project, Policy and Nuclear Services <i>[Signature]</i> <i>2/15/12</i>
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This is budgeted in accordance with 48 - also in the CNO budget 2012.

NUCLEAR PROJECT AUTHORIZATION (NPA)

Date:	Date:
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(Note: If Form QF-2134 (AFCR) is required, Authorization for funding can not be finalized until approved Form QF-2134 is signed by CNO and attached to NPA)

Site Finance Manager

Accounting Charge Number:
Site Finance Manager:
Date:

ACTUAL PROPERTY TAX RATES FOR PAY 2010

RATIO OF TAX TO TAXABLE INVESTMENT

MINNESOTA			
BY GEN PLT	COUNTY/CITY		RATE
(based on Real Estate)			
Black Dog	Dakota/Burnsville	E	1.088
Blue Lake	Scott/Shakopee	E	1.114
Granite City	Benton/St Cloud	E	1.441
High Bridge	Ramsey/St Paul	E	1.245
Inver Hills	Dakota/Inv Gr Hghts	E	1.043
King	Wash/Oak Pk Hghts	E	0.972
Maplewood Prop	Ramsey/Maplewood	G	1.615
Minnesota Val	Chippewa/Granite Falls	E	1.512
Monticello	Wright/Monticello	E	1.094
Prairie Island	Goodhue/Red Wing	E	1.150
Riverside	Hennepin/Mpls	E	1.248
Sherco	Sherburne/Becker	E	0.963
Sibley Propane	Dakota/Mendota Hghts	G	1.362
Wescott Prop	Dakota/Inv Gr Hghts	G	1.544
West Faribault	Rice/Warsaw Twp	E	0.814
Wilmarth	Blue Earth/Mankato	E	1.128
Minnesota	Electric		1.214
Minnesota	Gas		2.089

MINNESOTA			
COUNTIES	ELEC RATE	GAS RATE	TOT RATE
(based on Personal Property)			
Anoka	1.442	1.347	1.422
Becker	0.971	0.000	0.971
Beltrami	1.224	0.000	1.224
Benton	1.507	1.718	1.579
Blue Earth	1.264	2.784	1.268
Brown	1.102	0.000	1.102
Carver	1.381	1.594	1.387
Cass	0.000	0.996	0.996
Chippewa	1.417	0.000	1.417
Chisago	1.448	1.554	1.485
Clay	1.334	1.018	1.111
Crow Wing	0.000	1.062	1.062
Dakota	1.358	1.474	1.388
Dodge	1.385	0.000	1.385
Douglas	1.250	0.000	1.250
Faribault	1.152	0.000	1.152
Freeborn	1.415	0.000	1.415
Goodhue	1.379	1.586	1.417
Hennepin	1.434	1.543	1.434
Houston	1.505	0.000	1.505
Isanti	0.728	0.000	0.728

MINNESOTA	ELEC RATE	GAS RATE	TOT RATE
Isanti	0.000	1.293	1.293
Itasca	1.093	0.000	1.093
Jackson	1.099	0.000	1.099
Kandiyohi	1.338	1.439	1.367
Koochiching	1.103	0.000	1.103
Lac Qui Parle	0.856	0.000	0.856
Lake/Woods	1.573	0.000	1.573
Le Sueur	1.075	1.067	1.073
Lincoln	1.124	0.000	1.124
Lyon	1.391	0.000	1.391
McLeod	1.417	0.895	1.414
Martin	0.890	0.000	0.890
Meeker	1.450	1.383	1.436
Morrison	1.284	1.183	1.184
Mower	1.153	0.000	1.153
Murray	1.227	0.000	1.227
Nicollet	1.276	0.000	1.276
Nobles	1.133	0.000	1.133
Norman	0.892	0.000	0.892
Olmsted	1.453	0.000	1.453
Pine	1.098	0.000	1.098
Pipestone	1.318	0.000	1.318
Polk	1.085	1.085	1.085
Pope	1.277	0.000	1.277
Ramsey	1.507	1.507	1.507
Redwood	1.479	0.000	1.479
Renville	1.272	0.000	1.272
Rice	1.273	1.353	1.239
Rock	0.906	0.000	0.906
Roseau	1.559	0.000	1.559
Scott	1.203	1.682	1.328
Sherburne	1.623	1.013	1.332
Sibley	1.506	0.970	1.476
St Louis	1.251	0.000	1.251
Stearns	1.375	1.375	1.375
Steele	1.348	0.000	1.348
Todd	1.255	0.000	1.255
Wabasha	1.362	1.362	1.362
Waseca	1.225	0.000	1.225
Washington	1.355	1.355	1.355
Watsonwan	1.207	0.000	1.207
Wilkin	1.048	0.000	1.048
Winona	1.305	1.305	1.305
Wright	1.323	1.457	1.334
Yellow Med	1.350	0.000	1.350
Minn State	1.377	1.411	1.384

NO DAK COUNTIES	ELEC RATE	GAS RATE	TOT RATE
Barnes-SP	0.000	0.744	0.744
Cass-SP	1.103	1.099	1.101
Cass-RE	1.567	0.000	1.567
Grand Forks-S	1.184	1.147	1.172
McHenry-SP	0.682	0.000	0.682
Pembina-SP	0.840	0.000	0.840
Pierce-SP	1.276	0.000	1.276
Richland-SP	1.261	0.000	1.261
Rolette-SP	1.592	0.000	1.592
Traill-SP	1.087	0.000	1.087
Ward-SP	0.931	0.000	0.931
No Dak-RE	1.567	0.000	1.567
No Dak-SP	1.110	1.114	1.111

SO DAK COUNTIES	ELEC RATE	GAS RATE	TOT RATE
Brookings SP	0.789	0.000	0.789
Davison-SP	0.000	0.000	0.000
Hanson-SP	1.010	0.000	1.010
Hutchinson-SP	0.919	0.000	0.919
Lake-SP	0.901	0.000	0.901
Lincoln-SP	0.879	0.000	0.879
McCook-SP	0.951	0.000	0.951
Miner-SP	0.986	0.000	0.986
Minnehaha-SP	0.784	0.000	0.784
Minnehaha-RE	1.518	0.000	1.518
Moody-SP	0.814	0.000	0.814
Sanborn-SP	0.835	0.000	0.835
Turner-SP	1.201	0.000	1.201
So Dak-RE	1.518	0.000	1.518
So Dak-SP	0.800	0.000	0.800

SP = State Property
RE = Real Estate

Personal Property includes transmission lines and distribution system. When estimating taxes in North and South Dakota, use the State Property for the appropriate county. THESE RATES ARE SUBJECT TO CHANGE.

Property Tax Assumption
2010



**UNITED STATES
NUCLEAR REGULATORY COMMISSION**
WASHINGTON, D.C. 20555-0001

October 22, 2010

Mr. Timothy J. O'Connor
Site Vice President
Monticello Nuclear Generating Plant
Northern States Power Company - Minnesota
2807 West County Road 75
Monticello, MN 55362-9637

**SUBJECT: MONTICELLO NUCLEAR GENERATING PLANT (MNGP) – WITHDRAWAL
FROM NATIONAL FIRE PROTECTION ASSOCIATION STANDARD NFPA-805
(TAC NO. ME4250)**

Dear Mr. O'Connor:

By letter dated July 16, 2010 (Agencywide Documents Access and Management System (ADAMS) Accession No. ML102000433), on behalf of Northern States Power Company - Minnesota (NSPM) you notified the Nuclear Regulatory Commission (NRC) that the transition to 10 CFR 50.48(c), regarding National Fire Protection Association Standard 805 (NFPA 805), will not be completed for MNGP, and that you are withdrawing NSPM's November 30, 2005, letter of intent (ADAMS Accession No. ML053460342).

In the July 16, 2010, letter you stated that multiple spurious operations due to fire-induced circuit faults will be addressed using guidance from Revision 2 of Regulatory Guide 1.189, "Fire Protection for Nuclear Power Plants." In addition, you stated that MNGP will complete a fire probability risk assessment in conformance with Revision 2 of Regulatory Guide 1.200, "An Approach for Determining the Technical Adequacy of Probabilistic Risk Assessment Results for Risk-Informed Activities."

In a follow-up letter dated September 8, 2010 (ADAMS Accession No. ML102520079), you confirmed that "no formal commitments have been made as part of the transition to 10 CFR 50.48(c)." In such regard, the NRC staff will disposition any issue of concern using the Reactor Oversight Process, since enforcement discretion under the Interim Enforcement Policy Regarding Enforcement Discretion for Certain Fire Protection Issues (10 CFR 50.48) no longer applies. Issues relating to multiple spurious operations due to fire-induced circuit faults that are being addressed using the guidance from Revision 2 of Regulatory Guide 1.189 may be subject to enforcement discretion if identified issues meet the criteria of Enforcement Guidance Memorandum 09-002, "Enforcement Discretion for Fire Induced Circuit Faults."

Since MNGP does not rely on the completion of its transition to 10 CFR 50.48(c) to resolve any issues, the NRC staff accepts your withdrawal of NSPM's November 30, 2005, letter of intent to adopt 10 CFR 50.48(c).

Your July 16, 2010, letter mentioned that Prairie Island Nuclear Generating Plant Units 1 and 2, whose operating licenses are also held by NSPM, is "continuing efforts to transition the

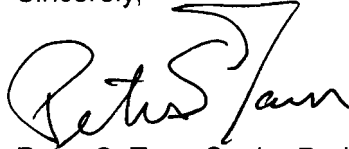
T. J. O'Connor

- 2 -

licensing basis to 10 CFR 50.48(c)." The NRC staff noted this statement but recognizes that Prairie Island is not the subject of this review or of this letter.

If you have any question regarding this matter, I may be reached at 301-415-1451.

Sincerely,

A handwritten signature in black ink, appearing to read "Peter S. Tam". The signature is fluid and cursive, with a large, stylized initial "P" and "T".

Peter S. Tam, Senior Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-263

cc: Distribution via ListServ

T. J. O'Connor

- 2 -

licensing basis to 10 CFR 50.48(c).” The NRC staff noted this statement but recognizes that Prairie Island is not the subject of this review or of this letter.

If you have any question regarding this matter, I may be reached at 301-415-1451.

Sincerely,

/RA/

Peter S. Tam, Senior Project Manager
Plant Licensing Branch III-1
Division of Operating Reactor Licensing
Office of Nuclear Reactor Regulation

Docket No. 50-263

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Accession No.: **ML102920595**

*via memorandum

OFFICE	LPL3-1/PM	LPL3-1/LA	AFPB/BC*	LPL3-1/BC
NAME	PTam	BTully	AKlein*	RPascarelli
DATE	10/22/10	10/21/10	10/15/10	10/22/10

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Xcel Energy

Docket No.: EL12-046

Response To: SDPUC

Data Request No.

Requestor: South Dakota Public
Utilities Commission

8-2

Date Received: September 12, 2012

Question:

Please refer to the Company's response to data request 2-2.

- a. Referring to the Company's response to data request 2-2 (g), please explain how the model was needed to gain an understanding of the costs and benefits of transitioning to NFPA 805. Why did NSP need a model to decide against transitioning to NFPA 805? Please explain.
- b. Referring to the Company's response to data request 2-2 (g), please provide a brief description of the costs and benefits of transitioning to NFPA 805.
- c. Referring to the Company's response to data request 2-2 (h), please describe how the fire model tool will be used to evaluate issues regarding fire protection compliance in the future.

Response:

- a. Developing a Probabilistic Risk Assessment (PRA) tool that complies with Regulatory Guide 1.200 is the first step in transitioning to NFPA 805. NSP learned useful information about the scope, cost, complexity, and timeline for an NFPA 805 transition by embarking on this first step. NSP learned that it had underestimated the costs and timeline for NFPA 805 transition. The cost benefit analysis no longer supported transition to NFPA 805.
- b. The costs of transitioning to NFPA 805 involve: (1) development and maintenance of a Fire PRA model; (2) transition evaluations for each fire area in the plant, assessing both power and non-power modes of operation; (3) modifications to the plant to achieve the performance goals of NFPA 805; (4)

preparation of a detailed License Amendment Request; (5) Nuclear Regulatory Commission fees to review the License Amendment Request; (6) program maintenance; and (7) training and implementation costs.

The benefit of transitioning to NFPA 805 would be greater flexibility in complying with fire protection requirements. NFPA 805 is a risk-informed performance-based standard that allows a plant to achieve compliance through any of multiple options that achieve the desired fire risk performance.

- c. The fire PRA modeling tool will be used to evaluate any performance deficiency found in the fire protection program in the future. This information would be used in a significance determination under the Nuclear Regulatory Commission's Reactor Oversight Process. The Fire PRA tool will also be useful for other evaluations, such as evaluating the fire risk impact of proposed modifications to the plant or proposed changes to plant procedures.

Response By: Rick J. Rohrer / Michelle Kelly
Title: Manager, Program Engineering Fleet / Engineering Supervisor
Department: Nuclear / Nuclear
Telephone: 612-330-6694 / 612-330-6729
Date: September 25, 2012