

For Immediate Release
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**MINNESOTA PUBLIC UTILITIES COMMISSION
CONSIDERS XCEL'S RESOURCE PLAN AND
PROPOSALS FOR BLACK DOG AND PRAIRIE ISLAND GENERATING PLANTS**

St. Paul, Minnesota - The Minnesota Public Utilities Commission ("Commission") today met to take action on the Integrated Resource Plan ("IRP") submitted by Northern States Power Company d/b/a Xcel Energy ("the Company"). Related to those decisions, the Commission also dealt with the Company's proposals regarding the Repowering Project at the Black Dog Generating Plant and an Extended Power Uprate at the Prairie Island Nuclear Generating Plant.

Prairie Island Nuclear Generating Plant Extended Power Uprate

In May of 2008, the Company filed an Application for a Certificate of Need for an Extended Power Uprate ("EPU") at Prairie Island proposing a 164 megawatt EPU to be implemented during the scheduled 2014 and 2015 refueling outages. The cost of the project was placed at approximately \$322 million. The Commission granted a Certificate of Need for the EPU project in December of 2009.

On March 30, 2012, the Commission received a Notice of Changed Circumstances and Petition from the Company for a delay in implementation and change in capacity for the project. On October 22, 2012, the Company made a supplemental filing stating that it no longer believed the EPU is in the best interests of its customers.

Today the Commission established a process to elicit comments from interested parties about whether the Company should be allowed to terminate this process.

The Commission made no determination as to the reasonableness of the expenditures made by the Company in pursuing this project or whether those expenditures may be recovered from its customers. Those determinations will be made later as part of a subsequent proceeding.

Black Dog Repowering Project

In March of 2011, the Company petitioned the Commission for a Certificate of Need and a Site Permit for the Black Dog Repowering Project. This proposal involved replacing the remaining coal-fired generating units at the plant – approximately 250 megawatts – with about 700 megawatts of natural gas-fired, combined cycle generation for a net increase in capacity of 450 megawatts. In December of 2011, the Company filed a motion to withdraw these applications based in large part on updated demand forecasts.

Today the Commission decided to close this Docket and open a new one to address the resources identified in the Company's IRP.

Integrated Resource Plan

As to the Company's 2011-2025 IRP, the Commission deferred approving, rejecting, or modifying the Plan until the size, type, and timing for a base range of the Company's resources can be developed. The Company was directed to develop a five-year action plan without the Prairie Island EPU. The Company is required to explore methods of meeting future resource needs by looking at all resource options. The updated need assessment and revised action plan will be reconsidered by the Commission in February of next year.

The Commission directed the Company to conduct a Life Cycle Management Study of Sherco Units 1 and 2 to examine the feasibility and cost-effectiveness of continuing to operate, retrofitting, or retiring these units. That Study is due July 1, 2013.

The Commission will require the Company to file its next IRP by February 1, 2014.

An IRP contains a set of supply-side and demand-side resource options that the utility could use to reliably meet the needs of retail customers throughout a 15-year forecast period. To anticipate those needs, a utility must prepare forecasts of the amount of energy and power that will be required by the utility's customers. By integrating the evaluation of supply- and demand-side resources – treating each resource as a potential substitute for others – a utility seeks to ascertain the least-cost plan that is consistent with the other legal requirements and policy goals.

The Dockets under consideration today are:

- E002/CN-08-509: Notice of Changed Circumstances and Petition regarding a Certificate of Need for the Prairie Island Nuclear Generating Plant for an Extended Power Uprate
- E002/CN-11-184: Certificate of Need Application for the Black Dog Repowering Project
- E002-GS-11-307: Site and Route Permit Application for the Black Dog Repowering Project
- E002/RP-10-825: 2011-2025 Integrated Resource Plan

Final written orders formally documenting the Commission's decisions will be issued in several weeks. Those orders will be filed in the respective Docket, which can be accessed at the Commission's website (www.puc.state.mn.us) via the Commission's eDockets system.