
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Joel Jacobs

Chair

Marshall Johnson

Commissioner

Dee Knaak

Commissioner

Mac McCollar

Commissioner

Don Storm

Commissioner

To: Northern States Power Company
Attn: Jeffrey C. Paulson
414 Nicollet Mall
Minneapolis, MN 55401

SERVICE DATE: DECEMBER 16, 1996

DOCKET NO. E-002/AI-96-966

In the Matter of a Request for Approval by **Northern States Power Company** for an operations and maintenance agreement with NRG Energy, Inc.

The above entitled matter has been considered by the Commission and the following disposition made:

1. Approved NSP's petition with the requirement that NSP demonstrate in future rate cases that all payments made under the instant agreement are reasonable and that the agreement has not resulted in any ratepayer subsidization of nonregulated activities. Although the Company bears the ultimate burden of proof, it need not necessarily file direct testimony proving the absence of cross- subsidization.
2. Approved NSP's request for a variance to Minn. Rules, part 7829.2100.
3. The Commission notes that its decision is consistent with reasoning found in its December 5, 1995 ORDER APPROVING AFFILIATED INTEREST CONTRACTS, GRANTING VARIANCE AND REQUIRING INFORMATION IN NEXT RATE CASE in Docket No. G-002/AI-94-831.

The Commission agrees with and adopts the recommendations of the Department of Public Service and

Commission Staff which are attached and hereby incorporated in the Order.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

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