

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayner  
Marshall Johnson  
Ken Nickolai  
Thomas Pugh  
Phyllis A. Reha

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

In the Matter of Northern States Power  
Company d/b/a Xcel Energy's Petition for  
Approval to Sell a Transformer to its Utility  
Affiliate Southwestern Public Service  
Company

ISSUE DATE: May 24, 2005

DOCKET NO. E-002/PA-05-82

ORDER APPROVING TRANSFER AT  
MARKET VALUE AND REQUIRING  
REPORTS

**PROCEDURAL HISTORY**

On January 7, 2005, Northern States Power Company d/b/a Xcel Energy (NSP or the Company) filed a petition requesting approval of the sale of a used transformer stored at the Company's Black Dog generating plant to Southwestern Public Service Company (SPS) at net book value (approximately \$520,000). NSP proposed that the sale be effective no later than March 31, 2005 and requested expedited treatment of its petition because, it stated, SPS needed the transformer installed and in service by May 1, 2005 to provide reliable electric service to its customers in Texas during the summer of 2005.

On March 9, 2005, the Minnesota Department of Commerce (the Department) filed comments. The Department analyzed the proposed sale from the standpoint of reliability and sufficiency of payment to secure a replacement. The Department concluded that the transaction was not consistent with the public interest from a Minnesota ratepayer perspective. The Department recommended that the Commission modify the transaction by requiring Xcel to require SPS, as a condition of the transaction, to purchase a new transformer for NSP or repair the existing SPS transformer and provide it to NSP-MN at the same net book value currently reflected on the books for the existing Black Dog transformer that NSP-MN proposes to sell to SPS.

On March 21, 2005, NSP filed reply comments contesting the Department's analysis and recommendations which, the Company stated, were based on the mistaken belief that the transformer was needed to ensure the reliability of the Company's system. NSP reported that the transformer was en route to Texas to meet SPS' imminent need to install, test and commission the transformer in time for the 2005 summer season and requested that the Commission act on the filing as soon as practical.<sup>1</sup>

The Commission met on May 5, 2005 to consider this matter.

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<sup>1</sup> At the hearing, it was clarified that title to the transformer would not be transferred to SPS unless and until the Commission approved the transfer.