

February 10, 2015

Daniel P. Wolf  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, Minnesota 55101-2147

RE: **Issues regarding the dispute between Northern States Power Company and Babcock and Wilcox Nuclear Energy, Inc.**  
Docket No. E002/GR-13-868

Dear Mr. Wolf:

In its January 27, 2015 NOTICE OF COMMENT PERIOD, the Minnesota Public Utilities Commission (Commission) set an Initial comment period deadline of February 3, 2015 and a Reply comment period deadline of February 10, 2015 with regard to the following two topics:

The Office of Attorney General-Residential Utilities and Antitrust Division's (OAG's) request for procedural guidance on how the Commission would like parties to pursue resolution in this rate case of the issues raised by the dispute between Northern States Power Company d/b/a Xcel Energy (Xcel Energy or the Company) and Babcock & Wilcox Nuclear Energy Inc. (BWNE).

The OAG's request for a decision directing Xcel to respond to OAG's information requests on the dispute between Xcel Energy and BWNE.

On February 2, 2015, the Minnesota Department of Commerce, Division of Energy Resources (Department) offered the following comments regarding the Commission's January 27, 2015 Notice:

First, the Department believes the Commission should direct the Company to fully respond to the OAG's information requests in this proceeding regarding the dispute. Second, the Department plans to review the Company's initial comments regarding their proposed procedure to handle the dispute within the current rate case; and will file reply comments on February 10, 2015.

On February 3, 2015, Xcel Energy provided comments to the Commission addressing three procedural alternatives offered by the OAG, and Xcel's responsiveness to OAG information requests.

With regard to the three procedural alternatives offered by the OAG, Xcel at Pages 4-5 of its comments stated:

...we believe agreeing to incorporate this issue in the 2014 Capital True-Up process allows the parties, and Commission, to focus on the issues litigated in the evidentiary hearings and the Company to concentrate on litigating its dispute with BWNE.

Xcel's proposal to address in the true-up any refund from the litigation process is not entirely clear (for example, it is not clear what would happen if the litigation issues are not resolved before the end of 2015). However, such an approach may be feasible, provided that Xcel agrees to refund to Xcel's ratepayers any favorable outcome from the litigation, even if the litigation is not resolved until a later date.

With regard to the OAG information requests, the Company stated at Page 4 of its comments:

...the Company noted that many of the OAG's information requests did not relate to the BWNE Complaint and, since the evidentiary process was closed, were untimely. Nonetheless, the Company did provide responses to the majority of questions presented.

Also at Page 4 of its comments, the Company stated:

However, as noted in response to OAG IR 642, we object to OAG's request for copies of the contracts....In addition, the contracts are subject to confidentiality provisions that create certain limits on their disclosure. We made a mitigating offer to the OAG as a means of resolving their concerns...

The Company did not explain either the confidentiality provisions or what mitigating offer it made to the OAG as a means of resolving their concerns. The parties may indicate more information in their reply comments for the Commission's consideration.

Another item that is missing from the Company's comments is whether or not Xcel objects to any information requests other than OAG IR 642. The Department notes from its review of the information request responses attached as Exhibit C to OAG's January 20, 2015 letter to the Commission in this matter that Xcel may not have fully responded to OAG 643 (which requested an accounting for all work performed by and invoices received from BWNE and SNC-Lavalin Nuclear Inc.). Again, the parties may provide more information about these issues in their reply comments.

Sincerely,

/s/ DALE V. LUSTI  
Financial Analyst

DVL/ja

## CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce  
Letter**

**Docket No. E002/GR-13-868**

Dated this 10<sup>th</sup> day of February 2015

**/s/Sharon Ferguson**

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