

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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Chair
Commissioner
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In the Matter of the Petition of Northern States
Power Company d/b/a Xcel Energy for
Approval of the 2012-2014 Triennial Nuclear
Plant Decommissioning Accrual

ISSUE DATE: December 4, 2012

DOCKET NO. E-002/M-11-939

DOCKET NO. E-002/M-11-807

In the Matter of a Petition by Xcel Energy for
Approval of a Credit Mechanism for a
Department of Energy Settlement Payment
With Deferred Accounting

ORDER APPROVING NUCLEAR
DECOMMISSIONING PLAN AND
MODIFYING REFUND PLAN

PROCEDURAL HISTORY

On November 30, 2011, Xcel Energy (Xcel or the Company) filed a petition requesting Commission approval of its 2012-2014 Triennial Nuclear Plant Decommissioning Accrual.¹ The Company stated that its filing was submitted in compliance with the Commission's Order in Docket No. E-002/D-86-604,² as well as prior Commission orders, and in accord with Minn. Rules, Parts 7825.0500 through 7825.0800.

On April 3 and July 12, 2012, the Department of Commerce (the Department) filed comments recommending approval of the Company's triennial nuclear decommissioning study with certain modifications.

By April 30, 2012, the City of Monticello, Prairie Island Indian Community, the City of Red Wing, and Communities United for Responsible Energy (CURE) had filed comments in response to Xcel's petition.

On August 3, 2012, Xcel filed supplemental comments in response to questions posed by the Department.

¹ On December 29, 2011, Xcel filed an amendment to its initial filing to include property taxes, which were excluded from its initial filing.

² The Commission's order in Docket No. E-002/D-86-604 requires the Company to submit, on a triennial basis, its nuclear decommissioning financial parameters, funding methodology, and cost estimates.

On November 8, 2012, the Commission met to consider the matter.

FINDINGS AND CONCLUSIONS

I. Background

Xcel's two nuclear generating plants are the subject of its decommissioning planning. The Monticello Nuclear Generating Plant has been operating since September 8, 1970 under a license which, due to recent re-licensing approvals, is set to expire in 2030. The second plant, Prairie Island Nuclear Generating Plant - Units 1 and 2, is operated under licenses which expire in 2033 for Unit 1 and 2034 for Unit 2.

The primary objective of a decommissioning docket is to arrive at a reasonable estimate of what it will cost to decontaminate and remove the nuclear facilities at the end of the operating lives of the nuclear plants. Once an estimate of what it will cost to decommission at the end of operations is established, the Commission attempts to calculate the amount of expense to accrue annually to accumulate a fund sufficient to pay the decommissioning costs when incurred. The Commission historically has been concerned that rates charged for current production reflect the expected cost to decontaminate and decommission the facilities, spread over the expected lives of the plants.

In 2011, the Minnesota Legislature directed the Company to include in its decommissioning fund filing a cost analysis assuming used nuclear fuel will be stored in the state for 60 years, 100 years, and 200 years.³ This is the first nuclear decommissioning accrual docket to include the requirement for such a cost analysis.

II. Related Proceedings

A. Background

The Federal Nuclear Waste Management Act established a framework for permanent disposal of high-level radioactive waste. Under the Act and subsequent regulations, utilities are required to enter into standard contracts for disposal of spent nuclear fuel. In exchange for the United States Department of Energy's (DOE's) commitment to dispose of the spent nuclear fuel, utilities contribute 1.0 mil to the Nuclear Waste Fund for every kilowatt hour of electricity generated by their nuclear power plants. In accord with the standard contracts, the DOE was required to take title to, transport, and dispose of spent nuclear fuel beginning no later than January 31, 1998.

³ Minn. Stat. § 216B.2445. The statute requires the Commission, when considering approval of a plan for the accrual of funds for the decommissioning of nuclear facilities, to evaluate the costs, if any, arising from storage of used nuclear fuel that may be incurred by the State of Minnesota, and any tribal community, county, city, or township. The Commission is required to provide a report on its decision to the chairs and ranking minority members of the legislative committees with primary jurisdiction over energy policy and public safety within 180 days of the Commission's final order.

B. Settlement of Litigation to Recover Costs of Disposal of Spent Nuclear Fuel

In August 2011, Xcel informed the Commission it had settled a lawsuit with the DOE, pending since 1998, regarding the costs of the disposal of spent nuclear fuel from 1998 to 2008.⁴ The settlement resolved claims for lawsuits brought by the Company for the DOE's failure to take spent nuclear fuel from Monticello and Prairie Island pursuant to the terms of the standard contracts.⁵ The settlement also provided a mechanism for the Company to recover its spent fuel damages from January 1, 2009 through the end of 2013 without pursuit of further litigation.⁶

The Commission approved the Company's settlement proposal on December 16, 2011. The Commission directed the Company to refund all Department of Energy settlement payments (received through year-end 2013) in the form of a one-time bill credit to customers.

III. Xcel's Triennial Decommissioning Filing

In its current triennial decommissioning filing, Xcel requested that the Commission:

1. approve its decommissioning study and assumptions reasonably approximating the amount of funds necessary to support decommissioning at the end of its nuclear facilities' operating lives;
2. approve an annual accrual of \$11,180,757 for decommissioning based on a proposed 36-year scenario and \$2,022,113 for end-of-life nuclear fuel, an increase of \$171,091, starting January 1, 2013; and
3. apply a portion of future settlement payments received from the DOE to the accrual, eliminating the need to begin charging customers to fund the deficit, and crediting the remainder of the settlement funds to customers.

Xcel explained that the increase in its proposed accruals from zero to \$11.2 million is the result of three factors: a) an increase in the estimated costs for decommissioning activities from \$2.4 billion to \$2.6 billion; 2) an increase in the escalation factor (from 2.89% to 3.63% during radiological decommissioning) used to inflate the costs into future dollars; and 3) a decrease in the assumed earnings rate used to determine future growth of the invested funds, from 6.3% to 4.28% - 5.53% (depending on unit and scenario).

In its filing, the Company submitted an analysis, which it recommended the Commission follow, assuming used fuel will be stored in the state for 36 years after shutdown. The Company based its analysis on the recommendations of the Blue Ribbon Commission on America's Nuclear Future

⁴ Docket No. E-002/M-11-807.

⁵ Xcel filed suit against the DOE in 1998, seeking to recover damages through 2004 stemming from the DOE's partial breach of its standard contract. Xcel subsequently filed a second lawsuit for damages through 2008.

⁶ Based on current estimates, Xcel believes that the additional damage payments will total some \$98 million on a total Company basis, with approximately \$72.5 million on a Minnesota retail jurisdictional basis. The first supplemental payment, recovering damages incurred during 2009 and 2010, was received in the first quarter of 2012, with subsequent damages anticipated by year end of 2012, 2013, and 2014.

(Blue Ribbon Commission), which issued a report in early 2012.⁷ The 36-year scenario assumed a centralized interim storage facility would begin operation in 2025, and would allow shipments from the Prairie Island and Monticello sites to begin in 2027, with all spent fuel being removed from Minnesota by 2066.

In compliance with the recently enacted Minn. Stat. § 216B.2445, the Company also provided scenarios assuming used fuel will be stored in the state for 60, 100, and 200 years following cessation of operations at the plant.

Finally, in compliance with the Commission's 2009 decommissioning order, Xcel included an analysis of its December 31, 2010 balance sheet accounts for Statement of Financial Accounting Standards No. 143 (SFAS 143 accounts) on Schedule L. As of December 31, 2010, the balance sheet reflects \$809,474,339 as a nuclear regulatory asset along with a corresponding liability for its asset retirement obligation (ARO).

IV. Positions of the Parties

A. Use of Settlement Funds to Fund Nuclear Decommissioning Accruals

In the Company's current decommissioning petition, Xcel requested that the Commission modify its order in Docket M-11-807 to allow Xcel to fund the decommissioning accrual with future DOE settlement payments. Xcel proposed two options for use of the settlement funds in lieu of charging ratepayers the decommissioning costs starting in 2013 -- 1) starting with the year-end 2012 payment, the proposed accrual of \$11,180,757 (assuming a 36-year decommissioning period) would be subtracted from the Minnesota jurisdictional amount with the rest refunded to ratepayers; or 2) all of the three payments expected in 2012, 2013, and 2014 would be transferred to the decommissioning fund. The Company recommended that the new accrual, if approved, begin in January 2013.

The Department recommended that the Commission approve a modified version of Xcel's first option for use of the settlement funds -- where the payments received from the Department of Energy at year-end 2012 and 2013 would be included in the decommissioning escrow account at this time. This would allow the parties and the Commission to address the issue again in the next decommissioning filing.

The City of Red Wing, the Prairie Island Indian Community, and CURE agreed that the settlement funds should be included in the decommissioning escrow account, but also recommended that Xcel be required to set aside a portion of the settlement funds to analyze the long-term impact of spent fuel storage on the host communities to the nuclear facilities.

B. Cost Estimate and Timeframe for Storage in Minnesota

In making its proposal that a 36-year time frame for storage in Minnesota be used, Xcel relied on two sources -- the final recommendation of the Blue Ribbon Commission and the Nuclear Regulatory Commission's Nuclear Waste Confidence Decision, issued in 2010. Xcel's proposed

⁷ The DOE has not yet acted to implement the recommendations made by the Blue Ribbon Commission.

36-year timeframe assumes that a centralized interim storage facility will be sited, constructed, and begin receiving fuel by 2025.

The Department reviewed Xcel's calculations of the decommissioning cost estimates for the 36-year, 60-year, 100-year, and 200-year periods of operation of the spent fuel storage facility and concluded that they were reasonable.

The City of Red Wing and the Prairie Island Indian Community (the Indian Community) opposed the use of the 36-year assumption proposed by the Company, and recommended by the Department, and urged the Commission to reject it as a basis for calculating the decommissioning costs associated with continued storage. They argued that a 36-year scenario is not supported either by the Company's assumptions or by the federal government's demonstrated record of failure to take possession and dispose of spent nuclear fuel from civilian facilities. Further, they asserted that the federal government has no identifiable plan to address the responsibility within the 36-year timeframe.

The City of Red Wing argued that Xcel's reliance on the Blue Ribbon Commission's study, which is only a series of recommendations, is misplaced. The study relied on the Nuclear Regulatory Commission's waste confidence rule, which assumes that the spent fuel will be held in temporary storage for 60 years at the longest. However, the City pointed out that the NRC has recently expressed a lack of confidence in the waste confidence rule and directed its staff to begin an examination of a 200 year rule.

The City and the Indian Community argued that at present the 100-year scenario appears to represent a reasonable timeframe for continued temporary storage at the Prairie Island and Monticello sites, and recommended that the Commission adopt 100 years as the minimal basis used by the Company to calculate the appropriate accrual amounts.

C. Rebalancing of Escrow Accounts

Xcel requested the ability to rebalance the Prairie Island nuclear decommissioning fund balances to minimize the current funding needs for Monticello. Xcel explained that without rebalancing, Prairie Island Unit 1 is projected to be overfunded.

The Department stated that it had no concerns with rebalancing the escrow fund as proposed by Xcel, and recommended that the Commission approve the Company's proposal.

D. Current Fund Balance

In its filing, Xcel reported the book value balances of the Qualified Trust for its three operating units as of August 31, 2011 as \$921,215,545, which decreased to \$903,612,298 by December 31, 2011. Xcel reported that the escrow book value balance for the three operating units was a total of \$86,164,271 for the Minnesota jurisdiction.⁸

⁸ Prairie Island Unit 1 had an escrow fund balance of \$37,835,994 and Unit 2 had a fund balance of \$48,328,277. There is currently no balance in the escrow fund for the Monticello plant as the balance was refunded to customers in 2009.

Xcel stated that in 1999 the Commission had approved the use of a theoretical fund balance, which accounts for some of the unrealized fund activity held in both of the external funds by applying an assumed interest rate to the amounts set aside for decommissioning. Due to current market conditions, however, Xcel explained that the actual trust fund balances were higher than those calculated for the theoretical fund balance (\$999,747,193 as compared to \$984,149,255). The Company therefore used its actual market value as of August 31, 2011 to conduct its analysis for forward looking escalation, inflation, and earnings rates.

The Department reviewed the Company’s analysis and determined that the Company’s use of the market value of the funds for calculation of the decommissioning accrual is reasonable.

E. Earnings Rate

Xcel included in its decommissioning filing the analysis of the forecast earnings rate provided by Pacific Global Advisors (PGA), an investment consulting firm.⁹ The Company stated that it had reviewed the forecast for reasonableness, as there is no single industry standard method for determining long term asset forecasts. Based on PGA’s recommendation, Xcel recommended a stratification of the earning rate between the operational period and the decommissioning period. The Company also recommended the use of two earnings rates for each facility to provide a better match of earnings rates with individual cost estimates to better replicate the separation in the NRC trust funds, as set forth below:

*Earnings Rates Forecast
36 Year Earnings Rate*

<u>Nuclear unit</u>	<u>Operations</u>	<u>Decommissioning</u>
Monticello	5.31%	4.57%
Prairie Island Unit 1	5.50%	4.28%
Prairie Island Unit 2	5.53%	4.44%

60 Year Earnings Rate

<u>Nuclear unit</u>	<u>Operations</u>	<u>Decommissioning</u>
Monticello	5.35%	4.82%
Prairie Island Unit 1	5.50%	4.66%
Prairie Island Unit 2	5.53%	4.57%

The Company stated that these estimates compare to the more optimistic rate of 6.30% assumed in the 2008 decommissioning filing for both the operations and decommissioning periods of all three units, noting that the lower earnings rate results in a higher annual accrual.

The Department reviewed the Company’s analysis and concluded that the earnings rate forecast recommended is reasonable.

⁹ The earnings rate is based on an estimate of the income that will be earned on the total decommissioning funds accrued to date.

F. Annual Accrual

The Company stated that the decommissioning accrual is an annuity calculation based on the yearly expenditures, in nominal dollars, provided for each cost estimate scenario. The Company proposed annual accruals for each of the scenarios presented (36, 60, 100, and 200 years). For the 36-year scenario recommended by the Company, it stated that the total annual decommissioning accrual for Monticello and the two Prairie Island generators would be \$11,180,757.

The Department used Xcel's calculated accrual for the 36-year period consistent with Xcel's calculated accruals, and the 2013 accruals for the Minnesota jurisdiction with and without the independent spent fuel management costs. Based on its recommendation that the spent fuel management costs be excluded, the Department stated that it supports an annual decommissioning accrual for the Monticello and the two Prairie Island generators of \$1,451,851.

G. End-of-Life Accrual

Xcel proposed to change the 2013 end-of-life annual accrual for the Minnesota jurisdiction to \$2,022,113 -- a \$171,091 increase in the accrual based on factors approved in the last triennial filing. The Department reviewed the Company's calculations and agreed that they were reasonable.

H. Cost Escalation Rate

The Company recommended a 3.63% escalation rate for the remaining operational period through the decommissioning period through the radiological decommissioning period, and a 2.63% escalation rate for the operational period for the dry cask storage and the final site restoration.¹⁰ Xcel explained that the approximately 1% drop in the escalation rate during the later periods is due to the fact that a smaller labor force will be needed during that time period. In making its recommendation, the Company relied on a forecast analysis conducted by PGA.

After review and a request for additional comments, the Department stated that it generally agrees that the Company's use of PGA to calculate the escalation rate, and the use of a two-step process (with separate escalation rates for operations/decommissioning and site restoration) is an improvement over the prior process used. The Department recommended that the Commission approve Xcel's proposed escalation rates.

I. Spent Fuel Management Costs

The Department recommended excluding the costs of spent fuel management incurred after the retirement date of Monticello and Prairie Island Units 1 and 2 (2030, 2033, and 2034 respectively) in the decommissioning cost estimate as not necessary or appropriate.

The Department based its reasoning in part on Xcel's February 29, 2012 response to the Nuclear Regulatory Commission in the Prairie Island nuclear license renewal proceeding, in which it stated:

¹⁰ The escalation rate is used to inflate the jurisdictional cost estimate to the future years and the earnings rate is used to determine present value of those future dollars back to the start of decommissioning.

Although the minimum prescribed amount of decommissioning financial assurance required of reactor licensees specified in 10 CFR 50.75 does not include the costs of decommissioning an ISFSI, **NSPM stated in its original ISFSI application that the ISFSI decommissioning costs would be added to the PINGP decommissioning report filed under 10 CFR 50.75** (Reference 3)(emphasis added). NSPM has since included the cost of ISFSI decommissioning in its biannual decommissioning funding status reports, in accordance with 10 CFR 50.75(f)(1).

The Department further reasoned that 1) the DOE is currently paying these costs due to the recent settlement between the Company and the DOE; and 2) charging Xcel's current Minnesota ratepayers for these costs would represent a misallocation in the recovery of the funds with current ratepayers being charged for the costs, while future ratepayers would potentially receive refunds of over-collected decommissioning costs.

As an alternative position, the Department recommended that the Commission order Xcel to address the issue in its next decommissioning study and to consider whether to establish a separate fund for spent fuel management costs or remove the costs from the decommissioning cost calculations on a going-forward basis.

In its response to the Department's comments, Xcel acknowledged the Department's recommendation to split spent fuel management costs from the decommissioning fund on a going forward basis. Xcel concurred that the issue should be addressed in the next triennial decommissioning docket.

Xcel explained that 10 C.F.R. 50.54(bb) requires a licensee to submit written notification to the NRC five years before expiration of a reactor operating license, outlining the program by which it intends to manage and provide funding for the management of all irradiated fuel at the reactor following permanent cessation of operation until title and possession of the fuel is passed to the Secretary of Energy. Xcel stated that the NRC approved the submission the Company made in 2008, and required the Company to notify the NRC of any significant changes in the program from that provided in its initial notification. Xcel promised to review the matter with the NRC and include a report in the next triennial filing so as to assure its proposed split is in compliance with NRC regulations.

J. Other Issues

The Department reviewed the Company's submissions on property tax assumptions, the risk of premature decommissioning, and asset retirement obligations, including its accounting for Statement of Financial Accounting Standards, No. 143.¹¹ The Department found all to be reasonable, and recommended that the Commission accept the Company's property tax assumptions, its annual report on the risk of premature decommissioning, and its accounting for SFAS 143. The Department recommended that the Company continue provide a balance sheet accounts for SFAS 143 related to nuclear decommissioning in its next decommissioning filing,

¹¹ Statement 143 addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs.

with a brief narrative explaining the numbers provided on the asset retirement balance sheet for nuclear decommissioning.

V. Commission Action

As discussed above, Xcel and the Department have reached similar conclusions and made the same recommendations regarding most of the issues raised in this matter. Based on its review and analysis, the Commission finds that these conclusions and recommendations are reasonable and will adopt them as set forth in its ordering paragraphs below.

Further, based on the recommendations of the parties, the Commission will adopt Xcel's proposal to modify the refund requirement set in the December 16, 2011 Order in Docket No. E-002/M-11-807 and require Xcel to place the Department of Energy settlement payments for years 2012 and 2013 immediately into the decommissioning fund when received. As more fully set out in the ordering paragraphs, the Commission will require the Company to discuss the year-end 2014 Department of Energy settlement payment in the 2014 decommissioning study, and preserve the funds for consideration in the 2014 decommissioning filing.¹²

The Commission has carefully considered the various time frames proposed by the parties for the storage of spent nuclear fuel after the cessation of operations at Xcel's nuclear facilities in Minnesota. The Commission concludes that, while the time frame proposed by Xcel and the Department is consistent with the time frame used in its 2009 decommissioning order, the timeframe projected for the establishment of a centralized interim storage facility for nuclear spent fuel, which forms the basis for their recommendation of a 36-year decommissioning period, no longer seems reasonably attainable.

This recommendation assumes a period of only three years for Congress to act on the Blue Ribbon Commission's recommendations and to enact any required legislative changes. The recommendation further assumes a period of only ten years for the centralized storage facility to be sited, licensed, and constructed. The Commission finds these timeframes overly optimistic, based on the delays which have to date dogged federal efforts to achieve permanent disposal of high-level radioactive waste.

While the Commission finds that a 36-year period is too optimistic, the Commission is also not persuaded at present by the host communities' and CURE's recommendation that a period of 100 years for the removal and storage of nuclear waste fuel is necessary and/or reasonable.

Instead, the Commission believes that by the time of Xcel's next decommissioning filing, there may have been movement on a number of fronts (e.g., further congressional action and/or the agreement of host communities to accept interim storage of the spent nuclear fuel) that will allow it to fine tune its actions in this proceeding if needed. To aid in the further development of possible alternative scenarios for interim storage, the Commission will require Xcel to provide in its next triennial nuclear decommissioning filing an analysis of the costs of switching out the dry cask

¹² The Commission declines, however, to require Xcel to set aside a portion of the settlement funds to analyze the long-term impact of spent fuel storage on the host communities, finding that no basis has been established for such a need at this time.

storage units at 50 years. The Commission will also require the Company to include in its next decommissioning filing a cost analysis for other waste costs tied to the decommissioning process, including all classes of nuclear waste and identifying fuel and non-fuel costs as well as spent and non-spent fuel costs.

Further, the Commission will require Xcel to work with the Minnesota host communities and the Indian Community to address the state's statutory requirement to evaluate the cost, if any, arising from storage of used nuclear fuel that may be incurred by the state of Minnesota, and any tribal community, county, city, or township where used nuclear fuel is located following the cessation of operations at a nuclear plant.

For the present, however, the Commission will adopt a 60 year decommissioning accrual period for the storage and removal of spent nuclear fuel from the Monticello and Prairie Island facilities, recognizing that by crediting the Department of Energy settlement payments for 2012 and 2013 into the decommissioning accrual account, the account will be adequately funded to cover every scenario at every funding level considered in this proceeding for the next several years.

Accordingly, the Commission will set the annual decommissioning accrual at \$14,189,132, the amount calculated by Xcel for a 60-year decommissioning period.

ORDER

1. The Commission approves a decommissioning plan for the Monticello and Prairie Island nuclear units based on the following factors:
 - a. a 3.63 percent cost escalation rate for the remaining operational period through the radiological decommissioning period and 2.63 rate percent after that period;
 - b. the following earnings rates for a 60 year decommission period:

<u>Nuclear unit</u>	<u>Operations</u>	<u>Decommissioning</u>
Monticello	5.35%	4.82%
Prairie Island Unit 1	5.50%	4.66%
Prairie Island Unit 2	5.53%	4.57%
 - c. An annual accrual of \$14,189,132 based on a 60 year decommissioning period.
2. The refund requirement set in the December 16, 2011 Order in Docket E-002/M-11-807 shall be modified to require Xcel to place the Department of Energy settlement payments for year-end 2012 and 2013 immediately into the decommissioning fund when received.
3. Xcel shall discuss the year-end 2014 Department of Energy settlement payment in the 2014 decommissioning study, and preserve the funds for consideration in the 2014 decommissioning filing.
4. Immediately after receipt, Xcel shall place the 2014 payment into an external holding account to be held until the Commission determines that the payment should be refunded

or deposited into the escrow account. Per its agreement with the Department, Xcel shall track the Department of Energy payments into the decommissioning escrow account against the future decommissioning expenses ultimately assessed by the Commission.

5. The Commission hereby approves an end-of-life fuel accrual of \$2,022,113 for Monticello and Prairie Island combined.
6. The Commission hereby approves Xcel's proposed rebalancing of the escrow funds in amounts consistent with the approved decommissioning period.
7. Xcel shall use the market value of the funds to forecast the future value of the funds.
8. Xcel shall address the issue of recovery of spent fuel management costs in its next decommissioning study (considering whether to establish a separate fund for spent fuel management costs or removing these costs from the decommissioning cost calculations on a going-forward basis).
9. Xcel shall file its next triennial nuclear decommissioning filing on or before October 1, 2014.
10. The Commission accepts Xcel's property tax assumptions for purposes of calculating the 2011 decommissioning accrual.
11. The Commission approves Xcel's assessment regarding the risk of premature decommissioning and will require the Company to provide another assessment in its next triennial decommissioning filing, including a fiscal analysis of fuel generation alternatives other than buying coal on the open market, such as wind/gas and/or combined cycle conversion.
12. Xcel shall provide in its next decommissioning study a discussion on its actual return on decommissioning investments for 2012 to 2014 and explain how these returns compared to the appropriate benchmark or indices.
13. Xcel shall continue to provide balance sheet accounts for SFAS 143 related to nuclear decommissioning in its next triennial decommissioning filing, with a brief narrative explaining the numbers provided on the ARO balance sheet for nuclear decommissioning.
14. Xcel shall address in its 2014 decommissioning cost study the United States Government Accountability Office Report dated April 5, 2012 and entitled, "NRC's Oversight of Nuclear Power Reactors' Decommissioning Fund Could be Further Strengthened."
15. Xcel shall use a consultant (rather than Xcel) to prepare the Schedule C escalation analysis section and provide a statement indicating that the consultant is doing this calculation in an independent manner.
16. Xcel shall include an analysis of property taxes paid to the Host Communities in its next decommissioning filing. This should include a clarification of the tax status of the casks.

17. Xcel shall work with the host communities and the Indian Community to address the Minnesota statutes requirement to evaluate the cost, if any, arising from storage of used nuclear fuel that may be incurred by the state of Minnesota, and any tribal community, county, city, or township where used nuclear fuel is located following the cessation of operations at a nuclear plant. The Company shall file status reports on the progress of the meetings on October 1, 2013 and April 1, 2014.
18. Xcel shall provide in its next triennial nuclear decommissioning filing an analysis of the costs of switching out the dry cask storage units at 50 years. The Company shall also include in its next decommissioning filing a cost analysis for other waste costs tied to the decommissioning process, including all classes of nuclear waste and identifying fuel and non-fuel costs as well as spent and non-spent fuel costs.
19. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary



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