

STATE OF MICHIGAN  
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of	)	
<b>NORTHERN STATES POWER COMPANY -</b>	)	
<b>WISCONSIN (XCEL)</b> for a reconciliation	)	Case No. U-16313
of its renewable energy revenues and expenses for	)	
2010.	)	
_____	)	

At the November 10, 2011 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. John D. Quackenbush, Chairman  
Hon. Orjiakor N. Isiogu, Commissioner  
Hon. Greg R. White, Commissioner

**ORDER APPROVING SETTLEMENT AGREEMENT**

On June 27, 2011, Northern States Power Company, a Wisconsin corporation and wholly-owned subsidiary of Xcel Energy Inc. (NSP-W), filed an application, with supporting testimony and an exhibit, for authority to reconcile the expenses and revenues associated with its renewable energy plan for the period ended December 31, 2010.

A prehearing conference was held on August 3, 2011 before Administrative Law Judge Sharon L. Feldman. NSP-W and the Commission Staff participated in the proceedings. Subsequently, the parties submitted a settlement agreement resolving all issues in the case.

According to the terms of the settlement agreement, attached as Exhibit A, the parties agree that NSP-W's 2010 renewable energy annual report satisfies the requirements of Section 51 of Public Act 295 of 2008, MCL 460.1001 *et seq.* The parties further agree that for the 12-month

period ended December 31, 2010, NSP-W was not authorized to charge, nor did it collect, a renewable energy surcharge, and thus there are no renewable energy surcharge revenues to be reconciled.

The Commission finds that the settlement agreement is reasonable and in the public interest, and should be approved.

THEREFORE, IT IS ORDERED that:

A. The settlement agreement, attached as Exhibit A, is approved.

B. Northern States Power Company's application for authority to reconcile its renewable energy plan for the 12-month period ended December 31, 2010 is approved.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, under MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

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John D. Quackenbush, Chairman

By its action of November 10, 2011.

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Orjiakor N. Isiogu, Commissioner

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Mary Jo Kunkle, Executive Secretary

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Greg R. White, Commissioner

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the Application of	)	
<b>NORTHERN STATES POWER</b>	)	
<b>COMPANY – WISCONSIN (XCEL ENERGY)</b>	)	Case No. U-16313
for a reconciliation of its renewable energy	)	
<u>revenues and expenses for 2010.</u>	)	

SETTLEMENT AGREEMENT

Pursuant to MCL 24.278 and Rule 333 of the Rules of Practice and Procedure before the Michigan Public Service Commission (“Commission”), R 460.17333, Northern States Power Company, a Wisconsin corporation and wholly-owned subsidiary of Xcel Energy, Inc. (“NSPW” or the “Company”) and the Commission Staff (“Staff”) agree as follows:

1. On June 27, 2011, the Company filed its Renewable Energy reconciliation application including its annual report for 2010 and supporting direct case.
2. In its direct case, NSPW represented that for the 12-month period ending December 31, 2010, its renewable energy plan, as approved by the Commission in Case No. U-15809 on May 12, 2009, did not include a renewable energy surcharge. Therefore, as no renewable energy surcharges were applied to NSPW’s Michigan customers in 2010, NSPW reported no related collections. Instead, the 2010 renewable energy plan provided for the Company to meet renewable energy standards through existing power supply resources, with the costs thereof to be addressed and accounted for through Power Supply Cost Recovery proceedings, without a separate renewable energy surcharge.

3. On July 7, 2011, the Commission's Executive Secretary issued the Notice of Hearing in this proceeding directing the Company to mail a copy of the Notice of Hearing to all cities, incorporated villages, townships and counties in its Michigan electric service area. Furthermore, the Company was directed to publish the Notice of Hearing in daily newspapers of general circulation throughout its Michigan electric service area. On July 19, 2011, the Company electronically filed its affidavit of mailing and proof of publication.

4. On August 3, 2011, Administrative Law Judge Sharon L. Feldman conducted the prehearing conference. The Company and Staff attended the prehearing conference. There were no intervenors.

5. On October 17, 2011, following an audit, Staff filed its direct case in this matter recommending that, the Commission accept the application and find that NSP's Renewable Energy reconciliation for 2010 did not result in an over-or under-recovery of costs.

6. Subsequent to Staff's direct case filing, the parties participated in settlement discussions and agree as follows:

- a. NSPW's 2010 Renewable Energy Annual Report satisfies the requirements of Section 51 of Act 295, MCL 460.1001 *et seq.*
- b. For the 12-month period that ended December 31, 2010, NSPW was not authorized to charge, nor did it collect, a renewable energy surcharge.

Thus, there are no revenues or expenses to reconcile in this proceeding.

7. All the parties are of the opinion that this Settlement Agreement is reasonable, in the public interest, and will aid in the expeditious conclusion of this case.

8. This Settlement Agreement is entered into for the sole and express purpose of reaching a compromise among the parties. All offers of settlement and discussions relating to

this settlement are considered privileged under Michigan Rule of Evidence 408. If the Commission approves this Settlement Agreement without modification, neither the parties to the Settlement Agreement or the Commission shall make any reference to, or use this Settlement Agreement or the order approving it, as a reason, authority, rationale or example for taking any action or position or making any subsequent decision in any other case or proceeding, however, such references may be made to enforce or implement the provisions of this Settlement Agreement and the order approving it.

8. The parties further agree that any order approving this Settlement Agreement shall not establish precedent for future proceedings. This Settlement Agreement is based on the facts and circumstances of this case and is intended as the final disposition of Case No. U-16313. If the Commission approves this Settlement Agreement, without modification, the undersigned parties agree not to appeal, challenge or otherwise contest the Commission order approving this Settlement Agreement.

9. This Settlement Agreement is not severable. Each provision of this Settlement Agreement is dependent upon all other provisions of this Settlement Agreement. Failure to comply with any provision of this Settlement Agreement constitutes failure to comply with the entire Settlement Agreement. If the Commission rejects or modifies this Settlement Agreement or any provision of this Settlement Agreement, this Settlement Agreement shall be deemed to be withdrawn, it shall not constitute any part of the record in this proceeding or be used for any other purpose, and shall not operate to prejudice the pre-negotiation position of any party.

10. The parties agree to waive § 81 of the Administrative Procedures Act of 1969, as amended, MCL 24.281, as it applies to the issues in this proceeding, if the Commission approves this Settlement Agreement without modification.

NORTHERN STATES POWER COMPANY,  
A WISCONSIN CORPORATION

Sherri A.

Digitally signed by: Sherri A. Wellman  
DN: CN = Sherri A. Wellman C = US O  
= Miller Canfield  
Date: 2011.10.19 15:59:07 -05'00'

Dated: October 19, 2011

By: Wellman

Its Attorney  
Sherri A. Wellman (P38989)  
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MICHIGAN PUBLIC SERVICE COMMISSION STAFF

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Dated: October 19, 2011

By: \_\_\_\_\_

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