

August 14, 2013

—Via Electronic Filing—

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: SHERCO UNIT 3 RESTORATION UPDATE
DOCKET NO. E002/AA-11-1173

Dear Dr. Haar:

Northern States Power Company, doing business as Xcel Energy, provides this update to the Minnesota Public Utilities Commission on restoration activities at the Sherburne County Generating Station Unit 3 after the event that occurred on November 19, 2011.

We continue to make good progress on our restoration efforts and expect Unit 3 to return to service in early September. As noted previously, once the unit is returned to service, there will be a short period of testing (likely a couple of weeks) to complete testing, tuning, and ramping before releasing the unit for dispatch by MISO. Below we provide a summary of the current status of each major component and additionally provide Attachment A which is a visual summary of our progress to date.

- *Generator (98% complete)*

The generator final alignment and grouting is complete. The flushing of the high purity stator cooling water system is complete and the stator cooling water system has been placed into normal operation. The generator seal oil system has been placed into operation and the generator air test is in progress. The generator is ready for turning gear operation.

- *High Pressure and Reheat Turbines (95% complete)*

The final coupling bolting process and the final lube oil flushing/cleaning are complete. Casing insulation installation is in progress. The high pressure and reheat turbines are expected to be ready for turning gear operation within the next week.

- *Low Pressure Turbines (LP-A and LP-B) (98% complete)*

The final coupling bolting process and the final lube oil flushing/cleaning are complete. The low pressure turbines are expected to be ready for turning gear operation within the next week.

- *Generator Exciter (98% complete)*

The flushing of the cooling water lines to the exciter rectifier units is complete. Grouting of the exciter and final installation of the “doghouse” enclosure are complete.¹

- *Balance of Plant Systems and Components*

The balance of plant systems and components, like piping, cable, and instruments continue to be installed and turned over to the startup team for final commissioning and initial operation. The startup team continues to check the wiring, instrumentation, and control systems and is flushing various piping systems. We have started placing the balance of plant systems into operation. We currently forecast the turbine generator will be placed into turning gear operation within the next week, and will be ready for steam the following week.

We will continue to provide updates to the Commission, with our next update expected to be filed in late August 2013. We appreciate the opportunity to update the Commission on our work to restore Sherco 3 to service. Please contact me at christoper.b.clark@xcelenergy.com or (612) 215-4593 if there are any questions regarding this update.

¹ The “doghouse” is a common industry term describing the protective metal enclosure surrounding the generator.

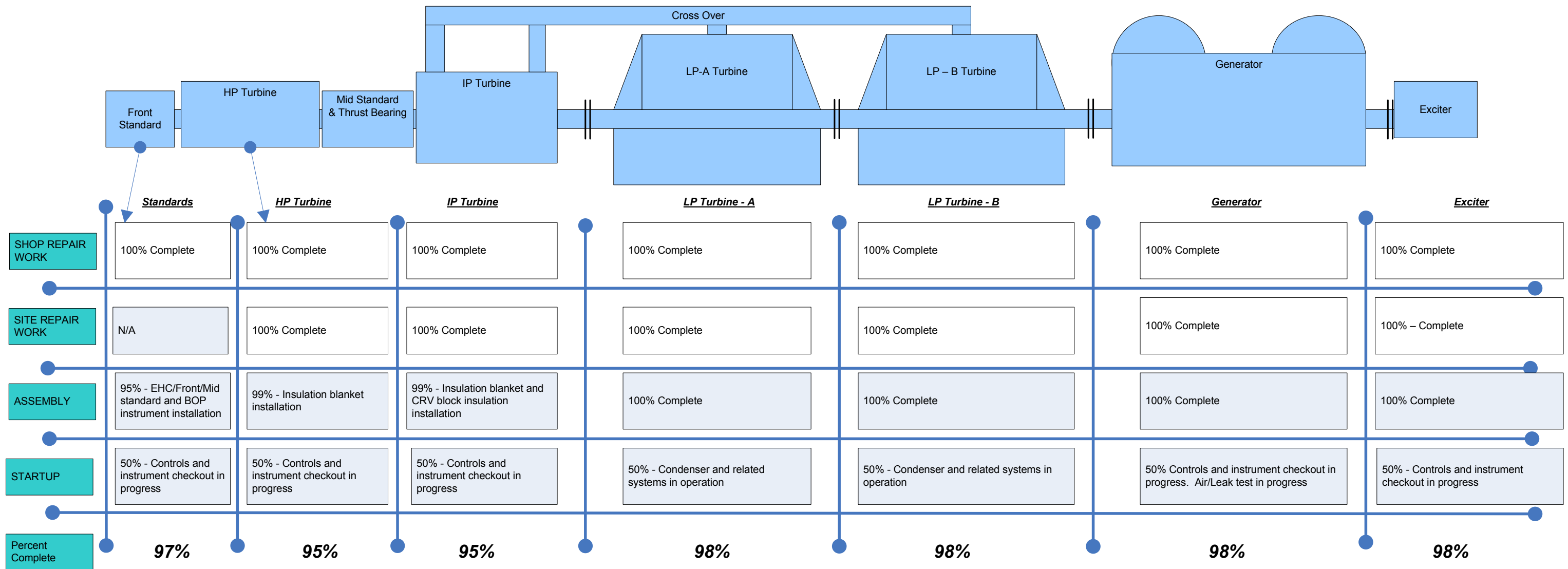
Sincerely,

/s/

CHRISTOPHER B. CLARK
REGIONAL VICE PRESIDENT
RATES AND REGULATORY AFFAIRS

Enclosures
c: Service List

Xcel Energy
 SHERCO 3
 Restoration Project
 Update: August 13, 2013



Notes:
 1. BOP Mech/Electrical/Controls/Instrumentation work not represented here, however, all is on track to support the re-assembly and startup of unit.

CERTIFICATE OF SERVICE

I, SaGonna Thompson, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota;

xx by email; or

xx by electronic filing.

Docket Nos.: E002/AA-11-1173 Sherco Unit 3 Restoration Update

Dated this 14th day of August 2013.

/s/

SaGonna Thompson

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