

June 6, 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 now expect Unit 3 to return to service in early September, slightly earlier than we noted in our last update in this docket on May 17, 2013. 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 Rotor and Stator (85% complete)*

Assembly of the generator continues. The generator end shields (end bells) were delivered in late May and trial installation has started. After completion of the end shields trial fitting and testing, the rotor will be inserted. We now forecast the generator to achieve mechanical completion in mid-July, which is earlier than what we reported in our last update.

- *High Pressure and Reheat Turbines (82% complete)*

Pipe welding to the high pressure and reheat turbines continues. The extraction steam lines have been welded to the reheat turbine and the cold reheat steam leads have been welded to the high pressure turbine. The final load arm checks and “Tops-On” and “Tops-Off” alignments have been completed. The loading and

alignment of the inner casings and lower HP/IP diaphragms has started. We currently forecast the high pressure and reheat turbines to be substantially assembled by late July, which is ahead of our previously communicated schedule.

- *Low Pressure Turbines (LP-A and LP-B) (85% complete)*

Final fit up, alignment, and installation of internal components continues. Final diaphragm adjustments and alignments have started. Assembly of the two low pressure turbines is forecasted to be substantially complete by late July.

- *Generator Exciter (75% complete)*

The trial assembly of the rotor, bearings, and end shields revealed the need for minor machining changes, which have been completed. The final assembly is in progress.

- *Balance of Plant Systems and Components*

The balance of plant systems and components, like piping and cable, continue to be installed and restored. We continue walk-down and valve line-up confirmation process for all balance of plant systems and components in preparation for the return to service. That schedule supports the turbine/generator restoration and return to service schedule and those system checks are in-progress.

We will continue to provide updates to the Commission, with our next update expected to be filed later in June 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.

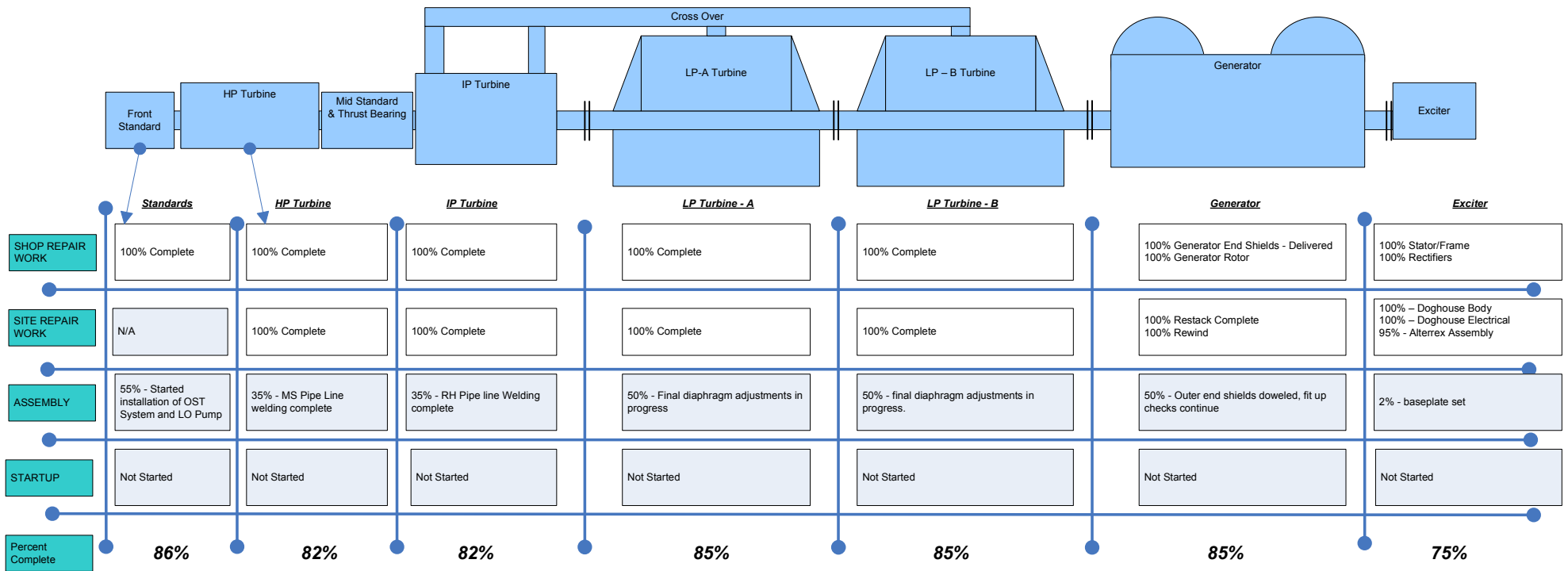
Sincerely,

/s/

CHRISTOPHER B. CLARK
REGIONAL VICE PRESIDENT
RATES AND REGULATORY AFFAIRS

Enclosures
c: Service List

Xcel Energy
 SHERCO 3
 Restoration Project
 Update: June 3, 2013



Notes:
 1. BOP Mech/Electrical/Controls/Instrumentation/New Parts orders 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 6th day of June 2013.

/s/

SaGonna Thompson

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