

125 FERC ¶ 61,094
FEDERAL ENERGY REGULATORY COMMISSION
WASHINGTON, D.C. 20426

October 24, 2008

In Reply Refer To:
Xcel Energy Services, Inc.
Docket Nos. ER05-699-000
ER05-699-006

Morgan, Lewis & Bockius, LLP
Attn: Kevin C. Frank, Esq.
Attorney for Xcel Energy Services, Inc.
1111 Pennsylvania Avenue, N.W.
Washington, D.C. 20004

Dear Mr. Frank:

1. On July 9, 2008, you filed an Offer of Settlement and Settlement Agreement and an Explanatory Statement (Settlement) in Docket No. ER05-699-006 on behalf of Xcel Energy Services (Xcel Energy), as agent for Northern States Power Company (a Minnesota corporation) and Northern States Power Company (a Wisconsin corporation) (jointly, the NSP Companies), and the Central Minnesota Municipal Power Agency (CMMPA), on behalf of itself and the cities of Ada, Fairfax, Sleepy Eye, Delano, Glencoe, Janesville, Kenyon and Lake Crystal (all located in Minnesota, collectively Cities). On July 29, 2008, Commission Trial Staff (Staff) submitted comments supporting the Settlement. No other comments were filed. On August 21, 2008, the Settlement Judge certified the Settlement to the Commission as uncontested.

2. The Settlement resolves all outstanding contested issues, specifically the dispute over the proper assignment of certain tariff charges, between Xcel Energy, the NSP Companies, CMMPA and the Cities (together, Settling Parties) in the above-referenced proceeding. The Settlement is fair and reasonable, and in the public interest and is hereby approved. Commission approval of the Settlement does not constitute approval of, or precedent regarding, any principle or issue in this proceeding. The standard of review for any modifications to the Settlement that are not agreed to by the Settling Parties, including any modifications resulting

from the Commission acting *sua sponte*, shall be the “just and reasonable” standard of review. The Commission retains the right to investigate the rates, terms and conditions under section 206 of the Federal Power Act, 16 U.S.C. § 824e (2006).

3. The tariff designations do not comply with Designation of Electric Rate Schedule Sheets, Order No. 614, FERC Stats. & Regs., Regulations Preambles July 1996-December 2000 ¶ 31,096 (2000). Xcel Energy Services, Inc. is required to file rate schedule sheets in conformance with Order No. 614 within 30 days of this order approving the Settlement.

4. The NSP Companies are directed to make payments, consistent with the Settlement, to CMMPA and/or the Cities within 14 business days from the date of this approval. The Cities of Ada, Fairfax and Sleepy Eye are directed to make payments, consistent with the Settlement, to the NSP Companies, within 14 business days from the date of this approval.

5. This order terminates Docket Nos. ER05-699-000 and ER05-699-006.

By direction of the Commission.

Nathaniel J. Davis, Sr.,
Deputy Secretary.

cc: All parties of record