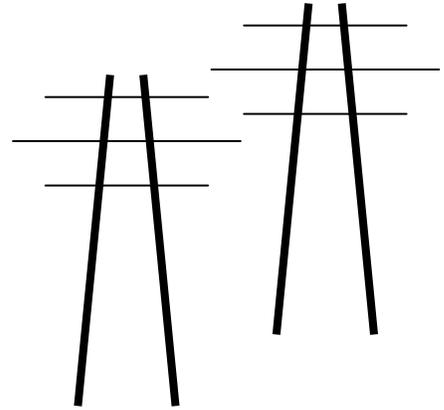


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October 23, 2012

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

eFiled & emailed: burl.haar@state.mn.us

RE: **Supplemental Information (10/22/12) – Further Changed Circumstances**
Comments of Carol A. Overland and Alan Muller
PUC Docket 08-509; 08-510

Dear Dr. Haar (and eFiling eService list for above dockets):

Alan Muller and Carol Overland are filing this comment as an independent attorney and an independent consultant frequently appearing before the Commission, with extensive knowledge of nuclear issues, and as residents of Red Wing (Prairie Island Nuclear Generating Plant) and as residents of Port Penn, Delaware (Salem/Hope Creek nuclear plants). Eradication of nuclear generation and waste is a goal we share. We are not making this Comment in the course of representation of any party.¹

Regarding this project and the Certificate of Need, we raise these issues, appreciating Xcel Energy's disclosures. First, Xcel Energy's "Supplemental" filing yesterday states:

This new information stems from our most recent refueling outage at PI, where the extended outage allows us to modify the schedule for future refueling outages. This change further and materially reduces the anticipated benefits of the PI uprates, which had already been substantially reduced from those predicted in the Certificate of Need case authorizing the uprates.

...

¹ In addressing the previously filed Overland/Muller comments, PUC staff states:

It should be noted that a strict reading of the operative rule for the immediate proceeding does not specifically provide for public comment ("*intervenors may comment ...*", Minnesota Rule 7849.0400 excerpted above). The Petitioners elected to respond to these comments directly, therefore they are included here.

The Overland/Muller comments should not be treated differently than those of the PINGP "Study Group" which is also NOT an intervenor party in this docket. Public participation is to be encouraged, not discouraged or dismissed.

We note that, in light of the total system costs, \$10 million PVRR is not a meaningful difference. In essence, before considering risk factors, the Strategist model does not draw a clear distinction between the two scenarios, thus no longer identifies a clear benefit associated with implementation of the uprates.

In addition, Xcel details the risks of extended or delayed uprate request proceedings at the Nuclear Regulatory Commission, additional design detail from applicants, which means that is taking seriously the Fukushima Dai-ichi nuclear disaster and strengthening nuclear regulation. That takes time, effort, and money – costs will be increased. Delay alone, without yet adding potential design costs, tips the scale:

A one-[fuel]cycle delay in implementation would reduce the benefits of the project by approximately \$10 million, which would eliminate the revised expected benefits of the project.

Xcel states it very clearly:

Our updated plan agreed with the Department of Commerce’s recommendation of a 400 to 600 MW need, which would accommodate a decision to not proceed with the uprates.

...

As a result, we conclude that a decision not to proceed with the uprates would in no way pose risk to customers of an insufficient supply to meet their needs.

...

At this point, we believe it is reasonable to conclude that further investment in the project will not benefit our customers.

...

Based on these considerations, we conclude that the risks of the project outweigh the expected benefits, and customers would be better off if this project did not proceed.

Please just say no, and let it go!

We agree with Xcel that the Commission should order:

- Based on new information and developments, continued pursuit of the PI uprates is no longer in customers’ interests and should not proceed. The Company will instead ensure that the upcoming competitive resource acquisition process secures sufficient resources to meet customer needs absent the uprates.
- The Company should provide the Commission an informational filing regarding accounting treatment of the already-incurred project costs and propose regulatory treatment in its next rate case proceeding.

However, we believe Xcel should hold some responsibility for the costs because it is not news to the company that this project was of questionable benefit at best, and we request that the Commission allocate a reasonable share of the now \$71 million expended to the company. Although the Commission did grant the Certificate of Need, when it filed the Change in Circumstances notice, the expenses were at \$57 million.

Secondly, it is very disturbing that despite Xcel's obviously reluctant trudging through the regulatory steps, Commerce has continued to advocate for this project. Advocacy by Commerce is inappropriate. The PUC Staff Briefing Papers filed yesterday state the position of Commerce as:

The Department also noted that its results comparing the model to a No EPU ("no build") scenario provided somewhat more benefits to ratepayers than Xcel's analysis. Most of this difference was attributable to the Department's inclusion of a carbon dioxide (CO2) cost in all scenarios.

The Department recommended that the Commission approve Xcel's Petition, find that the change in size and delay in timing of the PINGP EPU would not have changed the Commission's initial decision to grant the certificate of need, and conclude that the EPU remains in the public interest.

Where the "no build" alternative provides "somewhat more benefits to ratepayers" there is no justification for a statement that nothing has changed and that it "remains in the public interest."

Please, let's forego yet another comment period, forego spending resources to argue what Xcel already admits and which the formal parties have already argued extensively and exhaustively, and just say no now.² The Commission has more than enough information at this time, and the record would support that "NO" decision by the Commission. Xcel states it would support that decision by the Commission. We'd support that decision by the Commission. Just do it!

Again, we thank you for the opportunity to submit this Comment.

Very truly yours,



Carol A. Overland
Attorney at Law



Alan Muller
Energy and Air-Emissions Consultant

² If not "NO" now, then of course, let's have another round of Comments.