

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter of the application of)	
NORTHERN STATES POWER-WISCONSIN,)	
d/b/a XCEL ENERGY, for a reconciliation of its)	Case No. U-13918-R
gas cost recovery revenues and expenses for the)	
12-month period ended March 31, 2005.)	
_____)	

At the March 14, 2006 meeting of the Michigan Public Service Commission in Lansing, Michigan.

PRESENT: Hon. J. Peter Lark, Chairman
Hon. Laura Chappelle, Commissioner
Hon. Monica Martinez, Commissioner

ORDER APPROVING SETTLEMENT AGREEMENT

On June 30, 2005, Northern States Power-Wisconsin, d/b/a Xcel Energy (NSP-W), filed an application, with supporting testimony and exhibits, requesting approval of its gas cost recovery (GCR) reconciliation for the 12-month period ended March 31, 2005 and requesting approval to roll into its current GCR plan a net GCR underrecovery, inclusive of pipeline refunds and interest.

Pursuant to due notice, a prehearing conference was held on September 8, 2005 before Administrative Law Judge Barbara A. Stump. NSP-W and the Commission Staff participated in the proceedings. On February 10, 2006, the parties submitted a settlement agreement resolving all issues in this proceeding. The parties have waived compliance with Section 81 of the Michigan Administrative Procedures Act, 1969 PA 306, as amended, MCL 24.281.

According to the terms of the settlement agreement, attached as Exhibit A, the parties agree that: 1) the expenditures charged by NSP-W for the cost of gas supply during the 12-month period ended March 31, 2005 were reasonable and prudent, and 2) NSP-W undercollected a net total of \$372,937 from its Michigan gas customers during that period. The undercollected amount includes a roll-in of the Michigan portion of pipeline refunds of \$16,200 received during this GCR plan period, a roll-in of the net underrecovery of \$205,513 from NSP-W's prior GCR reconciliation, and interest. The parties agree that NSP-W will roll the net total undercollected amount of \$372,937 into the Company's current 2005-2006 GCR plan costs pursuant to the method authorized by the Commission in its June 30, 1995 order in Case No. U-10491-R.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 300, as amended, MCL 462.2 *et seq.*; 1919 PA 419, as amended, MCL 460.51 *et seq.*; 1939 PA 3, as amended, MCL 460.1 *et seq.*; 1982 PA 304, as amended, MCL 460.6h *et seq.*; 1969 PA 306, as amended, MCL 24.201 *et seq.*; and 1999 AC, R 460.17101 *et seq.*

b. The settlement agreement is reasonable and in the public interest, and it should be approved.

THEREFORE, IT IS ORDERED that:

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

B. Northern States Power-Wisconsin, d/b/a Xcel Energy, shall roll the net underrecovered amount of \$372,937 into its 2005-2006 gas cost recovery plan according to the Commission-approved procedures.

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, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ J. Peter Lark

Chairman

(S E A L)

/s/ Laura Chappelle

Commissioner

/s/ Monica Martinez

Commissioner

By its action of March 14, 2006.

/s/ Mary Jo Kunkle

Its Executive Secretary

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MICHIGAN PUBLIC SERVICE COMMISSION

Chairman

Commissioner

Commissioner

By its action of March 14, 2006.

Its Executive Secretary