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October 15, 2010

Darrell Nitschke  
Executive Secretary  
North Dakota Public Service Commission  
State Capitol  
600 East Boulevard  
Bismarck, North Dakota 58505-0480

**RE: 2010 CUSTOMER ENERGY BUYBACK PROGRAM REPORT**

Dear Mr. Nitschke,

Pursuant to the Northern States Power Company, a Minnesota corporation (“Xcel Energy” or the “Company”) Customer Energy Buyback Program tariff authorized by the North Dakota Public Service Commission (“Commission”) in Case Nos. PU-400-00-217 and PU-400-02-251, the Company hereby reports to the Commission that there was no customer buyback activity during the summer of 2010.

The Company did not need to utilize this buyback option mainly due to cool weather, manageable forced outages and available energy at reasonable market prices in the region. In 2010, there were 12 customers with approximately 27 MW of Committed Load Reduction (CLR) participating in this program in North Dakota and Minnesota. There were 4 customers with a combined CLR of 7.6 MW that participated in North Dakota.

The Company believes the Customer Energy Buyback is a viable option at times when the system reliability is at risk. The Company will continue to administer this buyback program according to the terms and conditions set forth by the Commission in its Order.

If you have any questions please feel free to call me at 701-241-8632, or John Chow at 612-330-7588.

Sincerely,

A handwritten signature in blue ink that reads "David H. Sederquist". The signature is written in a cursive style with a large initial 'D'.

David H. Sederquist  
Senior Consultant, Regulation & Finance