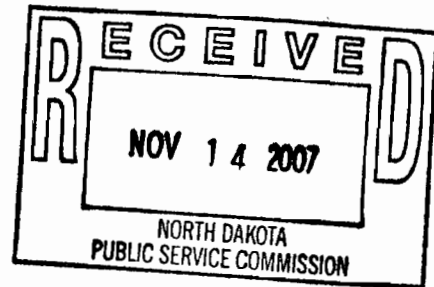


November 13, 2007

Illona A. Jeffcoat-Sacco  
Executive Secretary  
North Dakota Public Service Commission  
600 E. Boulevard Ave., Dept. 408  
Bismarck, North Dakota 58505-0480



**RE: TWIN CITIES – FARGO 345 kV TRANSMISSION LINE PROPOSAL  
LETTER OF INTENT TO CONSTRUCT TRANSMISSION FACILITIES AND  
REQUEST FOR WAIVER FROM ONE-YEAR TIME REQUIREMENT FOR  
FILING LETTER OF INTENT**

Dear Ms. Jeffcoat-Sacco:

Northern States Power Company, a Minnesota corporation (referred to as “Xcel Energy”) and wholly-owned subsidiary of Xcel Energy Inc., along with other entities participating in the CapX2020 Transmission Expansion Initiative, propose to construct a 345 kV transmission line between the Monticello Substation in Monticello, Minnesota and Maple River Substation near Fargo, North Dakota. The purpose of this letter is two-fold: 1) to notify the North Dakota Public Service Commission (“Commission”) of our intent to construct the line as required in N.D.C.C. Section 49-22-07.1 and, 2) to request a waiver of the one-year waiting period established by N.D. Admin. Code 69-06-03-01 between this notification and when an application for a certificate of corridor compatibility and a transmission facility permit can be submitted. This waiver request is made pursuant to North Dakota Cent. Code § 49-22-07.2.

**Proposed Project Overview**

Over the last three years utilities serving the upper Midwest have been developing comprehensive plans to meet the growing demand for electricity throughout the region, including North Dakota. The group and its planning effort have come to be known as CapX2020<sup>1</sup>. The results of the first phase of the effort are four transmission line proposals:

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<sup>1</sup> Participating Utilities: Central Minnesota Municipal Power Agency, Dairyland Power Cooperative, Great River Energy, Minnesota Power, Minnkota Power Cooperative, Missouri River Energy Services, Otter Tail Power

- Twin Cities – La Crosse: This is an approximately 150-mile, 345 kV project between the southeast corner of the Twin Cities, Rochester and La Crosse, Wisconsin. It also includes two new 161 kV transmission lines from Rochester Substation into Rochester.
- Twin Cities – Fargo: This is an approximately 250-mile, 345 kV project between Monticello, St. Cloud, Alexandria and Fargo, North Dakota.
- Twin Cities – Brookings County: This is an approximately 200-mile, 345 kV project between the southeastern corner of the Twin Cities and Brookings County, South Dakota, as well as a 345 kV segment from Marshall to Granite Falls area.
- Bemidji – Grand Rapids: This is an approximately 70-mile, 230 kV project in northern Minnesota.

For more information about these projects, please visit our website at [www.capx2020.com](http://www.capx2020.com).

### **North Dakota Component**

The transmission lines we propose are needed to meet system wide growth in the region. In addition, the Fargo line and the Bemidji--Grand Rapids 230 kV line will provide much needed transmission support to the Red River Valley in eastern North Dakota and northwestern Minnesota. The plan will also support state policies creating ongoing interest in the development of renewables and wind power in the area.

The Twin Cities to Fargo 345 kV transmission line will be constructed sequentially from south to north. The following CapX 2020 participants expect to develop the Twin Cities to Fargo 345 kV transmission line: Xcel Energy, GRE, Minnesota Power, Missouri River Energy Services, and Otter Tail Power. We anticipate the segment from Alexandria to Fargo will be placed in service by 2015. Attachment A is an implementation schedule for the project. Attachments B-B2 are maps of the proposed facility corridor (approximate only). We estimate the line will cost from \$390 million to \$560 million depending on route selection and design.

We have begun discussions with Commission staff regarding the best way to approach the North Dakota permitting process and the coordination of the routing process with Minnesota. At this time no firm schedule has been established for permit applications. However, we anticipate filing an application for a Certificate

of Public Convenience and Necessity sometime this winter and applications for a Certificate of Corridor Compatibility and a Route Permit next summer or fall.

**Request**

Pursuant to N.D.C.C. Section 49-22-07.2, Xcel Energy respectfully requests that the Commission grant a waiver from the rule requirement that a Letter of Intent be filed at least one year prior to submitting an application for construction of an electric transmission line. N.D. Admin. Code 69-06-03-01. While no firm schedule has yet been established, our request is in anticipation that some flexibility may be necessary in order to coordinate the regulatory processes in North Dakota and Minnesota, as well as federal environmental review, so that a common border crossing can be established. The coordination of state and federal permitting processes toward a common border crossing designation is critical to the successful implementation of this import transmission infrastructure addition and may require an accelerated filing. We will continue to work with staff to establish a schedule that best meets the Commission's needs and keep you informed of our progress.

The original and ten copies of this waiver application are being filed with the Commission as specified in N.D. Admin. Code 69-06-06-01.2.

If you have questions, or if you need additional information, please contact me at 763-493-1808.

Sincerely,

  
Darrin Lahr  
SITING AND PERMITTING SUPERVISOR

ENCLOSURES