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March 10, 2011

Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
Department 408
600 East Boulevard Avenue
Bismarck, ND 58505-0480

**Re: Northern States Power Company
Fargo-Monticello MN 345 kV Cap-X Transmission Line
Siting Application
Case No. PU-07-759**

Dear Mr. Nitschke:

On December 30, 2010, Northern State Power Company, a Minnesota corporation (“Xcel Energy” or the “Company”) submitted its application for a Certificate of Corridor Compatibility (“Application”) to the North Dakota Public Service Commission (the “Commission”) for the North Dakota portion of the CapX2020 Fargo Project. In the Application, the Company provided four potential corridors (corridors A-D) that could accommodate the Fargo Project (see enclosed map). Since the filing of the Application, the Company has continued to explore the feasibility of one of the proposed corridors and wishes to provide the Commission an update.

The eastern north/south corridor located between Raymond Township and the North Dakota/Minnesota border north of Oxbow, North Dakota, Corridor A, was designed to potentially facilitate coordination of the location of the Project with the location of the U.S. Army Corps of Engineers’ Red River Diversion Project (the “Diversion Corridor”). Based on continued review and discussion with the Army Corps we have obtained additional information about the Diversion Project that

raises significant concerns about Corridor A's suitability for the Fargo Project. The primary concern is timing – the Fargo Project is anticipated to be in-service at the end of 2015, while the Diversion Project is not expected to be developed until several years later.

The Diversion Project is a significant and complex infrastructure project that will require a myriad of local and federal regulatory issues to be resolved before the project can proceed. Once the Diversion Project obtains the necessary approvals, local and federal funding sources must be secured. It is Applicant's understanding that if the entire project were funded, it would take approximately 10 years to complete. However, there is a potential that the Diversion Project will not be fully funded, but subject to further congressional review. And, only after funding is determined will land acquisition commence which may give rise to additional legal challenges.

The Company is evaluating this information and assessing whether, given the considerable uncertainty surrounding the Diversion Project, it is still appropriate to advance Corridor A in the Certificate of Corridor Compatibility process. The Company anticipates making a final determination regarding Corridor A in mid-April 2011 and will make a submission to the Commission shortly after detailing the Company's analysis and proposing any appropriate modification to the Application.

As the Company explores the continued feasibility of the Diversion Corridor, we will continue our comprehensive public outreach and inform landowners and other stakeholders of our evaluation of Corridor A. We expect to complete our informational meetings by early April.

Given this change to the assumptions used in developing the Application and the high likelihood that we will seek to amend the Application, the Company respectfully requests that the Commission postpone the currently scheduled May 3, 2011 hearing on this matter to sometime in June 2011. We believe that postponing the May 3 hearing will allow sufficient time to seek additional public input, complete our analysis, and make our submission to the Commission. Additionally, postponing the May 3 hearing will also provide the Commission sufficient time to evaluate our April submission and issue notices consistent with any amendment.

Please feel free to contact me with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Darrin F. Lahr". The signature is fluid and cursive, with the first name "Darrin" being more prominent than the last name "Lahr".

Darrin F. Lahr

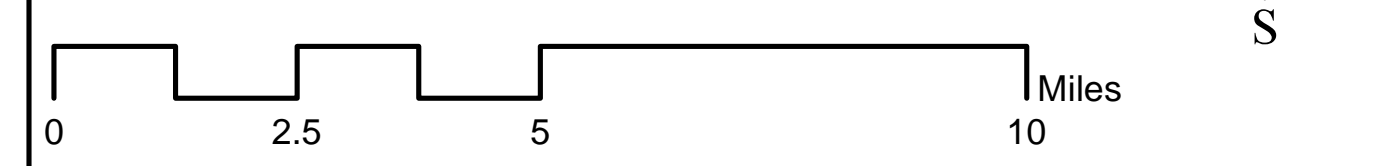
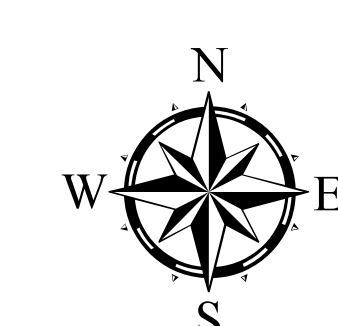
Supervisor, Siting and Land Rights,
Xcel Energy Services Inc., as agent for
Northern States Power Company,
a Minnesota corporation

cc: City of Fargo, N.D.



Legend

- Corridor A
- Corridor B
- Corridor C
- Corridor D
- Bison Substation Siting Area 1
- Bison Substation Siting Area 2
- Minnesota Routes**
- Preferred Route
- Northern Alternative Route
- Southern Alternative Route
- Existing Transmission Lines**
- Voltage (kV)
- 400
- 230
- 345
- 115
- 250
- 69
- Existing Substations
- Roads**
- Interstate
- US Highway
- State Highway
- County Road / Secondary Road
- Railroad
- River / Stream
- Lake
- State Boundary
- County Boundary
- Municipalities
- Township Boundary



Appendix B Proposed Corridors

Certificate of Corridor Compatibility Fargo to St. Cloud 345 kV Transmission Line

File Date: 12/30/2010

Drawn by: MLTEICHERT

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