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PUBLIC SERVICE COMMISSION

414 Nicollet Mall
Minneapolis, Minnesota 55401

November 7, 2008

Darrell Nitschke
Executive Secretary and Director of Administration
North Dakota Public Service Commission
State Capitol
600 East Boulevard
Bismarck, ND 58505-0480

Re: REQUEST TO CONSIDER NEW INFORMATION
IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER
COMPANY, A MINNESOTA CORPORATION, FOR AUTHORITY TO INCREASE
RATES FOR ELECTRIC SERVICE IN NORTH DAKOTA
CASE NO. PU-07-776

Dear Mr. Nitschke:

On November 7, 2008, Northern States Power Company, a Minnesota corporation operating in North Dakota ("Xcel Energy" or the "Company"), submitted to the North Dakota Public Service Commission (the "Commission") an informational filing describing a 150 MW wind energy project that Xcel Energy has committed to building in North Dakota. A copy of this filing, which includes a planned schedule for seeking regulatory approvals, is provided as Attachment A. This informational filing builds on the announcement of this project made October 31, 2008. Attachment B provides a copy of the news release announcing the project.

With this letter, Xcel Energy respectfully requests that the Commission take notice of the announcement of this new generation project and associated informational filing when deciding the above-entitled general rate case. NDCC § 28-32-25 allows the Commission, in "any adjudicative proceeding, [to] avail itself of competent and relevant information ... in its possession ... in addition to the evidence presented at

101 PU-07-776 Filed: 11/10/2008 Pages: 12
Letter Request to Consider New Information

Northern States Power Company

Megan J. Hertzler

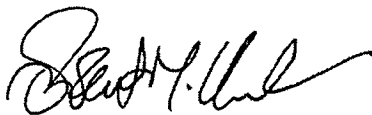
of justice.”¹ We informed Advocacy Staff of our intention to seek Commission notice of this generation project earlier today.

We believe that the Commission’s ability to take notice of this project is appropriate and relevant for consideration when deciding this electric rate case. In the case, Advocacy Staff raised concern regarding the Company’s current lack of generation assets in North Dakota (*see*, in particular, the Advocacy Staff Reply Brief).² In response to those concerns, Xcel Energy proposed changes to its resource planning process to better address the interests of North Dakota and cited to its existing promise to build wind generation in North Dakota (*see*, for example, the Rebuttal Testimony of Mr. Kent Larson).³

Because the Company’s newly announced North Dakota wind project is directly relevant to this issue as developed in the record of the electric rate case proceeding, it is appropriate for the Commission to have the opportunity to consider this information during its deliberations. The Commission of course can determine the appropriate weight to give this new information as it believes appropriate.

The Company recognizes that the Commission will take up the electric rate case proceeding on Monday, November 10, 1008. We apologize for this short notice and any inconvenience this request may cause; such short notice was unavoidable given the timing of the announcement.

Very truly yours,



Megan J. Hertzler
Assistant General Counsel
Xcel Energy Services Inc.

cc: Service List

¹ This information was not available at the time of the administrative hearing and consequently this is the first opportunity to request consideration of this generation project.

² *E.g.*, Advocacy Staff Reply Brief at 2.

³ Exhibit 5, Larson Rebuttal, at 26-27; Evidentiary Hearing Volume 1 at 85.



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Re: MERRICOURT WIND PROJECT
PROJECT DESCRIPTION AND SCHEDULE OF FILINGS

Dear Mr. Nitschke:

Last week, Northern States Power Company, a Minnesota corporation (“Xcel Energy”), jointly announced with enXco Development Corp. a 150 MW wind project to be located in McIntosh and Dickey Counties, North Dakota. We anticipate that construction of this estimated \$400 million project, called the “Merricourt Wind Farm,” will begin in late 2010, with commercial operation targeted for December 2011.

Our partnership with enXco is unique, in that enXco will site, develop, and construct the facility. Once operational, ownership of the project will transfer to Xcel Energy. Our arrangement thus provides both parties with responsibilities for seeking and obtaining approval of regulatory requirements.

To provide further background and clarity on our anticipated approach to obtaining these approvals, this letter provides preliminary information about the project and our anticipated schedule for making the required filings with the North Dakota Public Service Commission.

Project Description

The 150 MW Merricourt Wind Farm will be located on a site covering approximately 9,600 acres in McIntosh and Dickey Counties, North Dakota. The site location is in

an area with a strong wind resource and access to transmission. enXco proposes to connect the project to Montana Dakota Utility's ("MDU") Wishek – Ellendale 230 kV line.

The project will consist of a total of 100 General Electric 1.5 MW SLE wind turbines. Each will be placed on 80-meter towers (262.5 ft) supported by cast-in-place concrete foundations. The total height of the turbines after accounting for the 77-meter (252.6 feet) diameter rotors is approximately 118.5 meters (390 feet). Pad mount transformers at each tower will step up the voltage from 575 V to 34.5 kV.

Electricity generated at the turbines will be brought to the project substation using a series of collector cables at a voltage of 34.5 kV. The project substation will serve to collect the electricity from the turbines and step-up the voltage from 34.5 kV to 230 kV in order to transmit the electricity from the project substation to the point of interconnection at a new substation tapping MDU's Wishek – Ellendale 230 kV line.

Anticipated Schedule

We must secure three major permits or approvals from the Commission for the Merricourt project. These are:

- A Certificate of Public Convenience and Necessity,
- A Certificate of Site Compatibility, and
- A Certificate of Corridor Compatibility and a Route Permit (if required).

As developer, enXco has responsibility for the major permits and approvals necessary to site and construct Merricourt. Thus, enXco will be filing to obtain a Certificate of Site Compatibility for the project facilities. We understand enXco will be filing a letter of intent, the first step in the site certification process, in November 2008, followed by an application in 2009. With the execution of our agreement, enXco is actively assembling the required information and plans to seek input from your staff to ensure completeness.

Xcel Energy retained responsibility to seek and obtain the need-related approval. We expect to file our Certificate of Public Convenience and Necessity application no later than December 3, 2008.

Both enXco and Xcel Energy are working diligently with transmission owners in the area and the Midwest Independent System Operator to identify system improvements necessary to support Merricourt and plan their implementation. We anticipate

MISO's assessment will be provided to enXco before the end of the year, if not sooner. Transmission permitting requirements and responsibilities will depend on the results of those analyses. We will provide you an update as soon as more information is available.

Conclusion

We look forward to providing you with all the necessary information to assess and grant the required approvals. We are excited about this project and the prospect of owning this generation in North Dakota. We believe our customers and communities will be well-served by this project, and we look forward to initiating the formal processes for bringing this project to reality.

Please feel free to contact me at (612) 330-6125 if you have any questions regarding this project.

Sincerely,

A handwritten signature in black ink, appearing to read 'Judy M. Pofert', written in a cursive style.

JUDY M. POFERL
REGIONAL VICE PRESIDENT
XCEL ENERGY



NEWS RELEASE

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Oct. 31, 2008

**Xcel Energy, enXco join in major wind farm developments
in North Dakota, Minnesota**

BISMARCK, N.D. – Xcel Energy and enXco, an EDF Energies Nouvelles Company, today announced plans to develop 351 megawatts of wind power in North Dakota and Minnesota by the end of 2011, increasing the utility’s wind power resources by more than 10 percent company wide. Once developed, project ownership will be transferred to Northern States Power Co.-Minnesota, an Xcel Energy company.

“Xcel Energy already is the nation’s No. 1 wind power provider, and this agreement advances our commitment to meet aggressive renewable energy requirements,” said Richard C. Kelly, Xcel Energy’s chairman, president and CEO. “We believe our partnership with enXco also will allow us to meet our goals in a cost-effective manner for our customers.”

The agreement between enXco and NSP-Minnesota targets approximately \$900 million in investment over three years and underscores Xcel Energy’s strong commitment to renewable energy and the states it serves. It stems from a competitive bidding process Xcel Energy launched late last year, as part of its plan to meet state renewable requirements. The agreement also is consistent with Xcel Energy’s commitment to meeting its customers’ needs in an economic and environmentally sound manner and includes the company’s first major wind undertaking in North Dakota.

“With today’s announcement, North Dakota is continuing to aggressively develop wind energy,” said Gov. John Hoeven. “This is just the kind of project we envisioned when we initiated tax credits and other measures to create a favorable business environment for wind energy development in our state. From less than one-half a megawatt of wind power a few years ago, we are well on our way to at least 2,500 megawatts in the near future. Also, Xcel Energy’s commitment to develop more transmission with the CapX 2020 project is vitally important for our energy development.”

– More –

Xcel Energy, enXco wind farm pact, ND – p. 2 of 3

Under the agreement, Xcel Energy will seek regulatory approvals to develop a 201-megawatt project in southwestern Minnesota's Nobles County, called the Nobles Wind Project, and a 150-megawatt project in Dickey and McIntosh counties in southeastern North Dakota, called the Merricourt Wind Project. The projects are expected to be operational by the end of 2010 and 2011, respectively. Together, the projects will produce enough electricity to power approximately 110,000 homes.

The agreement with enXco builds on the experience the two companies gained through their joint development of the 100-megawatt Grand Meadow wind farm near Austin in southeastern Minnesota, the first wind farm owned by Xcel Energy in Minnesota. Xcel Energy also purchases power from three projects developed and owned by enXco in southwestern Minnesota, including the Fenton Wind Project, Chanarambie Wind Farm and Viking Wind Project. When Grand Meadow begins generating electricity late this year, Xcel Energy will have more than 1,200 megawatts of wind-powered generation on its Upper Midwest system.

"enXco is pleased to extend an already successful relationship with Xcel Energy and to continue to add renewable resources to the energy supply mix in the Upper Midwest," said Steve Peluso, vice president of development in the Midwest for enXco.

Dave Sparby, president and CEO of NSP-Minnesota, said, "Owning wind farms will help us provide renewable energy at a reasonable cost to our customers while demonstrating our commitment to the communities we serve. This level of new investment is appropriate even in these challenging economic times, given the value the wind projects will provide to our system. We believe that early wind development will be more likely to qualify for federal tax credits and reduce our cost of complying with state renewable energy standards."

Sparby applauded members of the North Dakota congressional delegation for recently supporting a one-year extension of the federal Production Tax Credit and other renewable energy tax incentives. "We greatly appreciate the hard work of North Dakota Sens. Kent Conrad and Byron Dorgan and Rep. Earl Pomeroy in getting this extension passed," he said.

North Dakota has "the greatest potential of any state in the nation for wind power, and every wind turbine that goes up helps our state's economy," Conrad said. "The wind Production Tax Credit is a critical part of the puzzle to generate electricity from clean, renewable prairie wind. I have proposed a long-term extension of this tax credit, so we see even more investment in North Dakota wind power."

– More –

Xcel Energy, enXco wind farm pact, ND – p. 3 of 3

Dorgan noted that North Dakota has been called the Saudi Arabia of wind. “It’s important that we develop that resource to move toward energy independence and grow our state’s economy,” he said. “We’ve been pushing for more than a decade to encourage policies that will encourage wind energy development and were just able to extend the Production Tax Credit last month. I’m pleased that Xcel Energy and enXco are putting that to good use.”

Pomeroy called the Merricourt announcement “great news for our state.”

“This new wind farm will create jobs in North Dakota and further solidify our role as a national leader in wind power production,” Pomeroy said. “This project would not have been possible without the Production Tax Credit, which the wind industry relies on to make it viable. I’m pleased to have delivered an extension of this vital tax credit in Congress this year.”

In addition to the Nobles and Merricourt wind projects, Xcel Energy is one of the utilities in the CapX 2020 initiative, which has proposed nearly 700 miles of new transmission lines at a cost of approximately \$1.5 billion. These projects will provide needed backbone infrastructure to ensure continued reliability, to support customer growth in the region and to add transmission capacity to connect renewable and other generation resources to population centers. Among the proposals are lines between Fargo, N.D., and Monticello, Minn., and between Brookings, S.D., and the Twin Cities.

“We anticipate the region’s renewable energy goals will require more transmission to be built, and Xcel Energy is committed to working with policy makers and other utilities to define and deliver the needed transmission,” Sparby said.

Xcel Energy (NYSE: XEL) is a major U.S. electricity and natural gas company with regulated operations in eight Western and Midwestern states. Xcel Energy provides a comprehensive portfolio of energy-related products and services to 3.3 million electricity customers and 1.8 million natural gas customers through its regulated operating companies. Company headquarters are located in Minneapolis. More information is available at www.xcelenergy.com.

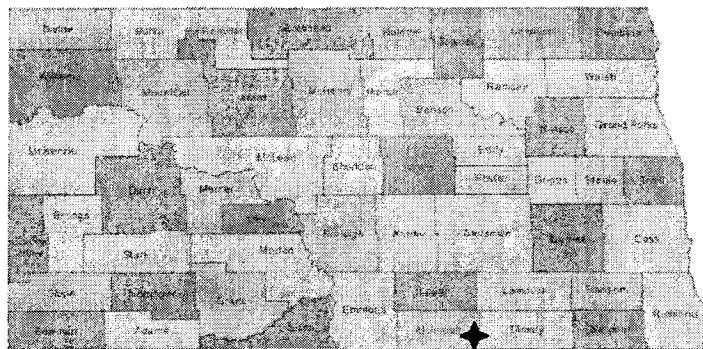
enXco, an EDF Energies Nouvelles Company (PARIS: EEN), develops, constructs, operates and manages renewable energy projects throughout the United States. For more than two decades, enXco has been a leader in wind energy focusing on large-scale wind projects. Today, enXco’s portfolio includes solar and biomass technologies in an effort to help drive the nation’s transition to a sustainable energy economy. enXco is a significant owner and developer of wind-energy installations in the United States and is the largest third-party operations and maintenance provider for wind farms in North America. (www.enxco.com)

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Xcel Energy/enXco Merricourt Wind Project

General Information

- **Partnership:** enXco will develop and construct the wind farm. Once developed, ownership will transfer to Northern States Power Co.-Minnesota, an Xcel Energy company.
- **Investment:** More than \$400 million
- **Location:** Dickey & McIntosh counties, southeastern North Dakota
- **Size/scope:** Total capacity of 150 megawatts, enough to serve approximately 43,500 homes. The project will consist of 100, 1.5 megawatt General Electric wind turbines. The GE turbine towers are 262 feet tall, and the units feature 126-foot long blades.
- **Economic Impact:** According to national averages provided by the American Wind Energy Association, a 150 megawatt wind energy project would be expected to create approximately 150 construction jobs, 10 long-term operation and maintenance jobs and 300 manufacturing jobs. It would be expected to produce approximately \$450,000 in annual farmer/landowner revenue.



Merricourt Wind Project Milestones

- October 2008 – Xcel Energy and enXco announce agreement
- December 2008 – Xcel Energy files with Minnesota and North Dakota regulators for project approval. enXco commences filing for project permits
- Mid-2009 – Regulatory action expected
- Late 2010 – Groundbreaking
- December 2011 – Commercial operations begin

National Leadership: Xcel Energy is the nation's No. 1 wind power provider, according to the American Wind Energy Association. By the end of 2008, the company will have nearly 3,000 megawatts of wind power capacity in its eight-state service territory. The addition of the Nobles Wind Project in Minnesota and the Merricourt Wind Project in North Dakota will increase that capacity by more than 10 percent.

Merricourt Wind Project – p. 2 of 2

CapX 2020 Transmission Project Milestones

- August 2007 – Minnesota Certificate of Need filing, Minnesota
- December 2008 – Minnesota Route Permit application filing, St. Cloud to Monticello (12-18 month process)
- Early 2009 – Minnesota Route Permit application filing, St. Cloud to Fargo
- Early 2009 – Certificate of Corridor Compatibility filing in North Dakota
- Second Quarter 2009 – Minnesota Certificate of Need decision expected
- 2011 – Monticello to St. Cloud line in-service
- 2013 – St. Cloud to Alexandria line in-service
- 2015 – Alexandria to Fargo line in-service

October 2008

CERTIFICATE OF SERVICE

I, Carole A. Wallace, hereby certify that I have this day served copies of the foregoing document on the attached list of persons by delivery by hand or by causing to be placed in the U.S. mail at Minneapolis, Minnesota.

CASE NO. PU-07-776

Dated this 7th day of November 2008

/s/

Carole A. Wallace

**In the Matter of the Application by
Northern States Power Company,
a Minnesota corporation
for Authority to Increase Rates for Electric Service in North Dakota
Case No. PU-07-776**

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