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October 27, 2009

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Darrell Nitschke, Executive Secretary
North Dakota Public Service Commission
State Capitol Building, Dept. 408
600 East Boulevard
Bismarck, ND 58505-0480

PUBLIC SERVICE COMMISSION

SUBJECT: Xcel Energy's Action Plan Related to its External Review of Revenue Cycle Processes (Case No. PU-08-627)

Dear Mr. Nitschke:

On June 19, 2009, Northern States Power Company, a Minnesota corporation ("Xcel Energy" or the "Company") submitted a letter to Mr. Tom Rafferty regarding the external review of our revenue cycle processes being conducted by Global Enterprise Managers, Inc. ("GEM"). In the letter, we indicated that our plan was to file with the North Dakota Public Service Commission (the "Commission") a GEM review "Action Plan" 30 days after receiving GEM's final report. We submitted the final GEM report to the Commission on September 25, 2009.

We understand that the Commission expects a detailed and comprehensive Action Plan in order to conduct a thorough, meaningful review. Although we have been working diligently on this effort, we have not yet identified all the specific steps we will take to implement the recommendations contained in the GEM Report. Thus, we are proposing an extension of time to submit the Action Plan, followed by a verbal update one week later, as follows:

- November 5th Submit to the Commission a written Action Plan that is responsive to the principal findings in the GEM Report.
- November 12th Include in Xcel Energy's PIE meeting a discussion of the Action Plan. We also plan to provide additional updates during future PIE meetings as suggested by the Commission during our August 27, 2009 GEM update meeting.

Given that this falls within Commissioner Kalk's portfolio, I have discussed with him our progress and the proposed schedule for submission of the Action Plan. Commissioner Kalk did not have a concern with this approach.

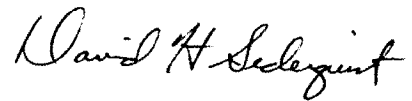
We appreciate the Commission's interest and guidance as we continue to work through and build our plan to address the issues identified in the GEM report. We look forward to

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Letter Request to Extend Time to File Action Plan

continuing our dialog on these issues and discussing our progress with the Commission in upcoming PIE meetings.

Please call me if you have any follow up questions or comments. Thank you.

Sincerely,

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

David H. Sederquist
Sr. Consultant, Regulation & Finance
Xcel Energy