

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Northern States Power Company
Advanced Determination of Prudence –
150 MW Merricourt Wind Project
Application**

Case No. PU-08-908

**Northern States Power Company
Certificate of Public Convenience and Necessity for the
150 MW Merricourt Wind Project
Application**

Case No. PU-08-910

**STAFF RESPONSE TO COMMISSION'S REQUEST TO ANALYZE THE IMPACT OF
FERC'S DECISION ON THE ALLOCATION OF TRANSMISSION NETWORK
UPGRADE COSTS RELATED TO THE MERRICOURT WIND PROJECT**

The recent Federal Energy Regulatory Commission's (FERC) Order dated October 23, 2009, Docket No. ER09-1431, changing the allocation of network upgrades for generation interconnection has not changed staff's initial recommendation to the commission to grant advance determination of prudence for the Merricourt Wind Project (Merricourt), Case No. PU-08-908. The change results in the allocation of additional interconnection costs to NSP for Merricourt, but the additional costs are minimal to the total cost of the project and within the original range of costs used in staff's analysis and recommendation.

FERC's new decision requires that Merricourt network upgrade costs for interconnection to the transmission grid are to be borne entirely by Northern States Power Company (NSP). As such, Montana-Dakota Utilities Co. (MDU) will no longer be assigned 50% of the interconnection costs. Accordingly, staff does not believe the commission's granted certificate of public convenience and necessity for Merricourt, Case No. PU-08-910, will harm MDU or its customers.

Based on FERC's new direction, staff recommends closure of these cases without further action.

Dated this 10th day of December, 2009.



Mike Diller
Director of Economic Regulation