



414 Nicollet Mall
Minneapolis, Minnesota 55401

-VIA ELECTRONIC AND US MAIL

February 9, 2009

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

RE: BAY FRONT GASIFICATION PROJECT
ADVANCED DETERMINATION OF PRUDENCE APPLICATION
CASE NO. PU-09-659

Dear Mr. Nitschke:

Northern States Power Company, a Minnesota corporation (“Xcel Energy” or the “Company”), would like to take this opportunity to update the North Dakota Public Service Commission (the “Commission”) on the status of our Bay Front Project (the “Project”). At this time, we would also respectfully request the Commission temporarily suspend activity in this case.

We are in the process of conducting more detailed engineering analysis for the Project that should help determine the preferred gasification technology, a refined construction schedule based on the preferred gasification technology, and more precise project cost information. We would like to complete these engineering studies and provide an update to the Commission prior to any further action in this case. We believe this information will be valuable to the Commission’s review and should help support a more informed decision.

The Company will waive the six month statutory timeframe (after the 30 day suspension period) for hearing this case in order to accommodate the filing of supplemental information and allow for additional Staff review. We will propose an extended schedule as soon as we are able. In the meantime, we request the Commission suspend activity related to the existing case until we submit the supplementary information and agree with Staff on a workable timeframe.

We appreciate your understanding in this matter as we explore options to optimize our generation resources at reasonable costs while being mindful of resource diversity. Please call me at (612) 330-6732 or Dave Sederquist at (701) 241-8632 if you have any questions.

Sincerely,

/s/

JAMES ALDERS
DIRECTOR, REGULATORY ADMINISTRATION

Enclosures
c: Service Lists