



414 Nicollet Mall
Minneapolis, Minnesota 55401

July 14, 2010

- VIA E-MAIL & U.S. MAIL -

Darrell Nitschke
Director of Administration/Executive Secretary
North Dakota Public Service Commission
600 E. Boulevard Ave. Dept. 408
Bismarck, ND 58505-0480

Re: APPLICATION FOR ADVANCE DETERMINATION OF PRUDENCE
20 MW BAY FRONT GASIFICATION PROJECT (CASE NO. PU-09-659)
WITHDRAWAL OF APPLICATION

Dear Mr. Nitschke:

Northern States Power Company, a Minnesota corporation operating in North Dakota ("Xcel Energy" or the "Company") herewith withdraws our application for an advance determination of prudence ("ADP") for our 20 MW Bay Front Project in the above referenced case.

On February 2, 2010, we provided the North Dakota Public Service Commission ("Commission") with a status update on our Bay Front Project (the "Project"). As discussed in that update, we conducted more detailed engineering analysis for the Project. The analysis determined that the costs of the preferred gasification technology are now projected to be higher than originally filed, so we have decided to investigate alternative technologies for the Project. This process is expected to take another 3 to 6 months. Thus, we believe it is appropriate to withdraw the current ADP filing and refile at a later date if a revised project is developed.

We appreciate your understanding in this matter as we explore other alternatives to this Project.

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An original and seven copies of the notice of withdrawal are enclosed. An electronic copy of this filing has been sent to the Commission. Please contact Dave Sederquist at 701-241-8632 (dave.sederquist@xcelenergy.com) or me directly at 612-330-6732 (james.r.alders@xcelenergy.com) if you have any questions regarding this withdrawal.

Sincerely,

/s/

JAMES R. ALDERS
DIRECTOR, REGULATORY ADMINISTRATION

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF NORTH DAKOTA**

**NORTHERN STATES POWER
COMPANY, A MINNESOTA
CORPORATION**

CASE No. PU-09-659

**APPLICATION FOR ADVANCE
DETERMINATION OF PRUDENCE –
20 MW BAY FRONT PROJECT**

NOTICE OF WITHDRAWAL

Northern States Power Company, a Minnesota corporation (“Xcel Energy” or the “Company”) herewith withdraws our application for an advance determination of prudence for the 20 MW Bay Front Project in the above referenced case.

Pursuant to N.D. Admin. Code § 69-02-02-07(2) the Company sets forth the following reason for withdrawal:

The Company has determined that based on more detailed engineering analysis for the Project, the costs of the preferred gasification technology are now projected to be higher than originally filed so we have decided to investigate alternative technologies for the Project. Thus, we believe it is most appropriate to withdraw this filing and refile at a later date if a revised project is developed. Therefore, the Company believes that withdrawal is appropriate.

Respectfully submitted this 13th day of July, 2010

/s/ James R. Alders

JAMES R. ALDERS