



STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

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

Case No. PU-08-908

Northern States Power Company
Certificate of Public Convenience and Necessity
Application

Case No. PU-08-910

ORDER ON APPLICATION FOR ADVANCE DETERMINATION OF PRUDENCE AND
CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

August 12, 2009

On December 3, 2008, Northern States Power Company (NSP) filed an Application for Advance Determination of Prudence (ADP) for its proposed Merricourt Wind Project located in McIntosh and Dickey Counties, North Dakota. NSP also requested that the commission grant a Certificate of Public Convenience and Necessity (PCN) for the project.

On January 14, 2009, the commission issued a Notice of Opportunity for Hearing that provided until February 27, 2009 for receiving written comments or requests for a hearing. No responses were received. The notice identified the issues as:

1. Whether public convenience and necessity will be served by the construction and ownership of the proposed facilities; and
2. Whether NSP is fit, willing and able to provide such service; and
3. Whether NSP's investment in the Merricourt Wind Project is prudent.

On May 15, 2009, NSP filed a verification of James R. Alders, Director of Regulatory Administration, in support of the applications for the captioned matters.

NSP is a Minnesota corporation duly authorized to do business in the state of North Dakota as a foreign corporation. The company conducts business in the state of North Dakota as a public utility subject to the jurisdiction and regulation of the Commission under Title 49 of the North Dakota Century Code.

NSP has service territory in five upper Midwest states, including North Dakota. NSP presently serves approximately 85,000 retail electric customers in an around

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Fargo, Grand Forks and Minot, North Dakota. The company owns approximately 250 miles of transmission lines and 12 substations in North Dakota.

The proposed Merricourt project will consist of one hundred 1.5 MW General Electric wind turbines and structures, a 24.5 kV electrical gathering system and collector substation, and a 230kV radial line from the project substation line connecting to Montana-Dakota's Wishek-Ellendale 230 kV line. Secondary components of the project are planned to include an O&M building, a permanent meteorological tower, and access roads as necessary for O&M of the facilities.

Under North Dakota Century Code 49-05-16, there is a rebuttable presumption that a renewable energy facility which is located in the state is prudent.

The presumption that the Merricourt Wind Project is prudent has not been rebutted.

The public convenience and necessity will be served by the construction and ownership of the facilities.

NSP is fit, willing and able to provide service.

The Commission intends to continue its evaluation regarding the level of wind generation in NSP's energy resource mix, and the impact on its electric utility customers.

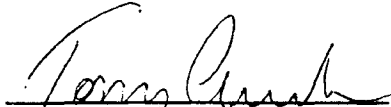
Order

The Commission Orders:

1. The Merricourt Wind Project electric resource addition is reasonable and prudent.
2. The application of NSP for a Certificate of Public Convenience and Necessity to construct and operate the 150 MW Merricourt Wind Project in North Dakota is GRANTED.
3. Certificate of Public Convenience and Necessity No. 5403 is issued to NSP to construct and operate the 150 MW Merricourt Wind Project.
4. NSP will report to the extent possible, as part of its annual 10-year plan, all reductions in the energy produced at its base load generation units that would not have occurred except for the existence of wind generation. The report will include the time of the event, length of the event, base load plant affected and the amount of energy not produced at the base load plant during the event.

5. NSP will report, as part of its next 10-year plan, on the impacts and costs associated with taking coal plant production up and down to accommodate wind resources during off peak hours.

PUBLIC SERVICE COMMISSION



Tony Clark
Commissioner



Kevin Cramer
Chairman



Brian P. Kalk
Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 5403

This is to certify that public convenience and necessity require, and permission is granted for Northern States Power Company to construct, own and operate a 150 MW wind energy facility known as the Merricourt Wind Project in McIntosh and Dickey Counties, North Dakota.

This certificate is issued in accordance with the Order of this Commission dated August 12, 2009 in Case No. PU-08-910, and is subject to the conditions and limitations noted in the Order.

This certificate is conditioned upon Northern States Power Company securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, August 12, 2009.

ATTEST:

PUBLIC SERVICE COMMISSION


Jan Douthett
Executive Secretary


Kevin Cames
Commissioner