

BRIGGS

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November 30, 2012

VIA FEDERAL EXPRESS

Darrell Nitschke, Executive Director
North Dakota Public Service Commission
State Capitol Building, Dept 408
600 East Boulevard
Bismarck, ND 59505-0480

Zeviel Simpser
(612) 977-8865
zsimpser@briggs.com

Re: *Northern States Power Company, a Minnesota corporation*
Advance Determination of Prudence – Geronimo Wind Energy, LLC Application
Case No. PU-12-59

Dear Mr. Nitschke:

Enclosed for filing with the North Dakota Public Service Commission (the “Commission”) in the above referenced case, please find an original and seven copies of the Stipulation and Agreement of Northern States Power Company (the “Company”) and Commission Advocacy Staff. This Stipulation is intended to supplement the record in this case by documenting the understanding and agreement between the Company and Advocacy Staff with respect to the record in this case and the effect of a Commission order on the requested Advanced Determination of Prudence.

The Company has been authorized to file the Stipulation and Agreement on behalf of Advocacy Staff. Please feel free to contact me or Mr. Mark Gruman should you have any questions or concerns.

Sincerely,

BRIGGS AND MORGAN, P.A.

/s/ Zeviel Simpser

Zeviel Simpser

ZS/ts
Enclosures

cc: Mark Gruman (w/enc.)(via email)
Ilona Jeffcoat-Sacco (w/enc.)(via email)

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

Northern States Power
Company Advance
Determination of
Prudence – Geronimo
Wind Application

Case No. PU-12-59

**Advance Determination of Prudence – Geronimo Wind
Stipulation and Agreement**

This Stipulation and Agreement is entered into this 30th day of November, 2012, by and between the North Dakota Public Service Commission Advocacy Staff (Advocacy Staff), and Northern States Power Company, a Minnesota corporation (the Company).

BACKGROUND

On January 31, 2012, the Company filed an application with the North Dakota Public Service Commission (the Commission) for approval of an Advanced Determination of Prudence (ADP) for the 200 megawatt (MW) Prairie Rose Wind generation project (Project) and a power purchase agreement (PPA) with Geronimo Wind Energy, LLC, its successors and assigns (the Resource Addition).

On February 15, 2012, the Commission issued a Notice of Filing and Notice of Intervention Deadline in this Case. No parties intervened in the proceeding.

On August 1, 2012, the Commission issued a Notice of Hearing in this case identifying the issue to be considered in this Case as whether the Resource Addition is prudent.

On October 22, 2012 the Commission held a hearing in this Case (the Hearing) at which the Company and Advocacy Staff presented evidence on the prudence of the Resource Addition.

STIPULATION AND AGREEMENT

Advocacy Staff and the Company stipulate and agree to the following:

1. The record in this Case contains evidence supporting the Commission either granting or denying an ADP for the Resource Addition.
2. The record in this Case is not sufficient to support any decision by the Commission with respect to the ratemaking effect of a denial of an ADP for the Resource Addition.
3. If an ADP is granted, the costs of the Resource Addition will be recovered through the Company's approved Fuel Cost Rider (FCR) tariff.
4. If an ADP is not granted, there are two decision options for the Commission with respect to the recovery of costs of the Resource Addition:
 - a) In its ADP Order the Commission may be silent as to the ratemaking treatment of the Resource Addition. In this case, by operation of law, the denial of the ADP would have no effect on the final ratemaking treatment of costs incurred by the Company for the Resource Addition and, pursuant to the

Commission's fuel adjustment clause rules and the Company's approved FCR tariff, the Company may recover such costs through its approved FCR; or

b) In its ADP Order the Commission may indicate its desire to alter the ratemaking treatment of the costs of the Resource Addition (i.e., alter the Company's ability to recover all of the costs of the Resource Addition through the FCR tariff). In this case, additional proceedings will be required to establish a record regarding the appropriate ratemaking treatment for the Resource Addition.

5. If the events contemplated by paragraph 4(b) occur, Advocacy Staff and the Company agree to engage in further proceedings to develop a record to support the appropriate ratemaking treatment for the Resource Addition.

[Signature Pages Follow]

Northern States Power Company, a Minnesota Corporation

By: Laura Mc Carten
Laura McCarten
Regional Vice President

Dated this 30th day of November, 2012.

[SIGNATURE PAGE TO STIPULATION AND AGREEMENT]

North Dakota Public Service Commission Advocacy Staff

By: /s/ Mark Gruman

Mark Gruman, #06019
Special Assistant Attorney General
North Dakota Public Service Commission
600 East Blvd. Ave Dept. 408
Bismarck, ND 58501
(701) 328-2421
mgruman@nd.gov
Attorney for Public Service Commission

Dated this 30th day of November, 2012.

[SIGNATURE PAGE TO STIPULATION AND AGREEMENT]