



June 10, 2014

Darrell Nitschke, Executive Secretary
North Dakota Public Service Commission
Dept. 408
600 East Boulevard Avenue
Bismarck, ND 58505-0480

RE: NORTHERN STATES POWER COMPANY
150 MW BORDER WINDS PROJECT – ROLETTE COUNTY
PUBLIC CONVENIENCE AND NECESSITY
CASE NO. PU-13-743

RE: NORTHERN STATES POWER COMPANY
RED RIVER VALLEY NG UNITS 1 & 2 – HANKINSON, ND
PUBLIC CONVENIENCE AND NECESSITY
CASE NO. PU-13-195

Dear Mr. Nitschke:

Northern States Power Company, doing business as Xcel Energy, and North Dakota Public Service Commission Advocacy Staff have been actively implementing the provisions of the Settlement Agreement resolving the Company's most recent rate case. The Settlement Agreement was far ranging and was intended to settle all issues in a number of Cases that are before the Commission, including the Company's development of the North Dakota based Border Winds Project and the Company's proposed gas combustion turbine project near Hankinson, North Dakota. However, the Settlement Agreement was silent as to the Company's request for Certificates of Public Convenience and Necessity for these projects. Consequently, Xcel Energy respectfully submits this request for action from the North Dakota Public Service Commission in the above referenced Cases.

Accompanying this letter is the Affidavit of James R. Alders, which provides factual foundation in support of this letter. We respectfully request that Mr. Alders' Affidavit be accepted into the record of these Cases as support for the requested action. To the extent deemed necessary, Xcel Energy is prepared to have Mr. Alders appear before the Commission to provide this testimony.

We recognize that the Settlement Agreement was intended to resolve all issues in all of the Cases impacted by the Settlement, including the requested Certificates of Public Convenience and Necessity for these projects. However, we neglected to specifically address the disposition of our requested CPCNs in the Settlement Agreement. This was an oversight by the Company during the short period of time during which we negotiated the

far ranging Settlement Agreement. We apologize for this oversight and are now seeking to address it.

With respect to our request for a Certificate of Public Convenience and Necessity for the North Dakota based Border Winds Project (Case No. PU-13-743), the Company respectfully requests that the Commission issue the requested Certificate. Based on information available at this time, we believe that the transmission costs of this project will be reasonable and therefore, barring unforeseen circumstances, we continue to work with our partner, RES Americas, to purchase this wind farm. While there are still many contractual conditions that need to be met before we can consummate the transaction, we require that a Certificate of Public Convenience and Necessity be issued by the Commission. Therefore, we are requesting the CPCN so that we may move forward with this project.

With respect to our request for Certificates of Public Convenience and Necessity for the Hankinson Project (Case No. PU-13-195), the Company respectfully requests that the Commission dismiss our request for a CPCN without prejudice. As the Commission is aware, the Company is still in the process of determining what resources it will be developing to meet the resource need that could be met, in part, by the Hankinson Project. We believe that dismissal of our request for a CPCN, without prejudice, will provide the Company flexibility to develop least cost resources to meet our current resource needs as well as the flexibility to develop the most effective North Dakota based thermal resources, consistent with our commitments in the Settlement Agreement. The Company will submit an application for a CPCN for development of a North Dakota based thermal resource at an appropriate time as we work toward developing them.

We have discussed this matter with Advocacy Staff and they are in agreement with our requested disposition of these CPCN applications. Further, the parties to the Settlement Agreement agree that this request is consistent with the intent of the Settlement Agreement. We understand that Advocacy Staff will be submitting a concurrence to our request to document their agreement.

Again, the Company apologizes for the oversight with respect to addressing the CPCN cases in the Settlement Agreement. We look forward to working with the Commission and its Staff as we continue to develop generation in North Dakota. Please feel free to contact me at 701-241-8632 or dave.sederquist@xcelenergy.com with any questions or concerns. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "David H. Sederquist". The signature is written in a cursive, flowing style.

DAVID SEDERQUIST
SR. REGULATORY CONSULTANT

Enclosure

cc: Illona Jeffcoat-Sacco
Pat Fahn
Jerry Lein
Mitch Armstrong

NORTHERN STATES POWER COMPANY)	CASE No. PU-13-195
RED RIVER VALLEY NG UNITS 1 & 2 –)	
HANKINSON, ND)	
PUBLIC CONVENIENCE AND NECESSITY)	
)	
NORTHERN STATES POWER COMPANY)	CASE No. PU-13-743
150 NW BORDER WINDS PROJECT –)	
ROLETTE COUNTY PUBLIC CONVENIENCE)	
AND NECESSITY)	
)	

AFFIDAVIT OF JAMES R. ALDERS

JAMES R. ALDERS, under oath states:

1. I am Strategy Consultant for Rates and Regulatory Affairs for Northern States Power Company d/b/a Xcel Energy.
2. I have been employed by Xcel Energy for more than 37 years. Since 1994, I have been extensively involved in development of the Company's resource plans, and have represented the Company before the North Dakota Public Service Commission (Commission).
3. I have been actively involved in the Company's applications in the two above-referenced Dockets and have personal knowledge of the status of both of them. I have previously testified before the Commission in Case No. PU-13-195.
4. I have personal knowledge of the Company's efforts toward implementing the provisions of the Settlement Agreement resolving the Company's most recent rate case. The Settlement Agreement was far ranging and was intended to settle all issues in a number of Cases that are before the Commission, including the Company's development of the North Dakota based Border Winds Project and the Company's proposed gas combustion turbine project near Hankinson, North Dakota. However, the Settlement Agreement was silent as to the Company's request for Certificates of Public Convenience and Necessity for these projects.
5. With respect to Case No. PU-13-743, the Company respectfully requests that the Commission issue the requested CPCN. Based on information available at this time, we believe that the transmission costs of this project will be reasonable and therefore, barring unforeseen circumstances, we continue to work with our partner, RES Americas, to purchase this wind farm. While there are still many contractual conditions that need to be met before we can consummate the transaction, we require that a Certificate of Public Convenience and Necessity be issued by the

Commission. Therefore, we are requesting the CPCN so that we may move forward with this project.

6. With respect to Case No. PU-13-195, the Company respectfully requests that the Commission dismiss our request for a CPCN without prejudice. As the Commission is aware, the Company is still in the process of determining what resources it will be developing to meet the resource need that could be met, in part, by the Hankinson Project. We believe that dismissal of our request for a CPCN, without prejudice, will provide the Company flexibility to develop least cost resources to meet our current resource needs as well as the flexibility to develop the most effective North Dakota based thermal resources, consistent with our commitments in the Settlement Agreement. The Company will submit an application for a CPCN for development of a North Dakota based thermal resource at an appropriate time as we work toward developing them.
7. The circumstances surrounding the Case No. PU-13-743 and Case No. PU-13-195 are substantially unchanged since the time of the Settlement Agreement. It has always been the Company's intent that the actions requested at this time are appropriate under these circumstances and that it was an oversight that these issues were not addressed in the Settlement Agreement. The Company apologizes for this oversight.

Dated this 10th day of June, 2014.


James R. Alders

Subscribed and sworn to before me
this 10th day of June, 2013.


Notary Public

My Commission Expires: 1-31-15

