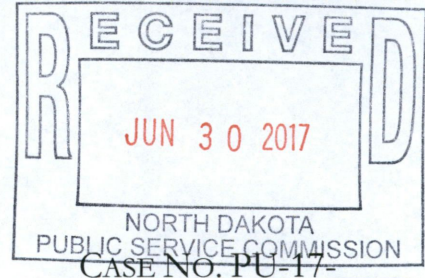


2302 Great Northern Drive
Fargo, North Dakota 58102
(701) 241-8632
dave.sederquist@xcelenergy.com

June 30, 2017

VIA EMAIL AND FEDERAL EXPRESS

Darrell Nitschke
Executive Secretary
North Dakota Public Service Commission
600 East Boulevard
Bismarck, North Dakota 58505-0480



RE: NORTHERN STATES POWER COMPANY
ADVANCE PRUDENCE – BIOMASS PPAs
APPLICATION

NORTHERN STATES POWER COMPANY
DEFERRED ACCOUNTING – BIOMASS PPAs
APPLICATION

CASE No. PU-17-_____

Dear Mr. Nitschke:

Northern States Power Company, doing business as Xcel Energy, respectfully submits an Application for an Advance Determination of Prudence for a series of transactions to terminate three of the Company's high cost biomass power purchase agreements (PPAs). The Company also requests in this Application Commission approval for Deferred Accounting to address the costs of these biomass transactions in a future rate proceeding.

Specifically, the Company is proposing to: (1) terminate the PPA with Benson Power, LLC (f/k/a Fibrominn), acquire the Benson Power biomass plant, and subsequently close the facility; (2) terminate the PPA with the Pine Bend biogas plant early through a series of negotiated terms; and (3) extend the terms of the Hennepin Energy Recovery Center PPA on more favorable terms (collectively, the "Proposed Transactions"). The Proposed Transactions together will achieve over \$519.1 million in total net system cost savings over the next 11 years, of which \$28.5 million will be passed on to North Dakota customers.

The Company's Application and supporting testimony contain trade secret information. In accordance with Section 69-02-09-02 of the North Dakota

Administrative Code, an Application for Trade Secret Protection is being provided along with a single copy of the trade secret version of the Application and supporting testimony in a sealed envelope marked **PROTECTED INFORMATION – PRIVATE**.

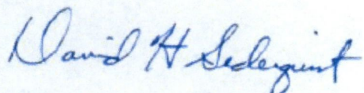
An original and ten copies of the public version of our Application are also being provided, along with the following:

- Direct testimonies of Company witnesses Aakash Chandarana, Greg Chamberlain, and Philip Joseph Martin, supporting the Company's Application;
- Verifications for the testimonies of Mr. Chandarana, Mr. Chamberlain, and Mr. Martin;
- CD containing the public version of the Application, testimonies and verifications, and Application for Trade Secret Protection; and
- A filing fee of \$175,000.

The Company is providing the \$175,000 filing fee as required by N.D.C.C. § 49-05-16(1)(b).

Please feel free to contact me at (701) 241-8632 or dave.sederquist@xcelenergy.com should you have any questions.

Sincerely,



DAVID H. SEDERQUIST
Sr. Consultant, Regulation & Finance

Enclosures

cc: Via Email – Public Version Only:
S. Cardwell
P. Fahn
I. Jeffcoat-Sacco
J. Lein
V. Shock
J. Schuh