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March 14, 2024

—VIA EMAIL & U.S. MAIL—

Mr. Steven M. Kahl, Executive Director
North Dakota Public Service Commission
State Capitol Building, Dept. 408
600 East Boulevard
Bismarck, ND 58505-0480

RE: REQUEST TO WITHDRAW
APPLICATION FOR ADVANCE DETERMINATION OF PRUDENCE –
LYON COUNTY TO SHERBURNE COUNTY 345 kV TRANSMISSION LINE
(CASE NO. PU-23-142)

Dear Mr. Kahl:

Northern States Power Company, doing business as Xcel Energy, by way of this letter formally requests to withdraw its Application for an Advance Determination of Prudence (ADP) for the development of the Lyon County to Sherburne County 345 (kV) Transmission Line (the Project).

The Project is a proposed 160- to 180-mile, double circuit transmission line connecting the existing Sherburne County Substation (Sherco Substation) in Becker, Minnesota, and a new substation in Lyon County, Minnesota, along with associated facilities, including intermediate and voltage support substations. The Company plans to retire all three units at the existing Sherburne County Generation Station (Sherco) located in Becker, Minnesota by 2030. Together, the Sherco Units represent nearly 2,000 MW of existing Company-owned interconnection rights at the Sherco Point of Interconnection (POI). The Company is proposing the Project to retain the valuable interconnection rights and use them to cost-effectively interconnect a large portion of the generation needed over the next 10-15 years.

In its Order dated February 21, 2024 in Case No. PU-23-366, the Commission adopted the First Amended and Restated Settlement Agreement which removed the requirement that the Company must file ADP applications for proposed new construction, rehabilitation, or acquisition of certain resources.

Carrying out the full ADP process for the Project is unnecessarily onerous and time consuming for both the Commission and the Company. It is the position of the Company that the Project would be better reviewed in the upcoming North Dakota IRP and addressed in a future rate proceeding when the Commission can consider all circumstances to determine just and reasonable rates. At that time there should be additional information regarding resources that will be interconnected, and the Company can provide a holistic analysis of Project benefits to our customers.

The Company has discussed this request with Commission Staff. Staff is in agreement that this is a reasonable request given the circumstances of this matter. Please be advised that the Company is not waiving any rights or arguments with respect to the prudence of the Project.

We thank the Commission and Staff for your time and consideration of this matter. Please contact me at alex.j.nisbet@xcelenergy.com if you have any questions regarding this correspondence.

Sincerely,

/s/

ALEX NISBET
REGULATORY POLICY SPECIALIST

cc: Robert Frank
Victor Schock