PUBLIC DOCUMENT: TRADE SECRET INFORMATION EXCISED

414 Nicollet Mall
Minneapolis, Minnesota 55401-1993

August 9, 2013

Dr. Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

— VIA ELECTRONIC FILING —

Re: IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY FOR APPROVAL OF THE ACQUISITION OF 150 MW OF WIND GENERATION
DOCKET NO. E002/M-13____

Dear Dr. Haar:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Petition for approval of a 150 MW, wind generation project. A Non-Public version of this Petition is being provided under separate cover.

The Company has entered into contracts with RES Americas to develop the Border Winds Project that will be located in northeastern Rolette County, North Dakota. Once complete, RES Americas will transfer ownership of the plant to us and Xcel Energy will then own and operate the facility.

The wind generation market has presented us with a unique opportunity to add generation that will keep energy prices lower for our customers than otherwise would be the case and at the same time improve the environmental performance of our system with significant reductions in carbon dioxide emissions. Accordingly, we respectfully request that the Commission:

- Determine our proposal to enter into this wind project is a reasonable and prudent approach to meeting our obligations under Minnesota's Renewable Energy Standard;
- Issue a Notice setting an appropriate schedule for comments and reply comments from interested parties on this Petition.
- If the Commission determines that Minn. Stat. § 216B.50 applies, approve the purchase of the Pleasant Valley Project as consistent with the public interest and grant the rule variance requested in this Petition.

Portions of the enclosed Petition and related appendices are marked "NON-PUBLIC" as they contain information the Company considers to be trade secret data as defined by Minn. Stat. §13.37(1)(b). This data includes confidential pricing and other contract terms as well as bid evaluation criteria and this information has independent economic value from not being generally known to, and not being readily ascertainable by, other parties who could obtain economic value from its disclosure or use. Additional information has been marked as "NON-PUBLIC" as trade secret information could be derived from the knowledge of such information in conjunction with other information in our Petition. The disclosure of this information could also adversely impact future contract negotiations, potentially increasing costs for these services for our customers. Thus, the Company maintains this information as a trade secret.

In compliance with Minn. R. 7829.0500, portions of the appendices are marked "NON-PUBLIC" in their entirety. The technical specifications were negotiated to accommodate the interconnection with the Border Winds project. The specifications are the result of negotiations between the Company and RES Americas and were created coincident to the executive of the Purchase and Sale Agreement. This information contains information considered highly confidential regarding the facility as it outlines technical operating requirements and types of turbines proposed. In addition, the quality insurance plan contains information regarding the operations of RES Americas and is considered highly-confidential, trade secret information specific to RES Americas and its quality management protocols. The plan was prepared by RES Americas in 2013.

Pursuant to Minn. Stat. § 216B.17, Xcel Energy has electronically filed this document with the Minnesota Public Utilities Commission and the Office of the Attorney General and others on the service list in Docket No. 10-825 and Xcel Energy's Miscellaneous Electric Service List.

Please contact me at james.r.alders@xcelenergy.com or (612) 330-6742 if you have any questions regarding this filing.

Sincerely,

/s/

JAMES R. ALDERS
STRATEGY CONSULTANT
Regulatory Affairs

Enclosures
c: Service Lists

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
David Boyd	Commissioner
Nancy Lange	Commissioner
J. Dennis O'Brien	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY FOR APPROVAL OF THE ACQUISITION OF THE 150 MW BORDER WINDS PROJECT

DOCKET NO. E002/M-13-____

PETITION

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Petition for approval of Border Winds, a 150 MW wind generation facility to be located in northeastern Rolette County, North Dakota. We have entered into a contract with RES Americas to develop the Border Winds Project and, once complete, transfer ownership of the resource to the Company. Xcel Energy will then own and operate the facility.

We respectfully request the Commission determine our proposal to acquire the 150 MW Border Winds Project through a Purchase and Sale Agreement with RES Americas is a reasonable and prudent approach to meeting our obligations under Minnesota's Renewable Energy Standard as provided in Minn. Stat. § 216B.1645.

The proposed Border Winds transaction with RES Americas will be in the form of the acquisition of a limited liability company holding all of the assets of the facility. While the transaction does not appear to fit within the strict language of Minn. Stat. § 216B.50, it may be within the intent of the statute. The Company, therefore, respectfully requests that the Commission find our acquisition of the Border Winds Project consistent with the public interest if the Commission determines that approval is required pursuant to Minn. Stat. § 216B.50. The Company further requests that the Commission vary its rules, consistent with past practice, with respect to certain filing requirements provided for in Minn. R. 7825.1800.

The Border Winds Project is a resource the Company identified for acquisition through its February 2013 Request for Proposals for additional wind resources. On July 16, 2013, the Company requested approval of three other wind resources it identified through the RFP process – the 200 MW Odell and 200 MW Courtenay Power Purchase Agreements, and the Purchase Sale Agreement with RES Americas for the 200 MW Pleasant Valley wind generation facility.[1] In our July 16 filing we noted the Company was currently reviewing the viability of a second build and transfer proposal by RES Americas with attractive pricing, but also with transmission risks that we were in the process of analyzing. That proposal was the Border Winds Project.

The Company has been able to identify the scope of the transmission risks associated with the Project, and has structured its PSA with RES Americas to protect the Company and our customers from excessive transmission cost. The Company is therefore bringing this 150 MW Project to the Commission now for its review and approval.

Once again the acquisition of a wind powered generating facility provides unique opportunity to keep the cost of electricity low for our customers while meeting our renewable energy compliance obligations and improving environmental performance.

- *Customer Value:* The Border Winds Project offers attractive pricing and fits well with our strategy of having a geographically diverse balance of Company-owned and PPA wind resources. Production at this facility will often displace more expensive production at fossil fueled power plants elsewhere. We estimate that with this 150 MW addition, customers bills will be approximately $45 million lower, over time, than they otherwise would be.
- *Compliance*: The purchase is needed to comply with Minnesota's Renewable Energy Standard (RES). The addition of Borders Wind along with our other planned and proposed renewable energy resource additions will extend the Company's compliance with RES through approximately 2023.
- *Environmental performance*: This 150 MW resource will contribute to the significant progress in improved environmental performance from our generating fleet that has been achieved over the last decade. We estimate that carbon dioxide emissions will be reduced on average another 320,000 tons annually.

In order to capture the benefits we have identified, the Border Winds Project must be underway before the end of 2013 to qualify for the Production Tax Credit. We therefore respectfully request the Commission to issue notice of the opportunity to comment on our petition with deadlines that will allow Commission action on this proposal sometime in October 2013, if at all possible.

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[1] *In the Matter of the Acquisition of Northern States Power Company for Approval of 600 MW of Wind Generation*, Docket No. E002/M-13-605.

RES Americas has not yet completed the generator interconnection process prescribed by MISO tariffs. Preliminary work indicates that the project may be responsible for transmission network upgrades costing $50 million or more, however, that result is very sensitive to the modeling assumptions used. The extent of transmission network upgrades will be better known as MISO studies are completed this fall and winter. Given the deadline for PTC eligibility we can not wait for better transmission information before presenting our petition and still capture the potential benefits of the Project for our customers. Instead, we have negotiated contract provisions that allow us to terminate the development of the Project at various stages in the MISO interconnection process if it becomes apparent that transmission costs are too high. In that way Border Winds will be developed only if we are reasonably assured the Project can provide benefits to our customers.

In this Petition, we:

- Provide an overview and summary of the Project and customer benefits;
- Describe how securing this resource is consistent with our Resource Plan and allows us to extend our compliance with the Minnesota RES;
- Discuss how the Project was identified in our competitive bidding and project selection process;
- Outline Project risks and our mitigation actions; and
- Provide a detailed cost effectiveness/Strategist analysis discussion.

I. SUMMARY OF FILING

A one-paragraph summary is attached to this filing pursuant to Minn. R. 7829.1300, subp. 1.

II. SERVICE ON OTHER PARTIES

Pursuant to Minn. R. 7829.1300, subp. 2, the Company has served a copy of this filing on the Office of the Attorney General – Antitrust and Utilities Division and Department of Commerce - Division of Energy Resources. We have also distributed copies of our filing to those on our most recent Resource Planning service list and our General Electric service list.

III. GENERAL FILING INFORMATION

Pursuant to Minn. R. 7829.1300, subp. 3, the Company provides the following information.

A. Name, Address, and Telephone Number of Utility

Northern States Power Company, doing business as:
Xcel Energy
414 Nicollet Mall
Minneapolis, MN 55401
(612) 330-5500

B. Name, Address, and Telephone Number of Utility Attorney

Kari Valley
Assistant General Counsel
Xcel Energy
414 Nicollet Mall, 5th Floor
Minneapolis, MN 55401
(612) 215-4526

C. Date of Filing

The date of this filing is August 9, 2013. The Company requests that approval of this Petition be effective upon the date of the Commission Order. If this Petition is approved, the Company will make a separate, subsequent filing to include the investment in either the Renewable Energy Standard Rider or in a future rate case.

D. Statute Controlling Schedule for Processing the Filing

This filing is made pursuant to Minn. Stat. § 216B.1645. The processing of this filing is controlled by Minn. R. 7829.1300 and 7829.1400.
The Company seeks to count the output of the Border Winds Project toward the Renewable Energy Standards of Minn. Stat. § 216B.1691, and as provided in Minn. Stat. § 216B.1645, requests Commission approval of the investments and expenditures incurred in connection with the Project as reasonable and prudent. The Company also respectfully seeks a Commission determination that the costs for the Project are recoverable in subsequent rider or rate making proceedings.

Minn. Stat. § 216B.1691 requires the Company to generate or procure sufficient electricity generated by an eligible renewable energy technology so that at least 30 percent of the Company's total retail electric sales in Minnesota is generated by renewable resources by 2020. At least 25 percent of retail sales must be met with electricity from wind powered generation.

Minn. Stat. § 216B.1645, subd. 1 provides that the Company may petition the Commission to approve investments and expenditures to satisfy our obligations under § 216B.1691, and that the expenses incurred over the duration of the approved contract or useful life of the investment shall be recoverable by the utility. Cost recovery for our owned facilities may be made through an automatic adjustment mechanism or through base rates. We will file separately for cost recovery for the Project.

No specific statute controls the timeframe for processing this filing. The processing is therefore controlled by the Commission's rules on Miscellaneous Tariff Filings. We have included the information required under Minn. R. 7829.1300, subp. 3, for miscellaneous filings that are subject to specific content requirements. We also note that while Minn. R. 7829.1400, subps. 1 and 4 specify the time periods for initial and reply comments for miscellaneous filings; it has been the past practice of the Commission to set a comment schedule by notice to interested parties pursuant to Minn. R. 7829.1400, subp. 7. Xcel Energy respectfully requests the Commission issue a notice setting a schedule for comments and reply comments from interested parties on this Petition such that the Commission may issue an order on our Petition in October if possible so that the project can get underway before the end of the year and qualify for federal production tax credits.

E. Utility Employee Responsible for Filing

James R. Alders
Strategy Consultant
Xcel Energy
414 Nicollet Mall, 7th Floor
Minneapolis, MN 55401
(612) 330-6732

IV. MISCELLANEOUS INFORMATION

Pursuant to Minn. R. 7829.0700, the Company requests that the following persons be placed on the Commission's official service list for this proceeding:

Kari Valley
Assistant General Counsel
Xcel Energy
414 Nicollet Mall, 5th floor
Minneapolis, MN 55401
kari.l.valley@xcelenergy.com

SaGonna Thompson
Records Analyst
Xcel Energy
414 Nicollet Mall, 7th Floor
Minneapolis, MN 55401
regulatory.records@xcelenergy.com

Any information requests in this proceeding should be submitted to Ms. Thompson at the Regulatory Records email address above.

V. DESCRIPTION AND PURPOSE OF FILING

A. Overview

The Company has been actively monitoring the market for cost-effective opportunities to add renewable energy to our system in compliance with Minnesota's Renewable Energy Standards. When January 2013 federal legislation extended the PTC to projects that have construction underway by the end of 2013, we immediately issued an RFP to see if the market would offer cost effective resources.[2]

Our RFP process attracted robust competition and identified four proposals - including the 150 MW Border Winds Project - that were very cost effective and will keep customers bills lower than they otherwise would be. We have successfully negotiated a Purchase and Sale Agreement (PSA) for the Project.

Border Winds is a 150 MW wind farm to be located in northeastern Rolette County, North Dakota immediately south of the US-Canadian Border. RES Americas will develop and construct the Project, and upon completion, will transfer ownership to Xcel Energy. We will own and operate the facility following the closing of the transaction. We estimate the capital cost of Border Winds will be approximately [**TRADE SECRET BEGINS TRADE SECRET ENDS]**, including Xcel Energy's anticipated development oversight and ownership transfer closing costs. We calculate the 25-year, levelized cost of electricity to be **[TRADE SECRET BEGINS TRADE SECRET ENDS]**. These values assume transmission network upgrades associated with Border Winds do not exceed **[TRADE SECRET BEGINS TRADE SECRET ENDS]**. If transmission network upgrade costs reach **[TRADE SECRET BEGINS TRADE SECRET ENDS]** Xcel Energy's total capital cost would increase by $2 million. We expect Border Winds to begin operating in late 2015. Using what we believe are conservative assumptions, our Strategist modeling predicts energy costs for our customers will be $45 million lower over the life of the Project and on the order of three times that if regulation is established with substantial carbon dioxide emission cost.

Uncertain transmission network upgrade costs are the largest development risk we have identified for the Border Winds Project. RES Americas has incorporated the expected costs for facilities categorized as "transmission interconnection" into the purchase price. However the Project may trigger the need for additional facilities categorized as transmission "network upgrades" as the result of MISO studies being

[2] The PTC can offset one-third to one-half of a wind project's total cost.

conducted this fall and coming winter. Preliminary work indicates that the Project might trigger the need for improvements to the 500 kV line to Winnipeg, however the results are very sensitive to modeling input assumptions. At this time network upgrade costs, if needed, could be on the order of $50 million or more. We will not know the full extent of required "network upgrades" until MISO completes its formal study work. Our Strategist modeling shows the potential for customer benefit up to about the $50 million network upgrade level, and an $80 million benefit potential if carbon emission costs are included. In recognition of these transmission uncertainties we negotiated terms to mitigate the risk of high network upgrade costs. We have the option to pay for transmission network upgrade costs over the contract cap however we can also terminate the contract if costs are too high to deliver benefits with reasonable confidence.

We have also reasonably mitigated PTC risk under the PSA through negotiated provisions that require RES Americas to demonstrate to our satisfaction that the Project will qualify for the PTC or we may terminate the agreement. With respect to construction risks, RES Americas is required to sell to us a fully functioning project, subject to certain exceptions.

We note that it appears the Project will not have any accredited capacity in the 2017 to 2019 timeframe and, as the result, will not affect the capacity need that is being addressed in the Competitive Resource Acquisition Process currently pending in Docket No. E002/CN-12-1240. However, the energy provided by the Project in combination with the 600 MW portfolio proposed in Docket No. 13-605 may impact the *type* of resource selected to meet that need. We believe that our acquisition of the proposed 750 MW of wind is reasonable, prudent, and necessary for our RES compliance, and that any potential impacts to the resource selection are more appropriately addressed in the 12-1240 Docket.

B. Resource Portfolio Integration

1. Resource Plan

In our most recent Resource Planning Docket,[3] the Company described our plans for the acquisition of additional renewable resources to meet the combined effects of Minnesota's Renewable Energy Standard as well the renewable energy policies of the other states in which we serve. We noted that the cost effectiveness of further wind additions depends heavily on whether the eligibility for the federal production tax credit was extended. We also noted that we have some time before further acquisitions are necessary to maintain compliance. We proposed to monitor federal

[3] Docket Number E002/RP-10-825.

policy and other market conditions and act to acquire additional renewable resources if opportunity surfaced. While the Commission made no explicit findings with regard to our plan, the acquisition of additional wind power presented in this petition is consistent with the strategy we presented. Shortly after the federal production tax credit was extended, in January 2013, we notified the Commission and parties on the Resource Plan service list that we were going to issue an RFP for additional wind resources.

2. *RES Compliance*

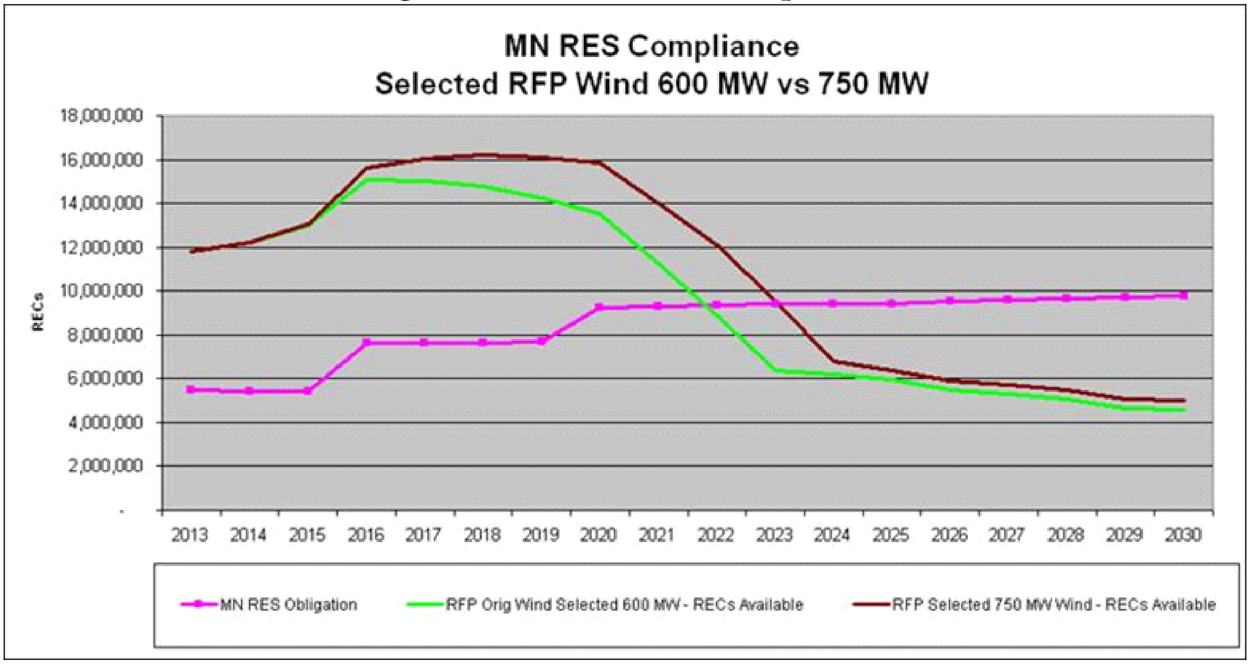
The addition of Border Winds is necessary to comply with the requirements of Minnesota's Renewable Energy Standard statute. Under Minnesota's Renewable Energy Standard, Minn. Stat. § 216B.1691, subd. 2a, clause (b), 30 percent of the Company's retail sales must be provided by eligible renewable generating facilities by 2020, with wind power providing 25 percent of our retail sales by then.[4] Xcel Energy will need to acquire well over 1,000 MW of additional wind power, even after the addition of the 600 MW proposed in docket No E002/ M-13-603 in order to maintain compliance.

At the end of 2012, we were on track with the intermediate milestones of the law, with just over 16.5 percent of our annual retail sales coming from renewable resources. Of this total, nearly 12 percent was from wind and five percent was from non-wind resources, including hydro, biomass, landfill gas, solar and refuse-derived fuel. The remainder of the 2012 requirement was satisfied with our banked inventory of RECs.

The 600 MW of wind power additions associated with docket 13-603 will extend compliance by approximately into 2023. The acquisition of the Border Winds Project will extend our compliance with the Minnesota RES another year, well into 2023. Figure 1 illustrates our annual Minnesota RES obligation and our anticipated inventory of Renewable Energy Certificates (RECs) that can be applied to our Minnesota RES requirements after retiring RECs each year to demonstrate compliance. We project that over 2.6 million megawatt hours of wind powered electric production will be needed in the 2024 time frame once our bank of RECs is depleted. Using a 40% capacity factor it will take roughly 1,000 MW more wind generation to maintain compliance after Odell, Courtenay, Pleasant Valley and Border Winds.

[4] The RES was modified in the 2013 legislative session to add an incremental solar energy standard that requires an additional 1.5 percent of our annual retail sales to come from solar resources (Minn. Stat. 216B.1691, subd. 2e).

Figure 1: Minnesota RES Compliance



C. Project Selection

The Border Winds Project is the result of an approved competitive bidding process that Xcel Energy conducted in accordance with the Commission's Resource Plan Orders. As discussed in detail in our July 16 filing in Docket No. 13-603, we issued an RFP on February 18, 2013 for proposals of any size up to 200 MW and of various structures including utility ownership, PPA or any combination thereof with no preference given to any particular type of structure. The RFP generated proposals for 57 projects comprising approximately 6,300 MW of distinct resources. Many projects contained several PPA and ownership options with associated variations in size and price.

Our Resource Planning department led the evaluation team. Copies of proposals with a PPA component were provided to our Purchased Power group for further evaluation, and copies of proposals with an ownership component were delivered to our Business Development group. Proposals containing offers for both PPAs and ownership structures were provided to both groups.

We performed an initial screening of bids based on our calculation of levelized cost. This initial screening identified the most cost-effective projects thus allowing us to target efforts on those projects having the best potential to provide long-term value to our customers. Based on the distribution of levelized cost we focused review on bids that were at or below $29/MWh. We chose the cutoff price of $29/MWh as it provided for a reasonable number of the most cost-effective proposals from which to focus further review efforts. The initial screening process identified 14 projects below the established levelized price threshold.

A significant consideration of any project is its ability to interconnect with the transmission system. Therefore, our Transmission Access group performed a detailed multi-factor review of the status of each project's MISO interconnection request and potential transmission requirements. This review identified potential significant issues around transmission interconnection cost and curtailment risk for several of the projects. Based on this analysis, the Transmission Access group recommended that a number of projects be eliminated from further consideration.

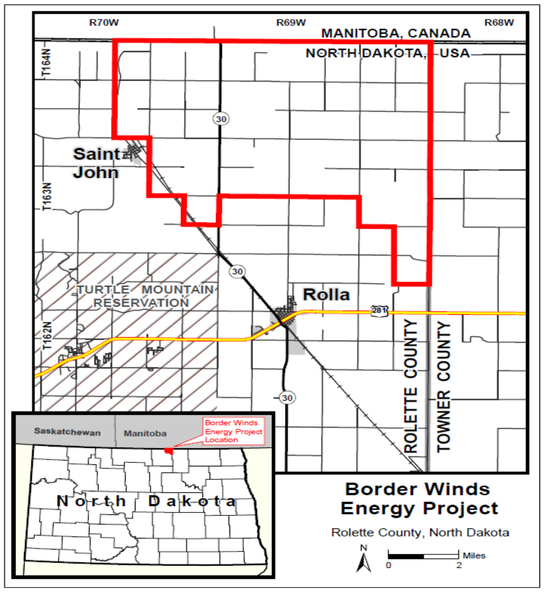
The Business Development group used the information provided by the Transmission Access group and other information provided in the bids to determine the potential viability of develop /transfer projects. From this assessment, Business Development identified five projects that appeared attractive from an ownership perspective. These five projects were separated into three tiers to differentiate their relative attractiveness.

The Pleasant Valley Project appeared at this point to have characteristics that stood out from the others. A second tier of projects also appeared to be attractive, which included the Border Winds Project. The third tier of projects were of interest, but had characteristics that were less attractive from an ownership perspective. As the result of the analysis, attention was focused on Pleasant Valley and Border Winds proposals by RES Americas, with discussion continuing with one additional developer. The Business Development group proceeded with due diligence and contract negotiations on these recommended projects.

Business Development's detailed due diligence on RES Americas' proposals involved evaluating a number of measures, including price, energy production profile, curtailment risk, interconnection and transmission requirements and costs, environmental risk, developer experience, and several other criteria. This evaluation determined that Border Winds offered significantly greater net benefits to our customers than the other proposals still under consideration, but that possible transmission issues had the potential to add significant costs. The Company concluded that the significant upside of the Project warranted giving RES Americas the opportunity to determine what the actual transmission requirements for Border Winds will be in MISO's interconnection study process. However, MISO's studies will not be far enough along to understand network upgrade costs in time to incorporate them and obtain Commission approval before the end of the year when federal PTC eligibility expires once again. The Company therefore negotiated provisions with RES America allowing Xcel Energy to terminate the PSA for the Project should transmission costs exceed a limit beyond which, in the Company's sole discretion, the Project's costs are disproportionate to its benefits.

D. Project Description

The Border Winds Project is a 150 MW wind energy generation facility that will be located on 52.5 square miles of land in northeastern Rolette County, North Dakota immediately south of the U.S.-Canadian Border.



Source: RES Americas

RES Americas will develop the Border Winds Project, and upon completion will transfer ownership to Xcel Energy. Xcel Energy will then dissolve the project entity and own and operate Border Winds.

The Border Winds Project will consist of **[TRADE SECRET BEGINS TRADE SECRET ENDS]** wind turbine generators. Associated infrastructure includes access roads, electrical collection system, meteorological monitoring stations, a project collector substation, a new interconnection substation, and an operations and maintenance facility. An analysis of the site-specific wind data was conducted by our consultant, V-Bar, utilizing the specific turbines planned for the Project. The analysis predicted a net capacity factor of 45.51 percent[5] for the wind turbines, which was used for our final levelized-cost analysis.

The Border Winds Project will interconnect at a new 230 kV substation on Xcel Energy's Rugby to Glenboro 230 kV line. A less than one-mile 230 kV line will connect the wind farm's collector substation to the point of interconnection. The Project has applied for and will participate in MISO's August 2013 Generator

[5] V-Bar provided a probability analysis. There is a 50% probability that Border Winds' capacity factor will exceed 45.51.

Interconnection Study cycle, which will identify all transmission upgrades required for the project to interconnect to the transmission grid.

We will purchase the Border Winds Project pursuant to a PSA with RES Americas that has the same general structure as the PSA for Pleasant Valley. Under the Border Winds PSA, the Company will be purchasing the Limited Liability Company (LLC) that holds all of the Project assets, such as the generating facilities, real estate, and contracts for the Project.

The transaction is structured as a purchase of the LLC to allow RES Americas some flexibility in development of the Project, to create efficiencies in the mechanics of the project transfer by taking advantage of certain legal merger constructs, and to provide certain tax benefits during development. This structure requires RES Americas to assume construction risk throughout the development and construction phase of the Project, as they are responsible for its physical construction.

After the closing of the purchase, the Company will merge the LLC into Northern States Power Company – Minnesota and reflect the Project assets on its books as it would any other Company-owned generating facility. While the Company has not engaged in any transactions structured in this way in the past, our Colorado affiliate, Public Service Company, has recently, and successfully, consummated such a transaction.

The transaction is contingent on several regulatory approvals. These include: (1) receipt of an Advanced Determination of Prudence (ADP) and Certificate of Public Convenience and Necessity (CPCN) from the North Dakota Public Service Commission; (2) approval of the Department of Justice for the merger under the Hart-Scott-Rodino Act; and (3) approval of the Federal Energy Regulatory Commission for the merger under Section 203 of the Federal Power Act. Should the Commission approve this Petition and the NDPSC grant an ADP, we will make the federal filings at the appropriate time, closer to close of the transaction.

The PSA contains usual and customary terms for a transaction of this type. We provide the PSA with RES Americas as Trade Secret Attachment A to this filing. Construction is expected to begin in the late 2013. The current project schedule contemplates commercial operation in late 2015.

We estimate the total capital cost of the Border Winds Project will be approximately **[TRADE SECRET BEGINS TRADE SECRET ENDS]**, including Xcel Energy's anticipated development oversight and ownership transfer closing costs. Our PSA with RES Americas calls for payments of approximately **[TRADE SECRET BEGINS TRADE SECRET ENDS]** for development of the Project. We estimate Xcel Energy's development oversight and ownership transfer costs included in the Project's total capital costs will be approximately $4.5 million. The total capital costs reflect **[TRADE SECRET BEGINS TRADE SECRET ENDS]** of Shared Interconnection Costs to be absorbed by RES. If the Shared Interconnection Costs exceed that amount, the Company may also be responsible for **[TRADE SECRET BEGINS TRADE SECRET ENDS]**, or $2 million in additional transmission costs, after which any more transmission costs would trigger the Company's right to terminate the PSA. We calculate the 25-year levelized cost of electricity to be **[TRADE SECRET BEGINS TRADE SECRET ENDS]** based on **[TRADE SECRET BEGINS TRADE SECRET ENDS]** of capital costs and our estimates of O&M.

E. Project Risks

As with any large generating project, there are risks associated with the development of the Border Winds Project. We believe that we have identified, assessed and mitigated major risks through prudent contracting practices, and that it is reasonable and in our customer's interest for the Commission to authorize us to proceed with these projects. We discuss each of the primary areas of risk and our mitigating actions in this section.

1. *Development Risk*

a. Federal PTC Risk

The January 2013 renewal of the PTC provides a tax credit for those projects that have begun construction by December 31, 2013. IRS guidelines consider commencement of construction to have occurred when physical work of a significant nature has started or five percent of the total cost of the facility has been incurred and the developer makes continuous efforts to complete the facility thereafter.[6]

We believe the Project will meet the requirements necessary to qualify for the PTC, and that the risk has been reasonably mitigated. Under the PSA, RES Americas is required to provide certification that the Project was under construction as defined by the IRS, **[TRADE SECRET BEGINS**

TRADE SECRET ENDS] The PSA also contains extensive provisions that require RES Americas and the Company to seek to challenge any adverse ruling by the IRS that would not allow the Project to qualify for the PTC.

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[6] *See* IRS Notice No. 2013-29.

Furthermore, we may **[TRADE SECRET BEGINS**

TRADE SECRET ENDS]

b. Construction and Capital Risks

The Company will carry some construction and out- year capital contribution risks for the Border Winds Project since we will own it. We believe the Project PSA with RES Americas is equitable and reasonably shifts the bulk of these risks on the developer. For example, by purchasing a turnkey project the Company mitigates its actual construction risk since RES Americas must construct the Project prior to the Company purchasing it. Additionally, we have required RES Americas, through the PSA, to meet our technical criteria for Company-owned facilities.

The parties have negotiated a customary holdback provision to provide for the completion of certain items after the closing, which is based on **[TRADE SECRET BEGINS**

TRADE SECRET ENDS]
as determined at closing.

We will also assume all of the contracts that RES Americas has entered into for the Project, including leases, and must conform to the terms of those contracts, which could affect the total capital cost of the project. Last, we will be responsible for any other capital costs that may arise during our ownership of the Project. We believe that we have made reasonable efforts to mitigate these potential risks.

For example, we require that all contracts RES Americas enters into for the Project are satisfactory to the Company. We have incorporated technical specifications the Project must meet as part of the PSA to better ensure a high quality installation. We have also confirmed that payments for land rights associated with the Project are in the form of ongoing annual lease payments properly treated as O&M expenditures and not capital development costs. Last, we believe that our prudent operation and maintenance of the Project will mitigate significant out-year capital contributions.

The purchase price we have negotiated with RES Americas reflects the risks that RES Americas is taking on fully, those risks they share with the Company, and those risks that the Company will carry. To ensure that the developer delivers the quality of project bargained for, the Company will incur certain oversight costs during development as well as closing costs associated with the transfer of the project to the company. Our analysis of the Project reflects an additional assumption of potential capital costs over-and-above the purchase price to account for our costs and a contingency for potential transmission costs, described below.

c. Transmission Interconnection Risk

Since the MISO transmission interconnection process is not yet complete, there is uncertainty around the final transmission costs for the Border Winds Project. However, we believe that risk has been reasonably mitigated in the PSA.

Our Strategist analysis shows PVRR benefits to customers under a number of scenarios studied involving additional transmission costs. Since the final interconnection study work is not complete, however, we took a conservative approach in the PSA with RES Americas to ensure we retained the flexibility to limit the Company's obligation to proceed depending upon the final determination of the additional transmission costs for the Project. The contract's structure allocates the unknown transmission risk in a way that allows development of the Project to move forward, subject to a cap on transmission costs and the Company's determination that the increased costs do not outweigh the benefits the Project will deliver to our customers.

The purchase price under the contract is **[TRADE SECRET BEGINS TRADE SECRET ENDS]**. That purchase price includes a certain amount for assumed transmission obligations. Under the contract, RES will absorb **TRADE SECRET BEGINS TRADE SECRET ENDS]** in "Shared Interconnection Costs" in support of the Project. If the Shared Interconnection Costs exceed that amount, **TRADE SECRET BEGINS TRADE SECRET ENDS]**, potentially resulting in a $2 million price increase to Xcel Energy.

Preliminary study work identified that certain network upgrades, approaching as much as $50 million in cost, may be required to the Roseau County Substation and elsewhere on the 500 kV line to Winnipeg as a result of the interconnection of the Project to the Rugby – Glenboro 230 kV transmission line. A series of MISO studies on this issue beginning in August 2013 will resolve what the final interconnection requirements, including network upgrades, will be.

To deal with this unknown transmission cost risk, the PSA provides that if the Shared Interconnection Costs exceed **[TRADE SECRET BEGINS TRADE SECRET ENDS]**, the parties will have a couple of options. First, Xcel Energy can terminate the contract unless RES Americas agrees to absorb the excess transmission costs. If RES America declines to do so, Xcel Energy can proceed by choosing to absorb the excess costs or terminate.

Under the contract, Xcel Energy will have three opportunities to assess the transmission costs associated with the Project, based on the following:

- Preliminary and nonbinding results from the System Impact Study of the Project, which are anticipated to be available from MISO in November 2013. The final System Impact Study is anticipated to be completed by January 2014.
- A Facility Study of the necessary network upgrades for the Project (identified in the System Impact Study), which is expected to be completed by May 2014.
- The Interconnection Agreement negotiations for the Project, which are anticipated to begin by June 2014. In the event the Company terminates the PSA in the course of negotiating the Interconnection Agreement, it must pay RES Americas a break-up fee of up to **[TRADE SECRET BEGINS TRADE SECRET ENDS]** This recognizes that delaying the final decision whether to proceed until mid-2014 will have caused the developer to incur otherwise avoidable costs.

This set of rights provides Xcel Energy with the ability to take a very conservative approach to whether or not to proceed with the transaction.

d. Environmental Risk

RES Americas will obtain avian and bat surveys for the Border Winds Project to determine if there will be significant impacts to avian and bat species from the development, construction, commissioning and operation of the Project. RES Americas will also work with the U.S. Fish and Wildlife Service and other applicable authorities to develop an avian and bat projection plan to avoid and minimize possible adverse effects to avian and bat species. **[TRADE SECRET BEGINS**

TRADE SECRET ENDS]

2. Operational Risks

Once in-service, wind projects face operational risks. These risks involve the amount of annual power generation and the real-time delivery of that power to our customers.

The operational risks associated with an owned-project remain with the Company. However these risks are offset by higher estimated benefits from Company ownership. To the extent that annual generation at Border Winds is lower than expected, we would be losing energy at no significant change in cost, and the overall cost-effectiveness of the Project would decrease. Conversely, if annual generation is greater than expected, the Project will provide increased benefits to our customers.

Owned projects also have some uncertainty in annual costs for operation and maintenance.

In each of these areas, we have included what we believe to be conservative estimates of the expected on-going costs at Border Winds in our evaluation of the Project. Curtailment estimates in our analysis are an order of magnitude higher than have been recently experienced. Capacity factor assumptions are lower than the vendor relied on, and sensitivity tests with even lower capacity factors still identify that substantial cost savings can be had for customers. We quantify both of these potential operating risks in the Cost Effectiveness section of this Petition.

F. Cost Effectiveness

To evaluate the cost effectiveness of the Border Winds Project, we used the Strategist resource planning model. The Strategist Planning model simulates the operation of the NSP System and estimates the total cost of energy over the life of the Project on a present value basis. We use the model to test results under a range of input assumptions. To assess Border Winds' impact on customer costs, we simulated the operation of the NSP System over the next 40 years with and without the addition of the 150 MW of wind generation from the Project.

Wind generation has a zero marginal cost to produce the next unit of energy. In other words, after capital and on-going O&M costs are accounted for, it costs a wind generator nothing to produce the next MWh of energy. As the result, MISO generally provides for wind production ahead of other, higher marginally-priced, generation such as gas- and coal-based generation. Consequently, the more wind on the system and generating, the less traditionally-fired generation is operated. When the energy from the 150 MW Border Winds Project is produced, it displaces a similar need for the Company to either produce the energy elsewhere on its system or purchase energy from the MISO market. The Strategist analysis accounts for these cost savings as well as the impact of the capital commitments associated with the Project.

1. Modeling Border Winds

For Company-owned projects, the upfront purchase price must be translated into a projection of the annual revenue requirements associated with financing, operations, depreciation, and taxes. Projections of upfront and on-going capital investments and annual operating and maintenance expenses must also be developed.

To create a total annual cost of ownership estimate, we used a spreadsheet model and transferred that annual total cost estimate directly into Strategist. Upfront capital investments are well defined. The on-going capital investments and annual O&M

expenses projections are subject to some uncertainty due to unforeseen equipment failures or changing costs within the industry. To test how variation from the base forecasts would impact the overall cost-effectiveness of the Project, we conducted sensitivity tests in Strategist of plus and minus 25 percent of projected on-going capital investments and O&M expenses.

The economic benefit of an owned wind project is highly-dependent on the annual generation from the site. Each additional MWh produced by a Company-owned project increases the value of the project because the higher the production, the lower the average costs will be, and therefore, the larger the benefits. To test how average capacity factors impact the economic value of Border Winds, Strategist modeled this sensitivity using +/- 5 percent of the expected annual generation. The base assumption for the life of each ownership option was 25 years, and sensitivities were performed for 20-year and 30-year lives.

The profile for the Project is based upon Typical Wind Year (TWY) profiles for existing NSP wind farms that are geographically proximate. The profile was adjusted to match the target annual generation.

In accordance with the latest MISO effective load carrying capability (ELCC) analysis, we modeled Border Winds having a 13.3 percent accredited capacity value. However, per MISO's tariff and business practices, for the Project to receive accreditation as a capacity resource it must have firm delivery rights either with Network Resource Interconnection Service or firm transmission service (Network Integration Transmission Service or Firm Point-to-Point Transmission Service). Our expectation for Border Winds, as well as our proposed 600 MW wind portfolio, is that these wind resources will not be given this designation until 2021 when various transmission system upgrades, including MISO's MVP projects, are complete. Our modeling efforts reflect the expected capacity accreditation in 2021.

The Strategist model does not explicitly model transmission congestion and line losses for new resources. To ensure that we are accounting for the costs associated with our wind proposal, we included the congestion and line loss estimates from MISO's 2012 Promod model. The Promod model contains detailed information on the transmission topology in MISO, and has the ability to forecast hourly prices at individual nodes throughout the system. It is the same model that MISO used in their most recent round of transmission planning analysis, and contains all planned upgrades to the transmission system that may impact transmission congestion in the future. The difference in price between any two locations within MISO is interpreted at the combined impact of transmission system congestion and line losses.

2. *Strategist Results*

The results of the Strategist analysis show that Border Winds will result in net savings for our customers under all sensitivity tests conducted.

Table 1: PVRR Results ($millions)

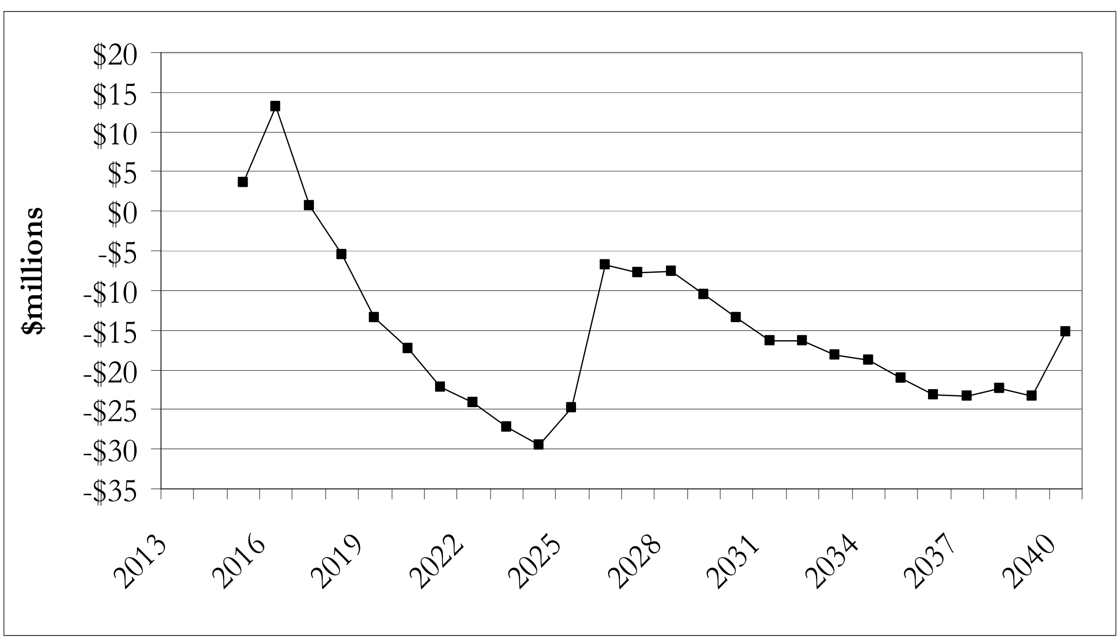
	Base	Low Gas	$0/ton CO2	Markets Off	30 Year Operating Life	20 Year Operating Life	+5% Capacity Factor	-5% Capacity Factor	+25% On-Going Ownership Costs	-25% On-Going Ownership Costs
Base Case	$47,058	$43,274	$40,412	$47,161	$47,022	$47,105	$46,936	$47,088	$47,100	$47,064
Border Winds	$46,934	$43,212	$40,366	$47,029	$46,861	$47,037	$46,890	$46,978	$46,979	$46,916

Table 2: Incremental PVRR Results from Base Case ($millions)

	Base	Low Gas	$0/ton CO2	Markets Off	30 Year Operating Life	20 Year Operating Life	+5% Capacity Factor	-5% Capacity Factor	+25% On-Going Ownership Costs	-25% On-Going Ownership Costs
Base Case	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Border Winds	($124)	($62)	($45)	($132)	($160)	($67)	($46)	($110)	($121)	($148)

As indicated in the PVRR tables above, the Border Winds Project provides significant cost savings to our customers even under the conservative sensitivity cases studied. The analysis also indicates that Border Winds can still provide customer benefit with network upgrades totaling up to approximately $50 million. To further understand how the costs (savings) change over time, Figure 2 below shows the annual nominal net costs (savings) of Border Winds as compared to the base case, not proceeding with Border Winds.

Figure 2: Annual Net Costs (Savings) Compared to Base



Note: Represents the cost impact of CO2 priced at $21.50/ton starting in 2017.

It is important to note that the data in Figure 2 includes the cost impact of CO2 priced at $21.50/ton starting in 2017. The CO2 value accounts for approximately $8 million in savings per year. Even without this benefit, Border Winds will create significant cost savings in most years. Border Winds creates a net cost of $4 million in 2015 and $13 million in 2016. This is caused by lower forecasted fossil fuel prices and the upfront depreciation and other costs of the project.

An alternate way of presenting the Strategist results is by calculating the levelized price of the project and the other costs and benefits associated with it. Levelized prices are a fixed $/MWh price that have the same NPV as the actual cost streams generated by Strategist. In addition to the direct project costs, we included costs for wind integration, transmission congestion, and line losses. While the primary benefit of the Project is displaced generation from fossil fuel resources, the Strategist model also tracks benefits from avoided CO2 emissions and capacity credit. Table 3 below illustrates how the levelized cost of the Project is more than offset by the value of avoided generation.

Table 3: Levelized Costs Analysis - $/MWh

	[Trade Secret Begins
Revenue Requirements	
Wind Integration	
Congestion/Line Losses	
Avoided Fossil Fuel	
Capacity Credit	
Avoided CO2	
	Trade Secret Ends]
Net Cost (Benefit)	($20.72)

In addition to the compelling economic benefits, adding additional wind at favorable pricing provides a hedge against future increases in natural gas prices, market energy costs, and CO2 regulation. This is primarily because the wind displaces thermal generation or market purchases that are subject to volatility in fuel, power, and emissions costs. To illustrate the benefit of the Border Winds project, Table 4 below shows the base case volumes of natural gas, market purchases, and CO2 emissions – and the deltas against these factors for the Project.

Table 4: Hedge Value

Total System 2015-2050	CO_2 *Million tons*	Natural Gas *bcf*	Market Purchases *GWh*
BASE	647	2,714	51,545
Border Winds	(8)	(69)	(2,324)

We expect that soon after initial operation, customers' overall bills will be lower than otherwise as a result of our proposed resource acquisition. Our Strategist dispatch simulation forecast that the cost of the Border Winds project proposed in this Petition will be more than offset by decreases in the cost of fossil fuel and other purchased energy.

To develop our rate impact estimates, we used the output of our Strategist model divided by our forecasted sales volume. Table 5 below estimates how average rates will be affected by the proposed wind project.

Table 5: Annual Rate Impact Analysis

	2015	2016	2017	2018	2019	2020
Base Rates - Border Winds	0.02¢/kWh	0.06¢/kWh	0.05¢/kWh	0.04¢/kWh	0.03¢/kWh	0.02¢/kWh
Wind Integration & Congestion	0.00¢/kWh	0.01¢/kWh	0.01¢/kWh	0.01¢/kWh	0.01¢/kWh	0.01¢/kWh
Avoided Fuel & Purchased Power	(0.01¢/kWh)	(0.03¢/kWh)	(0.04¢/kWh)	(0.05¢/kWh)	(0.05¢/kWh)	(0.05¢/kWh)
Net Rate Impact	**0.01¢/kWh**	**0.03¢/kWh**	**0.01¢/kWh**	**0.00¢/kWh**	**(0.02¢/kWh)**	**(0.03¢/kWh)**

	2021	2022	2023	2024	2025
Base Rates - Border Winds	0.01¢/kWh	0.01¢/kWh	0.01¢/kWh	0.00¢/kWh	0.02¢/kWh
Wind Integration & Congestion	0.01¢/kWh	0.01¢/kWh	0.01¢/kWh	0.01¢/kWh	0.01¢/kWh
Avoided Fuel & Purchased Power	(0.05¢/kWh)	(0.06¢/kWh)	(0.06¢/kWh)	(0.06¢/kWh)	(0.07¢/kWh)
Net Rate Impact	**(0.03¢/kWh)**	**(0.04¢/kWh)**	**(0.04¢/kWh)**	**(0.05¢/kWh)**	**(0.04¢/kWh)**

We estimate that the peak rate impact of the Border Winds Project will be six one-hundredths of one cent, but then rapidly decline as the Project is depreciated. However, the cost impact of this project will be offset by reductions in fuel and purchased energy. These offsets begin at one one-hundredths of one cent, and are forecasted to increase to more than seven one-hundredths of one cent by 2025 – delivering significant cost savings to our customers over the long-term.

G. Application of Minn. Stat. § 216B.50

Minn. Stat. § 216B.50 states:

> No public utility shall sell, acquire, lease, or rent any plant as an operating unit or system in this state for a total consideration in excess

> of $100,000, or merge or consolidate with another public utility or transmission company operating in this state, without first being authorized so to do by the commission. Upon the filing of an application for the approval and consent of the commission, the commission shall investigate, with or without public hearing. The commission shall hold a public hearing, upon such notice as the commission may require. If the commission finds that the proposed action is consistent with the public interest, it shall give its consent and approval by order in writing. In reaching its determination, the commission shall take into consideration the reasonable value of the property, plant, or securities to be acquired or disposed of, or merged and consolidated.

As with the Pleasant Valley PSA, the proposed Border Winds transaction with RES Americas provides that Xcel Energy will acquire the limited liability company holding all of the assets of the Project. The acquisition of this limited liability company does not fall under the definition of a plant or operating unit or system, and neither RES Americas nor the limited liability company is a public utility operating in Minnesota. Nonetheless, the Company's purchase of the company holding the projects assets includes acquiring its asset—the Border Winds generating facility. Thus, while the plain language of the statute may not apply, the Company recognizes that the intent of the statute likely does apply to this transaction. Thus, the Company respectfully requests that the Commission find the proposed action consistent with the public interest if the Commission determines that approval is required pursuant to Minn. Stat. § 216B.50.

In addition, Minn. Rule 7825.1800, subps. B, C and D specifically address the issue of transfer of property. These provisions state as follows:

7825.1800 FILING REQUIREMENTS FOR PETITIONS TO ACQUIRE PROPERTY.

> Petitions for approval to acquire property shall contain one original and three copies of the following information, either in the petition or as exhibits attached thereto: …
>
> B. Petitions for approval of a transfer of property shall be accompanied by the following: all information as required in part 7825.1400, items A to J; the agreed upon purchase price and the terms for payment and other considerations.
>
> C. A description of the property involved in the transaction including any franchises, permits, or operative rights, and the original cost of such

property, individually or by class, the depreciation and amortization reserves applicable to such property, individually or by class. If the original cost is unknown, an estimate shall be made of such cost. A detailed description of the method and all supporting documents used in such estimate shall be submitted.

D. Other pertinent facts or additional information that the commission may require.

The Commission has previously granted a variance to the requirements to provide the information outlined under Minn. R. 7825.1400 (A)-(J) in proposed acquisition-of-property transactions.[7] The Commission has found that Minn. R. 7825.1400 is applicable to capital structure filings and, therefore, the information identified is not relevant to petitions to acquire property.[8] The Company respectfully requests a similar variance in this case pursuant to Minn. R. 7829.3200. The information is not relevant to the current petition, would impose an excessive burden on the Company, a variance is not in conflict with any statutory provisions, and a variance is consistent with the public interest.

The Company notes that the purchase price and terms for payment, including the description of the property and original cost are outlined in the PSA provided as Attachment A. Please also see the PSA for a description of the components of the project company including all physical assets comprising the project, permits, real estate, reports, engineering information, and warranties to be delivered to the Company.

With respect to the discussion required under Minn. R. 7825.1800(C), the Company notes that upon RES Americas completing work on all permits, real estate, and environmental issues and upon receipt of all required reports, approvals and financing, the Company will pay to RES Americas a deposit in the amount of **[TRADE SECRET BEGINS TRADE SECRET ENDS]**. At the closing of the transaction upon completion of the Project, the Company will pay the balance of the purchase price in cash, adjusted for any hold backs or damages.

In addition, the Company notes there are no affiliated interests between the Company and RES Americas. The Company is a wholly-owned utility operating company subsidiary of Xcel Energy Inc., a public utility holding company under the Public

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[7] *See In the Matter of Northern States Power Company's d/b/a/ Xcel Energy's Petition for Approval of a Transfer and Exchange of Transmission Assets with Great River Energy and Member Cooperatives,* MPUC Docket No. E002/PA-06-932, Order (October 16, 2006).

[8] *Id.; see also In the Matter of Northern States Power Company, a Minnesota corporation, and ITC Midwest LLC for Approval of a Transfer of Transmission Assets and Route Permit*, MPUC Docket No. E002/PA-10-685, Order Approving Sale AS Conditioned, Granting Variance and Requiring Filing (December 28, 2010).

Utility Holding Company Act of 2005. RES Americas is a subsidiary of Renewable Energy Systems, Ltd., a holding company established under the laws of England and Wales.

Other pertinent facts are found within this Petition.

For the reasons set forth in this petition, the Company respectfully submits that the proposed transaction with RES Americas is consistent with the public interest and should be approved.

3. Impacts to the Pending Competitive Resource Acquisition Process

The pending competitive acquisition process is an outcome of our Resource Plan docket, which identified a capacity need of up to 150-500 MW in the 2017-2019 timeframe. Because the Border Winds Project is not expected to receive a capacity credit from MISO until 2021, the addition of these projects to our system does not affect the identified capacity need.

However, the *energy* produced by our proposed wind resources may impact the daily dispatch of resources proposed, thereby potentially affecting the *type* of resource(s) selected to meet the identified capacity need. As noted by the Department in its June 2012 Comments to our Resource Plan, the amount of wind included in the Strategist model has an impact on the relative economics of peaking and intermediate type resources.

Our proposal to add the Border Winds Project to our system advances our RES compliance with significant economic benefits to our customers. We expect that its impact on evaluation of the resources proposed in the RAP will be performed as part of the competitive acquisition Docket.

H. Maintain System Reliability

The Border Wind Project will not be allowed to interconnect to the integrated transmission network until MISO conducts the studies necessary to determine what transmission facilities are necessary to ensure system reliability is maintained. As described earlier, the Company and RES Americas have agreed terms to address the uncertainty regarding the cost of transmission network upgrades.

I. Economic Development Benefits

The Border Winds Project is part of a proposed 750 MW portfolio of wind resources that represent the single largest renewable energy generating addition to our system ever. They will contribute significantly to enhance economic development and associated community benefits in southwestern and southeastern Minnesota, and North Dakota. Economic benefits take the form of local construction jobs, materials purchased by contractors, local jobs during operation, and ongoing tax payments to local jurisdictions. There are also the economic multiplier effects of increases in goods and services needed by construction crews and operators over time.

VI. EFFECT OF CHANGE UPON XCEL ENERGY REVENUE

If this Petition is approved, the Company will separately file for approval for cost recovery of the Border Winds Project, either through the RES rider or through base rates.

CONCLUSION

The wind generation market has presented us with a unique opportunity to add generation that will keep energy prices lower for our customers than they otherwise would be. At the same time the Border Winds Project will improve the environmental performance of our system with significant reductions in carbon dioxide emissions. Accordingly, we respectfully request that the Commission:

- Determine our proposal to acquire the Border Winds Project is a reasonable and prudent approach to meeting our obligations under Minnesota's Renewable Energy Standard;
- If the Commission determines that Minn. Stat. § 216B.50 applies, approve the purchase of the Border Winds Project as consistent with the public interest and grant the associated rule variance requested in this Petition.

Dated: August 9, 2013

Northern States Power Company

Respectfully submitted by:

/s/
JAMES R. ALDERS
STRATEGY CONSULTANT
RATES AND REGULATORY AFFAIRS

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
David C. Boyd	Commissioner
J. Dennis O'Brien	Commissioner
Phyllis Reha	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY FOR APPROVAL OF THE ACQUISITION OF 600 MW OF WIND GENERATION

DOCKET NO. E002/M-13-_____

PETITION

SUMMARY OF FILING

Please take notice that on August 9, 2013, Northern States Power Company, doing business as Xcel Energy, filed with the Minnesota Public Utilities Commission a Petition for approval of the 150 MW Border Winds Project. The Company requested that the Commission: (1) Determine the addition of this resource to the Xcel Energy system is a reasonable and prudent approach to meeting our obligations under Minnesota's Renewable Energy Standards; and (2) Find that the transaction for Company ownership of the 150 MW wind farm is in the public interest.

Certificate of Service

I, SaGonna Thompson, hereby certify that I have this day served copies of the foregoing document or a summary thereof on the attached lists of persons:

xx by depositing a true and correct copy or summary thereof, properly enveloped with postage paid, in the United States Mail at Minneapolis, Minnesota; or

xx via electronic filing

MPUC Docket Nos. **E002/RP-10-825 Service List**
Miscellaneous Electric Service List

Dated this 9th day of August, 2013

/s/

____

SaGonna Thompson

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