TRANSMISSION COST RECOVERY RIDER DESCRIPTION OF PROJECTS PROPOSED TO BE ELIGIBLE UNDER SDCL 49-34A-25.1

The projects described below are being planned to increase transmission capacity between the wind generation on the Buffalo Ridge in South Dakota and Minnesota and the Company's retail load centers.

PROJECT 1. 825 MW WIND UPGRADE – MAIN PROJECT

Estimated Project Cost:	**$188 million**
Construction Start Date:	**8/1/2006**
Estimated In-Service Date:	**Various sections will go into service between 3rd quarter 2007 and 2nd quarter 2008**

Proposed TCR project facilities descriptions and context

(1) Parent Project 10311808
Split Rock (Near Brandon, SD) to Nobles County to Lakefield Jct (MN) 345 kV line and the Nobles County to Chanarambie 115 kV line

The most significant project in terms of capital expense is the Split Rock - (Nobles County) - Lakefield Junction 345 kV line. This parent project includes a new 86-mile, 345 kV transmission line from the existing Split Rock Substation, located near Brandon, SD, to a the new Nobles County Substation, located north of Worthington, MN, to the existing Lakefield Junction Substation located near Lakefield, MN. This new 345 kV line facilitates a connection from the wind farms in Southwestern Minnesota and Eastern South Dakota to load centers in the Sioux Falls and Twin Cities metropolitan areas.

This parent project also includes a new 40-mile 115 kV transmission line running from the new Nobles County 345kV / 115 kV substation (to Fenton) to the Chanarambie Substation located near Lake Wilson, MN. This project connects the existing Buffalo Ridge 115 kV transmission system with the new 345 kV line running from Split Rock to Lakefield Junction.

(2) Parent Project 10374968
Buffalo Ridge Substation Expansion

This project item expands the existing Buffalo Ridge substation near Lake Benton, Minnesota, to accommodate the new Buffalo Ridge to Brookings County 115 kV line. The project includes the construction of a new "ring bus" at the Buffalo Ridge Substation.

(3) Parent Project 10375942
Buffalo Ridge to Brookings County 115 kV line (Minnesota)

This project includes the Minnesota portion of a new 26-mile 115 kV line running between the existing Buffalo Ridge Substation near Lake Benton, Minnesota and a new Brookings County substation near the WAPA White Substation in Brookings County, SD. This line facilitates connection of the existing Buffalo Ridge 115 kV system to the Western Area Power Administration 345 kV system, and also allows connection of the new Yankee wind collector substation. Yankee is described later in this exhibit.

(4) Parent Project 10851374
Buffalo Ridge to Brookings County 115 kV line (South Dakota)
Brookings County to White 345 kV line

This project includes the South Dakota portion of a new 26-mile 115 kV line running between the existing Buffalo Ridge Substation near Lake Benton, Minnesota and a new Brookings County substation near the WAPA White Substation in Brookings County, SD.

This project also includes the approximately one-half mile long 345 kV line connecting the Brookings County substation to the Western Area Power Administration White Substation.

(5) Parent Project 10815902
Easement Acquisition, Split Rock to Lakefield Jct 345 line (Minnesota)

This project item is necessary to provide for the easement needed to be acquired in order to construct the Minnesota portion of the Split Rock to Lakefield Junction 345kV line.

(6) Parent Project 10815915
Easement Acquisition, Split Rock to Lakefield Jct 345 line (South Dakota)

This project is necessary to acquire easement for the South Dakota portion of the Split Rock to Lakefield Junction 345 kV line.

(7) Parent Project 10820701
Easement Acquisition, Nobles to Chanarambie 115 line

This project is necessary to acquire easement for the Nobles to Chanarambie 115 kV line.

(8) Parent Project 10821405
Easement Acquisition, Buffalo Ridge to Brookings County 115 (Minnesota)

This project expense item is necessary to provide for the easement needed to be acquired in order to construct the Minnesota portion of the Buffalo Ridge to Brookings County 115kV line.

(9) Parent Project 10821455
Easement Acquisition, Buffalo Ridge to Brookings County 115 (South Dakota) and Easement Acquisition, Brookings County to White 345 kV

This project item is necessary to provide for the easement needed to be acquired in order to construct the South Dakota portion of the Buffalo Ridge to Brookings County 115kV line and the Brookings County to White 345 kV line.

(10) Parent Project 10374978
Nobles County Substation

The new Nobles County substation is located in the middle of the new Split Rock to Lakefield Junction 345kV line near Worthington, MN. The substation will contain a 345kV / 115kV transformer to connect to a new 115 kV transmission line from Nobles County to the new Fenton / Chanarambie line.

(11) Parent Project 10606046
Brookings County Sub and White Substation
(Facilities Owned by Xcel Energy)

The new Brookings County substation will contain a 345kV / 115kV transformer and associated breaker and switchgear. This substation allows the connection of the new Buffalo Ridge to Brookings County 115 kV line to the 345 kV system in South Dakota.

The Western Area Power Administration White Substation will be expanded to allow the connection of up to two 345 kV lines from Xcel Energy's Brookings County Substation. Xcel Energy will own two 345 kV breakers, two line terminations and associated controls located within the White Substation.

(12) Parent Project 10778922
Split Rock Substation Expansion

A new 345 kV line termination will be added at the existing Split Rock Substation located near Brandon, SD. The expansion will accommodate the new Split Rock to Nobles County to Lakefield Junction 345 kV line.

(13) Parent Project 10789078
Minnesota Valley Capacitor Bank Addition

This project item is necessary to provide for a capacitor bank needed at the existing Minnesota Valley 115kV substation in order to provide for voltage control on the Buffalo Ridge and the area.

(14) Parent Project 10796935
White Substation (Facilities Owned by Xcel Energy)

Two parent projects were inadvertently created for the White Substation. Typically a single parent is used to both budgeting and to accumulate actual charges. In this instance, parent 10796935 contains the forecasted budget for the project but will not collect actual charges. Parent 10606046 will accumulate the actual construction charges.

(15) Parent Project 10374983
Chanarambie Substation Expansion

A 115 kV line termination will be added to the Chanrambie Substation. This termination allows the connection of the Nobles County to Fenton to Chanarambie 115 kV line.

(16) Parent Project 10709832
Substation Land Purchase Minnesota Subs:
Yankee, Fenton, Nobles County, Fieldon Series Capacitor Substation

This project cost item relates to the land acquisition costs for the Yankee, Fenton, Nobles County and Fieldon substations. All four substations are part of the 825 MW Wind Project.

(17) Parent Project 10709834
Substation Land Purchase South Dakota: Brookings County

This project expense item is necessary to purchase the land needed for the new Brookings County 345kV/115kV substation.

Exhibit 1 - Attachment 2 contains the most recent implementation schedule.

PROJECT 2. YANKEE WIND COLLECTOR STATION

Estimated Project Cost: **$6 million**
Construction Start Date: **9/1/2006**
Estimated In-Service Date: **8/1/2007**

Proposed TCR project facilities descriptions and context

(18) Parent Project 10374579
Yankee 115/35 kV Collector Substation

The new Yankee Substation is planned to tap into the Buffalo Ridge – Yankee – Brookings County 115kV line. It will provide additional collector station capability as a location for interconnecting additional wind farms on the north end of the Buffalo Ridge in Minnesota. Xcel Energy has signed an interconnection agreement to connect 150 MW of wind generation at the Yankee Substation (50 MW of which will reside in Brookings County, SD) and additional interconnection agreements are in negotiation. This project provides a standard, two-transformer, wind farm collector station including 34.5 kV and 115 kV breakers, transformers and switches. This addition to the Yankee Substation will allow up to 240 MW of wind generation to interconnect with the Buffalo Ridge 115 kV transmission system and can be expanded to accommodate a total of 480 MW of wind generation.

Xcel Energy has developed a standard design for such collector stations, thereby minimizing design and engineering costs. The design is also modular to allow for more closely matching the size of the requesting wind farms while more easily expanded if the density of wind generation increases.

Exhibit 1 - Attachment 2 contains the most current implementation schedule for this project.

PROJECT 3. FENTON WIND COLLECTOR STATION

Estimated Project Cost: **$8 million**
Construction Start Date: **8/1/2006**
Estimated In-Service Date: **10/1/2007**

Proposed TCR project facilities descriptions and context

(19) Parent Project 10516930
Fenton 115/35 kV collector substation

The Fenton Substation is planned to connect into the Nobles County (-Fenton) - Chanarambie115 kV line as a location for interconnecting additional wind generation on the south end of Buffalo Ridge. Xcel Energy has signed an interconnection agreement to interconnect a 200 MW wind farm at the Fenton Substation. This project provides a standard, two-transformer, wind farm collector station including 34.5 kV and 115 kV breakers, transformers, and switches. This new addition to the Fenton substation will allow 200 MW of wind generation to interconnect with the Buffalo Ridge 115 kV transmission system and is expandable to connect a total of 480 MW of wind transmission.

PROJECT 4. SERIES CAPACITOR STATION
LAKEFIELD JCT – WILMARTH 345 KV

Estimated Project Cost:	**$10 million**
Construction Start Date:	**6/1/2006**
Estimated In-Service Date:	**6/1/2007**

Proposed TCR project facilities descriptions and context

(21) Parent Project 10375729
Fieldon Series Capacitor Substation

Engineering studies determined that Buffalo Ridge wind generation expansion would cause loop flow that would affect the Ft. Calhoun (Nebraska) "constrained interface" in Eastern Nebraska. This issue was identified as a constraint requiring resolution. After discussion with the Nebraska utilities, a series capacitor was determined to be the most effective means of addressing the issue. A series capacitor substation will be installed on the 345 kV line between the Lakefield Junction substation and Wilmarth Substation (near Mankato, MN). Series capacitor equipment is expected to reduce system loop flow by reducing flows to the south and encouraging more power to flow towards the Twin Cities.

The alternative to this series capacitor for addressing the loop flow issues would require at a minimum replacing the existing two series capacitors at Forbes (near Duluth) and the construction of a 25 mile 345 kV transmission line around the northern part of Omaha at a substantially greater cost.

(22) Parent Project 10709835
Lakefield Jct to Lakefield Generation Capacity Increase

The installation of the Fieldon Series Capacitor increases power flows on the Lakefield Junction to Lakefield Generation 345 kV line. This increased power flow exceeds the current rating of the line. This project will increase the line rating by using "phase raiser" kits to lengthen the poles, effectively raising the line and increasing the ground clearance.

Exhibit 1 – Attachment 2 contains the most current implementation schedule for this project.

PROJECT 5. NOBLES COUNTY WIND COLLECTOR STATION

Estimated Project Cost: **$3 million**
Construction Start Date: **6/1/06**
Estimated In-Service Date: **12/1/07**

Proposed TCR project facilities descriptions and context

(23) Parent Project 10831264
Community Wind South

The new Nobles County collector station is located near the south end of the Buffalo Ridge in Minnesota. It taps into the planned 345kV line running from Split Rock near Sioux Falls, SD and the Lakefield Junction substation in southern Minnesota. Xcel Energy has been requested to interconnect a 30 MW wind farm at the Nobles Co Substation. This project provides a standard wind farm collector station as part of the development of Nobles Co Substation. It will require one transformer and associated 34.5 kV and 115 kV breakers at the Nobles County Substation location. The substation is expandable to accommodate up to 480 MW of wind power.

Exhibit 1 - Attachment 2 contains the most current implementation schedule for this project.

PROJECT 6. ROCK COUNTY WIND COLLECTOR STATION

Estimated Project Cost:	**$3 million**
Construction Start Date:	**6/1/07**
Estimated In-Service Date:	**12/1/07**

Proposed TCR project facilities descriptions and context

(24) Parent Project 10516949
Rock County 161 kV Substation

The Rock County interconnection today is a temporary 12 MW wind farm interconnection with a transmission switch in the Xcel Energy portion of the Split Rock – Alliant Energy's Magnolia 161 kV line. This allowed the customer to operate while a reliable substation design was developed. This project provides the permanent standard small generator interconnection substation to complete this interconnection. This will require 161 kV breakers at the New Rock County substation. This new addition will allow for an initial 12 MW of wind to reliably interconnect with the southwest Minnesota transmission system.

The Rock County small generator interconnection station is needed to provide a reliable permanent interconnection of a 12 MW wind farm to the 161 kV line in southwest Minnesota. NSP has developed a standard design for such small interconnection stations, thereby minimizing design and engineering costs.

Exhibit 1 - Attachment 2 contains the most current implementation schedule for this project.