



414 Nicollet Mall
Minneapolis, Minnesota 55401-1993

April 22, 2011

--Via Electronic Filing--

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
Capitol Building, 1st Floor
500 E. Capitol Ave.
Pierre, SD 57501-5070

RE: UPDATE
2011 TRANSMISSION COST RECOVERY ELIGIBILITY AND RATE
ADJUSTMENT
DOCKET NO. EL10-014

Dear Ms. Van Gerpen:

Northern States Power Company, a Minnesota corporation (“Xcel Energy” or the “Company”), hereby submits an update to our 2011 Transmission Cost Recovery Petition to address the termination of the Merricourt Wind Project.

On April 1, 2011 the Company notified enXco Development Corporation (“enXco”) that it was terminating its two contracts for the development of the Merricourt Wind Project (“Merricourt Project”). One contract, the Purchase and Sale Agreement (“PSA”) addressed the development of the site for the Merricourt Project. The second agreement, the Engineering, Procurement and Construction Agreement (“EPC Agreement”) involved the construction of the Merricourt project. Because of this changed circumstance, we believe it appropriate to update our Transmission Cost Recovery (“TCR”) filing to reflect this cancellation. This letter serves as that update.

In our December 17, 2010 errata filing in this docket, the Company identified a forecasted transmission facilities charge payment to Montana-Dakota Utilities (MDU) for the Merricourt Project beginning in October 2011 of \$493,300 per month, or a total of \$1,479,900 for the year (as shown on Attachment 31). As reflected in Attachment 4 of our December 17, 2010 errata filing, the South Dakota jurisdictional portion of that payment included in our 2011 TCR revenue requirement calculation was \$69,237.

At this time we no longer are forecasting that we will incur facilities charge payments to MDU for the Merricourt Project in 2011 and, therefore, are removing these costs from our 2011 TCR revenue requirement request. This reduces the request from the \$729,000 contained in our filing to \$659,763. The attached revised Attachment 4 of our filing shows this new revenue requirement for 2011.

The following table updates Attachment 6 of our corrected Petition and provides the illustrative impact of the removal of the Merricourt Project payments, assuming all other projects are determined to be eligible for TCR recovery, the proposed TCR factor was in effect for all of 2011, and the current TCR rate design remains in effect:

<u>Customer Group</u>	2011 Revised Rate/kWh <u>Merricourt Removed</u>	2011 Revised Rate/kWh
All Retail Customers	\$0.000325	\$0.000359

Following the Commission's decision on our 2011 TCR revenue requirement request, we will determine the final customer adjustment factor for the remainder of 2011 and submit that in a compliance filing.

If you have questions, or need additional information, please contact me at 605-339-8350.

SINCERELY,

/s/

JAMES C. WILCOX
MANAGER, GOVERNMENT & REGULATORY AFFAIRS