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March 21, 2008

Ms. Patricia Van Gerpen, Executive Director
South Dakota Public Utilities Commission
State Capitol Building
500 East Capitol Avenue
Pierre, South Dakota 57501-5070

Re: Response to South Dakota Public Utilities Commission request for information – in Docket Number EL05-023 – In the matter of the application of Xcel Energy for a construction permit to build 9.6 miles of the Split Rock to Lakefield Junction 345kV transmission line and add facilities to the Split Rock Substation.

Dear Ms. Van Gerpen:

We respectfully submit this letter with information in response to a request, by the Commission at its March 11, 2008 meeting, that Xcel Energy provide certain additional information prior to energizing the 345kV transmission line.

Map

The Commission has requested a map that depicts, in detail, the easement boundaries, the property boundaries and the location of structures around structure number 35. We are providing that map as Attachment 1 to this letter. The map is based on a survey performed on March 17, 2008 by RF Sayre, an Engineering and Land Survey Company from Sioux Falls. They have certified that the structures and boundaries depicted on the map are accurate. Xcel Energy believes that the survey as depicted on this map confirms our view that the transmission structures and easement boundaries are where we have represented them to be on the previous less detailed maps.

Site Restoration

The Commission has requested that the Company provide an update to the Commission following restoration of the Robert and Sandra Johnson property site following construction this year. Xcel Energy pledged to do so. The Company has an easement agreement with the Johnsons, as we do with all of our landowners, that specifies that the Company *“agrees that all Earth or other materials necessarily excavated shall be separated and replaced so that the topsoil is replaced last so as to return crop production as soon as possible. NSP shall have the responsibility to remove or otherwise dispose of materials as a result of the construction maintenance or repair so as to return the area within the easement as nearly as possible to its original condition to preserve long term crop production.”* Further the easement agreement with the Johnsons stipulates that *“NSP shall pay for all damages to landscaping, roads and driveways, fences, livestock, crops, fields, drain tile, crop loss reduction in yield due to damage to drain tile, and other property caused by*

the construction or maintenance of said lines.” Please note that Robert and Sandra Johnson were sent a letter on Oct 30, 2007 providing information on Xcel Energy’s commitment to site cleanup and settlement of any damages following construction. (Enclosed as attachment 2) While the Company believes that it is complying with and is prepared to comply with the terms of the easement, the Johnsons have expressed a different viewpoint and the Company is proactively engaging in communications and negotiations to amicably work out our differences to satisfy all interests involved. We do believe, however, that the proper venue for any future resolution of these type of issues reside with local circuit courts, as those courts have jurisdiction over easement dispute matters.

Stipulation Number 7 of the Agreement dated October 26, 2007

Enclosed as Attachment 3, please find a mailing list of landowners that were sent a packet on December 3, 2007 in compliance with the stipulation agreement. Attachment 4 contains a copy of the contents of the packet sent to these landowners on Dec 3rd. We believe that the Company has satisfied all of the requirements of stipulation number 7, with the exception of providing the Commission’s address and phone number. On March 21, 2008, we resent this entire packet to the complete mailing list including a cover letter that provides the address and phone number of the Commission.

Conclusion

We hope that the information provided in this letter responds to the questions and concerns raised at the hearing on March 11, 2008. We respectfully request that if you have any further questions, to please let us know as soon as possible so that we may expeditiously answer them in order to obtain approval to energize and place in service this important 345 kV transmission line.

If anyone has any questions, please call me at 339-8350

Sincerely,



Jim Wilcox

- c. Commission Chairman Gary Hanson
- Commissioner Dusty Johnson
- Commissioner Steve Kolbeck
- John Smith
- Karen Cremer
- Bob Knadle