

PUBLIC VOLUME

ATTACHMENT H

XES LETTER TO ATC DATED JULY 15, 2011



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July 15, 2011

Mr. Dale Burmester
Manager, Major Projects
American Transmission Company, LLC
P.O. Box 47
Waukesha, WI 53187-0047

Dear Mr. Burmester:

This letter is in response to a letter dated June 20, 2011 from Jeff Webb of MISO to several MISO Transmission Owners requesting refreshed cost estimates for projects in the Candidate Multi-Value Project (MVP) portfolio. As you are aware, the North La Crosse – Madison 345 kV project is among the projects proposed for inclusion in MISO's Candidate MVP portfolio and, as such, cost estimates for the project need to be updated by the July 15 deadline indicated in Mr. Webb's letter.

Through the Candidate MVP Study, MISO has identified that the North La Crosse – Madison 345 kV project will connect to Briggs Road Substation, a Northern States Power (NSP)-owned substation in the La Crosse area, and continue to the Madison area where it will connect to two ATC-owned substations.¹ NSP and ATC both have rights and responsibilities for construction of the North La Crosse-Madison line pursuant to Appendix B of the Transmission Owners' Agreement:

Ownership and the responsibility to construct facilities which are connected to a single Owner's system belong to that Owner, and that Owner is responsible for maintaining such facilities. Ownership and the responsibilities to construct facilities which are connected between two (2) or more Owners' facilities belong equally to each Owner...

In accordance with the MISO Transmission Owners' Agreement, NSP intends to construct its one-half of the line starting at NSP's Briggs Road Substation. Ideally, NSP and ATC would work collaboratively to identify the location of the mid-point of this line in order that we could provide coordinated cost estimates to MISO that are as accurate as


¹ Publicly available documents on the ATC website also suggest that ATC may be considering other potential substation sites. Xcel Energy notes that these sites are unsupported by the MISO process. In addition, an eastern termination at a site other than Briggs Road Substation would negate the La Crosse area reliability benefit of the North La Crosse – Madison 345 kV project, ultimately leading to the need for additional transmission infrastructure and increased cost to customers throughout the region.

possible. Over the past months, Xcel Energy Inc., on behalf of NSP, has communicated with other utilities with which it shares projects in the Candidate MVP portfolio in an effort to mutually agree on project details and address other cost estimate issues that will facilitate effective project evaluation by MISO. Similarly, Xcel Energy has attempted to engage in communications with ATC regarding the North La Crosse – Madison 345 kV project in order to ensure coordinated project planning. Unfortunately, ATC has failed to respond to Xcel Energy's requests for coordination.

In the absence of communication with ATC, Xcel Energy on behalf of NSP has moved forward with its obligations to plan and budget this line. Key to this effort is identification of the mid-point of the line; absent input from ATC, Xcel Energy has identified the midpoint of the line as the halfway point between Briggs Road Substation and North Madison Substation at the intersection of Keichinger Road and East Badger Drive (US Highway 12) in Orange Township. The attached project cost assessment addresses NSP's costs to build its half of the line from the Briggs Road Substation to the intersection of Keichinger Road and East Badger Drive in Orange Township. ATC will be responsible for constructing and owning the portion of the line from this midpoint to the west, including all of the line between North Madison and Cardinal Substations.

Obviously, many more details remain to be worked out in order to ensure successful implementation of this beneficial transmission project. Toward that end, Xcel Energy and NSP look forward to working much more closely with ATC to complete the project for the benefit of all our regional customers.

Sincerely,



Ian Benson
Director, Transmission Asset Management & Business Relations
Xcel Energy Services Inc.

Attachment

cc: Laurie Dunham, Manager, Transmission Planning, ATC
Clair Moeller, Vice-President, Transmission, MISO
Jennifer Curran, Executive Director, Transmission Infrastructure Strategy, MISO
Jeff Webb, Senior Director, Transmission Expansion Planning, MISO
Matt Tackett, Candidate MVP Engineering Project Manager, MISO
Priti Patel, Director, Strategic Transmission Initiatives, Xcel Energy

GENERAL INFORMATION:	REASON REQUIRED	1
Transmission Section ID on One-Line Diagram	To reference on one-line diagram	
Nominal Operating Voltage (kV)	To validate model data	345 kV
Transmission Owner	Information required for final report	Xcel Energy
Type of Improvement	Information required for final report	New Transmission Line
Estimated Length of Transmission Section in Miles	Information required for final report	71
Proposed Normal Thermal Limit - Summer (MVA)	To validate model data	2050
Proposed Emergency Thermal Limit - Summer (MVA)	To validate model data	2050
Proposed Normal Thermal Limit - Winter (MVA)	To validate model data	2050
Proposed Emergency Thermal Limit - Winter (MVA)	To validate model data	2050
Proposed Positive Sequence Series Resistance (R1 in %)	To validate model data	0.003266
Proposed Positive Sequence Series Reactance (X1 in %)	To validate model data	0.03625
Proposed Positive Sequence Pi-Equivalent Shunt Susceptance (B1 in %)	To validate model data	0.6106
Proposed Zero Sequence Series Resistance (R0 in %)	To validate model data	
Proposed Zero Sequence Series Reactance (Z0 in %)	To validate model data	
GENERAL RIGHT-OF-WAY INFORMATION:		
Right-of-way Utilization Status	Information required for final report	New Right-of-way
Number of Circuits on Right-of-way - Pre MVP	Information required for final report	0
Number of Circuits on Right-of-way - Post MVP	Information required for final report	1
Estimated New Right-of-way Acreage	Information required for final report and business case development	1463
GENERAL CONSTRUCTION INFORMATION:		
Proposed Maximum Design Voltage	Information required for final report and business case development	345 kV
Structure Utilization Status	Information required for final report	New Structures
Maximum Number of Circuits per Structure	Information required for final report	1
Number of Circuits per Structure - Pre MVP	Information required for final report	0
Number of Circuits per Structure - Post MVP	Information required for final report	1

**Note: