



414 Nicollet Mall  
Minneapolis, Minnesota 55401

February 27, 2008

Mr. Alexius Hofschulte  
Minnesota Department of Commerce  
85 7<sup>th</sup> Place East, Suite 500  
St. Paul, MN 55101

RE: REQUEST FOR INFORMATION  
DOCKET No. E002/CN-04-1176

Dear Mr. Hofschulte:

Enclosed is Xcel Energy's response to an oral Information Request made by Mr. David Berkholz.

If you have any questions regarding this information, please call me at (612) 330-6750.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Mark Suel', enclosed in a large, loopy oval.

Mark Suel  
REGULATORY CASE SPECIALIST

ENCLOSURES

C: Carole Overland

- Non Public Document – Contains Trade Secret Data  
 Public Document – Trade Secret Data Excised  
 Public Document

Xcel Energy

Docket No.: E002/CN-04-1176

Response To: Department of Commerce      Information Request No.      Oral

Analyst: David Berkholz

Date Received: February 25, 2008

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Question:

Please provide a copy of the cost sharing agreement between Xcel Energy (NSPW) and St. Croix Falls for construction of underground transmission line in the City of St. Croix Falls .

Response:

Please see the Agreement attached.

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Response By: Mike Dunham

Title: Project Manager

Department: Project Management

Telephone: 612-330-7885

Date: February 25, 2008

## AGREEMENT

THIS AGREEMENT is entered into this 25 day of September, 2006, between the City of Saint Croix Falls ("The City"), a Wisconsin Municipal Corporation, and Northern States Power Company, a Wisconsin corporation and wholly-owned subsidiary of Xcel Energy Inc. ("NSPW").

WHEREAS, The City will be reconstructing Louisiana Street in the City, including, among other things, installing a new road surface, curb and gutter, water and sewer facilities, and storm water facilities ("Street Reconstruction Project") in the spring and summer 2007, and

WHEREAS, NSPW has received authority from the Public Service Commission of Wisconsin ("PSCW") in Docket 1515-CE-102, 4220-CE-155, to locate a transmission line through the City, including under a portion of Louisiana Street, said line commonly referred to as the "Chisago Transmission Line", and

WHEREAS, on September 13, 2000, the City and NSPW, together with Northern States Power Company, a Minnesota corporation ("NSPM"), Dairyland Power Cooperative, and the City of Taylors Falls, a Minnesota municipal corporation, entered into a settlement agreement ("Settlement Agreement") in which it was agreed, among other things, that the Chisago Transmission Line through the City be constructed underground along Louisiana Street south on Blanding Woods Road into the City's industrial park, and

WHEREAS, NSPW has not commenced the construction of the Chisago Transmission Line and does not intend to do so until such time as all required approvals have been obtained by NSPW and NSPM, and

WHEREAS, in order to avoid future damage to Louisiana Street and possible relocation of other facilities located in the Louisiana Street right-of-way, the City has requested that NSPW install conduit for its Chisago Transmission Line during the City's Street Reconstruction Project, and

WHEREAS, the City and NSPW desire to cooperate with one another to minimize costs associated with the City's Street Reconstruction Project.

NOW, THEREFORE, in consideration of the mutual covenants, agreements and recitals contained herein, together with other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. **Street Reconstruction/Location of Chisago Transmission Line:** Independent of the planned location of NSPW's Chisago Transmission Line under Louisiana Street, the City has determined a need for the Street Reconstruction Project and intends to perform said project in the spring and summer of 2007. The City will coordinate the contracting, engineering and supervision of the Street Reconstruction Project and represents that such project shall commence on or before June 1, 2007, provided funding is approved by the City Council, and other necessary approvals are granted. As part of the Street Reconstruction Project, the City hereby requests and authorizes NSPW to bury conduit as necessary for that portion of NSPW's Chisago Transmission Line to be constructed along Louisiana Street, such conduit to be buried within the Louisiana Street right-of-way, at a location acceptable to both NSPW and the City. The installation of conduit in a location approved by the City will establish the ultimate location of NSPW's Chisago Transmission Line, and NSPW will not thereafter be required by the City to relocate said conduit or the Chisago Transmission Line as ultimately constructed without cost reimbursement by the City therefor. The City agrees that NSPW's installation of conduit hereunder does not constitute "commencement of construction of the [Chisago Transmission] Line" within the Settlement Agreement, but asserts that NSPW's installation of conduit hereunder is for the convenience of the City in the performance of its Street Reconstruction Project.

2. **Cost Share:** In exchange for the City's coordination of the Street Reconstruction Project, including coordinating scheduling and completing the street reconstruction to accommodate the location of NSPW's Chisago Transmission Line to be constructed in the future, and recognizing the inherent costs that would otherwise be borne by NSPW in placing an underground transmission line within a City right-of-way, including certain costs for street reconstruction and possible relocation of water, sewer and other utility facilities, NSPW agrees to pay the City a sum equal to one-half the total of certain costs of the Street Reconstruction Project, however, in no event shall NSPW be required to contribute a sum greater than Five Hundred Thirty Thousand Thirty Dollars (\$530,030) ("Cost Share Payment").

3. **Timing Of Cost Share Payment/Refund:** NSPW's Cost Share Payment shall be made according to the following schedule:

- (a) Two Hundred Sixty Five Thousand Fifteen Dollars (\$265,015.00) at commencement of the Street Reconstruction Project;
- (b) One Hundred Thirty Two Thousand Five Hundred Seven and 50/100 Dollars (\$132,507.50) when the Street Reconstruction Project is one-half (1/2) complete;
- (c) The remaining portion of NSPW's Cost Share Payment, if any, up to the sum of One Hundred Thirty Two Thousand Five Hundred Seven and 50/100 Dollars (\$132,507.50), shall be paid when the Street Reconstruction Project is complete and all costs associated with the Street Reconstruction Project have been identified.

The City shall invoice NSPW for each Cost Share Payment installment identified above, and NSPW shall have twenty (20) days following receipt of each invoice to make

payment to the City. All payments required by NSPW hereunder shall be made payable to: the City of St Croix Falls and shall be directed to:

City Treasurer. In the event that Cost Share Payments made by NSPW exceed one-half the total Street Reconstruction Project costs, the City shall refund the excess Cost Share Payments to NSPW in a timely manner. Any refund shall be made payable to NSPW and shall be directed to: Grant Stevenson.

4. **Indemnity:** The City's Street Reconstruction Project and NSPW's installation of conduit to accommodate the future construction of NSPW's Chisago Transmission Line Project are separate and independent projects. This Agreement is entered into for the sole purpose of creating economies of scale and minimizing the costs of the parties' respective projects. The City and NSPW each agree to assume entire responsibility and liability for all damages to property and all damages or injuries to all persons (including but not limited to the party's employees and death) arising from or in any manner connected with its individual project and to hold the other party harmless therefor. Each party agrees to indemnify and hold harmless the other party, its agents, servants, employees, insurers, successors, assigns, affiliates and parent from any and all claims, demands, causes of action, damages or suits at law or equity of whatsoever kind including, without limiting the generality of the foregoing, claims by the indemnifying party's employees and claims for personal injury (including death), property damage, medical expenses, loss of services, whether brought by the indemnifying party's employees or third parties, on account of or in any way related to or growing out of the indemnifying party's project. To the extent necessary to completely and fully indemnify and hold NSPW harmless, the City hereby expressly waives any immunity or exemption from liability that exists under any workers' compensation law and further waives the protections of Wis. Stat. § 893.80, 893.82 or any other statutes or laws limiting the liability of the City.

5. **Governing Law.** This Agreement shall be governed by, construed, and enforced in accordance with the laws of the State of Wisconsin, without regard to conflicts of interest principles.

6. **Notices.** For any notices provided under this Agreement (to be provided in writing by U.S. Mail):

For NSPW:

Northern States Power Company, a Wisconsin corporation and

Wholly-owned subsidiary of Xcel Energy Inc.

Attention: Grant Stevenson

414 Nicollet Mall, MP 800

Minneapolis, MN 55401

For the City:

City of St Croix Falls  
710 Hwy 35 South  
St Croix Falls, WI 54024

7. **Entire Agreement.** This Agreement represents the entire agreement between the Parties with respect to the subject matter hereof and terminates and supersedes all prior oral and written proposals and communications pertaining to this Agreement. There are no representations, conditions, warranties or agreements, express or implied, statutory or otherwise, with respect to or collateral to this Agreement other than contained herein or expressly incorporated herein. Unless otherwise specifically provided herein, this Agreement may be altered, modified or varied, in whole or in part, only by a modification to this Agreement reduced to writing and signed by both Parties.

8. **Headings.** Article headings and titles are included for the convenience of the Parties and shall not be used to construe the interpretation or meaning of this Agreement.

9. **Modifications.** Unless otherwise specifically provided herein, this Agreement may be altered, modified, varied or waived, in whole or in part, only by a written modification executed by the duly authorized representatives of both Parties. If either Party wishes to modify this Agreement due to the changing conditions or requirements of electrical industry regulation or the marketplace, the Parties shall enter into negotiations or arrive at reasonable modifications to this Agreement.

10. **No Waivers.** Any waiver at any time by a Party of its rights with respect to a default under this Agreement or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or subsequent matter of a similar nature arising in connection therewith.

11. **Survival.** The Parties agree that Paragraph 4 on Indemnity shall survive any expiration or termination of this Agreement.

IN WITNESS WHEREOF, this Agreement is entered into as of the day and year first written above.

CITY OF SAINT CROIX FALLS

NORTHERN STATES POWER COMPANY,  
a Wisconsin corporation

Bradly A Fass  
Mayor Bradly A Fass

By: [Signature]  
Name: Douglas W. Jaeger  
Title: Vice President, Transmission  
Xcel Energy Services Inc.  
Authorized Agent for Northern States Power Company, a Wisconsin corporation and a wholly-owned subsidiary of Xcel Energy Inc.

[Signature]  
City Clerk  
Bonita Leggett

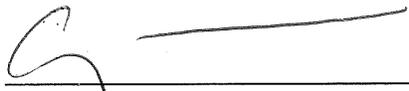
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**CERTIFICATE OF SERVICE**

I, Alfredo Lorente, hereby certify that I have this day served copies of the foregoing document on the attached list of persons by delivery by hand or by causing to be placed in the U.S. mail at Minneapolis, Minnesota.

**DOCKET NO. E002/CN-04-1176**

Dated this 27<sup>th</sup> day of February 2008



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Alfredo Lorente  
Xcel Energy

Northern States Power Company d/b/a  
Xcel  
Chisago County Transmission Line  
Certificate of Need

E002/CN-04-1176

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Minnesota Public Utilities Commission  
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