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January 28, 2014

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

**RE: Reply Comments of the Minnesota Department of Commerce,
Division of Energy Resources**
Docket No. E002/M-13-1002

Dear Dr. Haar:

On October 31, 2013, Northern States Power Company, d/b/a Xcel Energy (Xcel or the Company) filed a *Petition for Approval of Third Amendment to a Power Purchase Agreement (PPA) with Big Blue Wind Farm, LLC* (Big Blue). The Company is seeking approval of the Third Amendment pursuant to Minn. Stat. § 216B.1612.

On December 2, 2013, the Division of Energy Resources of the Minnesota Department of Commerce (Department) filed comments (Comments). In the Comments, the Department identified one issue related to the change in ownership structure (continued C-BED eligibility of the Project) that needed to be addressed by the Company before the Department could recommend approval of the PPA as modified by the Third Amendment (Amended PPA).

On December 13, 2013, the Company filed its Reply Comments.

Considering the greatly increased share of local ownership confirmed in the December 12, 2013 letter from Big Blue to Xcel (attached to Xcel's Reply Comments), and considering Big Blue's indication that the flow of PPA revenues to local beneficiaries has increased, the Department¹ concludes that the Project remains a C-BED project.

Based on the record to date, the Department recommends that the Commission:

1. Approve the Amended PPA.

¹ The determination of C-BED eligibility is made by the State Energy Office within the Division of Energy Resources of the Department of Commerce.

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2. Allow Xcel to recover the cost of the Amended PPA, net of all revenues from any penalties that may be incurred by Big Blue, via the Fuel Clause Rider pursuant to Minn. Stat. §216B.1645.

Sincerely,

/s/ SAMIR OUANES
Rates Analyst
Minnesota Department of Commerce
(651) 539-1831

SO/ja