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July 29, 2015

Ms. Nikki Elsen
Deputy City Clerk
City of La Crosse
400 La Crosse Street, 2nd Floor
La Crosse, WI 54601

RE: Appeal of Board of Public Works' Denial of Waiver of Ordinance 103-141 to Bury Overhead Power Lines at Cameron and Division Between 2nd and 3rd Street Alley Paving Project

Dear Common Council Members:

Last week, Northern States Power Company, a Wisconsin corporation ("NSPW" or "the Company") received a letter, dated July 8, 2015, notifying it that the City of La Crosse Board of Public Works voted on June 29, 2015 to deny a waiver of Ordinance 103-141 for the above referenced project (the "Project"). Pursuant to Section 103-141, subdivision (b)(3), the Company respectfully appeals the Board's decision to the Common Council.

The Company does not object to the Board of Public Works' conclusion that NSPW is required under the ordinance to underground the facilities, and NSPW intends to work with the City of La Crosse on this aspect of the Street Alley Paving Project. However, the Company does not agree with the conclusion in the letter dated July 8th that the entire utility relocation and undergrounding work must be done at Xcel Energy's expense. Furthermore, the Company cannot find support in the City's Ordinances for that conclusion. Under principles guiding cost allocation for relocating public infrastructure, so long as the facilities are within public right of way and City's purpose in relocating the facilities is a governmental rather than proprietary purpose, NSPW and its ratepayers shoulder the cost of relocation. NSPW should not, however, be required to pay the incremental cost associated with the underground aspect of this relocation. In particular, it would be inappropriate for NSPW's ratepayers across Wisconsin to have to shoulder the financial burden of complying with La Crosse's undergrounding requirement, when doing so provides a particular benefit within a discreet portion of NSPW's service territory that does not provide a system-wide benefit.

On these grounds, the Company requests that the City revise that portion of the Board of Public Work's decision to provide that the City, and not NSPW will be responsible for the incremental costs of compliance with underground installation requirements of Ordinance 103-141. The Company looks forward to working with the City to find an amicable resolution to this issue.

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Also please note for your records that the address to which the letter dated July 8th was sent is incorrect. Future correspondence to our La Crosse service center should be sent to 3215 Commerce Street, La Crosse, Wisconsin 54603. The Company discontinued its La Crosse P.O. Box (Number 727, not 729) several years ago.

If there are any questions, please contact me at Mara.k.ascherman@xcelenergy.com or at 612-215-4605, Mike Herro, Community Service Manager at Michael.j.herro@xcelenergy.com or at 608-789-3673, or Ed Przytarski, Design Supervisor at Edward.r.przytarski@xcelenergy.com or at 608-789-3651.

Sincerely,



Mara Koeller Ascherman
Associate Attorney

Cc: Anita T. Gallucci, Boardman & Clark, LLP
Dale Hexom, Director, Department of Public Works
Randy Turtenwald, City Engineer