



Ramsey/Washington
Resource Recovery Facility
2901 Maxwell Avenue
Newport, MN 55055

Telephone (651) 458-4470
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March 21, 2002

Mr. Zack Hansen
St. Paul-Ramsey County Dept. of Public Health
1670 Beam Avenue, Suite A
Maplewood, MN 55109



Re: Impact of Reduced MSW Deliveries

Dear Zack,

I want to follow up on our conversations concerning the issues related to the minimum MSW delivery tonnage required at the Newport RDF facility. I am greatly concerned that operational impacts of the stated minimum delivery number of 280,800 tons per year aren't fully understood.

The minimum delivery tonnage of 280,800 was negotiated into the County contract only as a benchmark for both parties to review the viability of the continuation of the project. It does not accurately reflect the minimum tonnage needed to efficiently operate the RDF facility and to adequately supply fuel to the power generation facilities. The negative impacts to the processing facility and power generation facilities begin at a much higher level.

The impact of a reduced tonnage delivery will result in unacceptably high operating costs to the entire Resource Recovery system and will be of great concern to Xcel, as represented in the attached letter.

I am aware that the 280,800 minimum has been referenced in many discussions in the past because it is contained as the benchmark in the contract. I feel it is very important that I clarified this issue to ensure that the County has the correct minimum delivery tonnage incorporated into its planning process as it moves forward on its various initiatives related to the Ramsey/Washington Resource Recovery Project.

Please feel free to contact me with any questions you may have on the issue.

Sincerely,

Gary R White
Plant Manager

cc: D. Walker



Date: 3/15/02

To: Gary White
Plant Manager
Newport Plant, NRG

Reference: Impact of Reduced MSW/RDF to Xcel Burn plants

Gary,

With reference to our discussion last week as to the effects of reducing RDF tonnage supplies to the Xcel Energy RDF plants:

Significantly reducing the volume of RDF delivered to the Red Wing and Wilmarth plants would have a negative impact on the company's ability to provide cost-effective electricity to our customers from those facilities. A regular supply of RDF is required to make these plants economical sources of electricity. Any reduction in the supply would require the company to evaluate the financial impact, and significant operational changes could result. Electric generation facilities must operate cost-effectively to serve our customers' and shareholders' best interests.

Sincerely,

A handwritten signature in cursive script that reads 'Jane Frazier'.

Jane Frazier
Plant Director
RDF Plants, Xcel Energy

cc: Pam Graika