



2302 Great Northern Drive
P O Box 2747
Fargo, ND 58108-2747
(701) 241-8632
dave.sederquist@xcelenergy.com

September 12, 2006

Illona A. Jeffcoat-Sacco, Executive Secretary
North Dakota Public Service Commission
State Capitol Building, Dept. 408
600 East Boulevard
Bismarck, ND 58505-0480

RE: BILLING OF VACANT RENTAL PROPERTY (BVRP) FILING
CASE NO. PU-06-217

Dear Ms. Jeffcoat-Sacco:

As we prepare to host information forums for landlords and tenant agencies this week, staff has recently indicated there are commission concerns about a tariff application notice that the company mailed on Thursday, August 24.

The notice was in regards to the residential billing of vacant rental properties (“BVRP”) tariff that we filed on May 26. Staff mentioned that the single page tenant notification flyer included in the mailing – to be posted on the premise or distributed to tenants – did not adequately “describe the tariff”.

In a conversation with Bill Binek and Pat Fahn on Monday, September 11, I indicated our primary intent with the letter was to provide as much information about the tariff to landlords and tenant advocacy agencies as practical, while keeping the wording concise and understandable. The letter contained a general summary of the tariff, and included phone, email, and website contacts for interested customers to obtain more specific tariff information. Overall, the letter contained more information than is typically included in a bill insert, and we believe the direct mail approach used is generally more effective.

With respect to tenants, we carefully crafted what we believed was an understandable and relevant poster. It conveyed the fundamental objective of the tariff, and invited renters to the Commission hearing on October 12. Our objective was to avoid “turning off” tenants with detailed information that does not affect them. Bill and Pat raised concerns that this tariff might represent a rate increase. In

fact, this tariff filing has rate no impact on tenants as it is geared toward ensuring landlords have a clear understanding of their options for vacant rental unit billing.

In all of our extensive discussions with landlords, tenant advocates, and the Office of the Attorney General in Minnesota, the tariff was never characterized as a "rate increase."

It should be noted that prior to the October 12 hearing, Xcel Energy also will be placing an ad in the newspaper to further notify the public of the tariff hearing.

As previously mentioned, Xcel Energy is hosting breakfast/lunch information forums this week for landlords and tenant agencies. This is a voluntary effort to make sure our customers' concerns are being heard and the intent of the tariff is clearly explained to them.

It was unfortunate that apparently Pat Fahn did not receive an email sent from my office on Monday, August 22. The email contained the drafted letter and tenant flyer, and was meant for staff review prior to the actual direct mailing later that week. Not hearing anything back, the assumption was that the drafts were acceptable to the Commission.

The company respectfully asks the Commission to recognize our efforts to notify and inform impacted customers as reasonable and within the rules. It is difficult to see how an expensive and burdensome re-mailing of the notification material would be any more effective in drawing tenants to the Commission's informal hearing.

Please call me if you have any questions or comments regarding this issue.

Sincerely,



DAVID H. SEDERQUIST
SR. CONSULTANT, REGULATION & FINANCE
NORTHERN STATES POWER CO. D/B/A XCEL ENERGY