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January 29, 2008

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

SUBJECT: Xcel Energy Status Report of its Billing of Vacant Rental Property Tariff

Dear Ms. Jeffcoat-Sacco:

In an August 24, 2007 memo and at a September 19, 2007 Informal Hearing, Xcel Energy provided a six month status report to the North Dakota Public Service Commission regarding the implementation of the Company's recently approved *Billing of Vacant Rental Property* ("BVRP") tariff. At the conclusion of the Informal Hearing, the Company committed to extending the timeline for allowing property managers to select either the Automatic Turn On ("ATO") or Lock on Disconnect ("LOD") designation, as provided in the tariff. In addition, the Company agreed to provide another status report of the BVRP process by January 30, 2008.

In extending the timeline, Xcel Energy initiated a more focused and localized effort to identify and contact any property managers who had not yet selected an option. This letter provides the Commission with an overview of that final enrollment effort, our overall progress in obtaining signed BVRP forms, and our plans for handling property managers and BVRP enrollment in the future.

### **Final Enrollment Effort**

Anticipating a year end deadline for property managers to select their BVRP designation, in October 2007 Xcel Energy developed a work plan to embark on a final, supplemental campaign to contact property managers that still had not responded and requested their formal selection of either the ATO or LOD option. The plan included a three-pronged approach:

- Create and mail a final BVRP enrollment notice letter to the remaining unsigned property managers, under the signature of local Xcel Energy community relations managers in Fargo, Grand Forks, and Minot (see Attachment A for copy of this correspondence);

- Develop “door hanger” cards to be left at those addresses in which the above letter was returned to the Company as undeliverable due to an improper or non-existent address or an incorrect property owner name (see Attachment B for a copy of the door hanger);
- Follow-up with personal phone calls from Xcel Energy community relations managers to those property managers who still had not responded to the final notice.

## **Results of the Final Enrollment Effort**

As described in its written six month status report to the Commission submitted in August 2007, the Company conducted a search of its Customer Resource System database and identified 2,091 property managers that needed to be contacted and informed about the BVRP status selection process. Since that time, an additional 304 new property managers have been identified, bringing the total pool to 2,395 (as of this writing).

As part of its final campaign to reach as many in this group as possible, in October 2007 Xcel Energy created a database of 302 property managers (with rental units in North Dakota) for which formal BVRP designations had still not yet been made for their properties. Of the 302 subsequent letters sent from local Xcel Energy offices in November, 83 property managers answered by sending the necessary BVRP forms needed to complete their designation. Another 47 letters were returned to the Company due to an incorrect address or property owner information. Door hangers were then left at each of these premises to notify renters or property managers of our desire to contact the property manager about this issue. These hangers have generated a handful of responses.

To date, only about 190 property managers remain who still have not formally selected the BVRP designations for their properties. This represents only about 8 percent of the total pool of North Dakota managers currently on record with the Company.

## **Future Enrollment Plan**

It is now the Company’s intention to default the remaining undesignated property managers to the LOD status as directed in the tariff.

However, to provide one more opportunity for property managers without a formal BVRP form on file to subscribe to the BVRP option of their choice, the Company wishes to waive applicable LOD fees on the initial tenant change affecting any property manager who does *not* desire the LOD designation and for whatever reason formal enrollment did not occur. Xcel Energy would not waive any fees, however, until the property manager signed and submitted the necessary BVRP enrollment forms. This “backstop” approach provides a reasonable, fair, and long-term approach to identifying and enrolling property managers in the BVRP program in the future.

In addition, as the Company rolls out the BVRP tariff in its other state jurisdictions, plans are being developed to integrate a query process during regular day-to-day customer service and account activity to improve the accuracy of the property owner/manager information in our system and keep the related contact information and BVRP status current.

## Summary

Though the initial sign-up phase of the BVRP program has been a monumental effort that has seen its share of obstacles, Xcel Energy is very pleased to have established BVRP designations for 92% of the property managers on record in its Customer Resource System. While it is unfortunate that approximately 190 property managers of the total of 2,400 have not established BVRP designations (unless, by virtue of having not responded, they have in fact opted for the LOD status), the Company's willingness to waive any disconnection and reconnection fees on the first application of the tariff in exchange for a signed BVRP agreement reflects a fair approach going forward.

The Company will provide a brief verbal update of this information and its related Residential Property Management ("RPM") pilot at its next Periodic Information Exchange meeting scheduled for February 1.

If you have any questions or concerns you'd like addressed prior to that meeting, please don't hesitate to call or email me. Thank you.

Sincerely,



David H. Sederquist  
Sr. Consultant, Regulation & Finance  
Xcel Energy

Encl.



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November 8, 2007

**URGENT**  
Your response  
needed by Nov. 21

**Subject: Billing of your North Dakota residential vacant rental properties**

Dear Property Manager:

As your local community relations manager, I am concerned that we do not have your decision to continue Xcel Energy service in your name or disconnect the service in your residential rental property units when a tenant moves out. Most property owners and managers have indicated to us that they want utility service continually available in their rental units during tenant transitions, so I ask that you review the enclosed information carefully and respond promptly.

By returning the attached forms, you will avoid disconnection of service between tenants. **Without these signed agreements, service will be disconnected at your residential rental properties whenever a tenant moves out, and you will be assessed disconnection fees (\$20 for electric, \$40 for natural gas). In addition, you will be assessed reconnection charges when a new tenant assumes service (\$20 for electric, \$55 for gas).**

We have enclosed a copy of the agreement form you need to complete. Please fax this form to: (800) 892-0343 or mail it to Xcel Energy, Attn: Landlord Agreement Team, P.O. Box 59, Minneapolis, MN 55440-0059.

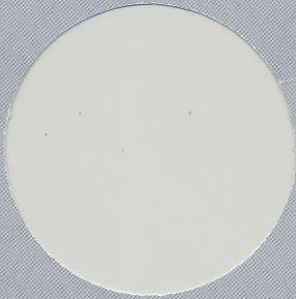
Our original deadline for this information expired some time ago, but we are making an additional effort to ensure you and other property managers have selected and submitted your residential rental property billing option. **Please respond by Nov. 21** to ensure the expected service and billing method is provided at your rental units.

If you have any questions regarding the Billing of Vacant Rental Property Program, please call 1-800-895-4999 and ask to speak to a member of the Xcel Energy Landlord Agreement Team or e-mail us at [landlordagreement@xcelenergy.com](mailto:landlordagreement@xcelenergy.com).

Sincerely,

North Dakota Principal Manager

P.S. You may obtain more information about the Billing of Vacant Rental Property Program at [www.xcelenergy.com](http://www.xcelenergy.com). Enter your North Dakota zip code, and then select Business, Payment Options and Landlord Agreement.



**Renters:**

Xcel Energy has had difficulty contacting your landlord. Please pass this important information on to them.

**Landlord:**

Xcel Energy is attempting to contact you to prevent the inconvenience and charges that can occur when a tenant moves out and utility services are disconnected. You have the option to select a billing process to avoid this, but we must hear from you!

**PLEASE CONTACT US WITHIN THREE DAYS** concerning the Billing of Vacant Rental Property Program using one of these convenient options:

- Call 1-800-895-4999 and ask to speak to a member of the Landlord Agreement Team.
- Access [www.xcelenergy.com](http://www.xcelenergy.com) to obtain the necessary forms. Enter your North Dakota zip code and then select Business, Payment Options and Landlord Agreement.
- Send an email to: [landlordagreement@xcelenergy.com](mailto:landlordagreement@xcelenergy.com).

Delivered: \_\_\_\_\_



1-800-895-4999  
[xcelenergy.com](http://xcelenergy.com)

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