

August 24, 2006

SUBJECT: Improvements to North Dakota residential tenant change process

Dear Landlord:

We realize that it is often a daunting task to complete all the steps you must go through each time you have a tenant change, and we want you to know that we have made improvements to the tenant change process to help you. These improvements include:

A dedicated service arrangement

We have established the Landlord Agreement Team to assist you with tenant change requests and billing issues. This team's focus is to ensure your service needs are met in a timely and effective manner. You can fax your tenant change requests to 1-800-892-0343, call the team at 1-800-895-4999 or e-mail landlordagreement@xcelenergy.com.

A newly proposed N.D. tariff to replace today's Revert To Owner (RTO) program

Our newly proposed *Residential Billing of Vacant Rental Property* (BVRP) tariff would replace the existing RTO program, which transfers service to landlords when a rental unit becomes vacant. The new BVRP tariff was developed through a collaborative process that included feedback from landlords and tenant advocacy groups. It was filed with the North Dakota Public Service Commission on May 26, 2006.

This new tariff includes an option for tenants to authorize landlords to start and end a tenant's Xcel Energy service. In addition, landlords would be given the following two billing options when a tenant vacates a rental unit:

Automatic Turn On (ATO):

- When a tenant vacates a rental unit, service would be automatically transferred from the departing tenant's name to the landlord's name.
- The landlord would then have full use of electric and/or natural gas service to prepare the rental unit for the next tenant.
- Xcel Energy would waive the service processing charge for changing the customer name on the account.

Lock on Disconnect (LOD):

- Service would be physically disconnected when a tenant vacates a rental unit then physically reconnected when a new tenant needs service.
- The landlord would be responsible for charges associated with locking and unlocking meters.
- When a tenant vacates a rental unit, if the landlord has not previously selected either the ATO or LOD option, service would be disconnected and LOD charges would apply.

Learn more about the proposed BVRP tariff

You can review the proposed tariff at our Web site, xcelenergy.com/bvrp. You also may attend one of our upcoming information forums at a location and time convenient for your company:

- Fargo: Wednesday, September 13, Kelly Inn, 8:00 – 9:30 a.m. (breakfast)
- Grand Forks: Wednesday, September 13, Hilton Garden Inn, 11:30 a.m. – 1:00 p.m. (lunch)
- Minot: Thursday, September 14, Holiday Inn, 8:00 – 9:30 a.m. (breakfast)

If you wish to attend one of these information forums, **please R.S.V.P. no later than Friday, September 1, indicating how many will attend and which location**, by calling 701-241-8604 or e-mailing susan.c.gernhardt@xcelenergy.com.

At these forums, we will walk through the *Residential Billing of Vacant Rental Property* program, answer your questions, and provide a written description of the proposed tariff.

The North Dakota Public Service Commission has also scheduled the following hearing on the proposed tariff so you can ask questions and provide comments:

Thursday, October 12 at 1:30 p.m.
Cass County Annex Building
Lower level conference room
1010 2nd Ave. South, Fargo, ND

We've enclosed information sheets you can post in your rental properties to make tenants aware of this hearing. For more information, call the commission offices at 701-328-2400.

We thank you in advance for your interest and look forward to working with you to ensure your residential rental units are on the billing option that meets your needs. If you have any questions, please call the Landlord Agreement Team at 1-800-895-4999.

Sincerely,



Mark Nisbet
North Dakota Principal Manager