

Direct Testimony and Schedules  
Debra Sundin

Before the North Dakota Public Service Commission  
State of North Dakota

In the Matter of the Application of Northern States Power Company,  
a Minnesota corporation and wholly owned subsidiary of Xcel Energy Inc.  
For Authority to Increase Rates for  
Natural Gas Service in North Dakota

Case No. PU-06-\_\_\_\_  
Exhibit\_\_\_\_

**Natural Gas Demand Side Management Testimony**

December 15, 2006

## Table of Contents

I.	Introduction and Qualifications	1
II.	Proposed Residential DSM Programs	2

**I. INTRODUCTION AND QUALIFICATIONS**

1  
2  
3  
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6  
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Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.

A. My name is Debra Sundin. My business address is 414 Nicollet Mall, Minneapolis, MN 55401

Q. BY WHOM ARE YOU EMPLOYED AND WHAT IS YOUR POSITION?

A. I am employed by Xcel Energy Services Inc., the service company subsidiary of Xcel Energy Inc. My position is Director, Business Product Marketing & CIP/DSM.

Q. PLEASE SUMMARIZE YOUR QUALIFICATIONS AND EXPERIENCE.

A. Exhibit\_\_\_\_(DS-1), Schedule 1 contains a complete statement of my educational and professional background.

Q. FOR WHOM ARE YOU TESTIFYING IN THIS PROCEEDING?

A. I am testifying on behalf of Northern States Power Company, a Minnesota corporation and wholly owned subsidiary of Xcel Energy Inc. (“Xcel Energy” or “Company”).

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I will discuss elements of Xcel Energy’s natural gas Demand Side Management (“DSM”) initiatives being proposed for North Dakota in this case.

1                   **II. PROPOSED RESIDENTIAL DSM PROGRAMS**

2  
3    Q.   DOES XCEL ENERGY CURRENTLY OFFER ANY DSM PROGRAMS IN NORTH  
4        DAKOTA?

5    A.   Yes. The Company has offered load management programs in North Dakota  
6        for its electric customers since the early 1990's, including Residential  
7        Controlled Air Conditioning and Water Heating, Commercial and Industrial  
8        Controlled Air Conditioning, and Peak Controlled Service.

9  
10   Q.   DOES XCEL ENERGY CURRENTLY OFFER DSM PROGRAMS IN ANY OF ITS  
11        OTHER JURISDICTIONS?

12   A.   Yes. Xcel Energy currently offers electric DSM programs in North Dakota,  
13        South Dakota, Minnesota, Wisconsin, Colorado, Texas and will offer electric  
14        DSM programs in New Mexico once current DSM rulemaking is complete.  
15        Xcel Energy also offers natural gas DSM programs in Minnesota and  
16        financially supports state run gas DSM programs in Wisconsin.

17  
18   Q.   WHY IS XCEL ENERGY PROPOSING TO OFFER NATURAL GAS DSM PROGRAMS  
19        IN NORTH DAKOTA?

20   A.   The Company is proposing to offer gas conservation programs in North  
21        Dakota because the volatility in natural gas bills over the last several years has  
22        been a hardship for many of our customers. Xcel Energy would like to play a  
23        more prominent role in helping customers manage their energy costs by  
24        offering them energy conservation options and information on how to  
25        decrease their natural gas usage and monthly gas bills.

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Q. WHAT IS XCEL ENERGY'S PROPOSED 2007 GAS DSM EXPENDITURE?

A. Xcel Energy expects to spend annually a combined total of approximately \$138,000 on its gas DSM initiatives. The projected costs for these programs is provided on Ex.\_\_\_\_(DS-1), Schedule 2.

Q. WHAT PROGRAMS ARE PROPOSED FOR INCLUSION IN THE COMPANY-SPONSORED NATURAL GAS DSM PROPOSAL?

A. Xcel Energy proposes to include home energy audits, furnace and boiler rebates, water heater rebates, and energy-efficient "low flow" showerheads.

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OF EACH OF THE PROPOSED RESIDENTIAL GAS DSM PROGRAMS.

A. As part of its Home Energy Audit program, Xcel Energy would offer steeply discounted home energy consulting for residential customers. The objective of this initiative would be to realize energy savings by encouraging homeowners and renters to take steps to improve energy efficiency through conservation education.

The essential elements of Xcel Energy audits are:

- Customer energy bill analysis;
- client assessment and education;
- shell assessment;
- equipment review;
- written energy savings recommendations; and
- optional blower door test.

1 With its Furnace Rebate offering, the Company would distribute cash rebates  
2 to customers who choose to purchase energy-efficient natural gas furnaces for  
3 their homes. A rebate can be a deciding factor when customers are unsure  
4 about upgrading to high efficiency when purchasing a furnace or replacing an  
5 existing furnace. Boiler rebates work in a similar fashion.

6  
7 Water heater rebates are offered as a financial incentive to promote the  
8 installation of new energy-efficient qualifying natural gas water heaters.

9  
10 Energy efficiency showerheads are easy to install and lower the flow of heated  
11 water, thus saving heating energy and money. The Company would provide  
12 these “low flow” showerheads to customers who respond to invitations to try  
13 them in their homes.

14  
15 Q. WHAT IS XCEL ENERGY’S ESTIMATION OF CONSUMER INTEREST IN ITS  
16 PROPOSED NATURAL GAS DSM PROGRAM?

17 A. The Company anticipates that in North Dakota over 2,500 natural gas  
18 customers will participate in these programs in the first year.

19  
20 Q. DOES THIS CONCLUDE YOUR PRE-FILED DIRECT TESTIMONY?

21 A. Yes, it does.


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1  
2 STATE OF NORTH DAKOTA  
3 BEFORE THE  
4 PUBLIC SERVICE COMMISSION  
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7 In the Matter of the Application of Northern )  
8 States Power Company, a Minnesota corporation ) Notice of Change in Rates  
9 and wholly owned Subsidiary of Xcel Energy Inc. )  
10 for Authority to Increase Rates For Natural Gas ) Case No. PU-06-\_\_\_\_  
11 Service in North Dakota )  
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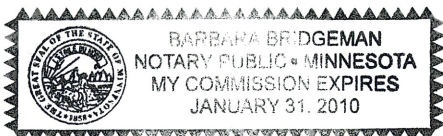
15 AFFIDAVIT OF  
16 Debra Sundin  
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19 I, the undersigned, being duly sworn, depose and say that the foregoing is  
20 the Direct Testimony of the undersigned, and that such Direct Testimony and the  
21 exhibits or schedules sponsored by me to the best of my knowledge, information  
22 and belief, are true, correct, accurate and complete, and I hereby adopt said  
23 testimony as if given by me in formal hearing, under oath.  
24

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27 Debra Sundin  
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32 Subscribed and sworn to before me, this 13 day of December, 2006.  
33

34   
35  
36 Notary Public  
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38



## Debra Sundin

Business: 612-330-6022  
Email: deb.sundin@xcelenergy.com

### Experience

2002-present Xcel Energy Minneapolis, MN

**Director, Business Product Marketing & CIP/DSM**

Provide strategic marketing and regulatory strategy for Xcel Energy's energy efficiency and rate product portfolios in the business and consumer markets.

2000-2002 Xcel Energy Minneapolis, MN

**Manager, Regulated Marketing / Manager, Product Portfolio Management**

Provide strategic market planning for regulated business products.

Set direction for product market planning, promotion, implementation, and evaluation of regulated products and services for business customers.

Support and implement Xcel Energy's branding strategies through advertising, promotion and public relations.

Manage Business Product Portfolio Management staff (product management) and regulated business marketing budgets.

1998-2000 Northern States Power Company Minneapolis, MN

**Manager, Energy Management**

Provide strategic market planning for business products.

Set direction for product market planning, promotion, implementation, and evaluation of products and services for business customers.

Support and implement NSP's branding strategies through advertising, promotion and public relations.

Manage Product Management staff and business marketing budgets.

Develop and lead regulatory strategy; submit all required regulatory filings accurately and on time; negotiate and influence regulators based on NSP's positions and desired outcomes.

1992-1997 Northern States Power Company Minneapolis, MN

**Manager, Residential Marketing**

Provide strategic planning for the mass market sectors.

Set direction for product market planning, promotion, implementation, and evaluation of products and services for the mass market sectors.

Support and implement NSP's branding strategies through advertising, promotion and public relations.

Manage Product Management staff and consumer marketing budgets.

1979-1991 Northern States Power Company Minneapolis, MN

**Supervisor, Market Research / Market Research Analyst  
(Assoc./Analyst/Principle)**

Provide planning for short and long term market research objectives.

Manage Market Research staff and budgets.

Provide qualitative and quantitative research framework for a given project or study including: problem identification, data gathering techniques, development of survey questionnaires, determination of statistical strategies for treating raw data analyses and recommendations.

**Education:**

1975-1977 Augsburg College, Minneapolis, MN

1977-1979 Bemidji State University, Bemidji, MN

*B.S. Business Administration, minor: Economics*

1980-1983 University of St. Thomas

*M.B.A. Management*

**Associations:**

2005 - present Board of Directors, Consortium of Energy Efficiency

2003 – 2005 Board of Advisors, MEI Energy Alley

**Xcel Energy**  
**Natural Gas Utility - State of North Dakota**  
**North Dakota Natural Gas DSM Residential Projections**

Program	Type	Description of Offering	Type of Customer Promotions	Description of Costs	# of Participants	MCF Savings	Annual Budget
Heating System Rebates	Gas	Rebates provided for qualifying furnaces and boilers. Program would match MN program.	Promotions to HVAC vendors.	Marketing collateral, rebates, HVAC vendor communications, internal labor (Marketing and CIP/DSM Operations)	500	6,460	\$61,000
Water Heater Rebates	Gas	Rebates provided for qualifying new gas water heaters. Match MN program. Offer free energy efficient showered to residential gas customers. Eligible once every five years.	Promotions to HVAC vendors.	Marketing collateral, rebates, HVAC vendor communications, internal labor (Marketing and CIP/DSM Operations)	30	54	\$3,000
Showerheads	Gas	Home energy audits at a reduced price. Blower door test option (increased cost). Audits would be scheduled when enrollments reached a certain level due to drive time from MN.	Direct mail campaign to Res Gas customers.	Marketing collateral, showerheads, internal labor (Marketing)	2,000	3,940	\$14,000
Home Energy Audits	Gas		Bill insert to customers notifying them of program; include enrollment form.	Marketing collateral, auditing services, call center support/processing (CRS), labor (Marketing and CIP/DSM Operations)	300	-	\$60,260
<b>Total:</b>					<b>2,830</b>	<b>10,454</b>	<b>\$138,260</b>

**Assumptions:**

- Customer assumptions -
- 10,726 Gas Res customers
- 45,984 Electric Res customers
- 26,326 Combo Res customers

- Showerheads: There is still uncertainty around the number of gas customers that have gas water heaters, so it is difficult to pinpoint total potential audience.