Direct Testimony and Schedules
Donald R. Dahl

Before the 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 ___

**Class Cost of Service Study, Rate Design,
and Cost of Gas Adjustment**

December 15, 2006

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I. INTRODUCTION AND QUALIFICATIONS

Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND POSITION.

A. I am Donald R. Dahl, 1414 West Hamilton Avenue, Eau Claire, Wisconsin 54701.

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

A. I am a Senior Pricing Analyst with Xcel Energy Services Inc. ("XES"), the "service company" subsidiary of Xcel Energy Inc., a registered holding company. I assist in the design and implementation of natural gas and electric rates for use in North Dakota and other jurisdictions served by the utility operating company subsidiaries of Xcel Energy Inc.

Q. PLEASE SUMMARIZE YOUR QUALIFICATIONS AND EXPERIENCE

A. Exhibit___(DRD-1), Schedule 1 contains a complete resume of my educational and professional background.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE REGULATORY COMMISSIONS IN THIS AND OTHER STATES IN PROCEEDINGS INVOLVING RATES FOR UTILITY SERVICE?

A. Yes, I have testified previously in regulatory matters before the North Dakota Public Service Commission (the "Commission"), the Public Service Commission of Wisconsin, the Minnesota Public Utilities Commission, and have filed direct testimony before the Michigan Public Service Commission.

Q. FOR WHOM ARE YOU TESTIFYING?

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 the "Company"), the utility operating company providing natural gas service in North Dakota.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to present a natural gas class cost of service study on a 2007 calendar year embedded cost basis. I will present proposed natural gas rates that generate sufficient revenue for the Company to achieve the rate of return requested in this proceeding for the Company's natural gas utility operations in North Dakota.

Q. PLEASE LIST THE SCHEDULES INCLUDED WITH YOUR TESTIMONY AND INDICATE IF THEY WERE PREPARED BY YOU OR SOMEONE UNDER YOUR DIRECTION.

A. The attached schedules, all prepared by me, include:

1) Resume of Experience and Qualifications
2) Class Cost of Service Overview
3) Class Cost of Service Allocation Methodology
4) Class Cost of Service Study Detail
5) Revenue Apportionment
6) Rate Design Detail
7) Proposed Revenues vs. Class Cost of Service Study
8) Present and Proposed Rates
9) Typical Monthly Bill Impacts
10) Cost of Gas Calculation

II. CLASS COST OF SERVICE STUDY

Q. WHAT IS THE PURPOSE OF A CLASS COST OF SERVICE STUDY ("CCOSS")?

A. The purpose of a CCOSS is to identify the costs of providing natural gas service to each customer class. The CCOSS is used as a guide in determining the appropriate natural gas rates for the various customer classes.

Q. HOW IS A CCOSS PREPARED?

A. The CCOSS presented in this case is a fully distributed, embedded class cost of service study. In general, preparing a CCOSS involves several steps:

First, the revenue requirement for the North Dakota jurisdictional operation is determined. To do that, costs are identified by function and separated by jurisdiction. This step is supported more fully in the Direct Testimony and Schedules of Mr. Jeffrey C. Robinson filed in this proceeding.

Second, wherever possible, the CCOSS directly assigns costs and revenues to the specific customer classes responsible for causing the Company to incur those costs.

Third, all other costs are allocated among the customer classes by an appropriate allocation method. Where costs are indirectly connected to a cost category, they are allocated based on cost causation. An external allocator may be used, such as the class contribution to design day, or class sales. Other allocators may be developed internally within the CCOSS as a result of

mathematical operation and external allocation, and then used to allocate various costs. Where costs cannot be either directly assigned or indirectly allocated they are allocated using a general allocator.

Fourth, the allocated costs are classified into capacity (demand), customer, or commodity cost categories. These cost categories are used to give guidance on intra-class rate design.

Finally, the cost of serving each customer class is compared to the revenues generated from within the class. The difference comprises the revenue deficiency.

Exhibit___(DRD-1), Schedule 2 contains an explanation of how the CCOSS is organized. Descriptions of the various allocators used are provided in Exhibit___(DRD-1), Schedule 3.

Q. HAVE YOU PREPARED SUCH A CCOSS?

A. Yes. The CCOSS filed with this case is very similar to that filed by the Company in its most recent natural gas rate case (Case No. PU-400-04-578). Most of the allocation factors previously used in that rate case are used again in the current CCOSS. Of course, the various allocation percents have been updated to reflect 2007 data on customers, sales, Design Day inputs, and other relevant items. The detailed CCOSS is included as Exhibit___(DRD-1), Schedule 4.

Q. PLEASE SUMMARIZE THE RESULTS OF YOUR CLASS COST OF SERVICE STUDY.

A. The results of the CCOSS are provided in Exhibit___(DRD-1), Schedule 4, page 1 and the table contained on Exhibit___(DRD-1), Schedule 7. If rates were determined purely on costs indicated by the CCOSS, without regard to any other factors, a $4,301,000 or 11.9 percent rate increase would be required from the Residential class to recover the cost of providing service to this class.

On the other hand, the CCOSS supports a *decrease* in rates for other classes. Specifically, the CCOSS would support a $912,000 or 2.3 percent rate decrease for the Commercial and Industrial Firm Service class, a $368,000 or 6.0 percent decrease for Small Volume Interruptible Service, and a $221,000 or 2.1 percent decrease for Large Volume Interruptible Service customers.

As discussed below, however, the Company takes into consideration other factors when designing rates and is not proposing changes to its natural gas rates based solely on the class costs as determined in the CCOSS.

III. RATE DESIGN

Q. PLEASE DESCRIBE THE BASIC RATE DESIGN OBJECTIVES CONSIDERED BY THE COMPANY IN DEVELOPING THE PROPOSED NATURAL GAS RATES.

A. Xcel Energy has several objectives it considers when designing proposed rates for this case:

The first objective is to establish rates that, overall, recover the costs of providing service to Xcel Energy's natural gas customers in North Dakota.

The second objective is to move rates and the corresponding cost recovery within each customer class closer to the costs to serve the given class. By doing so, the Company seeks to reduce inter-class cross-subsidies. Cost-based rates promote economic efficiency by providing customers with pricing signals with respect to the true cost of their service, which in turn encourages sound energy use.

The third objective is to mitigate the billing impacts for any one class when rate increases are unavoidable. For example, increasing Residential rates 11.9 percent in light of a 3.0 percent overall revenue increase would create an unbalanced sharing of the required rate increase proposed in this Application.

Q. DO YOU PROVIDE A COMPARISON OF THE PRESENT AND PROPOSED RATES AND REVENUES?

A. Yes. Exhibit___(DRD-1), Schedule 5 contains a summary by customer class of the number of customers, therm sales, revenues from "present" and "proposed" rates, and the amount and percentage of requested revenue increases for the twelve-month period ending December 31, 2007. The overall revenue increase of 3.0 percent includes a proposed 4.3 percent average increase in Residential Firm Service class revenues, a 2.8 percent increase for the Commercial and Industrial ("C&I") Firm Service Class, a 1.1 percent increase for the Small Interruptible Service Class and a 0.5 percent increase for Large Interruptible Service Class.

. Exhibit___(DRD-1), Schedule 6, contains a more detailed report of the billing units by customer class, the present and proposed rates, and the corresponding revenues produced for the weather normalized 2007 test year.

Q. HOW DO THE PROPOSED REVENUE INCREASES BY CLASS COMPARE TO THE INCREASES SUPPORTED BY THE CCOSS?

A. In general, Residential customers would receive a smaller increase than what is indicated in the CCOSS, and would continue to generate insufficient revenues to recover the full cost of service for that class. Exhibit___(DRD-1), Schedule 7 contains a comparison of the proposed class rates and corresponding revenue increases to the revenue deficiencies indicated by the CCOSS, along with a proposed revenue increase by class by rate "component" (*i.e.*, Delivery Service, Basic Service, and Distribution Charges).

Q. WHAT WILL BE THE IMPACT OF THIS RATE INCREASE ON THE MONTHLY BILLS OF XCEL ENERGY'S CUSTOMERS IN NORTH DAKOTA?

A. Exhibit___(DRD-1), Schedule 8 contains a summary of present and proposed rates. Exhibit___(DRD-1), Schedule 9 shows the impact of the proposed increase on typical monthly bills of varying usage for the Residential and the Commercial and Industrial firm service classes as well as the Interruptible customer classes.

Q. DO YOU HAVE ANY SCHEDULES SUPPORTING THE COST OF GAS?

A. Exhibit___(DRD-1), Schedule 10 contains a calculation of the Cost of Gas ("COG") used in Exhibit___(DRD-1), Schedule 6. This is a "snapshot" calculation from the Company's 2007 budget and is not necessarily indicative of the Company's current month COG factor.

IV. RATE DESIGN BY SCHEDULE

Residential

Q. HOW WAS THE PROPOSED RESIDENTIAL RATE DESIGN DEVELOPED?

A. In the Company's last North Dakota natural gas rate case (Case No. PU-400-04-578), a fixed monthly "Delivery Services" charge was instituted to recover all non-gas, local distribution revenue requirements attributable to the Residential class (with the exception of manufactured gas plant cleanup amortization costs, which is presently recovered through the Cost of Gas Rider). This rate design was effective in mitigating the impacts of declining use per customer, but continues to be well below the rate supported by the CCOSS study.

The CCOSS study supports a $4.3 million or 11.9 percent increase for Residential customers. In other words, based on the costs as assigned in the CCOSS, one could readily justify recovering the Company's entire $2.8 million natural gas rate increase request solely from Residential customers.

Assigning all of the Residential revenue requirements indicated in the 2007 CCOSS to the Residential fixed monthly Delivery Service charge would result in a Delivery Services charge of $25.35. To moderate this relatively dramatic but CCOSS-supported increase (from the current Delivery Service Charge of $15.69), the Company utilized a "150 percent" rule of thumb to limit the proposed Residential increase. This rule of thumb essentially prevents the rate increase for any given customer class from exceeding the overall rate increase percent by more than 150 percent. Based on the Company's current request for a 3.0 percent overall increase, the cap for the Residential class would equal

1.5 times 3.0 percent = 4.5 percent. The Company is proposing an increase of 4.3 percent, slightly less than 150 percent rule of thumb cap. Using this approach and assigning all of the Residential increase to the Delivery Service Charge rate component results in a proposed charge of $19.20.

Firm Commercial

Q. PLEASE DISCUSS THE PROPOSED FIRM COMMERCIAL REVENUE REQUIRMENT.

A. The CCOSS indicates a 2.2 percent decrease for firm commercial customers. Because the proposed rate for Residential customers does not recover the CCOSS indicated revenue requirement for that class, and the CCOSS results indicate a firm Commercial rate decrease, Xcel Energy is proposing an increase slightly lower than the overall average 3.0 percent rate increase for the firm Commercial and Industrial class.

Q WHAT RATE DESIGN IS THE COMPANY PROPOSING FOR RECOVERING THE FIRM COMMERCIAL REVENUE REQUIREMENT?

A. In the future, Xcel Energy desires to establish fixed monthly Delivery Services charges for the Commercial Firm Service for two or three sub-classes so that all distribution costs attributable to those customer sub-class are recovered through Delivery Service Charges. However, the Company still needs to perform studies on its existing Commercial Firm Service class to determine the proper sub-class categories and rates. In this current request, the Company proposes to move closer to that rate design by recovering approximately two-thirds of the increase in the Commercial Firm Service class through the Basic Services Charge for that class.

Interruptible

Q. PLEASE DISCUSS THE PROPOSED INTERRUPTIBLE RATE DESIGN.

A. The CCOSS indicates a 6.1 percent and 2.3 percent decrease for Small and Large Commercial Interruptible Service customers respectively. However, because proposed rates for firm service customers (Residential and Commercial combined) do not quite recover the CCOSS indicated revenue requirement for those customers, a small increase is required for these customer classes. Xcel Energy is proposing an overall increase of 1.1 percent for the Small Interruptible class and 0.5 percent for the Large Interruptible class.

Because of the competitive nature of the service provided to Small and Large Commercial Interruptible Service customers, and the large variance in usage levels, recovering all of the distribution costs through the Basic Service Charge could result in intra-class subsidies. Therefore, the Company seeks instead to recover the proposed increase to these two classes through the Distribution Charge.

V. MISCELLANEOUS PROPOSALS

Q. ARE THERE OTHER CHANGES TO THE TARIFFS THAT YOU WISH TO ADDRESS?

A. Yes, there are three changes being proposed to the terms of the Large Commercial Interruptible Transportation Service tariff. The first is to allow for nominations in the final a.m. cycle on Northern Natural Gas Company ("NNG") interstate pipeline. The second is to shorten the nomination deadline from two hours to 10 minutes prior to the standardization nomination deadlines. These changes to the nomination terms will provide

transportation customers additional ability to ensure that their nominations match their expected usage and provide them greater opportunity to react to an unanticipated change in usage. The final change is to clarify the language regarding the calculation of Monthly Undertake/Overtake charges to ensure the calculation is based on the amount of gas actually delivered on the customer's behalf by the upstream pipeline. This change makes the tariff language more understandable to customers. These changes are included in the tariff sheets, included with the Notice of Change in Rates for Natural Gas Service.

The Company will be filing a complete set of tariffs as part of its compliance filing in this proceeding that will also reflect a change in the Company name header at the top of each sheet. To more accurately reflect its legal name, the tariffs will be changed to refer to "Northern States Power Company, a Minnesota corporation and wholly owned subsidiary of Xcel Energy Inc."

Q. DOES THIS COMPLETE YOUR TESTIMONY?

A. Yes, it does.

STATE OF NORTH DAKOTA
BEFORE THE
PUBLIC SERVICE COMMISSION

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	)))))	**Notice of Change in Rates** Case No. PU-06-___

AFFIDAVIT OF
Donald R. Dahl

I, the undersigned, being duly sworn, depose and say that the foregoing is the Direct Testimony of the undersigned, and that such Direct Testimony and the exhibits or schedules sponsored by me to the best of my knowledge, information and belief, are true, correct, accurate and complete, and I hereby adopt said testimony as if given by me in formal hearing, under oath.

Donald R. Dahl

Subscribed and sworn to before me, this 13 day of December, 2006.

Notary Public

Mr. Donald R. Dahl
Senior Pricing Analyst, Regulatory Administration - North
1414 West Hamilton Avenue, Eau Claire, Wisconsin, 54701

CURRENT RESPONSIBILITIES (Xcel Energy Services Inc.)

Primarily responsible for the analysis, design, and implementation of Xcel Energy natural gas rates. This includes preparing gas embedded cost of service studies, gas rate design, and administration of the natural gas cost recovery riders. Also assists in the design and implementation of electric rates.

PREVIOUS EMPLOYMENT

NSP-W; Senior Pricing Analyst	2000-2001
NSP-W; Administrator Gas Pricing	1997-2000
NSP-M; Senior Rate Analyst	1995-1997
NSP-W; Pricing Analyst	1986-1995
NSP-W; Rate Statistician	1980-82, 1985-86

EDUCATION

University of Wisconsin – Eau Claire, Bachelor of Arts Economics

PREVIOUS TESTIMONY

Michigan; NSPW	<u>Supply Plans and Reconciliations</u> Gas Cost Recovery Clause Purchased Power Adjustment Clause	30-40 cases (1992 to present) (1992 to 1996)
	<u>General Rate Case / Rate Changes</u> Miscellaneous Rate changes Rate Design, Class Cost of Service Study	U-11807 (1998) U-13365 (2002)
Minnesota – NSPM	<u>General Rate Cases</u> Class Cost of Service Study, Purchased Gas Adjustment, Aspects of Gas Rate Design	GR-97-1606 (1997) GR-04-1511 (2004)
North Dakota – NSPM	<u>General Rate Case</u> Class Cost of Service Study, Purchased Gas Adjustment, Gas Rate Design	PU-400-00-521 (2001)
Wisconsin – NSPW	<u>Generic (statewide) investigations</u> Purchased Gas Adjustment clauses, terms and conditions associated with transportation services and industry restructuring	05-GI-103 (1992) 05-GI-105 (1993) 05-GI-106 (1995) 05-GI-108 (1995) 05-GI-109 (1997) 05-GI-111 (1999)
Wisconsin – NSPW	<u>Rate Cases</u> Class Cost of Service Studies, Gas Cost Recovery Mechanism, Gas Rate Design	4220-UR-108 (1995) 4220-UR-109 (1996) 4220-UR-110 (1997) 4220-UR-114 (2005)

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Page 1 contains the revenue deficiency/excess by class assuming each class has an equal return on rate base. It also shows the classification components (e.g., customer related, capacity related). This can be used to design cost-based intra-class rates for customers. For example, the CCOSS shows the total revenue deficiency for the residential customer class as $29,558,000 and the cost-based customer charge for residential of $20.97 per month. The cost classifications (e.g. customer related) are only shown as a total class revenue deficiency. However, the Company does have the same data as below for each cost classification category.

Pages 2 and 3 contain a summary of the allocated rate base and income statement.

Pages 4 through 17 contain in more detail the components of the rate base and income statement along with the method used to allocate the various cost components. Each item contains a line number along with a description of the item. For those items that use an allocator to split the costs between classes, the next column ("Alloc") shows the name of the allocation method. A value that is not allocated but directly assigned to each class will contain the designation "Direct". Calculated lines such as subtotals do not have a designation in this column. The remaining columns contain the North Dakota jurisdictional total and the class cost allocations for each item.

Pages 18 and 19 contain external allocators and certain internal allocation percentages.

Page 20 contains certain cost of capital items and tax rates used in the CCOSS.

Rate Base Items - Gas Plant in Service

Production and Storage Plant

Production and storage plant costs are allocated by design day demand. Production and storage plant are primarily used for peak shaving to meet design day demand.

Transmission Plant and Regulator Station

Transmission plant and regulator station costs are allocated by the "average and peak" allocator. This method allocates costs to both firm and interruptible customers in recognition that transmission plant and regulator stations (and main) are built to serve two different functions, to deliver gas all year round to all customers, and to meet peak day capacity needs for firm customers. Therefore, the cost of mains is split into two components. The component split is based on load factor (34.64%). The average capacity component (34.64% of the total) is equal to the average daily use of mains on the system and is allocated to all classes based on average demand (this allocator is equivalent to sales / 365 days = average demand). The design day component (65.36% of the total) is allocated based on the class contribution to the design day capacity that is above the average day capacity included in the average capacity component. Because interruptible customers are interrupted during a design day, there is no allocation of the design day component to interruptible customers.

Mains

Main costs are allocated first by the minimum system method. This method calculates the cost of a "minimum system" based on the cost of plastic main 2 inches diameter or less. This cost (69.3% of the total) is then allocated by number of customers. The method is the same as used in the Company's last rate case. The remainder (30.7%) is allocated by the above described "average and peak" allocator. The minimum system study is the same study used in Case No. PU-400-04-578.

Services, Meter and Regulators

Service, meter and regulator costs are allocated to each class of customers by a customer-weighted factor based on the average cost per customer of these facilities. The average cost is a relative weighting by class based upon a study used in the Company's previous rate cases. This relative weighting is then multiplied by number of customers to calculate a percentage by class to allocate these costs. The weight per customer is the same weighting as used in Case No. PU-400-04-578.

General and Common Plant

General and Common plant costs are allocated based upon allocation of the production, storage, and distribution components of plant.

Rate Base Items - Other

Other rate base item costs (e.g., accumulated depreciation reserve, accumulated deferred income taxes) are allocated based on the same factors as the associated gas plant in service or by individual analysis of how the item is used.

Operating Revenues

Retail Revenues

Retail revenues are directly assigned based on the calculation of present rates (including a forecasted cost of gas) and forecasted sales. The purchased gas expenses associated with these services are also directly assigned on this basis to match revenue and expense, consistent with the "matching" principle. The revenue (and purchased gas expense) was calculated using an average annual commodity cost of gas by class, and a seasonal split of demand costs. Also included is a revenue adjustment to match MGP clean-up test year expense levels.

Other Operating Revenues

Late payment revenues are allocated by retail revenues. Late payment revenues are produced by non-payment of retail revenue.

Service connection revenues are allocated by number of customers since establishment of service generally follows the same pattern of historic service.

Return check charges are also allocated by number of customers.

Balancing Services are allocated by combined Sales and Transportation volumes.

Limited firm sales revenues are allocated by design day demand to compensate firm customers for system pipeline capacity and other fixed costs that may be associated with these sales. The purchased gas expenses associated with these services are also allocated on this basis to match revenue and expense.

Liquid propane sales to others are allocated by design day demand. These revenues consist primarily of revenue associated with propane sales, and are used to compensate firm customers for storage capacity and any other fixed costs that may be associated with these sales.

CIAC Tax Gross-up is allocated on CWIP.

Other – Miscellaneous are allocated on a combination of design day and sales because no direct allocator is available.

Operation and Maintenance Expense

Purchased Gas Expenses

Expenses associated with system sales are directly assigned. The purchased gas expense assigned matches the expense used to generate revenues as explained in the revenue section. Propane and Limited Firm expenses are allocated on peak day demand because they are primarily used for peak shaving.

Production Expenses

Production expenses are allocated by peak day demand because LPG plants are primarily used for peak shaving. LNG expense is allocated by 1/2 peak day demand and 1/2 sales, reflecting a mixed use of these facilities. MGP clean-up expenses are matched to revenues included in the MGP clean-up rider.

Transmission Expense

Items such as transmission, mains, services, etc., expenses are allocated in the same way as associated plant.

Distribution Expense

Items such as regulator stations, mains, services, etc., expenses are allocated in the same way as associated plant. Customer installation and other distribution are allocated based on the number of customers, reflecting that these expenses are affected by the size of the customer base. Dispatching is allocated by 1/2 sales and 1/2 peak day demand to reflect both the capacity and throughput aspects of dispatching. Supervision and engineering are allocated based on the sum of the distribution O&M accounts to reflect the underlying need for supervision and engineering.

Customer Accounting Expense

Customer accounting and information expenses are allocated by customers.

Administrative and General

Property insurance is allocated on net plant. Expenses, such as rents, injuries and damages are allocated on a combination of gas plant in service and revenue because no other direct allocator is available. Some other expenses (pensions and benefits, incentive compensation) are allocated using the labor allocator because these are primarily employee related expenses. The labor allocator is approximated by the sum of distribution, transmission, customer accounting, sales and customer service labor expenses. Finally, regulatory expenses are allocated on retail revenues because such expenses are incurred in providing retail service.

Amortizations

Rate case expenses are allocated by present revenues because such expenses are incurred in providing retail service.

Sales Expense

Sales expenses are allocated by a study of sales expenses used in previous rate cases. These costs are primarily for sales advertising and outreach programs to customers.

Other Expenses

Other plant related items are allocated based on the same factors as the associated gas plant in service or by an individual analysis of how the item is used. This includes items such as depreciation expense, taxes other than income taxes, and deferred income taxes.
Payroll taxes were allocated based on the labor allocator, while gross receipt taxes were allocated in the same way as the associated revenue.

Income Taxes

Income taxes are calculated by class, based on the allocated income statement produced by all the allocated expenses and revenues above. Income adjustments for things such as pensions and insurance are allocated on the labor allocator. The labor allocator is approximated as the sum of distribution, transmission, customer accounting, sales, and customer service labor expenses.

Revenue Requirement, Return on Equity, Etc.

These items are derived on the basis on the allocated expenses, revenues, and rate base developed above.

Classification of Revenue Requirement to Secondary Components

Customer Related - Revenue Requirement

This portion of the revenue requirement is derived from classifying: 1) 100% of all rate base items associated with services, meters, house regulators, retail common and general plant; 2) a portion of common and general plant derived from the percentage of customer related plant; 3) expenses associated with those rate base items in (1) and (2) (including depreciation); 4) 100% of customer accounting expenses; 5) an allocated portion of costs such as administrative and general expenses; and 6) an allocated portion of other costs (e.g. taxes, return) derived on the basis on the allocated rate base and expenses developed in 1) - 5) above.

Capacity Related - Revenue Requirement

This portion of revenue requirement is derived from classifying: 1) rate base items associated with capacity such as a peak shaving, transmission, regulator station, and the non-customer related portion of mains; 2) a portion of common and general plant derived from the percentage of capacity related plant; 3) expenses associated with those rate base items (1) and (2) (including depreciation); 4) an allocated portion of costs such as administrative and general expenses; 5) a allocated portion of other costs (e.g. taxes, return) derived on the basis on the allocated rate base and expenses developed in 1) - 4) above; and 6) the demand costs associated with purchased gas.

Internal capacity revenue requirement (excluding 6 above) related items are further broken down into the following components.
Peak shaving – capacity cost associated with the LNG and propane plants.
Base capacity costs- primarily costs associated with the "average" portion of transmission, regulator stations, and mains.
Seasonal capacity costs - primarily costs associated with the "peak" portion of transmission, regulator stations, and mains.

Energy Related - Revenue Requirement

This portion of the revenue requirement includes the remaining requirement, including the commodity portion of purchased gas expense. Generally this includes all items allocated by sales.

Northern States Power Company, a MINNESOTA corporation and wholly owned subsidiary of Xcel Energy Inc
CLASS COST OF SERVICE STUDY ($000): NORTH DAKOTA JURISDICTIONAL FILING - FINAL
Test Year Ending 2007

Case No. PU-06-_____
Exhibit___(DRD-1)
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Equal Rate of Return

		ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Total Retail Revenue Requirement					
1	Return On Rate Base	9 24%	9 24%	9 24%	9 24%	9 24%
2	Equalized Retail Revenue	95,845	40,429	39,397	5,749	10,270
3	Present Retail Revenue	93,044	36,128	40,309	6,117	10,490
4	Revenue Deficiency	2,801	4,301	-912	-368	-221
5	Deficiency / Present Revenue	3 01%	11 90%	-2 26%	-6 01%	-2 10%
	Internal Revenue Requirement					
6	Customer Revenue Requirement	11,641	9,199	2,333	80	29
7	Average Monthly Customers	43,582	37,064	6,383	112	23
8	Revenue Requirement $ / Mo / Cust	22 26	20 68	30 46	59 84	103 95
9	Capacity Revenue Requirement	3,437	1,522	1,626	61	228
10	Annual Dkt Sales	9,854,302	3,065,892	3,676,490	655,964	2,455,956
11	Revenue Requirement $ / Dkt (Dkt per Month)	0 35	0 50	0 44	0 09	0 09
	Capacity - Sub Classification					
12	Capacity - Base Revenue Requirement	938	295	354	61	228
13	Annual Dkt Sales	9,854,302	3,065,892	3,676,490	655,964	2,455,956
14	Revenue Requirement $ / Dkt	0 10	0 10	0 10	0 09	0 09
15	Capacity - Seasonal Revenue Requirement	1,726	852	874	0	0
16	Annual Dkt Sales	9,854,302	3,065,892	3,676,490	655,964	2,455,956
17	Revenue Requirement $ / Dkt	0 18	0 28	0 24	0 00	0 00
18	Peak Shaving Revenue Requirement	772	374	398	0	0
19	Average Monthly Customers / (Design Day)	9,854,302	3,065,892	3,676,490	655,964	2,455,956
20	Revenue Requirement $ / Dkt	0 08	0 12	0 11	0 00	0 00
21	Energy Revenue Requirement	1,929	670	732	124	403
22	Annual Dkt Sales	9,854,302	3,065,892	3,676,490	655,964	2,455,956
23	Revenue Requirement $ / Dkt	0 20	0 22	0 20	0 19	0 16
24	Total Internal Revenue Requirement	17,007	11,391	4,691	265	659
25	Revenue Requirement $ / Dkt	1 73	3 72	1 28	0 40	0 27
	External Revenue Requirement					
26	Capacity Revenue Requirement	7,374	3,405	3,968	0	0
27	Revenue Requirement $ / Dkt	0 75	1 11	1 08	0 00	0 00
28	Energy Revenue Requirement	71,465	25,633	30,738	5,484	9,610
29	Revenue Requirement $ / Dkt	7 25	8 36	8 36	8 36	3 91
30	Total External Revenue Requirement	78,838	29,038	34,706	5,484	9,610
31	Revenue Requirement $ / Dkt	8 00	9 47	9 44	8 36	3 91
	Total Revenue Requirement					
32	Customer Revenue Requirement $ / Dkt	1 18	3 00	0 63	0 12	0 01
33	Demand Revenue Requirement $ / Dkt	1 10	1 61	1 52	0 09	0 09
34	Energy Revenue Requirement $ / Dkt	7 45	8 58	8 56	8 55	4 08
35	Total Revenue Requirement $ / Dkt	9 73	13 19	10 72	8 76	4 18
36	Equalized Total Revenue	96,177	40,596	39,531	5,759	10,292
37	Present Total Revenue	93,376	36,295	40,442	6,127	10,512
38	Revenue Deficiency	2,801	4,301	-912	-368	-221
39	Deficiency / Present Revenue	3 00%	11 85%	-2 26%	-6 00%	-2 10%

Northern States Power Company, a MINNESOTA corporation and wholly owned subsidiary of Xcel Energy Inc
CLASS COST OF SERVICE STUDY ($000): NORTH DAKOTA JURISDICTIONAL FILING - FINAL
Test Year Ending 2007

Case No. PU-06-_____
Exhibit___(DRD-1)

Summary: Functionalized Rate Base

		ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Plant In Service					
1	Production	1,607	779	828	0	0
2	Storage	3,539	1,715	1,824	0	0
3	Transmission	3,419	1,472	1,573	79	295
4	Distribution	67,876	47,650	18,200	788	1,238
5	Sub-total	76,441	51,615	22,426	867	1,534
6	General	1,533	1,035	450	17	31
7	Common	5,978	4,036	1,754	68	120
8	**Total Plant In Service**	**83,952**	**56,687**	**24,629**	**952**	**1,684**
	Depreciation Reserve					
9	Production	1,264	612	652	0	0
10	Storage	2,492	1,207	1,285	0	0
11	Transmission	1,444	622	664	33	125
12	Distribution	28,853	20,215	7,822	346	469
13	Sub-total	34,053	22,657	10,423	380	594
14	General	748	498	229	8	13
15	Common	3,694	2,458	1,131	41	64
16	**Total Depreciation Reserve**	**38,495**	**25,612**	**11,783**	**429**	**671**
17	**Net Plant**	**45,457**	**31,075**	**12,847**	**523**	**1,013**
	Accumulated Deferred Taxes					
18	Production	17	8	9	0	0
19	Storage	158	77	81	0	0
20	Transmission	269	116	124	6	23
21	Distribution	6,316	4,426	1,707	75	108
22	Sub-total	6,760	4,627	1,921	81	131
23	General	174	119	49	2	3
24	Common	470	322	134	6	9
25	Non-Plant related	-473	-336	-118	-5	-14
26	**Total Accumulated Deferred Taxes**	**6,931**	**4,732**	**1,986**	**84**	**130**
	Construction Work in Progress					
27	Transmission	0	0	0	0	0
28	Distribution	14	10	3	0	0
29	Sub-total	14	10	3	0	0
30	General	0	0	0	0	0
31	Common	19	13	5	0	0
32	**Total Construction Work in Progress**	**33**	**23**	**8**	**0**	**1**
	Net Investment Rate Base					
33	Production	326	158	168	0	0
34	Storage	889	431	458	0	0
35	Transmission	1,706	734	785	39	147
36	Distribution	32,721	23,018	8,674	367	662
37	Sub-total	35,642	24,342	10,085	406	809
38	General	611	418	171	7	14
39	Common	1,833	1,270	495	21	47
40	Non-Plant related	473	336	118	5	14
41	**Total Net Investment Rate Base**	**38,559**	**26,366**	**10,869**	**439**	**884**
	Additions					
42	Materials & Supplies	168	116	47	2	4
43	Gas in Storage	5,781	1,799	2,157	385	1,441
44	Non Plant Asset & Liabilities	-1,082	-769	-271	-12	-31
45	Prepaids and Other	2,749	1,082	1,170	183	315
46	Cash Working Capital	456	170	174	25	87
47	**Total Additions**	**8,072**	**2,397**	**3,276**	**583**	**1,816**
48	**Rate Base**	**46,631**	**28,764**	**14,145**	**1,023**	**2,699**

Northern States Power Company, a MINNESOTA corporation and wholly owned subsidiary of Xcel Energy Inc
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Summary: Income Statement

		ND Total	Res	Sm C/I	Sm Int	Med Int
	Operating Revenues					
1	Retail	93,044	36,128	40,309	6,117	10,490
2	Other Operating	332	167	133	10	22
3	**Total Operating Revenues**	**93,376**	**36,295**	**40,442**	**6,127**	**10,512**
	Expenses					
	Operating Expenses					
4	Purchased Gas (PGA)	78,838	29,038	34,706	5,484	9,610
5	Purchased Gas other	52	25	27	0	0
6	Production	730	269	307	32	121
7	Transmission	132	57	61	3	11
8	Distribution	2,207	1,566	564	23	53
9	Customer Accounting	1,830	1,556	268	5	1
10	Customer Service and Information	381	324	56	1	0
11	Administrative and General	1,686	1,150	453	25	57
12	Amortizations	50	19	22	3	6
13	Sales, Econ Develop & Other	0	0	0	0	0
14	**Total Operating Expenses**	**85,906**	**34,006**	**36,463**	**5,577**	**9,860**
15	Depreciation Expense	2,816	1,907	823	33	53
16	Taxes other than Income Taxes	1,375	930	401	15	28
17	Deferred Incomes Taxes and ITC	68	43	22	1	2
18	Op Income before taxes	3,211	-591	2,733	500	569
19	State and Federal Income Taxes	595	-649	875	184	186
20	**Total Expenses**	**90,761**	**36,237**	**38,584**	**5,810**	**10,129**
21	AFUDC	0	0	0	0	0
22	**Total Operating Income**	**2,616**	**58**	**1,858**	**317**	**383**
23	**Rate Base**	**46,631**	**28,764**	**14,145**	**1,023**	**2,699**
24	**Return on Rate Base**	**5.610%**	**0.201%**	**13.137%**	**30.980%**	**14.180%**
25	**Return on Equity at present rates**	**4.264%**	**-6.220%**	**18.855%**	**53.440%**	**20.875%**
26	**Required Rate of Return on Rate Base**	**9.240%**	**9.240%**	**9.240%**	**9.240%**	**9.240%**
27	**Required Operating Income**	**4,309**	**2,658**	**1,307**	**94**	**249**
28	**Income Deficiency**	**1,693**	**2,600**	**-551**	**-222**	**-133**
29	**Revenue Deficiency**	**2,801**	**4,301**	**-912**	**-368**	**-221**
30	**Percent increase indicated**	**3.00%**	**11.85%**	**-2.26%**	**-6.00%**	**-2.10%**

Northern States Power Company, a MINNESOTA corporation and wholly owned subsidiary of Xcel Energy Inc.
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Plant in Service

		FERC Accounts	Alloc		ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Production Plant								
1	LPG Production Plant	304, 305, 311	Design Day		1,607	779	828	0	0
	Storage Plant								
2	LNG Storage	360, 361 362, 363	Design Day		3,539	1,715	1,824	0	0
	Transmission Plant								
3	Transmission Plant	365, 366, 367, 368, 369, 370, 371	Average and Peak		3,419	1,472	1,573	79	295
	Distribution Plant								
4	Regulator Stations	374, 375, 378, 379	Average and Peak		916	394	421	21	79
5	Mains - Minimum System	376	Customers	69 3%	25 346	21,555	3,712	65	13
6	Mains - Average Capacity	Split of 376	Average Day (Sales)	10 6%	3 889	1,210	1,451	259	969
7	Mains - Excess Capacity	Split of 376	Excess Design Day	20 1%	7 339	3,624	3,715	0	0
8	Mains - Total	376			36,574	26,389	8,878	324	983
9	Services	380	Services Study		23,728	17,848	5,533	256	91
10	Meters	381	Meter Study		6,658	3,018	3,368	187	86
11	House Regulators	383	Regulator Study		0	0	0	0	0
12	Total Distribution Plant	Subtotal			67,876	47,650	18,200	788	1,238
13	**Plant in Service w/o Gen and Com**	Subtotal			**76,441**	**51,615**	**22,426**	**867**	**1,534**
	General Plant								
14	General Plant	390-399	Plant in Service w/o Gen and Com		1,533	1,035	450	17	31
	Common Plant								
15	Common Plant	390-399	Plant in Service w/o Gen and Com		5,978	4,036	1,754	68	120
16	**Gas Plant in Service**	Total			**83,952**	**56,687**	**24,629**	**952**	**1,684**

Northern States Power Company, a MINNESOTA corporation and wholly owned subsidiary of Xcel Energy Inc
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Accumulated Depreciation Reserve

			Alloc	ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Production Plant	FERC Accounts						
1	LPG Production Plant	108(1)	Design Day	1,264	612	652	0	0
	Storage Plant							
2	LNG Storage	108(5)	Design Day	2,492	1,207	1,285	0	0
	Transmission Plant							
3	Transmission Plant	108(7)	Average and Peak	1,444	622	664	33	125
	Distribution Plant							
4	Regulator Stations	108(8)	Average and Peak	250	108	115	6	22
5	Mains	108(8)	Mains overall	13,367	9,645	3,245	118	359
6	Services	108(8)	Services Study	11,898	8,950	2,774	128	45
7	Meters	108(8)	Meter Study	3,338	1,513	1,688	94	43
8	House Regulators	108(8)	Regulator Study	0	0	0	0	0
9	Total Distribution Plant	Sub-total		28,853	20,215	7,822	346	469
10	**Accumulated Depreciation w/o Gen and Com**			**34,053**	**22,657**	**10,423**	**380**	**594**
	General Plant							
11	General Plant	108(9)	Accum Depr line 10	748	498	229	8	13
	Common Plant							
12	Common Plant	108(9)	Accum Depr line 10	3,694	2,458	1,131	41	64
13	**Total Accumulated Depreciation**	Sub-total		**38,495**	**25,612**	**11,783**	**429**	**671**
14	**Net Plant**	Total		**45,457**	**31,075**	**12,847**	**523**	**1,013**

Subtractions to Net Plant (Page 1 of 1)

	Accumulated Deferred Income Tax		Alloc	ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Production Plant	FERC Accounts						
1	LPG Production Plant	190, 281, 282, 283 Net	Design Day	17	8	9	0	0
	Storage Plant							
2	LNG Storage	190, 281, 282, 283 Net	Design Day	158	77	81	0	0
	Transmission Plant							
3	Transmission Plant	190, 281, 282, 283 Net	Average and Peak	269	116	124	6	23
	Distribution Plant							
4	Regulator Stations	190, 281, 282, 283 Net	Average and Peak	82	35	38	2	7
5	Mains	190, 281, 282, 283 Net	Mains overall	3,060	2,208	743	27	82
6	Services	190, 281, 282, 283 Net	Services Study	2,490	1,873	581	27	10
7	Meters	190, 281, 282, 283 Net	Meter Study	684	310	346	19	9
8	House Regulators	190, 281, 282, 283 Net	Regulator Study	0	0	0	0	0
9	Total Distribution Plant	Sub-total		6,316	4,426	1,707	75	108
10	**ADIT w/o Gen & Com**	Sub-total		**6,760**	**4,627**	**1,921**	**81**	**131**
	General Plant							
11	General Plant	190, 281, 282, 283 Net	ADIT line 10	174	119	49	2	3
	Common Plant							
12	Common Plant	Sub-total	ADIT line 10	470	322	134	6	9
	Adjustments							
13	Accumulated Deferred Tax	283	Net Plant	0	0	0	0	0
14	Non-Plant Related	190 & 282 Net	Labor	-473	-336	-118	-5	-14
15	**Total Inc Tax Lib Depr**	Sub-total		**6,931**	**4,732**	**1,986**	**84**	**130**
16	**Total Subtractions**	Total		**6,931**	**4,732**	**1,986**	**84**	**130**

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Additions to Net Plant (Pg 1 of 2)

			Alloc	ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	CWIP	**FERC Accounts**						
1	Transmission Plant	107	Average and Peak	0	0	0	0	0
2	Distribution Plant Mains	107	Mains overall	14	10	3	0	0
3	General Plant Distribution	107	Distribution Plant	0	0	0	0	0
4	Common Plant Distribution	107	Distribution Plant	19	13	5	0	0
5	Total CWIP	Total		33	23	8	0	1
	Materials & Supplies							
6	Materials and Supplies	154, 155, 156	Transmission & Distribution	168	116	47	2	4
	Gas In Storage							
7	LPG In Storage	164 2	Sales Dkt (combined)	219	68	82	15	55
8	LNG In Storage	164	Sales Dkt (combined)	927	288	346	62	231
9	NatGas Underground	164	Sales Dkt (combined)	4,635	1,442	1,729	309	1,155
10	Total Gas in Storage	Total		5,781	1,799	2,157	385	1,441
	Non-Plant Assets & Liab							
11	Non-Plant Assets & Liab	Total	Labor	-1,082	-769	-271	-12	-31

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Additions to Net Plant (Pg 2 of 2)

			Alloc	ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Miscellaneous	**FERC Accounts**						
1	Prepay Insurance	165	Transmission & Distribution	85	59	24	1	2
2	Prepay Miscellaneous	165	Transmission & Distribution	38	26	11	0	1
3	Hedging	176	System Sales	784	281	337	60	105
4	Customer Advances	252	Sales Dkt (combined)	-6	-2	-2	0	-1
5	Other Working Capital	131, 135, 143, 182 3, 184, 185, 186, :	Present Retail Revenue	1,848	718	801	121	208
6	Total Miscellaneous			2,749	1,082	1,170	183	315
	Working Cash							
7	Purchase Gas Exp - Commodity	Not Applicable	Sales Dkt (combined)	324	101	121	22	81
8	Purchase Gas Exp - Demand	Not Applicable	Design Day	33	16	17	0	0
9	Labor - Regular	Not Applicable	O&M Expense	4	2	2	0	0
10	Labor - Incentive Compensation	Not Applicable	O&M Expense	3	1	1	0	0
11	Pension and Benefits	Not Applicable	Labor	2	1	0	0	0
12	Payroll Taxes	Not Applicable	Labor	1	0	0	0	0
13	Other Operating Expenses	Not Applicable	O&M Expense	17	7	7	1	2
14	Property Taxes	Not Applicable	Gas Plant in Service	45	30	13	1	1
15	Gross Receipts Tax	Not Applicable	Present Retail Revenue	15	6	6	1	2
16	Federal Income Tax	Not Applicable	Rate Base less Working Cash	2	1	1	0	0
17	State Income Tax	Not Applicable	Rate Base less Working Cash	0	0	0	0	0
18	State Sales Tax	Not Applicable	Present Retail Revenue	9	4	4	1	1
19	Total Working Cash	Total		456	170	174	25	87
20	**Total Additions**	Sub-total		**8,105**	**2,420**	**3,284**	**584**	**1,816**
21	**Total Rate Base**	Sub-Total		**46,631**	**28,764**	**14,145**	**1,023**	**2,699**
22	Customer Component			27,757	21,505	5,944	225	83
23	Capacity Component			10,543	4,609	4,930	212	792
24	Commodity Component			8,331	2,648	3,267	586	1,824

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Operating Revenue (Cal Month)

			Alloc	ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Present Retail Rev	480, 481, 482, 484	Direct	**93,044**	**36,128**	**40,309**	**6,117**	**10,490**
	Proposed Retail Rev		Direct	**0**	-	-	-	-
1	**Total Present Retail Revenue**	480, 481, 482, 484, 489	Direct	93,044	36,128	40,309	6,117	10,490
	Total Rate Rev: Proposed			**0**	**0**	**0**	**0**	**0**
	Other Operating Revenue							
2	Late Pay Penalties	488, 495	Present Retail Revenues	104	40	45	7	12
3	Connection Charges	488, 495	Customers	58	49	8	0	0
4	Return Check Charges	488, 495	Customers	5	4	1	0	0
5	Gas Agreement	488, 495	Design Day	0	0	0	0	0
6	Balancing Services	488, 495	Sales Dkt (combined)	41	13	15	3	10
7	Ltd Firm Sales - Rsrvs & Vols	488, 495	Design Day	89	43	46	0	0
8	LP Sales to Others - MN	488 495	Design Day	35	17	18	0	0
9	Contr In Aid Cons Tax Gross-Up	488, 495	CWIP	0	0	0	0	0
10	Other - Miscellaneous	488, 495	50% Design Day, 50% Energy	0	0	0	0	0
11	Tot Other Operating Revenue - Present	Sub-total		332	167	133	10	22
12	**Total Operating Revenue - Present**	Total		**93,376**	**36,295**	**40,442**	**6,127**	**10,512**

Northern States Power Company, a MINNESOTA corporation and wholly owned subsidiary of Xcel Energy Inc
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Operation & Maintenance (Pg 1 of 2)

			Alloc	ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Purchased Gas Expense	**FERC Accounts**						
1	Commodity	728, 804, 805, 808, 858	Direct	71,465	25,633	30,738	5,484	9,610
2	Demand	804, 808, 858	Direct	7,374	3,405	3,968	0	0
3	Propane		Design Day	1	0	1	0	0
4	Limited Firm	728	Design Day	51	25	26	0	0
5	Total Purchases	Sub-total		78,890	29,063	34,733	5,484	9,610
	Other Production Expense							
6	Other Purchased Gas		Design Day	22	11	11	0	0
7	Misc LPG Op Exp	710, 733, 735, 736, 742, 759	Design Day	96	47	49	0	0
7a	MGP Expense	735	MGP Revenues	360	112	134	24	90
8	Misc LNG Op Exp	840, 841, 842, 843	50% Design Day, 50% Energy	252	100	112	8	31
9	Total Other Production Expense			730	269	307	32	121
	Other Transmission Expense							
10	Other Transmission Expense	850-865	Average and Peak	132	57	61	3	11
	Distribution Expense							
11	Regulator Stations	875, 877, 889, 891	Average and Peak	90	39	41	2	8
12	Mains	874, 887	Mains overall	967	698	235	9	26
13	Services	892	Services Study	71	53	17	1	0
14	Meters	878, 893	Meter Study	186	84	94	5	2
15	House Regulators	878, 893	Regulator Study	0	0	0	0	0
16	Other Property & Equipment	881	Customers	43	37	6	0	0
17	Dispatching	871	50% Design Day 50% Energy	105	42	47	3	13
18	Customer Installations	879	Customers	144	122	21	0	0
19	Other Distribution	880	Customers	461	392	68	1	0
20	Supervision & Engineering	870, 885	Dist Exp w/o Sup & Eng	140	99	36	1	3
21	Total Distribution Expense	Sub-total		2,207	1,566	564	23	53

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Operation & Maintenance (Pg 2 of 2)

			Alloc	ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Customer Accounting & Information	**FERC Accounts**						
1	Acct Superv	901	Customers	7	6	1	0	0
2	Acct Meter Read	902	Customers	728	619	107	2	0
3	Acct Recrds & Coll	903	Customers	761	647	111	2	0
4	Acct Uncollect	904	Customers	333	283	49	1	0
5	Acct Misc	905	Customers	1	1	0	0	0
6	Asst Expense	908	Customers	330	281	48	1	0
7	Serv Instruct Adver	909	Customers	51	43	7	0	0
8	Total Customer Accounting & Information			2,211	1,880	324	6	1
	Admin & General							
9	Property Insurance	924	Net Plant	35	24	10	0	1
10	Pension and Benefits - Direct	926	Labor	494	351	124	5	14
11	Salaries	920	Labor	425	302	106	5	12
12	Office & Supplies	921	Labor	402	286	101	4	12
13	Admin Transfer Credit	922	Labor	-88	-63	-22	-1	-3
14	Outside Services	923	Labor	127	90	32	1	4
15	Incentive Compensation	920 + other	Labor	0	0	0	0	0
16	Injuries and Claims	925	50% Gross Plant, 50% Pres Rev	136	72	49	5	9
17	Regulatory Comm Exp	928	Pres Retail Revenue	19	7	8	1	2
18	Duplicate Charge Credit	929	Pres Retail Revenue	-57	-22	-25	-4	-6
19	General Advertising	930	50% Gross Plant, 50% Pres Rev	13	7	5	1	1
20	Misc General Exp	930	50% Gross Plant, 50% Pres Rev	71	38	26	3	5
21	Rents	931	50% Gross Plant, 50% Pres Rev	108	57	39	4	7
22	Maint of Gen Plt	935	50% Gross Plant, 50% Pres Rev	1	1	0	0	0
23	Total A & G Expense			1,686	1,150	453	25	57
	Amortizations							
24	CIP / DSM Amortization	407 3 + CIP	Sales Dkt (Exc CIP exempt)	0	0	0	0	0
25	MN Energy Policy Rider	407	Sales Dkt (combined)	0	0	0	0	0
26	Rate Case Exp Amort	407	Present Retail Revenue	50	19	22	3	6
27	Total Amortizations	Sub-total		50	19	22	3	6
	Sales Expense							
28	Demo & Sales	912	Sales Expense	0	0	0	0	0
29	Sales Advertising Exp	913	Sales Expense	0	0	0	0	0
30	Total Sales Expense	Sub-total		0	0	0	0	0
31	**Total O&M Expense**			**85,906**	**34,006**	**36,463**	**5,577**	**9,860**

Northern States Power Company, a MINNESOTA corporation and wholly owned subsidiary of Xcel Energy Inc.
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Book Depreciation

			Alloc	ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Production Plant	**FERC Accounts**						
1	LPG Production Plant	403	Design Day	40	19	21	0	0
	Storage Plant							
2	LNG Storage	403	Design Day	75	36	39	0	0
	Transmission Plant							
3	Transmission Plant	403	Average and Peak	93	40	43	2	8
	Distribution Plant							
4	Regulator Stations	403	Average and Peak	31	13	14	1	3
5	Mains	403	Mains overall	959	692	233	8	26
6	Services	403	Services Study	840	632	196	9	3
7	Meters	403	Meter Study	236	107	119	7	3
8	House Regulators	403	Regulator Study	0	0	0	0	0
9	Total Distribution Plant			2,066	1,444	562	25	35
10	**Depreciation Expense w/o Com & Ge**	Sub-total		**2,274**	**1,540**	**664**	**27**	**43**
	General Plant							
11	General Plant	403	Depreciation Expense line 10	72	49	21	1	1
	Common Plant							
12	Common Plant	403, 404	Depreciation Expense line 10	470	318	137	6	9
13	**Total Book Depreciation**	Sub-total		**2,816**	**1,907**	**823**	**33**	**53**

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Real Estate & Property Taxes

		FERC Accounts	Alloc	ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Production Plant-							
1	LPG Production Plant	408	Design Day	112	54	58	0	0
	Storage Plant							
2	LNG Storage	408	Design Day	0	0	0	0	0
	Transmission Plant							
3	Transmission Plant	408	Average and Peak	45	19	21	1	4
	Distribution Plant							
4	Regulator Stations	408	Average and Peak	13	6	6	0	1
5	Mains	408	Mains overall	534	385	130	5	14
6	Services	408	Services Study	346	261	81	4	1
7	Meters	408	Meter Study	97	44	49	3	1
8	House Regulators	408	Regulator Study	0	0	0	0	0
9	Total Distribution Plant	Sub-total		991	696	266	12	18
10	**Real Estate & Property Taxes w/o Ger**	Sub-total		**1,148**	**769**	**344**	**13**	**22**
	General Plant							
11	General Plant	408	Real Estate & Prop Taxes line 10	0	0	0	0	0
	Common Plant							
12	Common Plant	408	Real Estate & Prop Taxes line 10	10	7	3	0	0
13	**Total Real Estate & Property Tax**	Sub-total		**1,158**	**776**	**347**	**13**	**22**
14	Payroll Taxes	408	Labor	217	154	54	2	6
15	**Tot Non-Income Taxes**			**1,375**	**930**	**401**	**15**	**28**

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Provision For Deferred Income Taxes

			Alloc	ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Production Plant	**FERC Accounts**						
1	LPG Production Plant	410 1 411 1	Design Day	-6	-3	-3	0	0
	Storage Plant							
2	LNG Storage	410 1, 411 1	Design Day	6	3	3	0	0
	Transmission Plant							
3	Transmission Plant	410 1, 411 1	Average and Peak	7	3	3	0	1
	Distribution Plant							
4	Regulator Stations	410 1, 411 1	Average and Peak	2	1	1	0	0
5	Mains	410 1, 411 1	Mains overall	90	65	22	1	2
6	Services	410 1, 411 1	Services Study	25	19	6	0	0
7	Meters	410 1, 411 1	Meter Study	18	8	9	1	0
8	House Regulators	410 1, 411 1	Regulator Study	0	0	0	0	0
9	Total Distribution Plant	Sub-total		135	93	38	2	3
10	**Provision w/o Gen & Com**	Sub-total		142	96	41	2	4
	General Plant							
11	General Plant	410 1 411 1	Provision line 10	-14	-9	-4	0	0
	Common Plant							
12	Common Plant	410 1, 411 1	Provision line 10	5	3	1	0	0
	Other							
13	Tax Benefit Transfers	410 1, 411 1	Net Plant	0	0	0	0	0
14	All Other Adjustments	410 1, 411 1	Labor	-36	-26	-9	0	-1
15	Total Other	Sub-total		-36	-26	-9	0	-1
16	**Total Provision For Deferred Income**	Total		**97**	**64**	**29**	**1**	**2**

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Investment Tax Credit For Current Income

			Alloc	ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Production Plant	**FERC Accounts**						
1	LPG Production Plant	420	Design Day	0	0	0	0	0
	Storage Plant							
2	LNG Storage	420	Design Day	-1	0	-1	0	0
	Transmission Plant							
3	Transmission Plant	420	Average and Peak	0	0	0	0	0
	Distribution Plant							
4	Regulator Stations	420	Average and Peak	0	0	0	0	0
5	Mains	420	Mains overall	-15	-11	-4	0	0
6	Services	420	Services Study	-12	-9	-3	0	0
7	Meters	420	Meter Study	-1	0	-1	0	0
8	House Regulators	420	Regulator Study	0	0	0	0	0
9	Total Distribution Plant	Sub-total		-28	-20	-7	0	0
10	**ITC w/o gen and Com**	Sub-total		**-29**	**-21**	**-7**	**0**	**0**
	General Plant							
11	General Plant	420	ITC line 10	0	0	0	0	0
	Common Plant							
12	Common Plant	420	ITC line 10	0	0	0	0	0
13	**Net Investment Tax Credit**	Sub-total		**-29**	**-21**	**-7**	**0**	**0**
14	**Total Operating Expense**	Sub-total		**90,165**	**36,886**	**37,709**	**5,627**	**9,943**
15	**Operating Income Before Income Tax**	Total		**3,211**	**-591**	**2,733**	**500**	**569**

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Tax Depreciation & Removal Exp Generated

		FERC Accounts	Alloc	ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Production Plant							
1	LPG Production Plant	Not Applicable	Design Day	26	13	13	0	0
	Storage Plant							
2	LNG Storage	Not Applicable	Design Day	91	44	47	0	0
	Transmission Plant							
3	Transmission Plant	Not Applicable	Average and Peak	135	58	62	3	12
	Distribution Plant							
4	Regulator Stations	Not Applicable	Average and Peak	29	12	13	1	3
5	Mains	Not Applicable	Mains overall	1,218	879	296	11	33
6	Services	Not Applicable	Services Study	820	617	191	9	3
7	Meters	Not Applicable	Meter Study	263	119	133	7	3
8	House Regulators	Not Applicable	Regulator Study	0	0	0	0	0
9	Total Distribution Plant	Sub-total		2,330	1,627	633	28	42
10	**Tax Depreciation w/o Gen & Com**	Not Applicable		**2,582**	**1,742**	**756**	**31**	**53**
	General Plant							
11	General Plant	Not Applicable	Tax Depr line 10	68	46	20	1	1
	Common Plant							
12	Common Plant	Not Applicable	Tax Depr line 10	474	320	139	6	10
13	Tax Benefit Transfers	Not Applicable	Net Plant	0	0	0	0	0
14	**Total Tax Depreciation**	Total		**3,124**	**2,108**	**914**	**37**	**65**

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Present Return

	Inc Tax Additions	FERC Accounts	Alloc	ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
1	Total Book Depr Exp	from another page		2,816	1,907	823	33	53
2	Provision for Deferred	from another page		97	64	29	1	2
3	Net Inv Tax Credit	from another page		-29	-21	-7	0	0
4	Avoided Tax Interest	Not Applicable	CWIP	37	26	10	0	1
5	Total Tax Additions	Sub-total		2,921	1,977	854	35	56
	Inc Tax Deductions							
6	Tax Depr & Removal Exp	from another page		3,124	2,108	914	37	65
7	Debt Interest Expense	Calculation		1,590	981	482	35	92
8	Other Timing Differences	Not Applicable	Labor	-87	-62	-22	-1	-2
9	Total Tax Deductions			4,627	3,027	1,375	71	154
10	**Taxable Net Income**	Calculation		**1,505**	**-1,642**	**2,213**	**464**	**470**
11	**Inc Tax (Pre-Credits), @39.55%**	Calculation		**595**	**-649**	**875**	**184**	**186**
12	**Tax Credits**			0	0	0	0	0
13	**Fed & State Inc Tax**	Calculation		**595**	**-649**	**875**	**184**	**186**
14	**Total AFUDC**	Not Applicable	CWIP	**0**	**0**	**0**	**0**	**0**
15	**Pres Return**	Total		**2,616**	**58**	**1,858**	**317**	**383**
16	**Pres Return on Rate Base**	Calculation		**5.61%**	**0.20%**	**13.14%**	**30.98%**	**14.18%**

Labor Allocator

	Labor Components	FERC Accounts						
17	Customer Accounting	Labor Portion of O&M Accounts	Customer	518	441	76	1	0
18	Cust Serv & Inform	Labor Portion of O&M Accounts	Customer	129	110	19	0	0
19	Distribution	Labor Portion of O&M Accounts	Dist Exp w/o Sup & Eng	1,437	1,020	367	15	35
20	Gas Storage - LNG	Labor Portion of O&M Accounts	50% Design Day, 50% Energy	35	14	16	1	4
21	Production	Labor Portion of O&M Accounts	Other Production Expense	174	64	73	8	29
22	Sales	Labor Portion of O&M Accounts	Sales Expense	0	0	0	0	0
23	Transmission	Labor Portion of O&M Accounts	Design Day	86	42	44	0	0
24	Total			2,379	1,690	595	26	68

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External Allocators

			ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
	Customer Related						
1a	Customers		43,582	37,064	6,383	112	23
1b	Customers		100 00%	85 04%	14 65%	0 26%	0 05%
2a	Service Weighting (index)			1 00	1 80	4 75	8 19
2b	Weighted Service		49,274	37,064	11,489	532	188
2c	Services Factor		100 00%	75 22%	23 32%	1 08%	0 38%
3a	Meter Factor Weighting (Index)			1 00	6 48	20 47	45 95
3b	Weighted Meter		81 775	37,064	41,362	2,293	1,057
3c	Meter Factor		100 00%	45 32%	50 58%	2 80%	1 29%
4a	House Regulator Weighting (index)			1 00	2 95	3 79	30 84
4b	Weighted Regulator		57,028	37,064	18,830	424	709
4c	House Regulator Factor		100 00%	64 99%	33 02%	0 74%	1 24%
5a	Sale expense Weighting			0 000762	0 000762	0 222279	0 222279
5b	Weighted Sales Expense		63	28	5	25	5
5c	Sales Expense		100 00%	44 75%	7 71%	39 44%	8 10%
	Main Allocator						
6a	Mains - Average Day (Sales)	Load Factor =	26,998	8,400	10,073	1,797	6,729
6b	Average Day (Sales)	34 64%	100 00%	31 11%	37 31%	6 66%	24 92%
	(Transportation adder)						
7a	Mains - Excess Design Day		59,477	29,369	30,107	-	-
7b	Excess Design Day	65 36%	100 00%	49 38%	50 62%	0 00%	0 00%
8a	Mains Average and Peak		11,228	4,834	5,166	259	969
8b	Average and Peak		100 00%	43 05%	46 01%	2 31%	8 63%
9a	Mains overall		36,574	26,389	8,878	324	983
9b	Mains overall		100 00%	72 15%	24 27%	0 89%	2 69%
	Sales and Capacity Related				25 07%		
10a	Design Day		77,949	37,769	40,180	-	
10b	Design Day		100 00%	48 45%	51 55%	0 00%	0 00%
11a	Sales Dkt System		8,547,798	3,065,892	3 676,490	655,964	1,149,452
11b	Transportation		1,306,504	0	-	-	1,306 504
11c	System Sales		100 00%	35 87%	43 01%	7 67%	13 45%
12a	Sales Dkt (combined)		9,854,302	3,065,892	3,676,490	655,964	2,455,956
12b	Sales Dkt (combined)		100 00%	31 11%	37 31%	6 66%	24 92%
13a	Sales Dkt (Exc CIP exempt)		7,398,346	3,065,892	3,676,490	655,964	-
13b	Sales Dkt (Exc CIP exempt)		100 00%	41 44%	49 69%	8 87%	0 00%
14a	MPG Receipts		360	112	134	24	90
14b	MPG Receipts		100 00%	31 11%	37 22%	6 67%	25 00%
15a	Present Retail Revenue		93,044	36,128	40,309	6,117	10,490
15b	Present Retail Revenue		100 00%	38 83%	43 32%	6 57%	11 27%

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Internal Allocators

	ND Total 2007	Res	Firm C/I	Sm Int	Lrg Int
1a Rate Base less Working Cash	43,426	27,512	12,802	815	2,297
1b Rate Base less Working Cash	100 00%	63 35%	29 48%	1 88%	5 29%
2 CWIP	33	23	8	0	1
	100 00%	71 03%	25 74%	1 04%	2 19%
3 50% Design Day, 50% Energy	100 00%	39 78%	44 43%	3 33%	12 46%
4 Book Depreciation	100 00%	67 72%	29 22%	1 19%	1 88%
5 50% Gross Plant, 50% Pres Rev	100 00%	53 18%	36 33%	3 85%	6 64%
6 Gas Plant In Service	100 00%	67 52%	29 34%	1 13%	2 01%
7 Labor	100 00%	71 04%	25 01%	1 08%	2 87%
8 Net Plant	100 00%	68 36%	28 26%	1 15%	2 23%
9a Dist Exp w/o Sup & Eng	2,067	1,467	528	22	50
9b Dist Exp w/o Sup & Eng	100 00%	70 97%	25 56%	1 05%	2 41%
10 Other Production Expense	100 00%	36 91%	42 02%	4 44%	16 63%
11 O&M Expense	100 00%	39 58%	42 45%	6 49%	11 48%
12 Distribution Plant	100 00%	70 20%	26 81%	1 16%	1 82%
13a Transmission & Distribution	71,295	49,122	19,773	867	1,534
13b Transmission & Distribution	100 00%	68 90%	27 73%	1 22%	2 15%

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Constants for Revenue Calculations

			Rate	Ratio	Wtd Cost
1	Long Term Debt		7 0820%	46 4100%	3 29000%
2	Short Term Debt		5 8100%	2 0000%	0 12000%
3	Debt Total		7 0440%	48 4100%	3 41000%
4	Preferred Stock		0 0000%	0 0000%	0 00000%
5	Common Equity		11 3000%	51 5900%	5 83000%
6	Required Rate of Return			100 0000%	9 24000%
7	MN Combined State & Fed Tax Rate	TAXRATE	0 3955000		
8	1 / (1 - Tax Rate) Factor	ONEOVER	1 6542600		
9	Tax Rate / (1 - Tax Rate) Factor	TAXOVER	0 6542600		

Xcel Energy
Natural Gas Utility - State of North Dakota
Proposed Revenue Apportionment

	Rate Code	Avg Cust.	Dkt Sales	Revenue		Increase	
				Present	Proposed	Amount	%
Firm Service							
Residential	401	37,064	3,065,892	$36,128,428	$37,689,564	$1,561,136	4.3%
Commercial and Industrial	410	6,383	3,676,490	$40,309,437	$41,420,997	$1,111,560	2.8%
Total Firm Service		43,447	6,742,382	$76,437,865	$79,110,561	$2,672,696	3.5%
Interruptible Service							
Small C&I	404	112	655,964	$6,116,733	$6,186,265	$69,532	1.1%
Large C&I/Neg. Transp.	405	22	2,455,956	$10,490,283	$10,545,226	$54,943	0.5%
Total Interruptible Service		134	3,111,920	$16,607,015	$16,731,490	$124,475	0.7%
Total Retail		43,581	9,854,302	$93,044,880	$95,842,051	$2,797,171	3.0%
Other Gas Revenues							
Connection Charge				$58,000	$58,000	$0	0.0%
Late Payment Charge				$104,000	$107,120	$3,120	3.0%
NSF Check Charge				$5,000	$5,000	$0	0.0%
Other sales				$165,000	$165,000	$0	0.0%
Total Other Gas Revenues				$332,000	$335,120	$3,120	0.9%
Total Retail Sales and Other Revenues				**$93,376,880**	**$96,177,171**	**$2,800,291**	**3.0%**

Residential Service

	Units		Present		Proposed		Increase	
	Bills	Therms	Rate	Revenue	Rate	Revenue	Amount	Percent
Delivery Services Charge	444,768		$ 15 69	$ 6,978,410	$ 19 20	$ 8,539,546	$ 1,561,136	
Distribution Charge		30,658,923	$ -	$ -	$ -	$ -	$ -	
MGP			$ 0 00365	$ 112,004	$ 0 00365	$ 112,004	$ -	
Gas Supply Charge								
Summer (Apr-Oct)		7,061,128	$ 0 89856	$ 6,344,847	$ 0 89856	$ 6,344,847		
Winter (Nov-Mar)		23,597,795	$ 0.96166	$ 22,693,167	$ 0.96166	$ 22,693,167		
Total		30,658,923	$ 0 94713	$ 29,038,014	$ 0 94713	$ 29,038,014	$ -	
				$ 63,743,679				
Average Customers	37,064							
			Total	$ 36,128,428		$ 37,689,564	$ 1,561,136	4 3%

Commercial and Industrial Service

	Units		Present		Proposed		Increase	
	Bills	Therms	Rate	Revenue	Rate	Revenue	Amount	Percent
Basic Service Charge	76,597		$20 00	$ 1,531,940	$30 00	$ 2,297,910	$ 765,970	
Distribution Charge		36,747,873	$ 0 10710	$ 3,935,697	$ 0 11650	$ 4,281,127	$ 345,430	
MGP			$ 0 00365	$ 134,248	$ 0 00365	$ 134,248	$ -	
Gas Supply Charge								
Summer (Apr-Oct)		10,280,831	$ 0 89856	$ 9,237,944	$ 0 89856	$ 9,237,944		
Winter (Nov-Mar)		26,467,042	$ 0 96166	$ 25,452,420	$ 0 96166	$ 25,452,420		
Gas Supply Charge		36,747,873	$ 0 94401	$ 34,690,364	$ 0 94401	$ 34,690,364	$ -	
Average Customers	6,383							
			Total	$ 40,292,249		$ 41,403,649	$ 1,111,400	2 8%

Interdepartmental

	Units		Present		Proposed		Increase	
	Bills	Therms	Rate	Revenue	Rate	Revenue	Amount	Percent
Customer Charge	0		$ 20 00	$ -	$30 00	$ -	$ -	
Distribution Charge		17,029	$ 0 10710	$ 1,824	$ 0 11650	$ 1,984	$ 160	
MGP			$ 0 00365	$ 62	$ 0 00365	$ 62	$ -	
Gas Supply Charge		17,029	$ 0 89856	$ 15,301	$ 0 89856	$ 15,301	$ -	
Average Customers	0							
			Total	$ 17,187		$ 17,347	$ 160	0.9%

Small Interruptible Service

	Units		Present		Proposed		Increase	
	Bills	Therms	Rate	Revenue	Rate	Revenue	Amount	Percent
Basic Service Charge	1,344		$ 75 00	$ 100,800	$ 75 00	$ 100,800	$ -	
Distribution Charge		6,559,640	$ 0 07740	$ 507,716	$ 0 08800	$ 577,248	$ 69,532	
MGP			$ 0 00365	$ 23,964	$ 0 00365	$ 23,964	$ -	
Gas Supply Charge		6,559,640	$ 0 83606	$ 5,484,253	$ 0 83606	$ 5,484,253	$ -	
Average Customers	112							
			Total	$ 6,116,733		$ 6,186,265	$ 69,532	1 1%

Large Interruptible Service/Negotiated Transportation Service

	Units		Present		Proposed		Increase	
	Bills	Therms	Rate	Revenue	Rate	Revenue	Amount	Percent
Basic Service Charge	264		$ 275 00	$ 72,900	$ 275 00	$ 72,900	$ -	
Distribution Charge		24,559,556	$ 0 04632	$ 1,137,599	$ 0 05110	$ 1,254,993	$ 117,394	
Discount		13,065,042	$ 0 03215	$ (420,041)	$ 0 03693	$ (482,492)	$ (62,451)	
MGP		24,559,556	$ 0 00365	$ 89,722	$ 0 00365	$ 89,722	$ -	
Gas Supply Charge		11,494,514	$ 0 83606	$ 9,610,103	$ 0 83606	$ 9,610,103	$ -	
Average Customers	22							
			Total	$ 10,490,283		$ 10,545,226	$ 54,943	0.5%

Xcel Energy
Natural Gas Utility - State of North Dakota
Comparison of CCOSS Deficiency and Proposed Rates
(000's)

	(1)	(2)	(3)	(4)	(5)
Customer Class		**Present Revenues**	**Revenue Deficiency Indicated by CCOSS**	**Total Effect Of Proposed Rates**	**Difference Between CCOSS Revenue Deficiency and Proposed Rates**
Residential	$ increase	$36,128	$4,301	$1,561	$2,740
	% increase		11.9%	4.3%	7.6%
Commercial	$ increase	$40,309	($912)	$1,112	($2,024)
	% increase		-2.3%	2.8%	-5.0%
Interruptible Service	$ increase	$6,117	($368)	$70	($438)
(Small Volume)	% increase		-6.0%	1.1%	-7.2%
Interruptible Service	$ increase	$10,490	($220)	$55	($275)
(Large Volume)	% increase		-2.1%	0.5%	-2.6%
Other Revenues	$ increase	$332		$3	
	% increase				
Total	$ increase	$93,377	$2,801	$2,800	$1
	% increase		3.0%	3.0%	0.0%

Rate Design - Class Impact by Rate Component

	(1)	(2)	(3)	(4)
			Overall Impacts of Proposed Rates	
Customer Class	**Present Revenues**	**Delivery / Basic Service Charges**	**Distribution Charges**	**Total Effect of All Changes**
Residential	$ increase	$36,128	$1,561	$0	$1,561
	% increase		4.3%	0.0%	4.3%
Commercial	$ increase	$40,309	$766	$346	$1,112
	% increase		1.9%	0.9%	2.8%
Small Interruptible	$ increase	$6,117	$0	$70	$70
	% increase		0.0%	1.1%	1.1%
Large Interruptible	$ increase	$10,490	$0	$110	$110
	% increase		0.0%	1.0%	1.0%
Total	$ increase	$93,045	$2,327	$525	$2,852
	% increase		2.5%	0.6%	3.1%

Xcel Energy
Natural Gas Utility - State of North Dakota
Summary of Present and Proposed Rates

	Present Rates	Proposed Rates
Residential Firm Service		
Delivery Services Charge	$15.69 / Month	$19.20 / Month
Cost of Gas	$0.94713 /Therm	$0.94713 /Therm
MGP amortization	$0.00365 /Therm	$0.00365 /Therm
C&I Firm Service		
Basic Service Charge	$20.00 /Month	$30.00 /Month
Distribution Charge	$0.10710 /Therm	$0.11650 /Therm
Cost of Gas	$0.94401 /Therm	$0.94401 /Therm
MGP amortization	$0.00365 /Therm	$0.00365 /Therm
Small C&I Interruptible Service		
Basic Service Charge	$75.00 /Month	$75.00 /Month
Distribution Charge	$0.07740 /Therm	$0.08800 /Therm
Cost of Gas	$0.83606 /Therm	$0.83606 /Therm
MGP amortization	$0.00365 /Therm	$0.00365 /Therm
Large C&I Interruptible Service		
Basic Service Charge	$275.00 /Month	$275.00 /Month
Distribution Charge	$0.04632 /Therm	$0.05110 /Therm
Cost of Gas	$0.83606 /Therm	$0.83606 /Therm
MGP amortization	$0.00365 /Therm	$0.00365 /Therm

Xcel Energy
Natural Gas Utility - State of North Dakota
Comparison of Monthly Bills Using Present and Proposed Rates

RESIDENTIAL FIRM SERVICE

Use (Therms)	Bill Amount (Present)	Bill Amount (Proposed)	Increase	Percent
0	$15.69	$19.20	$3.51	22.4%
10	$25.34	$28.85	$3.51	13.8%
20	$35.00	$38.51	$3.51	10.0%
30	$44.65	$48.16	$3.51	7.9%
40	$54.30	$57.81	$3.51	6.5%
50	$63.96	$67.47	$3.51	5.5%
75	$88.09	$91.60	$3.51	4.0%
100	$112.22	$115.73	$3.51	3.1%
200	$208.75	$212.26	$3.51	1.7%
300	$305.29	$308.80	$3.51	1.1%
500	$498.35	$501.86	$3.51	0.7%

COMMERCIAL & INDUSTRIAL FIRM SERVICE

Use (Therms)	Bill Amount (Present)	Bill Amount (Proposed)	Increase	Percent
0	$20.00	$30.00	$10.00	50.0%
50	$73.62	$84.09	$10.47	14.2%
100	$127.24	$138.18	$10.94	8.6%
250	$288.10	$300.45	$12.35	4.3%
500	$556.21	$570.91	$14.70	2.6%
750	$824.31	$841.36	$17.05	2.1%
1000	$1,092.42	$1,111.82	$19.40	1.8%
3000	$3,237.25	$3,275.45	$38.20	1.2%
5000	$5,382.09	$5,439.09	$57.00	1.1%
7500	$8,063.13	$8,143.63	$80.50	1.0%
10000	$10,744.18	$10,848.18	$104.00	1.0%

Xcel Energy
Natural Gas Utility - State of North Dakota
Comparison of Monthly Bills Using Present and Proposed Rates

SMALL VOLUME INTERRUPTIBLE SERVICE

Use (Therms)	Bill Amount (Present)	Bill Amount (Proposed)	Increase	Percent
1000	$992.11	$1,002.71	$10.60	1.1%
3000	$2,826.34	$2,858.14	$31.80	1.1%
5000	$4,660.57	$4,713.57	$53.00	1.1%
7500	$6,953.35	$7,032.85	$79.50	1.1%
10000	$9,246.13	$9,352.13	$106.00	1.1%

LARGE VOLUME INTERRUPTIBLE SERVICE

Use (Therms)	Bill Amount (Present)	Bill Amount (Proposed)	Increase	Percent
1000	$1,161.03	$1,165.81	$4.78	0.4%
3000	$2,933.10	$2,947.44	$14.34	0.5%
5000	$4,705.17	$4,729.07	$23.90	0.5%
7500	$6,920.25	$6,956.10	$35.85	0.5%
10000	$9,135.33	$9,183.13	$47.80	0.5%

Xcel Energy
Natural Gas Utility - State of North Dakota
Cost of Gas Adjustment for Present and Proposed Rates

Peak Day Demand Costs - Total	$7,374,164
(1) Twelve Month Peak Day Demand Costs	$4,213,965
(2) Firm Demand Billing Units (therms)	67,423,825
(3) Firm Demand Cost per Therm	$0 06250
(4) Winter Peak Day Demand Costs	$3,160,199
(5) Firm Demand Billing Units (therms)	50,078,650
(6) Firm Demand Cost per Therm	$0.06310

Commodity Costs (Taken From Budget)	Class Commodity Cost	Commodity Cost per therm	Summer Total capacity & Commodity Cost per therm	Winter Total capacity & Commodity Cost per therm
Residential Firm	$25,632,699	$0.83606	$0.89856	$0.96166
Commercial Firm	$30,737,664	$0.83606	$0.89856	$0.96166
Small Interruptible	$5,484,253	$0.83606	$0.83606	$0.83606
Large Interruptible	$9,610,103	$0.83606	$0.83606	$0.83606
Transportation	$0			
TOTAL	$71,464,719	$0.83606		$78,838,883

MGP Revenue (Taken From Budget)	Class Commodity Cost	Commodity Cost per therm
Residential Firm	$112,004	$0.00365
Commercial Firm	$134,311	$0.00365
Small Interruptible	$23,964	$0.00365
Large Interruptible	$41,992	$0.00365
Transportation	$47,730	$0.00365
TOTAL/Average	$360,000	$0.00365