

STATE OF NORTH DAKOTA
BEFORE THE
PUBLIC SERVICE COMMISSION

Tony Clark
Susan E. Wefald
Kevin Cramer

President
Commissioner
Commissioner

IN THE MATTER OF THE APPLICATION
BY 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-____

**ALTERNATIVE PETITION FOR
INTERIM RATES**

A. Introduction

Northern States Power Company, a Minnesota Corporation and wholly owned subsidiary of Xcel Energy Inc. (“Xcel Energy” or the “Company”) hereby submits to the North Dakota Public Service Commission (the “Commission”) this Alternate Petition for Interim Rates (the “Petition”) for its North Dakota retail natural gas customers, pursuant to North Dakota Century Code (“N. D. Cent. Code”), Section 49-05-06. The Company respectfully requests that the Commission authorize, on an interim basis, rate relief of \$2,551,000 to be effective February 13, 2007.

B. Effective Date

The date of the submission of this Petition is December 15, 2006. The Petition is submitted as part of the Company’s Notice of Change of Rates for Natural Gas Service (the “Notice”). Pursuant to N. D. Cent. Code Section 49-05-06,

Xcel Energy requests that, should the Commission suspend the operation of the general rate schedules that accompany the Notice, the proposed interim rates be made effective on February 13, 2007. N. D. Cent. Code Section 49-05-06, subd. 2, provides that if interim rates are requested, the Commission “shall order that the interim rates take effect no later than sixty (60) days after the initial filing date and without a public hearing.” The interim rates will be subject to refund if the interim rate amounts are in excess of the final rates approved by the Commission plus reasonable interest at a rate to be determined by the Commission.

C. Description and Need for Interim Rates.

Xcel Energy is entitled to interim rate relief based on the Notice of Change of Rates for Natural Gas Service and its supporting schedules along with the supporting schedules attached to this Petition. The proposed interim rate increase applies to all of Xcel Energy’s retail natural gas customers in the State of North Dakota. Interim rates are needed because much of the increased costs of service reflected in the Company’s general rate Notice will be incurred before July 14, 2007, the anticipated effective date of the general rate increase assuming the Commission suspends the rates filed with the Notice. Without interim rate relief, Xcel Energy would be unable to recover these increased costs of service while the rates were suspended.

Schedules attached to this filing support the interim revenue deficiency of \$2,551,000 for Xcel Energy’s North Dakota natural gas utility operation. As required by N. D. Cent. Code Section 49-05-06 and indicated in Schedules 2 and 4, Xcel Energy has removed from the interim rate request the recovery of costs

that are not of the same nature and kind as allowed in the most recent rate proceeding (Case No. PU-400-04-578).

In addition, the return on equity requested for interim rates for Xcel Energy is 11.3 percent, slightly lower than the last Commission-authorized return on equity, as ordered in Case No. PU-400-00-521. This return on equity is consistent with the return on equity proposed in the Company's general rate Notice.

The test year for Xcel Energy's general gas rate Notice and this Alternative Petition for Interim Rates is the calendar year ending December 31, 2007. The revenue requirement study in the general rate Notice shows an annual deficiency in revenue of \$2,801,000 under present rates. Present rates, as referred to in this Petition, are the rates authorized by the Commission in its final order in Case No. PU-04-578. Xcel Energy is requesting an interim rate adjustment that would increase Xcel Energy's test year revenues (exclusive of separately collected revenues related to franchise fees or gross earnings taxes imposed by local governmental units) by \$2,551,000 or a 2.7 percent increase of present retail natural gas sales revenues.

D. Interim Rate Schedules

The following rate schedules are proposed on an interim basis to be effective on February 13, 2007:

- 5th Revised Sheet No. 1 Residential Firm Service (401)
- 5th Revised Sheet No. 2 Commercial & Ind. Firm Service (403 and 410)
- 4th Revised Sheet No. 4 Small Commercial Interruptible Service (404)

- 4th Revised Sheet No. 6, 2nd Revised Sheet No. 7 Large Commercial Interruptible Service (405)

The rate schedules containing proposed interim rates are included along with this Petition as Schedules 7 and 8 (legislative and regular formats, respectively). No change has been made in the existing rate design. A uniform percentage increase that would provide an additional \$2,551,000 on an annualized basis, in non-gas revenues (*i.e.*, Delivery Service, Basic Service, and Distribution Charge revenues) currently being recovered from each customer class would be applied.

E. Supporting Schedules and Workpapers

Schedules 1 through 4 of this Petition indicate the adjustments made to the proposed operating expense, rate base, and capital structure included in the general Notice to arrive at the operating income, rate base, capital structure and cost of capital, and revenue deficiency pertaining to the interim rate increase. These adjustments were made, pursuant to N. D. Cent. Code Section 49-05-06, subd. 2, to exclude any items that are not of the same nature and kind as those allowed in the Commission order in Case No. PU-400-04-578. The rate of return on equity filed in the general Notice is slightly lower than the Commission's most recent authorized level (Case No. PU-400-00-521), so no adjustment was necessary for interim rates. Schedule 5 shows the jurisdictional cost of service study supporting the interim rate increase. Schedule 6 shows the calculation of the percent increase that will be applied to the non-gas portion of the Company's natural gas rates during the interim rate period to collect the Interim revenue deficiency.

F. Interim Bills

Xcel Energy proposes to include informative rate folders in customer bills beginning in mid-February and add an informational memo to customer bills to communicate to customers that their bill reflects an increase associated with the interim rate request.

G. Surety for Refund


Pursuant to N. D. Century Code Section 49-05-06, subd. 3, the Company respectfully requests that the Commission not require a bond to secure any projected refund. The statute makes such a requirement discretionary. Xcel Energy submits as part of this Petition an Agreement and Undertaking regarding the Company's commitment to refund any interim rates determined by the Commission to be unreasonable. These commitments are sufficient to secure any required refund.

H. Conclusion

Xcel Energy hereby submits this Alternative Petition for Interim Rates. If the Commission suspends the operation of the general rate schedules listed in the Notice under N. D. Cent. Code Section 49-05-06, the Company respectfully requests that the Alternate Petition for Interim Rates be promptly considered and accepted by the Commission, so that interim rate schedules can be effective on February 13, 2007. Interim revenues would be subject to refund pending final Commission action on the general rate increase Notice.

Dated: December 15, 2006

Respectfully submitted,



Kent T. Larson
Vice President
Northern States Power Company d/b/a Xcel Energy

Subscribed and sworn to before
me this 15th day of December, 2006



Notary Public



STATE OF NORTH DAKOTA
BEFORE THE
PUBLIC SERVICE COMMISSION

Tony Clark
Susan E. Wefald
Kevin Cramer

President
Commissioner
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IN THE MATTER OF THE APPLICATION BY 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-_____

**AGREEMENT AND
UNDERTAKING**

Northern States Power Company a Minnesota corporation and wholly owned subsidiary Xcel Energy Inc. ("Xcel Energy" or the "Company") in conjunction with the Notice of Change in Rates for Natural Gas Service filed with the North Dakota Public Service Commission (the "Commission") makes the following unqualified agreement concerning refunding any portion of the increase in rates determined by the Commission to be unreasonable.

Pursuant to North Dakota Century Code 49-05-06, Subd. 4, Xcel Energy hereby agrees and undertakes to refund to its customers in North Dakota the amount, if any, collected during the interim rate period in excess of final rates, plus interest at the current rate as determined by the Commission, computed from the effective date of the interim rates through the date of refund.

In addition, Xcel Energy agrees to keep such records of sales and billings under the proposed interim rates as will be necessary to compute any potential refund.

This Agreement and Undertaking is made pursuant to authority granted by the Board of Directors of the Company.

Dated: December 15, 2006

By:



Kent T. Larson
Vice President

Northern States Power Company d/b/a Xcel Energy

Xcel Energy
Natural Gas Utility - State of North Dakota
Revenue Deficiency Summary - Interim Rate Petition
(000's)

<u>Line No.</u>	<u>Description</u>	<u>General Rate Application</u>	<u>Change</u>	<u>Interim Rate Petition</u>
1	Average Rate Base	\$46,631	\$0	\$46,631
2	Operating Income (Before AFUDC)	\$2,615	\$110	\$2,725
3	Allowance for Fund Used During Construction	\$0	\$0	\$0
4	Total Available for Return (Line 2 + Line 3 + Rounding)	\$2,615	\$110	\$2,725
5	Overall Rate of Return (Line 4 / Line 1)	5.61%	\$0	5.84%
6	Required Rate of Return	9.24%	-0.09%	9.15%
7	Operating Income Requirement (Line 1 x Line 6)	\$4,309	(\$42)	\$4,267
8	Income Deficiency (Line 7 - Line 6 + Rounding)	\$1,693	(\$151)	\$1,542
9	Gross Revenue Conversion Factor	1 654260	\$0	1 654260
10	Revenue Deficiency (Line 5 x Line 6)	\$2,801	(\$250)	\$2,551
11	Retail Related Revenue Under Present Rates	\$93,044	\$0	\$93,044
13	Percent Increase in Overall Revenue (Line 10 / Line 11)	3.01%	-0.27%	2.74%

Xcel Energy
Natural Gas Utility - State of North Dakota
Operating Income - Interim Rate Petition
(000's)

Line No.	<u>Description</u>	<u>General Rate Application (Present Rates)</u>	<u>Remove Gas DSM</u>	<u>Interim Rate Petition (Present Rates)</u>
<u>Operating Revenues</u>				
1	Retail	\$93,026	\$0	\$93,026
2	Weather Impact Net Margin Adjustment	0	0	0
3	Interdepartmental & Transportation	18	0	18
4	Other Operating	332	0	332
5	Gross Earnings Tax	0	0	0
6	Total Operating Revenues	<u>\$93,376</u>	<u>\$0</u>	<u>\$93,376</u>
<u>Expenses</u>				
Operating Expenses:				
7	Purchased Gas	\$78,890	\$0	\$78,890
8	Other Production	729	0	729
9	Transmission	132	0	132
10	Distribution	2,207	0	2,207
11	Customer Accounting	1,830	0	1,830
12	Customer Service & Information	381	(138)	243
13	Administrative & General	1,687	0	1,687
14	Amortizations	50	0	50
15	Sales, Econ Dvlp & Other	0	0	0
16	Total Operating Expenses	<u>\$85,907</u>	<u>(\$138)</u>	<u>\$85,769</u>
17	Depreciation	\$2,816	\$0	\$2,816
Taxes:				
18	Property	\$1,158	\$0	\$1,158
19	Gross Earnings	0	0	0
20	Deferred Income Tax & ITC	68	0	68
21	Federal & State Income Tax	595	29	624
22	Payroll & Other	217	0	217
23	Total Taxes	<u>\$2,038</u>	<u>\$28</u>	<u>\$2,066</u>
24	Total Expenses	<u>\$90,761</u>	<u>(\$110)</u>	<u>\$90,651</u>
25	AFUDC	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
26	Total Operating Income	<u><u>\$2,615</u></u>	<u><u>\$110</u></u>	<u><u>\$2,725</u></u>

Note: Revenues reflect calendar month sales.

Xcel Energy
Natural Gas Utility - State of North Dakota
Operating Income with Proposed Increase - Interim Rate Petition
(000's)

Line No.	Description	Interim Rate Petition (Present Rates)	Interim Increase	Interim Rate Petition (Proposed Rates)
<u>Operating Revenues</u>				
1	Retail	\$93,026	\$2,551	\$95,577
2	Weather Impact Net Margin Adjustment	0		0
3	Interdepartmental & Transportation	18		18
4	Other Operating	332		332
5	Gross Earnings Tax	0		0
6	Total Operating Revenues	\$93,376	\$2,551	\$95,927
<u>Expenses</u>				
Operating Expenses:				
7	Purchased Gas	\$78,890		\$78,890
8	Other Production	729		729
9	Transmission	132		132
10	Distribution	2,207		2,207
11	Customer Accounting	1,830		1,830
12	Customer Service & Information	243		243
13	Administrative & General	1,687		1,687
14	Amortizations	50		50
15	Sales, Econ Dvlp & Other	0		0
16	Total Operating Expenses	\$85,769	\$0	\$85,769
17	Depreciation	\$2,816	\$0	\$2,816
Taxes:				
18	Property	\$1,158		\$1,158
19	Gross Earnings	0		0
20	Deferred Income Tax & ITC	68		68
21	Federal & State Income Tax	624	1,009	1,633
22	Payroll & Other	217		217
23	Total Taxes	\$2,066	\$1,009	\$3,075
24	Total Expenses	\$90,651	\$1,009	\$91,660
25	AFUDC	\$0	\$0	\$0
26	Total Operating Income	\$2,725	\$1,542	\$4,267

Note: Revenues reflect calendar month sales.

Xcel Energy
Natural Gas Utility - State of North Dakota
Rate Base - Interim Rate Petition
(000's)

<u>Line No.</u>	<u>Description</u>	<u>General Rate Application</u>	<u>Change</u>	<u>Interim Rate Petition</u>
1	TOTAL Utility Plant in Service	\$83,952	\$0	\$83,952
2	TOTAL Reserve for Depreciation	<u>\$38,495</u>	<u>\$0</u>	<u>\$38,495</u>
3	Net Utility Plant in Service	\$45,457	\$0	\$45,457
4	Utility Plant Held for Future Use	\$0	\$0	\$0
5	Construction Work in Progress	\$33	\$0	\$33
6	Less: Accumulated Deferred Income Ta	\$6,931	\$0	\$6,931
7	Cash Working Capital	\$456	\$0	\$456
	Other Rate Base Items:			
8	Materials and Supplies	\$168	\$0	\$168
9	Gas In Storage	5,781	0	5,781
10	Non-Plant Assets & Liabilities	(1,082)	0	(1,082)
11	Prepayments	880	0	880
12	Customer Advances	(6)	0	(6)
13	Other Working Capital	<u>1,875</u>	<u>0</u>	<u>1,875</u>
14	Total Other Rate Base Items	\$7,616	\$0	\$7,616
15	Total Average Rate Base	<u>\$46,631</u>	<u>\$0</u>	<u>\$46,631</u>

Xcel Energy
Natural Gas Utility - State of North Dakota
Summary of Capitalization and Cost of Capital - Interim Rate Petition
(000's)

<u>Capitalization:</u>	<u>Amount¹</u> (A)	<u>Percent of Total</u> <u>Capitalization</u> (B)	<u>Cost of</u> <u>Capital</u> (C)	<u>Weighted</u> <u>Cost of</u> <u>Capital</u> (D)
Long-Term Debt	\$2,500,610	48.45%	7.08%	3.43%
Short-Term Debt	<u>\$103,459</u>	<u>2.00%</u>	5.81%	<u>0.12%</u>
Long-Term and Short-Term Debt	\$2,604,069	50.45%		3.55%
Preferred Stock	\$0	0.00%	0.00%	0.00%
Net Common Equity ²	<u>\$2,557,419</u>	<u>49.55%</u>	11.30% ³	<u>5.60%</u>
Total Equity	<u>\$2,557,419</u>	<u>49.55%</u>		<u>5.60%</u>
Total Capitalization	<u>\$5,161,488</u>	<u>100.00%</u>		<u>9.15%</u>

¹ All are average balances; long term and short term debt based on 12 month averages, common and preferred equity based on thirteen month balances.

² Pursuant to settlement in Case No. PU-400-04-578, \$105,320,000 of common equity is treated as long term debt

³ Stated cost of equity capital in the general rate application. Most recent authorized return on equity was 11.50 percent, as ordered in Case No. PU-400-00-521.

ROE = 4.63%
Deficiency = \$2,551
% Increase = 2.74%
Required ROE = 11.30%

Xcel Energy
Natural Gas Utility - State of North Dakota
Jurisdictional Cost of Service Study
2007 Test Year - Interim Rate Petition

Summary Reports



Xcel Energy
Natural Gas Utility - State of North Dakota
Jurisdictional Cost of Service Study
2007 Test Year - Interim Rate Petition
(\$000's)

Case No. PU-06-____
Exhibit ____ (Interim Rate Petition)
Schedule 5, Page 2 of 6

Rate Base Summary

	Total Company Gas			North Dakota Retail Gas			All Other		
	<u>Beginning Balance</u>	<u>Ending Balance</u>	<u>Average Balance</u>	<u>Beginning Balance</u>	<u>Ending Balance</u>	<u>Average Balance</u>	<u>Beginning Balance</u>	<u>Ending Balance</u>	<u>Average Balance</u>
1 Plant Investment	912,771	961,463	937,117	81,813	86,090	83,952	830,958	875,373	853,165
2 Depreciation Reserve	<u>(412,567)</u>	<u>(444,565)</u>	<u>(428,566)</u>	<u>(37,066)</u>	<u>(39,924)</u>	<u>(38,495)</u>	<u>(375,501)</u>	<u>(404,641)</u>	<u>(390,071)</u>
3 Net Utility Plant	500,204	516,898	508,551	44,747	46,166	45,457	455,457	470,732	463,094
4 C.W.I.P.	611	864	738	30	35	33	581	829	705
5 Accumulated Deferred Taxes	(75,328)	(77,479)	(76,404)	(6,882)	(6,979)	(6,931)	(68,446)	(70,500)	(69,473)
Other Rate Base:									
6 Cash Working Capital	(572)	(572)	(572)	456	456	456	(1,027)	(1,027)	(1,027)
7 Materials & Supplies	1,809	1,809	1,809	168	168	168	1,641	1,641	1,641
8 Gas In Storage	53,166	53,166	53,166	5,781	5,781	5,781	47,385	47,385	47,385
9 Non-Plant Assets & Liab	(18,646)	(19,475)	(19,061)	(1,034)	(1,129)	(1,082)	(17,612)	(18,346)	(17,979)
10 Prepays & Other	6,415	6,055	6,235	2,929	2,569	2,749	3,486	3,486	3,486
11 Total Rate Base	467,659	481,267	474,462	46,195	47,067	46,631	421,465	434,200	427,832

Income Statement Summary

	<u>Total Company Gas</u>	<u>North Dakota Retail Gas</u>	<u>All Other</u>
<u>Operating Revenues</u>			
1 Retail	842,047	93,026	749,021
2 Net Margin Weather Adjustment	0	0	0
3 Interdepartmental & Transportation	18,940	18	18,922
4 Other Operating	6,645	332	6,313
5 Gross Earnings Tax	0	0	0
6 Total Operating Revenues	867,632	93,376	774,256
<u>Expenses</u>			
Operating Expenses:			
7 Purchased Gas	709,671	78,890	630,781
8 Production	3,935	729	3,206
9 Transmission	1,199	132	1,066
10 Distribution	24,942	2,207	22,736
11 Customer Accounting	15,009	1,830	13,179
12 Customer Service & Information	5,700	243	5,457
13 Administrative & General	18,249	1,687	16,562
14 Amortizations	660	50	610
15 Sales, Econ Dvlp & Other	79	0	78
16 Total Operating Expenses	779,444	85,769	693,675
17 Depreciation	31,545	2,816	28,729
Taxes:			
18 Property	14,106	1,158	12,948
19 Gross Earnings	0	0	0
20 Deferred Income Tax & ITC	2,065	68	1,997
21 State & Federal Income (see Page 3)	7,119	624	6,495
22 Payroll & Other	2,373	217	2,156
23 Total Taxes	25,663	2,067	23,596
24 Total Expenses	836,652	90,651	746,000
25 AFUDC	0	0	0
26 Total Operating Income	30,980	2,725	28,256

Xcel Energy
Natural Gas Utility - State of North Dakota
Jurisdictional Cost of Service Study
2007 Test Year - Interim Rate Petition
(\$000's)

Income Tax Summary

	<u>Total Company Gas</u>	<u>North Dakota Retail Gas</u>	<u>All Other</u>
<u>Income Before Taxes</u>			
1	Total Operating Revenues	867,632	93,376
2	less. Total Operating Expenses	(779,444)	(85,769)
3	Book Depreciation	(31,545)	(2,816)
4	Taxes (Other Than Current Income)	(18,544)	(1,443)
5	Total Before Tax Book Income	38,100	3,349
<u>Tax Additions</u>			
6	Book Depreciation	31,545	2,816
9	Book Depreciation Cleared To Operating	0	0
10	Deferred Income Taxes & ITC	2,065	68
11	Book Amortizations	0	0
12	Connection Fees	0	0
13	Avoided Tax Interest	1,099	37
14	Tax Capitalized Leases	0	0
15	Meals & Entertainment	0	0
16	TBT Net Expense	0	0
17	Total Tax Additions	34,709	2,921
<u>Tax Deductions</u>			
18	Tax Depreciation & Removal Expense	39,209	3,124
19	Debt Interest Expense	16,843	1,655
20	Other Tax/Book Timing Differences	(747)	(87)
21	Net Preferred Stock Deduction	0	0
22	Total Tax Deductions	55,305	4,692
23	State Taxable Income	17,503	1,577
24	State Income Tax Rate	8.73%	7.00%
25	Total State Income Taxes	1,528	110
26	Federal Taxable Income	15,975	1,467
27	Federal Income Tax Rate	35.00%	35.00%
28	Total Federal Income Taxes	5,591	513
29	Total Federal & State Income Taxes	7,119	624

Revenue Requirement & Return Summary

2007				Weighted		
Capital Structure		Rate	Ratio	Cost	Composite Income Tax Rates	
1	Long Term Debt	7.0820%	48.4500%	3.4300%	State of North Dakota Tax rate	7.00%
2	Short Term Debt	5.8100%	2.0000%	0.1200%	Federal Statutory Tax rate	35.00%
3	Preferred Stock	0.0000%	0.0000%	0.0000%	Federal Effective Tax Rate (1-State Rate * Fed Rate)	32.55%
4	Common Equity	11.3000%	49.5500%	5.6000%	Total North Dakota Composite Tax Rate	39.55%
5	Required Rate of Return			9.1500%	Total Corporate Composite Tax Rate	40.67%

		<u>Total Company Gas</u>	<u>North Dakota Retail Gas</u>	<u>All Other</u>
<u>Rate of Return (ROR)</u>				
6	Total Operating Income	30,980	2,725	28,256
7	Total Average Rate Base	474,462	46,631	427,832
8	ROR (Operating Income / Rate Base)	6.53%	5.84%	6.60%

<u>Return on Equity (ROE)</u>				
9	Total Operating Income	30,980	2,725	28,256
10	Debt Interest (Rate Base * Weighted Debt Cost)	(16,843)	(1,655)	(15,188)
11	Preferred Stock (Rate Base * Weighted Preferred Cost)	0	0	0
12	Earnings Available for Common	14,137	1,069	13,068
13	Equity Rate Base (Rate Base * Equity Ratio)	235,096	23,105	211,991
14	ROE (Earnings for Common / Equity Rate Base)	6.01%	4.63%	6.16%

<u>Revenue Deficiency</u>				
15	Require Operating Income (Rate Base * Required Return)	43,413	4,267	39,147
16	Operating Income	30,980	2,725	28,256
17	Operating Income Deficiency	12,433	1,542	10,891
18	Revenue Conversion Factor (1/(1-Composite Tax Rate))	1.68558	1.65426	N/A
19	Revenue Deficiency (Income Deficiency * Conversion Factor)	20,957	2,551	18,406

<u>Total Retail Revenue Requirements</u>				
20	Retail Related Revenues	860,987	93,044	767,943
21	Revenue Deficiency	20,957	2,551	18,406
22	Total Retail Revenue Requirements	881,944	95,595	786,349
23	<u>Percentage Increase (Decrease)</u>	2.43%	2.74%	2.40%

Xcel Energy
 Natural Gas Utility - State of North Dakota
 Jurisdictional Cost of Service Study
 2007 Test Year - Interim Rate Petition
 (\$000's)

Rate Base Detail - Cash Working Capital

Expenses	Lead Days	Total Company Gas		North Dakota Retail Gas		All Other		
		Dollars	Dollar x Days	Dollars	Dollar x Days	Dollars	Dollar x Days	
Includable Expenses								
<u>Purchased Gas</u>								
1 Purchases	40.25	709,671	28,564,239	78,890	3,175,323	630,781	25,388,916	
2 Subtotal Purchased Gas		709,671	28,564,239	78,890	3,175,323	630,781	25,388,916	
<u>Labor & Related Costs</u>								
3 Regular Payroll	13.79	28,859	397,970	2,741	37,794	26,119	360,176	
4 Incentive Compensation	259.51	1,307	339,295	118	30,692	1,189	308,603	
5 Pension & Benefits	29.79	5,182	153,778	494	14,701	4,669	139,076	
6 Subtotal Labor & Related		35,329	891,042	3,352	83,187	31,976	807,855	
7 All Other Operating Expenses	42.34	33,784	1,430,425	3,476	147,177	30,308	1,283,247	
8 Property Tax	345.46	14,106	4,873,059	1,158	400,043	12,948	4,473,016	
9 Employer's Payroll Taxes	19.66	2,373	46,650	217	4,263	2,156	42,387	
10 Gross Earnings Tax	68.75	12,819	881,306	1,873	128,769	10,946	752,538	
11 Federal Income Tax	37.00	5,591	206,882	513	18,995	5,078	187,886	
12 State Income Tax	29.25	1,528	44,686	110	3,229	1,417	41,457	
13 State Sales Tax Customer Billings	51.86	18,312	949,660	1,626	84,324	16,686	865,336	
14 Total Expenses	45.46	833,513	37,887,949	91,216	4,045,311	742,296	33,842,637	
15 Net Annual Expense Amount			103,803		11,083		92,720	
<u>Revenues</u>	<u>Lag Days</u>	<u>Dollars</u>	<u>Dollar x Days</u>	<u>Dollars</u>	<u>Dollar x Days</u>	<u>Dollars</u>	<u>Dollar x Days</u>	
16 Computer Billing	100.00%	46.20	842,047	38,902,571	93,026	4,297,801	749,021	34,604,770
17 Hand Billed	0.00%	46.20	0	0	0	0	0	0
18 Retail Revenue Adjustments	46.20	0	0	0	0	0	0	0
19 Interdepartmental	0.00	17,849	0	18	0	17,831	0	0
20 Transportation	33.21	1,091	36,232	0	0	1,091	36,232	
21 Late Payment	46.20	1,882	86,948	104	4,805	1,778	82,144	
22 Non Curtailment Penalty	46.20	0	0	0	0	0	0	
23 Connect Charge	46.20	1,286	59,413	58	2,680	1,228	56,734	
24 Return Check Charge	46.20	90	4,158	5	231	85	3,927	
25 Rents - Gas Property	35.21	0	0	0	0	0	0	
26 CIP - Lost Sales Margin	0.00	0	0	0	0	0	0	
27 Gas Agreement	35.21	401	14,119	41	1,444	360	12,676	
28 Locating Services	35.21	0	0	0	0	0	0	
29 Balancing Service	35.21	0	0	0	0	0	0	
30 Standby Sales Res & Vols	35.21	0	0	0	0	0	0	
31 Limited Firm Sales - Res & Vols	35.21	976	34,365	89	3,134	887	31,231	
32 Sales to Other - MN LP	35.21	342	12,042	35	1,232	307	10,809	
33 Off System End User	35.21	0	0	0	0	0	0	
34 Opportunity Sales	35.21	0	0	0	0	0	0	
35 CIAC 2004 Rate Case Adjustment	46.20	287	13,259	0	0	287	13,259	
36 Agency Service	46.20	21	970	0	0	21	970	
37 Other Gas Revenue	42.36	1,360	57,610	0	0	1,360	57,610	
38 Total Revenues	45.21	867,632	39,221,688	93,376	4,311,326	774,256	34,910,362	
39 Net Annual Amount			107,457		11,812		95,645	
40 Expense / Revenue Factor			0.960675167		0.976869577			
41 Allocated Revenue Amount			103,231		11,539			
42 Net Cash Working Capital	Page 1 - Line 6		(572)		456		(1,027)	

Xcel Energy
Natural Gas Utility - State of North Dakota
Interim Rate Increase Percent

<u>Class</u>	<u>Item</u>	<u>Unit</u>	<u>Quantity</u>	<u>Unit Margin</u>	<u>Current Margin</u>	<u>Interim Increase *</u>	<u>Margin Increase</u>
Residential	Cust	Bill	444,768	\$15.69	\$6,978,410		
	<u>Comm</u>	<u>Thm</u>	<u>30,658,923</u>	<u>\$0.00000</u>	<u>\$0</u>		
	Total				\$6,978,410	\$1,284,129	18.40%
Commercial	Cust	Bill	76,597	\$20.00	\$1,531,940		
	<u>Comm</u>	<u>Thm</u>	<u>36,764,902</u>	<u>\$0.10710</u>	<u>\$3,937,521</u>		
	Total				\$5,469,461	\$1,006,461	18.40%
Small Interruptible	Cust	Bill	1,344	\$75.00	\$100,800		
	<u>Comm</u>	<u>Thm</u>	<u>6,559,640</u>	<u>\$0.07740</u>	<u>\$507,716</u>		
	Total				\$608,516	\$111,976	18.40%
Large Interruptible	Cust	Bill	264	\$275.00	\$72,900		
	Comm	Thm	24,559,556	\$0.04632	\$1,137,599		
	Comm	Discount	<u>13,065,042</u>	<u>-\$0.03215</u>	<u>-\$420,041</u>		
	Total				\$790,458	\$145,456	18.40%
Retail Total					\$13,846,845	\$2,548,022	18.40%
Rate Total					\$13,846,845	\$2,548,022	18.40%
Late Pay @	0 1117%				\$0	\$2,846	N / A
Other Op Rev					\$0	\$0	N / A
Total Rev					\$13,846,845	\$2,550,868	18.42%

* Total interim increase was adjusted to reflect an increase in late payment revenues and then allocated to class based on current margin contribution.

INTERIM RATES –

Shown in legislative and non-legislative formats.

North Dakota Gas Rate Book – NDPSC No. 2

Sheet No. 5-1, revision 5

Sheet No. 5-2, revision 5

Sheet No. 5-4, revision 4

Sheet No. 5-6, revision 4

Sheet No. 5-7, revision 2

Case No. PU-06-____
Exhibit ____ (Interim Rate Petition), Schedule 7

Interim Legislative Tariffs

Northern States Power Company, a Minnesota corporation
and wholly owned subsidiary of Xcel Energy Inc., operating in North Dakota
Minneapolis, Minnesota 55401
NORTH DAKOTA GAS RATE BOOK - NDPSC NO. 2

PROPOSED

RESIDENTIAL SERVICE
RATE CODE 401

Section No 5
4th-5th Revised Sheet No 1

AVAILABILITY

This rate is available to any residential customer for domestic use of natural gas service

±

THERM ADJUSTMENT

Customer's Therm usage shall equal their Ccf consumption adjusted to reflect 1,000 Btu per cubic foot, a base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit

±

RATE

Delivery Services Charge per Month \$15.69

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Cost of Gas Charge per Therm Determined Monthly

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DETERMINATION OF COST OF GAS

Wholesale natural gas costs fluctuate due to market conditions, pipeline delivery and storage cost changes, and seasonal demand variations. The Company's costs of purchasing delivered wholesale natural gas is determined each month as defined in the Cost of Gas Rider

±

MONTHLY MINIMUM CHARGE

Delivery Services Charge

SURCHARGE

In certain communities, bills are subject to the applicable surcharge provided for in the Surcharge Rider

LATE PAYMENT CHARGE

A 1.0% late payment charge will be added to the unpaid balance on date due

INTERIM RATE ADJUSTMENT

An 18.40 percent adjustment will be applied to the Delivery Service, Basic Service, and Distribution charges on each customer bill, prior to any applicable surcharges. This adjustment does not apply to the Cost of Gas charge.

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Date Filed: 11-02-04 12-15-06 By: Kent T. Larson, Cynthia L. Leshner Effective Date: 07-01-05
Vice President of Jurisdictional Relations President and CEO of Northern States Power Company
Case No: PU-00-04-578 PU-06- Order Date: 06-01-05

Northern States Power Company, a Minnesota corporation
and wholly owned subsidiary of Xcel Energy Inc., operating in North Dakota
Minneapolis, Minnesota 55401

PROPOSED

NORTH DAKOTA GAS RATE BOOK - NDPSO NO. 2

COMMERCIAL AND INDUSTRIAL SERVICE
RATE CODE 403 AND 410

Section No 5
4th-5th Revised Sheet No 2

AVAILABILITY

This rate is available to any commercial and industrial customer for general use of natural gas service

THERM ADJUSTMENT

Customer's Therm usage shall equal their Ccf consumption adjusted to reflect 1,000 Btu per cubic foot, a base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit

RATE

Basic Service Charge per Month	\$20.00
Distribution Charge per Therm	\$0.10710
Cost of Gas Charge per Therm	Determined Monthly

DETERMINATION OF COST OF GAS

Wholesale natural gas costs fluctuate due to market conditions, pipeline delivery and storage cost changes, and seasonal demand variations. The Company's costs of purchasing delivered wholesale natural gas is determined each month as defined in the Cost of Gas Rider

MONTHLY MINIMUM CHARGE

Basic Service Charge

SURCHARGE

In certain communities, bills are subject to the applicable surcharge provided for in the Surcharge Rider

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A 1.0% late payment charge will be added to the unpaid balance on date due

INTERIM RATE ADJUSTMENT

An 18.40 percent adjustment will be applied to the Delivery Service, Basic Service, and Distribution charges on each customer bill, prior to any applicable surcharges. This adjustment does not apply to the Cost of Gas charge.

Date Filed:	11-02-04/12-15-06	By:	Kent T. Larson Cynthia L. Leshner	Effective Date:	07-01-05
			Vice President of Jurisdictional Relations		President and CEO of Northern States Power Company
Case No:	PU-400-04-578			Order Date:	06-01-05
	PU-06-				

Northern States Power Company, a Minnesota corporation
and wholly owned subsidiary of Xcel Energy Inc., operating in North Dakota
Minneapolis, Minnesota 55401

PROPOSED

NORTH DAKOTA GAS RATE BOOK - NDPSC NO. 2

SMALL INTERRUPTIBLE SERVICE (Continued)
RATE CODE 404

Section No 5
3rd-4th Revised Sheet No 4

MONTHLY MINIMUM CHARGE

Basic Service Charge

ADDITIONAL CHARGE FOR USE OF GAS DURING CURTAILMENT

If customer fails to curtail use of gas hereunder when requested to do so by Company, customer shall pay in addition to the appropriate above rates, either an amount equal to any payment Company is required to make to its pipeline supplier under the terms of its town border contract as a result of such failure to curtail, or \$1 00 per Therm of gas used in excess of the volume of gas to which customer is requested to curtail, whichever amount is greater. Such payments, however, shall not preclude Company from shutting off customer's supply of gas in the event of customer's failure to curtail use thereof when requested by Company to do so.

SURCHARGE

In certain communities, bills are subject to the applicable surcharge provided for in the Surcharge Rider.

LATE PAYMENT CHARGE

A 1 0% late payment charge will be added to the unpaid balance on date due.

INTERIM RATE ADJUSTMENT

An 18 40 percent adjustment will be applied to the Delivery Service, Basic Service, and Distribution charges on each customer bill, prior to any applicable surcharges. This adjustment does not apply to the Cost of Gas charge.

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PRIORITY CLASSIFICATION

Priority 1 shall have first priority. Curtailment shall begin with Priority 8 and progress to Priority 1. Priority classifications are defined in the General Rules and Regulations.

TERM OF AGREEMENT

Service agreement shall be for a term of not less than one year. Upon expiration of term, agreement continues in force until terminated by at least 30 days' written notice by either party.

Date Filed: 44-02-0412-15-06 By: ~~Kent T. Larson~~ Cynthia L. Leshner Effective Date: 07-1-05
Vice President of Jurisdictional Relations President and CEO of Northern States Power Company
Case No: PU-400-04-578-PU-06- Order Date: 06-01-05

Northern States Power Company, a Minnesota corporation
and wholly owned subsidiary of Xcel Energy Inc., operating in North Dakota
Minneapolis, Minnesota 55401

PROPOSED

NORTH DAKOTA GAS RATE BOOK - NDPSC NO. 2

LARGE INTERRUPTIBLE SERVICE (Continued)
RATE CODE 405

Section No 5
~~3rd~~^{4th} Revised Sheet No 6

TERM OF AGREEMENT

~~Service agreement shall be for a term of not less than one year. Upon expiration of term, agreement continues in force until terminated by at least 30 days' written notice by either party.~~

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Date Filed: 11-02-04 12-15-06 By: ~~Kent T. Larson~~ Cynthia L. Leshner Effective Date: 07-01-05
~~Vice President of Jurisdictional Relations~~ President and CEO of Northern States Power Company
Case No PU-00-04-578 PU-06- Order Date 06-01-05



Northern States Power Company
Minneapolis, Minnesota 55401

~~NORTH DAKOTA GAS RATE BOOK - NDPSC NO. 2~~

Northern States Power Company, a Minnesota corporation
and wholly owned subsidiary of Xcel Energy Inc., operating in North Dakota
Minneapolis, Minnesota 55401

PROPOSED

NORTH DAKOTA GAS RATE BOOK - NDPSC NO. 2

~~CANCELLED~~ LARGE INTERRUPTIBLE SERVICE (Continued)
RATE CODE 405

Section No 5
1st ~~2nd~~ Revised Sheet No 7

~~RESERVED FOR FUTURE USE~~

TERM OF AGREEMENT

Service agreement shall be for a term of not less than one year. Upon expiration of term, agreement continues in force until terminated by at least 30 days' written notice by either party.

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Date Filed	10-6-00 12-15-06	By. Michael L. Swenson Cynthia L. Leshner	Effective Date:	7-13-01
		State Vice President and CEO of Northern States Power Company		
Case No	PU-400-00-524 PU-06-	North Dakota and South Dakota	Order Date:	6-27-01

Case No. PU-06-____
Exhibit ____ (Interim Rate Petition), Schedule 8

Interim Non-Legislative Tariffs

RESIDENTIAL SERVICE
RATE CODE 401

Section No. 5
5th Revised Sheet No. 1

AVAILABILITY

This rate is available to any residential customer for domestic use of natural gas service

THERM ADJUSTMENT

Customer's Therm usage shall equal their Ccf consumption adjusted to reflect 1,000 Btu per cubic foot, a base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit

RATE

Delivery Services Charge per Month \$15.69

Cost of Gas Charge per Therm Determined Monthly

DETERMINATION OF COST OF GAS

Wholesale natural gas costs fluctuate due to market conditions, pipeline delivery and storage cost changes, and seasonal demand variations. The Company's costs of purchasing delivered wholesale natural gas is determined each month as defined in the Cost of Gas Rider.

MONTHLY MINIMUM CHARGE

Delivery Services Charge

SURCHARGE

In certain communities, bills are subject to the applicable surcharge provided for in the Surcharge Rider.

LATE PAYMENT CHARGE

A 1.0% late payment charge will be added to the unpaid balance on date due.

INTERIM RATE ADJUSTMENT

An 18.40 percent adjustment will be applied to the Delivery Service, Basic Service, and Distribution charges on each customer bill, prior to any applicable surcharges. This adjustment does not apply to the Cost of Gas charge.

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Date Filed: 12-15-06

By: Cynthia L. Leshner
President and CEO of Northern States Power Company

Effective Date

Case No. PU-06-

Order Date

Northern States Power Company, a Minnesota corporation
and wholly owned subsidiary of Xcel Energy Inc , operating in North Dakota
Minneapolis, Minnesota 55401
NORTH DAKOTA GAS RATE BOOK - NDPSC NO. 2

PROPOSED

COMMERCIAL AND INDUSTRIAL SERVICE
RATE CODE 403 AND 410

Section No 5
5th Revised Sheet No 2

AVAILABILITY

This rate is available to any commercial and industrial customer for general use of natural gas service

THERM ADJUSTMENT

Customer's Therm usage shall equal their Ccf consumption adjusted to reflect 1,000 Btu per cubic foot, a base pressure of 14.73 PSIA, and a gas temperature of 60 degrees Fahrenheit

RATE

Basic Service Charge per Month \$20.00
Distribution Charge per Therm \$0.10710
Cost of Gas Charge per Therm Determined Monthly

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Date Filed: 12-15-06

By: Cynthia L. Leshner

Effective Date:

President and CEO of Northern States Power Company

Case No PU-06-

Order Date:

Northern States Power Company, a Minnesota corporation
and wholly owned subsidiary of Xcel Energy Inc , operating in North Dakota
Minneapolis, Minnesota 55401

PROPOSED

NORTH DAKOTA GAS RATE BOOK - NDPSC NO. 2

SMALL INTERRUPTIBLE SERVICE (Continued)
RATE CODE 404

Section No 5
4th Revised Sheet No 4

MONTHLY MINIMUM CHARGE

Basic Service Charge

ADDITIONAL CHARGE FOR USE OF GAS DURING CURTAILMENT

If customer fails to curtail use of gas hereunder when requested to do so by Company, customer shall pay in addition to the appropriate above rates, either an amount equal to any payment Company is required to make to its pipeline supplier under the terms of its town border contract as a result of such failure to curtail, or \$1 00 per Therm of gas used in excess of the volume of gas to which customer is requested to curtail, whichever amount is greater Such payments, however, shall not preclude Company from shutting off customer's supply of gas in the event of customer's failure to curtail use thereof when requested by Company to do so

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PRIORITY CLASSIFICATION

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TERM OF AGREEMENT

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Date Filed: 12-15-06

By Cynthia L Lesher
President and CEO of Northern States Power Company

Effective Date:

Case No PU-06-

Order Date:

NORTH DAKOTA GAS RATE BOOK - NDPSC NO. 2

LARGE INTERRUPTIBLE SERVICE (Continued)
RATE CODE 405

Section No 5
4th Revised Sheet No 6

Flexible Distribution Charge

Customers are normally served on the fixed rate but will be placed on the flexible rate if, for pricing reasons, the flexible rate is necessary to compete with a non-gas alternate energy supply/service. Company and customer will agree to a price between \$0.00600 and \$0.04390 per Therm. Unless otherwise agreed, a five day notice of price change shall be provided. If Company and customer cannot agree to a flexible distribution charge and customer nonetheless uses gas, then customer shall be charged the maximum allowable flexible distribution charge.

DETERMINATION OF COST OF GAS

Wholesale natural gas costs fluctuate due to market conditions, pipeline delivery and storage cost changes, and seasonal demand variations. The Company's costs of purchasing delivered wholesale natural gas is determined each month as defined in the Cost of Gas Rider.

ADDITIONAL CHARGE FOR USE OF GAS DURING CURTAILMENT

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MONTHLY MINIMUM CHARGE

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PRIORITY CLASSIFICATION

Priority 1 shall have first priority. Curtailment shall begin with Priority 8 and progress to Priority 1. Priority classifications are defined in the General Rules and Regulations.

Date Filed: 12-15-06

By: Cynthia L. Leshner

Effective Date:

President and CEO of Northern States Power Company

Case No: PU-06-

Order Date

Northern States Power Company, a Minnesota corporation
and wholly owned subsidiary of Xcel Energy Inc , operating in North Dakota
Minneapolis, Minnesota 55401

PROPOSED

NORTH DAKOTA GAS RATE BOOK - NDPSC NO. 2

LARGE INTERRUPTIBLE SERVICE (Continued)
RATE CODE 405

Section No 5
2nd Revised Sheet No 7

TERM OF AGREEMENT

Service agreement shall be for a term of not less than one year Upon expiration of term, agreement
continues in force until terminated by at least 30 days' written notice by either party

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Date Filed: 12-15-06

By Cynthia L Leshner
President and CEO of Northern States Power Company

Effective Date:

Case No PU-06-

Order Date: