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May 18, 2007

**VIA ELECTRONIC FILING
AND FEDERAL EXPRESS**

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

Re: *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-06-525

Dear Ms. Jeffcoat-Sacco:

Attached are requests for information, numbers 1-19, submitted by Northern States Power Company, a Minnesota corporation and wholly owned subsidiary of Xcel Energy Inc. to the North Dakota Public Service Commission (the "Commission") advisory staff ("Staff") in the above-referenced proceeding.

To facilitate the development of potential rebuttal testimony in this proceeding, the Company respectfully requests that Staff provide us with answers to these information requests by no later than June 4, 2007.

Please contact me or David Sederquist at (701) 241-8632 with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Megan J. Hertzler'.

Megan J Hertzler
Assistant General Counsel

Encls.

cc: Michael Bradley
Mike Diller

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 1

Question:

Provide all testimony Mr. Majoros has filed relating to ARO and Non-legal ARO issues spanning the years, 2003-2006

Response:

Response By:
Title:
Organization:
Telephone:
Date:

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 2

Question:

State whether the issues presented by Mr. Majoros in the testimony provided in response to Xcel Energy Interrogatory No. 1 were accepted or rejected by State Commissions or FERC either initially or on appeal.

Response:

Response By:
Title:
Organization:
Telephone:
Date:

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 3

Question:

Provide the relevant portions of the referenced State Commission or FERC orders referenced in response to Xcel Energy Interrogatory No. 2.

Response:

Response By:
Title:
Organization:
Telephone:
Date:

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 4

Question:

On page 18 of his prefiled Direct Testimony, Mr. Majoros states that he does not know if the collections for non-legal ARO removal result in a regulatory liability. Based on the 2006 10-K quoted in part by Mr. Majoros, please explain fully the basis for the assertion that NSPM's treatment of non-legal ARO's is uncertain?

Response:

Response By:
Title:
Organization:
Telephone:
Date:

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 5

Question:

Mr. Majoros explains the financial presentation to be used for SFAS 143 and its relationship to SFAS 71.

- a. For ratemaking purposes, is there a need to separate the depreciation reserve into legal and non-legal ARO?
- b. If the answer to subpart (a) is yes, provide the reasons supporting the response.

Response:

Response By:
Title:
Organization:
Telephone:
Date:

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 6

Question:

How does the treatment and handling of non-legal AROs for deregulated entities have bearing on this current rate case?

Response:

Response By:
Title:
Organization:
Telephone:
Date:

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 7

Question:

How does the treatment and handling of legal AROs for deregulated entities have bearing on this current rate case?

Response:

Response By:
Title:
Organization:
Telephone:
Date:

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 8

Question:

Is there any difference between the regulated ratemaking treatment of legal and non-legal AROs for an unregulated entity?

Response:

Response By:
Title:
Organization:
Telephone:
Date:

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 9

Question:

Is there any difference between the regulated ratemaking treatment of legal and non-legal AROs for a regulated utility?

Response:

Response By:
Title:
Organization:
Telephone:
Date:

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 10

Question:

Has any natural gas or electric utility in North Dakota been deregulated?

Response:

Response By:
Title:
Organization:
Telephone:
Date:

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 11

Question:

If the answer to Xcel Energy Interrogatory No. 10 is in the affirmative,

- a. how is the non-legal ARO issue being addressed in rates charged to customers?
- b. how did the North Dakota Public Service Commission address non-legal and non-legal AROs in the deregulation process?

Response:

Response By:
Title:
Organization:
Telephone:
Date:

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 12

Question:

Please state explicitly how NSPM could plausibly become deregulated, and transfer the regulatory liability to income without either prior Commission or legislative consent and approval?

Response:

Response By:
Title:
Organization:
Telephone:
Date:

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 13

Question:

Please state explicitly how NSPM could plausibly move from a “cost basis” to “price basis”, and transfer the regulatory liability to income without either prior Commission or legislative consent and approval?

Response:

Response By:
Title:
Organization:
Telephone:
Date:

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 14

Question:

Please provide all available documentation supporting the statement found on page 17, lines 17-19, of Mr. Majoros' Direct Testimony, that NSPM believes "*any amount in accumulated depreciation to be 'their money' even if they collected it for a fictitious future cost*".

Response:

Response By:
Title:
Organization:
Telephone:
Date:

**Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.**

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 15

Question:

Mr. Majoros, on page 21 of his Direct Testimony, discussed the deregulation of American Electric Power production plants.

- a. Over what period of time did the transfer of accumulated depreciation occur?
- b. What regulatory Commissions approved the deregulation of those plants?
- c. Were there any reductions to the income statement at the time of deregulation?
- d. Please provide the magnitude and cause for any reductions to the income statements at the time of the deregulation.

Response:

Response By:
Title:
Organization:
Telephone:
Date:

**Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.**

Information Request

Case No.: PU-06-525
Request By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 16

Question:

Mr. Majoros, on page 24 references the deregulation of certain telephone companies.

- a. Were the telephone companies deregulated before the adoption of SFAS 143?
- b. Were these telephone companies subject to SFAS 71 at the time the entry was made in regards to SFAS 143?
- c. What was the opinion of the FCC with respect transfer of accumulated depreciation into net income?
- d. Were any of these telephone utilities operating in North Dakota?
- e. Did the North Dakota Public Service Commission criticize the telephone company's application of SFAS 143 or the removal entries as they occurred?
 - i. If so, provide a copy of any statement made by the Commission.
 - ii. Did the North Dakota Public Service Commission specify that the accumulated depreciation for future removal should be used for rate relief?

Response:

Response By:

Title:
Organization:
Telephone:
Date:

Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.

Information Request

Case No.: PU-06-525
Requested By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 17

Question:

Has the question of how accumulated non-legal AROs should be handled for ratemaking treatment been presented to the FERC? If the answer is yes:

- a. In what proceeding?
- b. Did the FERC agree that the accumulated depreciation for future removal of non-legal AROs should be immediately subject to refund?

Response:

Response By:
Title:
Organization:
Telephone:
Date:

**Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.**

Information Request

Case No.: PU-06-525
Request By: Lisa Perkett – Director, Capital Asset Accounting
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 18

Question:

Reference page 24, lines 16-18, of Mr. Majoros' testimony: *"At a time of ever-increasing energy prices, this would be welcome relief to Xcel's customers, as well as a means to eliminate the regulatory liability."*

- a. Is the intent of Mr. Majoros' testimony to relieve the cost of energy through a refund from accumulated depreciation?
- b. In the future, when retirement costs are incurred, will future customers be responsible for paying those costs?
- c. In the future, when retirement costs are incurred will energy costs be less?

Response:

Response By:
Title:
Organization:
Telephone:
Date:

**Northern States Power Company, a Minnesota corporation
and Wholly Owned Subsidiary of Xcel Energy Inc.**

Information Request

Case No.: PU-06-525
Requested By: Michael R. Diller
Requested From: North Dakota Public Service Commission
Witness: Michael J. Majoros
Date of Request: May 17, 2007 Information Request No. 19

Question:

In the direct testimony of Mr. Majoros on page 30, line 19, he states that the adjustments to the Company's proposed revenue requirement incorporate Mr. King's recommended 8.08% rate of return. The capital structure changes as presented in Exhibit ___ (MJM-8), page 1 of 6 indicated recommended changes to the weighted cost of debt.

- a) Do you believe that increasing the Company's weighted cost of debt causes a reduction in the income tax revenue requirement?
- b) If the response to part a) is yes, please provide each and every workpaper, document and supporting calculation that illustrates how this change was incorporated into the \$1.213 million recommended reduction.
- c) If the response to part a) is no, please fully explain the rationale as to why an increase in the weighted cost of debt would not reduce Company's income tax revenue requirement.

Response:

Response By:
Title:
Organization
Telephone:
Date: