

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Northern States Power Company
Natural Gas Rate Increase
Application**

Case No. PU-06-525

**STAFF RESPONSE TO COMPLIANCE FILING
June 15, 2007**

On December 15, 2006 Northern States Power Company d/b/a Xcel Energy (NSP) filed a Notice for Change in Rates for Natural Gas Service. NSP implemented an interim increase, effective February 13, 2007, sufficient to provide a total annual revenue increase of approximately \$2,158,000, subject to refund.

On June 13, 2007 the Commission issued its Order Adopting Settlement which permits NSP to implement a rate change sufficient to provide a total annual revenue increase of approximately \$2,168,000. NSP's interim increase would remain in effect until NSP filed tariff sheets to reflect the final annual revenue increase of not more than \$2,168,000.

On June 13, 2007, NSP filed tariff changes to comply with the Commission's Order. NSP's compliance tariffs, scheduled to become effective July 1, 2007, provide a projected total annual revenue increase of \$2,166,000.

As specified in the approved Settlement Agreement, NSP's proposed compliance tariffs would increase projected total gas and distribution charge revenue from the residential class by 3.4% while increasing projected revenue from the commercial/industrial and small interruptible classes by 2.0% and 1.1% respectively and large industrial by 0.5%.

As specified in the approved Settlement Agreement, NSP's proposed compliance tariffs specify a change in the Delivery Services Charge for residential firm service to \$18.48, and for commercial and industrial firm service to \$30. The proposed compliance tariffs specify a change in the Distribution Charge for small commercial and industrial interruptible service to \$0.10800, and for large commercial and industrial interruptible service to \$0.05120.

As specified in the approved Settlement Agreement, the transportation service tariff has been changed to allow for nominations in the final a.m. cycle on Northern Natural Gas Company interstate pipeline, to shorten the nomination deadline from two hours to ten minutes prior to the standardization nominate deadlines, and to clarify language regarding the calculation of Monthly Undertake/Overtake charges to ensure the calculation is based upon the amount

of natural gas actually delivered on the customer's behalf by the upstream pipeline.

Staff believes that NSP's compliance filing will satisfy the Commission's Order.



Patrick Fahn
Utility Analyst