



2302 Great Northern Drive  
P O Box 2747  
Fargo, ND 58108-2747  
(701) 241-8632  
dave.sederquist@xcelenergy.com

November 29, 2007

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

SUBJECT: EPC Act 1252 Smart Metering Standard – Rulemaking (Case No. PU-07-641)

Dear Ms. Jeffcoat-Sacco:

In response to the North Dakota Public Service Commission's November 26, 2007 rulemaking hearing, Northern States Power Company, a Minnesota corporation ("Xcel Energy" or the "Company") submits the following comments to the proposed Time-of-Use Rates rule (69-09-02-40).

While the Company believes that its Time Of Day ("TOD") rates and meters meet the requirements of the proposed rule, we believe the language as drafted is open to interpretations that could require the implementation of non-cost-effective or technically infeasible service options. Attachment A shows an edited version of the rule reflecting our clarifying language suggestions.

On a related note, the Commission will be interested to know that in its anticipated December electric rate case filing Xcel Energy plans to propose a "Real Time Pricing" (RTP) rate option. It will be available to demand-metered commercial and industrial customers who have a peak demand of at least 1,000 KW and its availability will be limited to a maximum total load of 10,000 KW. This tariff will be in addition to the existing optional two-period TOD rate.

This RTP rate proposal will include a customer-selected contract demand and eight different day-types that provide 24 hourly energy charges throughout the day. The determination of the applicable day-type will be based on the system forecasted load and energy costs and will be communicated to customers by 4:00 PM of the previous day.

The Company is appreciative of the opportunity to submit these comments. Please call me if you have any questions about our suggestions. Thank you.

Sincerely,

A handwritten signature in blue ink that reads "David H. Sederquist".

David H. Sederquist  
Sr. Consultant, Regulation & Finance  
Xcel Energy

**Public Service Commission  
EPA Act 1252 Smart Metering Standard  
Rulemaking**

**Case No. PU-07-641**

**Proposed Rule**

A new section to Chapter 69-09-02

**69-09-02-40 Time-of-Use Rates: Each utility shall:**

1. Offer time-based rate schedules for retail electricity sales to large commercial and industrial customers s that reflect ~~reflecting any variance in~~ the utility's wholesale cost of electricity. The time-based rate schedule must enable the electric customer to manage energy use and cost through time-based metering ~~advanced metering and communications.~~
- ~~2. Provide each large commercial and industrial customer requesting service under the time-based rate schedule with a time-based meter to enable the utility and the customer to offer and receive such rate.~~

General Authority: NDCC 28-32-02, 49-02-03, 49-02-04

Law Implemented: NDCC 49-02-03, 49-02-04