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December 11, 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: North Dakota Interim Electric Rate Tariffs (Case No. PU-07-776)

Dear Ms. Jeffcoat-Sacco:

On December 7, 2007, Northern States Power Company, a Minnesota corporation (“Xcel Energy” or the “Company”) submitted a proposal to increase electric service rates in North Dakota. Pursuant to N.D. Cent. Code § 49-05-05 and N.D. Admin. Code § 69-09-02-01, the Company proposed the tariffs become effective January 6, 2008. Pursuant to N.D. Cent. Code § 49-05-06, subd. 2a the Company also requested authorization to implement an interim retail rate increase should the Commission suspend the application. The proposed interim increase is \$17,183,000 or 11.49 percent, effective February 5, 2008.

In order to recover this amount, it is necessary to apply an interim adjustment of 14.96 percent to the non-fuel rate components of customer bills. However, yesterday morning it was discovered that the interim rate adjustment percentage shown on the filed interim tariffs was incorrectly stated as 11.49 percent. Again, as noted, the correct interim rate adjustment is 14.96 percent.

The oversight stemmed from the inadvertent use of the overall retail revenue increase percent (11.49 percent) rather than the interim rate adjustment (14.96 percent) that must be applied to the non-fuel components of customer bills to recover the annualized interim revenue increase of \$17,183,000 (as supported by Schedule 6 of the Interim Petition).

The Company regrets the oversight and appreciates the Commission’s understanding and acceptance of the enclosed replacement set of Interim rate tariff pages, in both legislative and non-legislative versions.

Please call me if you have any questions. Thank you.

Sincerely,

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

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