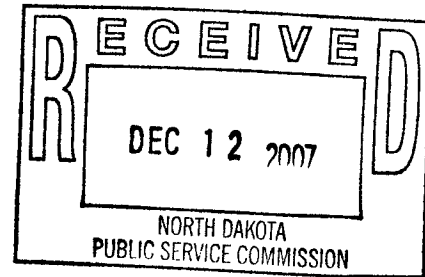




2302 Great Northern Drive
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(701) 241-8632
dave.sederquist@xcelenergy.com

December 11, 2007

Illona 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 Electric Rate Application (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 both electronic (PDF) and printed copies of its proposal to increase electric service rates in North Dakota. However, Schedules 1 through 3 of Mr. Steve Beuning's Direct Testimony were inadvertently excluded from the printed versions of the application.

Attached please find 11 hardcopies of the missing Schedules. These documents were not missing from the PDF versions of the application.

The Company regrets any inconvenience this may have caused. Please call me if you have any questions. Thank you.

Sincerely,

A handwritten signature in cursive script that reads 'David H. Sederquist'.

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

Stephen J. Beuning

Resume

Present Position: Director, Market Operations, Xcel Energy Services Inc.

(since April 2004)

In this position I provide leadership for energy supply and wholesale trading activity with staff engaged on behalf of the four Xcel Energy utility operating companies: Northern States Power Company, Northern States Power Company - Wisconsin, Public Service Colorado and Southwestern Public Service. Areas of responsibility include regional energy market design, regulatory and policy leadership in the areas of energy trading and ancillary services; energy supply contract analysis; and activity in transmission rights management for the business unit, including financial transmission rights. I provide operations leadership and support for wind integration issues.

I provide corporate representation for industry technical standards for Energy Market Design, Ancillary Services and Grid Congestion Management. I manage seams coordination and operational issues with Regional Transmission Organizations such as the Midwest Independent Transmission System Operator, Inc., the Mid-Continent Area Power Pool, the Southwest Power Pool, WestConnect, California ISO, the Independent Electric System Operator of Ontario and the Pennsylvania-New Jersey-Maryland (PJM) market.

Past Positions Include:

Manager, Transmission Operations, Xcel Energy Markets *(August 2001 – April 2004)*

Senior Operations Consultant, Xcel Energy Markets *(July, 1999 – August 2001)*

Transmission Services Project Manager, Northern States Power (NSP) *(March 1998 – July 1999)*

Director, Power Marketing, Cenerprise, Inc., a subsidiary of NSP *(March 1995 – March 1998)*

Wholesale Account Manager, NSP *(February 1993 - March 1995)*

Supervisor, Operation Coordination, NSP *(December 1991 - February 1993)*

Transmission System Operations Engineer, NSP *(June 1984 - December 1991)*

Education: Mini-Masters of Software Design and Development, an overview lecture series
St. Thomas University, Minneapolis, Minnesota, April 1999
Bachelor of Science in Electrical Engineering
University of Minnesota, June 1984

Professional Activity:

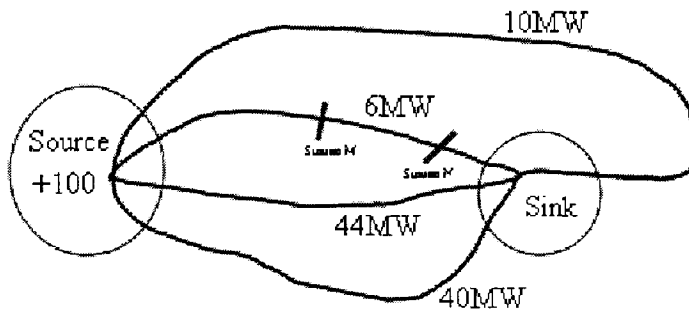
Chairman, Midwest ISO Operating Reserves Task Force; Chairman, Midwest ISO Readiness Metrics Task Force; North American Electric Reliability Council (NERC) Engineering Committee and NERC Standards Committee; Mid-Continent Area Power Pool (MAPP) Administrative Committee Vice-Chairman; MAPP Alternate Dispute Resolution Committee; Rocky Mountain Reserve Sharing Group participant; WestConnect project participant.

Comparison of the Process for Transmission Transaction Curtailments Under TLR With Those Under the Regional Market Approach

Heuristic comparison of TLR to Redipatch

Node 1 No. nnnnnnn
 Exhibit (SJB), Schedule 3
 Page 1 of 4

Power Delivery Across the Grid



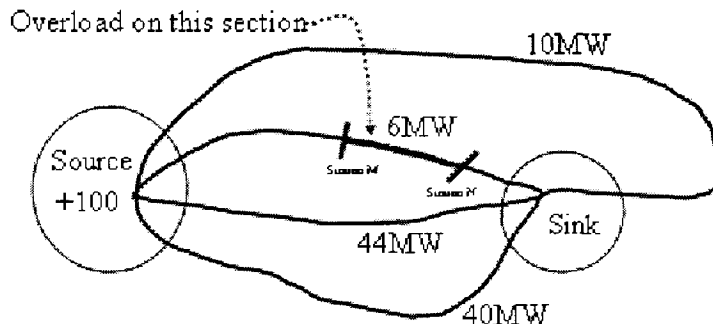
Example: The 100 MW delivery from Source to Sink has a 6 MW of flow on line section from M-N. Power Transfer Distribution Factor (PTDF) = 6%.

i.e. Source-Sink PTDF line segment M-N = 6%

Heuristic comparison of TLR to Redipatch

Node 1 No. nnnnnnn
 Exhibit (SJB), Schedule 3
 Page 2 of 4

Delivery Contributes to Overload

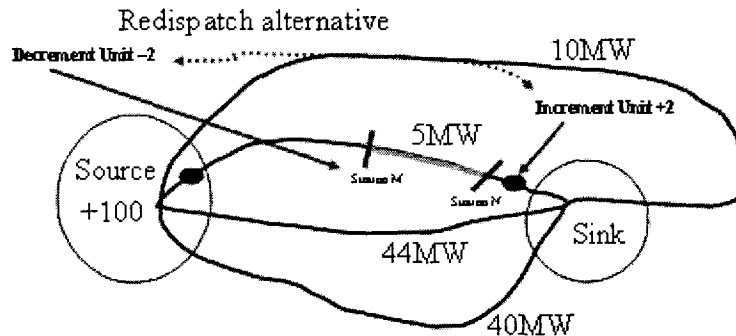


Assume overload requires 1 MW of relief on the Line M-N segment.
 The NERC TLR procedure would require a transaction cut of the following: $1 \text{ MW relief} / 0.06 \text{ PTDF} = 17 \text{ MW cut to transaction}$.

Heuristic comparison of TLR to Redispatch

DocId:3014
Exhibit (SJB), Schedule 3
Page 2 of 4

What about Redispatch?



Assume 50% PTDF from Incremental Unit to Decremental Unit.

Incremental unit +2 MW, Decremental unit -2 MW.

This provides 1 MW flow relief on Segment M-N and meets the curtailment obligation.

$$\text{Inc-Dec GSF of } -0.5 * 2 \text{ MW} = -1 \text{ MW relief on M-N}$$

Heuristic comparison of TLR to Redispatch

DocId:3014
Exhibit (SJB), Schedule 3
Page 4 of 4

Economic Impact of TLR vs. Redispatch

- **Assume an economy energy hurdle rate of \$2/MWH**
 - Then the example TLR transaction curtailment resulted in an economic impact of \$34 per hour.
 - \$34 loss = 17 MW curtailed * \$2 margin
- **Assume an Incremental Unit cost of \$50/MWH and a Decremental Unit savings of \$45/MWH**
 - Then the redispatch alternative resulted in an economic impact of \$10 per hour.
 - \$10 cost = 2 MW * (\$50 new cost - \$45 savings)
- **The redispatch method is more efficient.**

**ICF Consulting Analysis of Actual Economic Dispatch Benefits
Achieved By MISO for the Period From April 2006 Through August 2006**

**Exhibit 4-9(A)
Summary of Midwest ISO Benefits – April 2006 to August 2006**

Category	Benefits (\$million)	Annualized Benefits (\$million)
Theoretical Maximum Potential Benefits	165	397
Estimated Achievable Benefits Given Current Market Structure	86	206
Actual Benefits Achieved	58	139

Source: ICF

Source: Addendum to the Independent Assessment of Midwest ISO Operational Benefits, May 1 2007 by ICF International. Posted on the Midwest ISO internet web site at www.midwestmarket.org.