



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

December 3, 2009

Darrell Nitschke, Executive Secretary
North Dakota Public Service Commission
State Capitol Building, Dept. 408
600 East Boulevard
Bismarck, ND 58505-0480

SUBJECT: Response to Commissioner Questions at the November 12, 2009 Xcel Energy Periodic Information Exchange Meeting

Dear Mr. Nitschke:

During the November 12, 2009 Periodic Information Exchange (PIE) meeting with Northern States Power Company, a Minnesota corporation ("Xcel Energy" or the "Company"), we received a request from Commissioner Clark and Commissioner Kalk that we provide the North Dakota Public Service Commission (the "Commission") with the following information:

1. 2008 results added to our billing accuracy and meter reading performance charts for purposes of comparing to the 2009 data presented at the PIE meeting; and
2. The Company's North Dakota workforce levels in 2004, 2006, 2008, and amounts forecasted for 2010.

In a subsequent phone conversation, I clarified with Commission Kalk that employee data for 2004 and 2009 was more readily available, but that 2006 and 2008 information would require a special query and additional analysis delaying our response. He agreed that the 2004 and 2009 data would provide the desired trend information, and directed us to focus initially on the workforce levels at the beginning and end of the five year period.

We provide, as Attachment A, the revenue cycle performance charts presented to the Commission at the PIE meeting with the addition of 2008 data. We do not have comparable 2008 results for our total detection/repair time chart, so it is included again here with the 2009 information provided previously. We note that the improvements in our performance presented at the PIE meeting are more evident with the addition of 2008 results.

Attachment B to this letter summarizes our North Dakota workforce levels by major functional areas for November 2004 and November 2009. We have itemized the workforce numbers into Xcel Energy employee and contract/temporary worker categories. We have not, however, included personnel employed by service firms that we engage to perform certain utility functions such as locating, tree trimming, and new natural gas service installation.

We note that the 2009 total workforce (both Company employees and contracted personnel) has 14 fewer personnel than our 2004 total workforce. This decrease primarily reflects:

- Reductions in Billing personnel due to continued efficiencies realized from centralized management of our billing department, and the implementation of our current billing system in early 2005;
- Reductions in Mapping personnel due to digitization of our utility system maps and centralization of the mapping function. The mapping function is now electronically integrated with the project design and management processes, and updated maps are accessible to field personnel through the aid of Mobile Data Terminals.
- Reductions in Customer Account Management personnel due to the assignment of certain customer account management activities to other North Dakota personnel working in community relations, construction design, and administrative support.

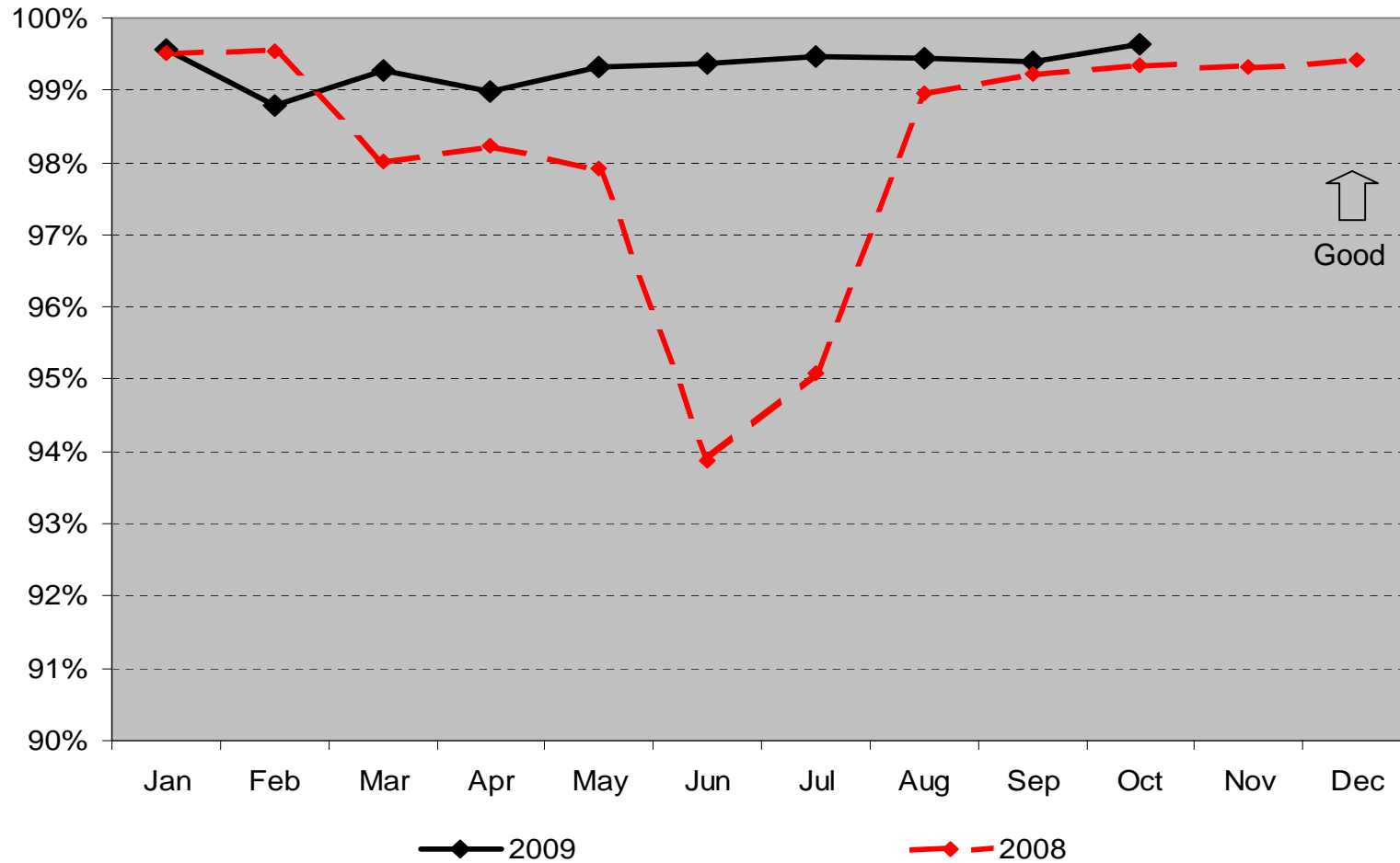
Please call me if you have any questions about this information or would like to see any additional information. Thank you.

Sincerely,



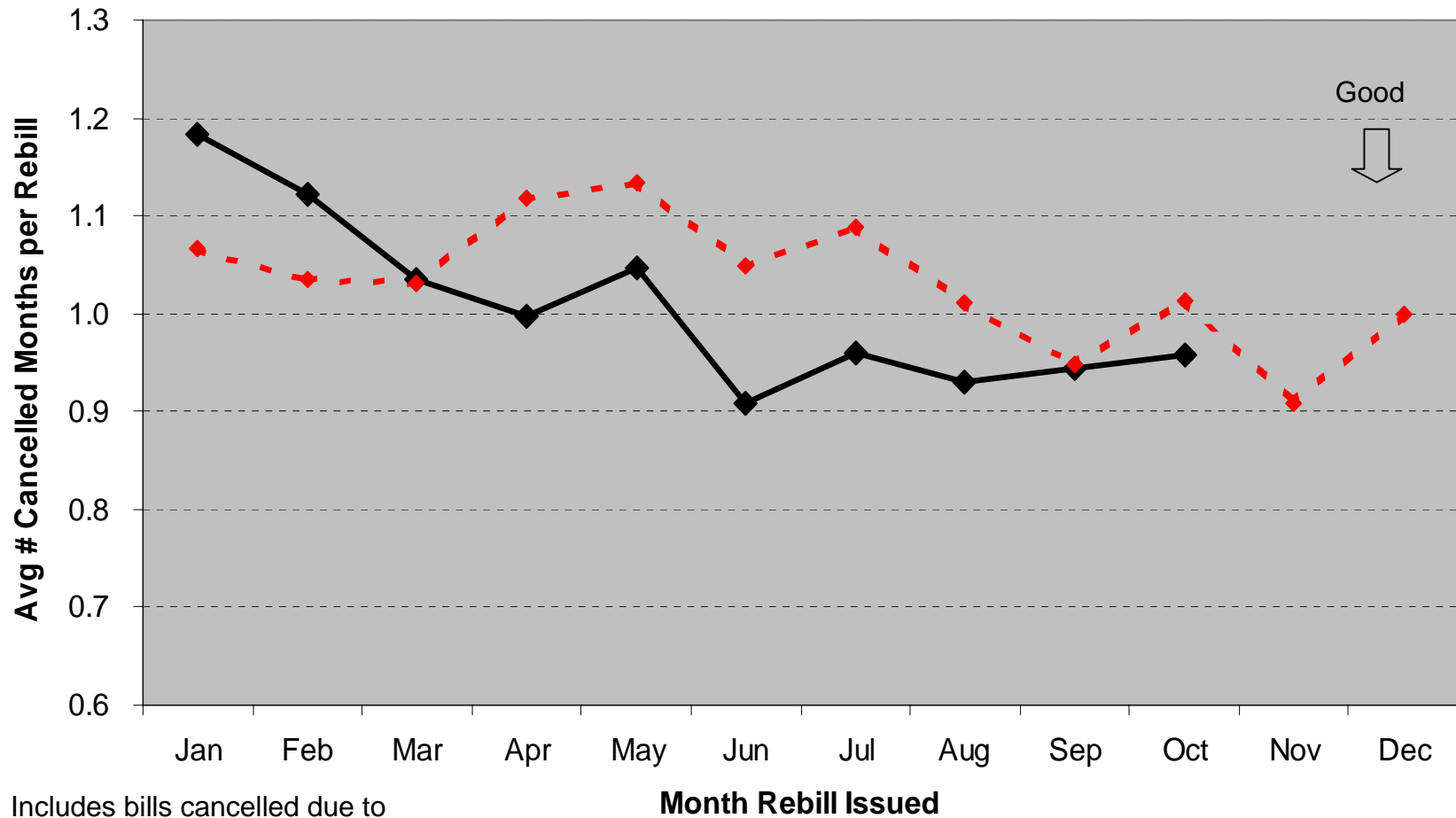
David H. Sederquist
Sr. Consultant, Regulation & Finance
Xcel Energy

Percent of ND invoices that are accurate



One minus (controllable cancelled invoices divided by total ND Invoices Issued).

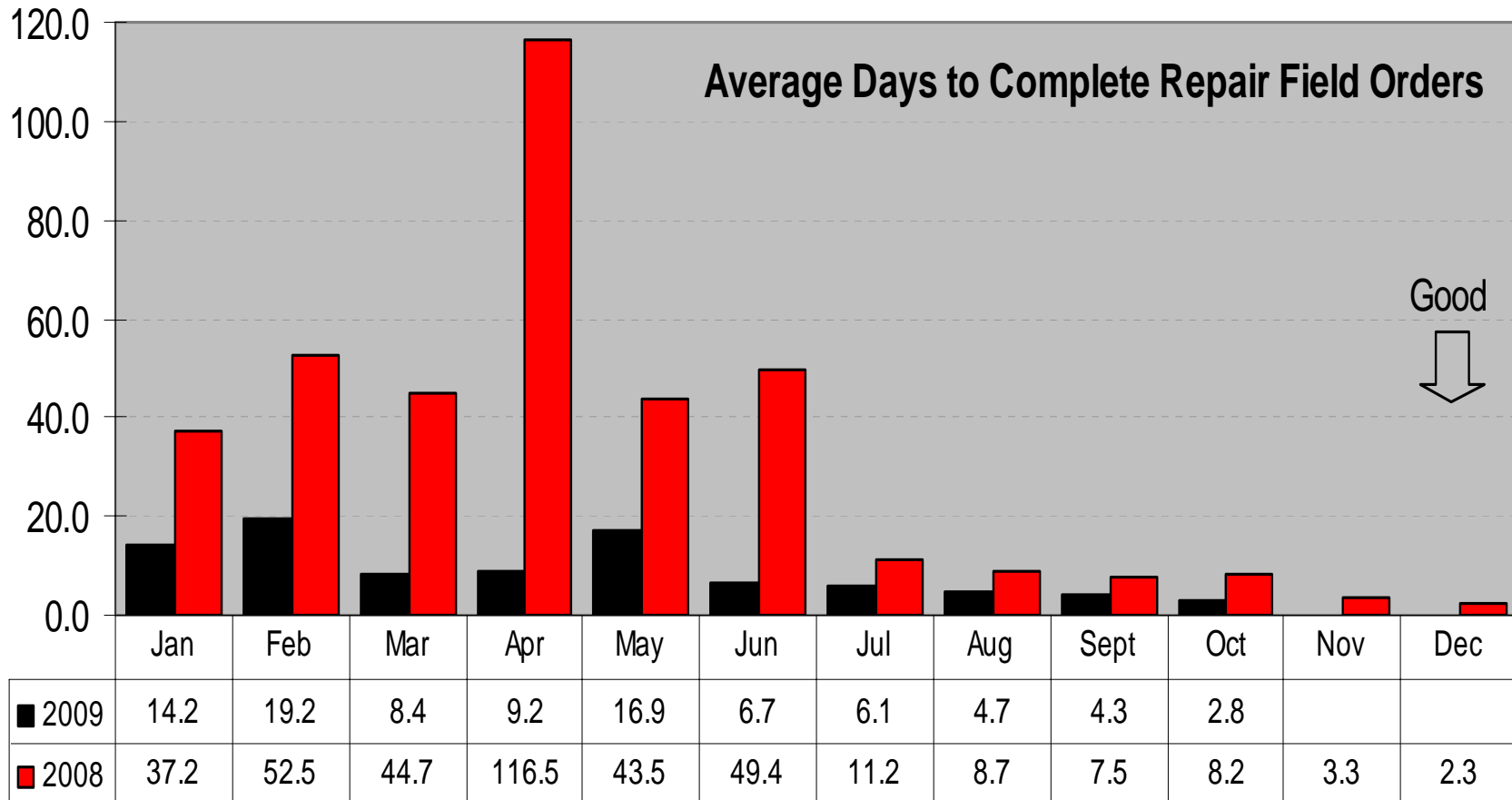
Average time being rebilled in ND



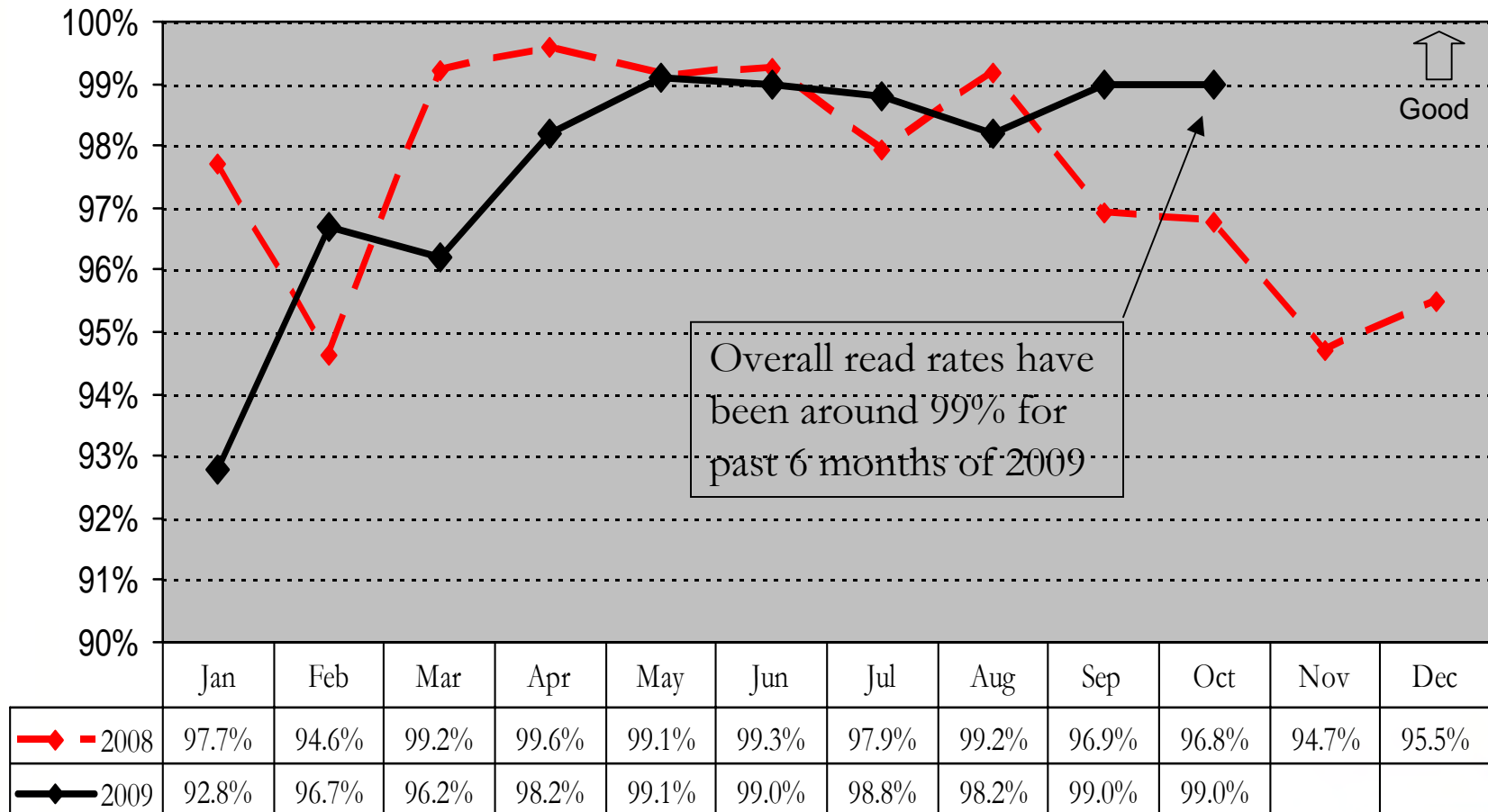
Includes bills cancelled due to controllable causes – est. bill, incorrect charges, meter failure, etc.

—◆— 2009 -◆- 2008

Meter failure field work time in ND



ND meter reads completed per month

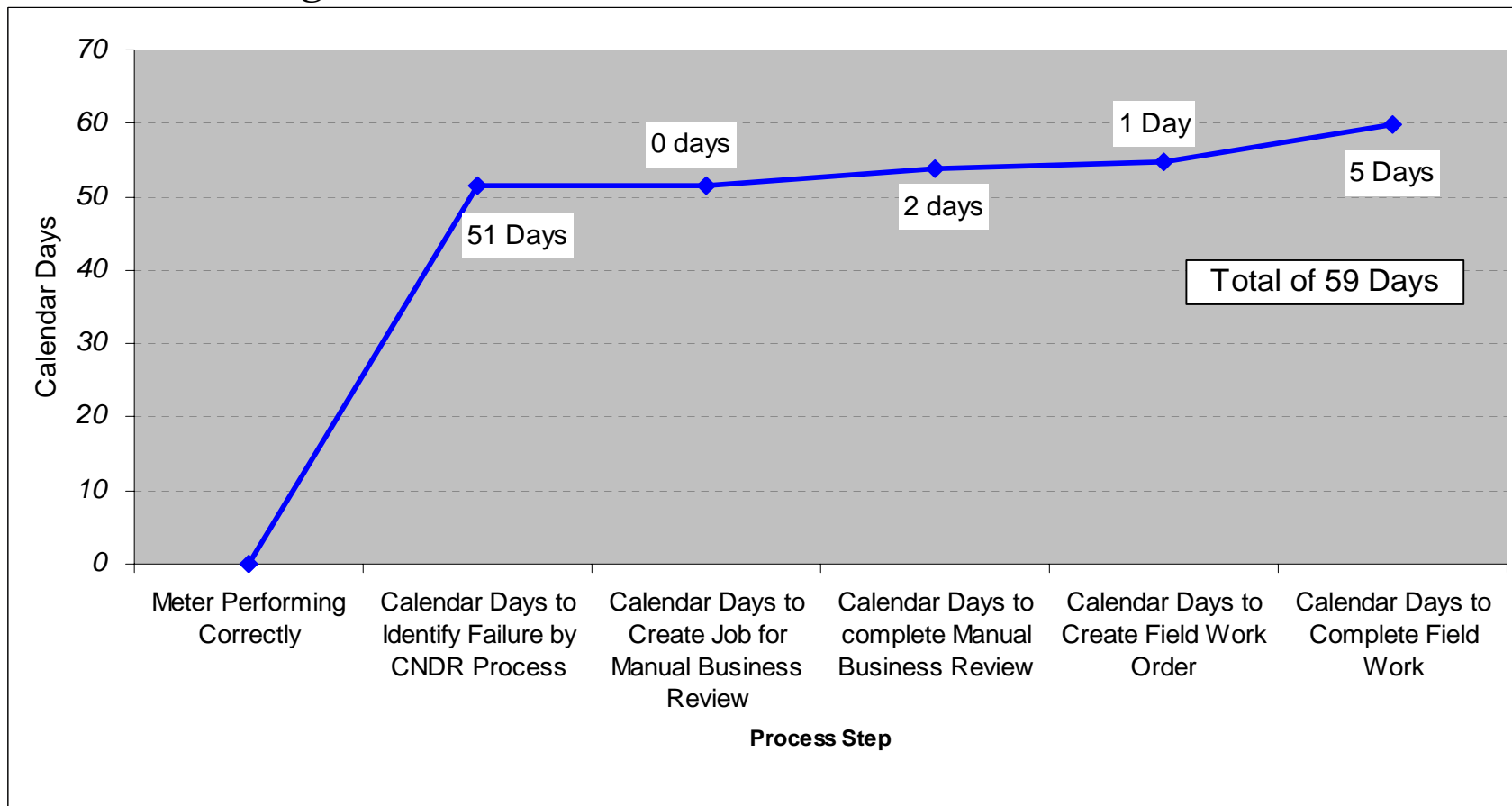


Note: Reflects both automated and manually read meters.

ND failed meter detection/repair process

Natural gas meters

2009



Note: Apr-Oct 2009 data not conducive to detecting zero gas usage. Expect to see reduced process times in winter months due to quicker detection by CNDR process.

Xcel Energy
North Dakota Workforce
Nov. 2004 vs. Nov. 2009

| <u>Functional Area</u> | <u>2004 Employees</u> | <u>2004 Contract</u> | <u>2004 Workforce</u> | <u>2009 Employees</u> | <u>2009 Contract</u> | <u>2009 Workforce</u> | <u>Workforce Change</u> |
|------------------------|---------------------------|--------------------------|---------------------------|---------------------------|--------------------------|---------------------------|-----------------------------|
| Elec Operations | 35 | 0 | 35 | 33 | 2 | 35 | 0 |
| Gas Operations | 27 | 0 | 27 | 25 | 0 | 25 | -2 |
| Operations Support* | 10 | 0 | 10 | 10 | 2 | 12 | 2 |
| Construction Design | 7 | 1 | 8 | 9 | 0 | 9 | 1 |
| Billing | 13 | 4 | 17 | 8 | 0 | 8 | -9 |
| Meter Reading | 9 | 0 | 9 | 1 | 8 | 9 | 0 |
| Mgmt/Supervisory | 5 | 0 | 5 | 6 | 0 | 6 | 1 |
| Credit & Collections | 4 | 1 | 5 | 4 | 0 | 4 | -1 |
| Locating | 4 | 0 | 4 | 3 | 0 | 3 | -1 |
| Administrative Support | 2 | 0 | 2 | 2 | 0 | 2 | 0 |
| Community Relations | 2 | 0 | 2 | 2 | 0 | 2 | 0 |
| Communications | 2 | 0 | 2 | 2 | 0 | 2 | 0 |
| Engineering | 2 | 0 | 2 | 2 | 0 | 2 | 0 |
| Cust. Acct. Mgmt. | 3 | 0 | 3 | 1 | 0 | 1 | -2 |
| Regulatory Affairs | 1 | 0 | 1 | 1 | 0 | 1 | 0 |
| Mapping | <u>1</u> | <u>2</u> | <u>3</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>-3</u> |
| | 127 | 8 | 135 | 109 | 12 | 121 | -14 |

Notes:

* Operations Support includes warehouse, garage, and facilities maintenance functions.

Company employee counts includes full-time, part-time, and temporary personnel.

Counts do not reflect personnel working for contracted service companies and not under the direct supervision of Xcel Energy management.