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PUBLIC SERVICE COMMISSION

December 29, 2009

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

RE: **Response of the Minnesota Office of Energy Security to the Compliance Filing Submitted by Xcel Energy Regarding Cellnet Dispute Resolution**
Docket No. G002/CI-08-871

Dear Dr. Haar:

On July 28, 2008, the Minnesota Public Utilities Commission (Commission) opened the above referenced docket to investigate issues relating to Northern States Power Company d/b/a Xcel Energy's (Xcel or the Company) re-billing of natural gas customers to recoup revenue uncollected due to the failure of natural gas meter modules. The investigation culminated in a July 15, 2009 filing by Xcel requesting to withdraw its August 21, 2008 request to re-bill affected customers.

On October 26, 2009, the Commission issued an "Order Requiring Refund and Other Measures to Address Issues Identified in Investigation." Ordering point 3(c) requires that Xcel shall:

Within 60 days of the final resolution of the dispute resolution process with Cellnet, file a report with the Commission which summarizes the results of the dispute resolution; the filing shall include a proposed disposition of any proceeds, including monetary payments, goods, and services, and any other type of compensation, for Commission review and approval.

On December 18, 2009, Xcel filed the required report which discusses the issues outlined above.

The Office of Energy Security (OES) notes that the matters in this proceeding also affect issues arising in Xcel's recently filed rate case; for example, Xcel's case includes testimony from a witness dedicated to this issue. Rather than commenting on Xcel's proposed disposition of the proceeds of the Company's settlement agreement with Cellnet in this docket, the OES notes that it would be more appropriate to consider related financial issues regarding the matter in the context of Xcel's pending rate case, Docket No. G002/GR-09-1153. As a result, the OES expects to analyze the reasonableness of the information in Xcel's compliance filing in the rate case. The OES is available to answer any questions the Commission may have.

Sincerely,

Kate O'Connell

/s/ KATE O'CONNELL
Supervisor, Energy Regulation and Planning

KO/ja

72 PU-08-627 Filed: 1/4/2010 Pages: 4
MN Docket - Response of MN Office of Energy
Security to Xcel Compliance Filing Re. CellNet
Dispute Resolution
Public Service Commission

CERTIFICATE OF SERVICE

I, Jan Mottaz, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce, Office of Energy Security Letter

Docket No. G002/CI-08-871

Dated this 29th day of December, 2009

/s/Jan Mottaz

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OFF_SL_8-871_1	Bill	Bullard		South Dakota Public Utilities Commss	Capitol Building Pierre, SD 575015070	Paper Service	No
OFF_SL_8-871_1	Burl W.	Haar	burl.haar@state.mn.us	MN Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	No
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Service List Name	First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret
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