



Public Service Commission

State of North Dakota

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December 4, 2008

Richard Sedano, Principal
The Regulatory Assistance Project
50 State Street, Suite 3
Montpelier, VT 05602

Dear Mr. Sedano:


At the Commission's December 3rd meeting, Commissioner Wefald discussed your willingness and ability to help North Dakota in its search for energy efficiency. We are always interested in learning and hearing from many perspectives. We would be pleased if you can participate in our scheduled workshop at 1:30 pm CST on January 5, 2009.

As you can see from the attached invitation, the workshop is entitled Cost/Benefit Analysis and includes several areas of interest to the Commission. The workshop will help Commissioners and staff understand the issues and provide an opportunity, for the investor owned utilities we regulate as well as other interested parties, to explain their needs and desires.

Both Xcel Energy and Otter Tail conduct business in Minnesota and as such operate aggressive DSM programs in that state. Those same kinds and levels of programs have generally not been available to North Dakota customers in the past. However, the commission is interested in pursuing such programs if they are cost effective and a wise use of consumer money.

I hope you will consider this invitation and join us for the workshop. If you have any questions, please call me at 701 328-1035.

Sincerely,



Jerry Lein

Enc. Workshop Invitation

3 **PU-08-884** Filed: 12/4/2008 Part
Letter Requesting the Regulatory Assistance...
to Participate in Workshop

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Public Service Commission
Electric Demand Side Management
Rulemaking**

Case No. PU-08-884

WORKSHOP ON COST/BENEFIT ANALYSIS

November 20, 2008

YOU ARE INVITED to participate in a Public Service Commission workshop to explore policies and methodology for evaluating electric utility energy efficiency and load management programs. The workshop will be held at **1:30 p.m., CST, January 5, 2009, in the Commission Hearing Room, 12th floor, State Capitol, Bismarck, North Dakota.**

The Commission will receive oral and written comments at the workshop on the following issues:

1. What policy goals and objectives should the Commission consider when considering energy efficiency programs?
 - Should the Commission consider the use of energy efficiency as a resource in addition to building additional power plants in order to meet future energy needs?
 - If so, should energy efficiency programs need to produce cost effective, firm energy savings?
 - Should energy efficiency programs be used to achieve both energy and demand reductions?
 - Should energy efficiency programs provide immediate and dependable energy savings supplied throughout the relevant lifetime of the program?
 - Should energy efficiency programs address efficiency improvements in a comprehensive manner in order to make the most cost-effective use of energy efficiency expenditures?
 - Should program proposals provide an analysis of anticipated impact on low-income consumers?
 - Should program proposals target customers residing in structures most in need of efficiency improvements?
2. What benefit /cost tests should the Commission use for reviewing energy efficiency and load management programs?
3. What policy goals should the Commission use to evaluate the results of the benefit cost tests?
 - Reducing or postponing future construction of generation

- Reducing or postponing future reservation of capacity on natural gas transmission pipelines
 - Mitigation of customer bill increases
4. How should educational programs be treated?
 5. How should the Commission evaluate energy efficiency programs after implementation and what percentage of costs should be allowed for evaluation?
 6. Dynamic pricing, which is a means of achieving demand response through rate designs that reflect the time-varying nature of utility power production costs, can be used to influence customer behavior using price signals. Dynamic pricing may be coupled with advanced metering infrastructure or with less costly interval metering systems.
 - What dynamic pricing programs are already available to North Dakota customers, such as time-of-use rates, critical peak rates, seasonal price differentials, and payments to customers to curtail their usage?
 - What benefit cost tests should the Commission use to evaluate Demand response programs for approval?
 - How should companies address the effects on the elderly, low-income or handicapped customers who may be unable to easily shift or curtail energy use?
 7. Other issues that participants may raise concerning policies and methodologies for evaluating electric utility energy efficiency and load management programs.

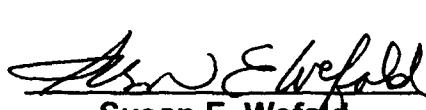
The Commission requests written summaries of comments be provided, and would appreciate receiving the summaries prior to the workshop.

Written comments or summaries should be filed with Darrell Nitschke, Executive Secretary, Public Service Commission, 600 East Boulevard Avenue, Department 408, Bismarck, North Dakota 58505-0480.

If individuals require any auxiliary aids or services, such as readers, signers, or Braille materials, please notify Darrell Nitschke, Executive Secretary, at least 24 hours prior to the workshop at the following numbers: 701-328-2400, or Relay North Dakota TTY: 1-800-366-6888.

PUBLIC SERVICE COMMISSION


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 Commissioner


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