



414 Nicollet Mall
Minneapolis, Minnesota 55401-1993

January 02, 2009

Darrell Nitschke,
Executive Secretary and Director of Administration
North Dakota Public Service Commission
State Capitol
600 East Boulevard
Bismarck, ND 58505-0480

**RE: Filing Pursuant to NDPSC Cogeneration and Small Power Production Rules
(Chapter 69-09-07)**

Dear Mr. Nitschke:

Enclosed is your copy of the Company's Cogeneration and Small Power Production compliance filing. A copy of the non-proprietary work papers is also attached for your information.

If you have any questions, please call me at 612-330-6128, or Dave Sederquist at 701-241-8632.

Sincerely,

A handwritten signature in black ink, appearing to read 'Phil Zins', with a long horizontal stroke extending to the right.

Phil Zins
Manager, Pricing and Planning

cc: Jerry Lein, NDPSC

enclosure



January 02, 2009

414 Nicollet Mall
Minneapolis, Minnesota 55401-1993

Darrell Nitschke
Executive Secretary and Director of Administration
North Dakota Public Service Commission
State Capitol
600 East Boulevard
Bismarck, ND 58505-0480

**RE: Filing Pursuant to NDPSC Small Power Production and Cogeneration Rules
(Chapter 69-09-07)**

Dear Mr. Nitschke:

Pursuant to the above referenced Rules and NDPSC Order Case No. 9999, Northern States Power Company, a Minnesota corporation ("Xcel Energy" or the "Company") operating in North Dakota hereby submits for filing pursuant to NDCC Section 49.05.06 the original and seven copies of the rate sheets and avoided costs for the Standard Contract Offer and Guidelines proposed for 2009.

The Net Energy Billing Service is revised to reflect the 2009 avoided energy cost level and meter charges. This service is available to qualifying facilities with a capacity of 100 kW or less who can use the output from the qualifying facility to offset energy delivered by the Company.

The Purchase and Sales Billing Service and Time of Day Purchase Service are revised to reflect the 2009 avoided cost level and metering charges. The Purchase and Sales Billing Service is also available to qualifying facilities with capacity up to 100 kW.

The Company also submits the avoided costs for the Standard Contract Offer and Guidelines for filing. The provisions of the Standard Contract Offer and Guidelines have not changed from last year's filing.

Under separate cover, we are forwarding to the PSC Staff the work papers which support this filing. The updated tariffs were developed in accordance with NDPSC Small Power Production and Cogeneration Rules (Chapter 69-09-07).

These updates do not reflect any significant changes, and presently no customers are utilizing the Cogeneration and Small Power Production tariffs in North Dakota. As was the case with last year's filing, Xcel Energy respectfully requests that – should PSC Staff have no particular concerns with the filed revisions – the Commission forego an informal hearing on this filing in the interests of time and resources.

The revised rate sheets and avoided cost level for Standard Contract Offer and Guidelines are filed to become effective February 1, 2009.

Xcel Energy notes that the statutory changes to the Public Utility Regulatory Policy Act of 1978 ("PUPRA") contained in the Energy Policy Act of 2005 ("EPAAct 2005"),¹ the Federal Energy Regulatory Commission ("FERC") adoption of a Small Generation Interconnection Procedure and standard form Small Generation Interconnection Agreement in FERC Order No. 2006,² and recent FERC rules governing the mandatory purchase obligation under EPAAct 2005, may affect future development of QF's in North Dakota and either encourage or discourage cogeneration and small power production. Since FERC recently issued its final rule implement the EPAAct 2005 changes to PURPA,³ the ultimate impact is not known at this time.

If you have any questions concerning this filing, feel free to contact Dave Sederquist at 701-241-8632.

Sincerely,



Phil Zins
Manager, Pricing and Planning

cc John Chow, Xcel Energy
Dave Sederquist, Xcel Energy
enclosures

¹ Pub. L. No. 109-58, Sec. 1253, 119 Stat. 594 (2005).

² *Standardization of Small Generation Interconnection Agreements and Procedures*, Order No. 2006, 70 Fed. Reg. 34,189 (June 13, 2005); 111 FERC ¶ 61,220 (2005); *order on reh.*, Order No. 2006-A, 116 FERC ¶ 61,046 (2006).

³ *New PURPA Section 210(m) Regulations Applicable to Small Power Production and Cogeneration Facilities*, Order No. 668, Docket No. RM06-10-000, (Oct. 20, 2006). FERC interpreted Section 210(m) to require elimination of utilities' QF purchase obligation in wholesale markets that meet specific criteria, including the Midwest ISO "Day 2" market. FERC established rebuttable presumptions regarding market access for QFs larger than 20 MW and smaller than 20 MW. To terminate a mandatory QF purchase obligation, a utility must file for FERC authorization. The new rules are effective 60 days after publication in the Federal Register.

Legislative

NET ENERGY BILLING SERVICE
RATE CODE D50

Section No. 9
~~4st~~-2nd Revised Sheet No. 2

AVAILABILITY

Available to any Small Qualifying Facility (SQF) with a capacity of 100 kW or less who receives non-time of day retail electric service from Company and offsets energy delivered by Company.

RATE

Metering Charge per Month

Single Phase	\$3.25
Three Phase	\$5.50

Payment Schedule for Energy Delivered to Company

Energy Payment per kWh	5.40 3.68¢
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TERMS AND CONDITIONS OF SERVICE

1. Energy used by customer in excess of energy delivered by the small qualifying facility at the same site during the same billing period shall be billed in accordance with the appropriate non-time of day retail electric rate.

For demand metered General Service customers, the entire kW demand supplied by the Company at the same site during the same billing period shall be billed to the customer according to the appropriate General Service demand charge rate.

2. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the small qualifying facility (SQF). The net interconnection charge is the responsibility of the SQF.
3. The voltage and phase of customer's generator must be consistent with existing service and approved by the Company.
4. The customer must maintain a power factor of the generator as close to unity as is consistent with NSP operating standards.

Date Filed: 01-02-0801-02-09

By: David M. Sparby

Effective Date: 02-01-0802-
01-09

Case No. PU-08-39
President and CEO of Northern States Power Company, a Minnesota corporation

Order Date: 02-01-08

PURCHASE AND SALE BILLING SERVICE
RATE CODE D51

Section No. 9
 4st-2nd Revised Sheet No. 3

AVAILABILITY

Available to any Small Qualifying Facility of less than 100 kW who receives non-time of day retail electric service.

RATE

Metering Charge per Month

Single Phase	\$5.25
Three Phase	\$7.60

Payment Schedule for Energy Delivered to Company

	<u>Oct-May</u>	<u>Jun-Sep</u>	
Energy Payment per kWh	5.043.52¢	5.274.00¢	C
Capacity Payment per kWh for Firm Power	0.940.53¢	2.521.45¢	C

FUEL CLAUSE

Payments subject to the adjustment provided for in Fuel Clause Rider No. 1.

DETERMINATION OF FIRM POWER

The small qualifying facility will have supplied firm power if during the billing period an on peak capacity factor of at least 65 percent was achieved. The calculation of the on peak capacity factor will be as follows:

The average on peak period metered capacity delivered to the Company for the on peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

TERMS AND CONDITIONS OF SERVICE

1. Electric service provided by Company to customer at the same site shall be billed in accordance with the appropriate non-time of day retail electric tariff.
2. Interconnection charges will be assessed by the Company on an individual basis for all costs associated with addition to or modification of Company facilities to accommodate the small qualifying facility (SQF). The net interconnection charge is the responsibility of the SQF.
3. The minimum contracted term of service is 12 months.

Date Filed:	04-02-0801-02-09	By:	David M. Sparby	Effective Date:	02-01-0802-01-09
Case No.	PU-08-39		President and CEO of Northern States Power Company, a Minnesota corporation	Order Date:	02-01-08

**TIME OF DAY PURCHASE SERVICE
 RATE CODE D52**

Section No. 9
 4st-2nd Revised Sheet No. 4

AVAILABILITY

Available to any Small Qualifying Facility (SQF).

RATE

Metering Charge per Month

Single Phase	\$5.25
Three Phase	\$7.60

Payment Schedule for Energy Delivered to Company

	<u>Oct-May</u>	<u>Jun-Sep</u>
Energy Payment per On-Peak kWh	6.644.44¢	7.665.82¢
Energy Payment per Off-Peak kWh	4.093.01¢	3.942.96¢
Capacity Payment per On-Peak kWh for Firm Power	2.601.50¢	7.344.22¢

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Date Filed:	<u>01-02-0801-02-09</u>	By:	David M. Sparby	Effective Date:	<u>02-01-0802-01-09</u>
Case No.	PU-08-39		President and CEO of Northern States Power Company, a Minnesota corporation	Order Date:	02-01-08

Non-Legislative

NET ENERGY BILLING SERVICE
RATE CODE D50

Section No. 9
2nd Revised Sheet No. 2

AVAILABILITY

Available to any Small Qualifying Facility (SQF) with a capacity of 100 kW or less who receives non-time of day retail electric service from Company and offsets energy delivered by Company.

RATE

Metering Charge per Month

Single Phase	\$3.25
Three Phase	\$5.50

Payment Schedule for Energy Delivered to Company

Energy Payment per kWh	3.68¢
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TERMS AND CONDITIONS OF SERVICE

1. Energy used by customer in excess of energy delivered by the small qualifying facility at the same site during the same billing period shall be billed in accordance with the appropriate non-time of day retail electric rate.

For demand metered General Service customers, the entire kW demand supplied by the Company at the same site during the same billing period shall be billed to the customer according to the appropriate General Service demand charge rate.

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Date Filed: 01-02-09 By: David M. Sparby Effective Date: 02-01-09
President and CEO of Northern States Power Company, a Minnesota corporation
Case No. PU- Order Date:

PURCHASE AND SALE BILLING SERVICE
RATE CODE D51

Section No. 9
2nd Revised Sheet No. 3

AVAILABILITY

Available to any Small Qualifying Facility of less than 100 kW who receives non-time of day retail electric service.

RATE

Metering Charge per Month

Single Phase	\$5.25
Three Phase	\$7.60

Payment Schedule for Energy Delivered to Company

	<u>Oct-May</u>	<u>Jun-Sep</u>	
Energy Payment per kWh	3.52¢	4.00¢	C
Capacity Payment per kWh for Firm Power	0.53¢	1.45¢	C

FUEL CLAUSE

Payments subject to the adjustment provided for in Fuel Clause Rider No. 1.

DETERMINATION OF FIRM POWER

The small qualifying facility will have supplied firm power if during the billing period an on peak capacity factor of at least 65 percent was achieved. The calculation of the on peak capacity factor will be as follows:

The average on peak period metered capacity delivered to the Company for the on peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

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3. The minimum contracted term of service is 12 months.

Date Filed: 01-02-09 By: David M. Sparby Effective Date: 02-01-09
President and CEO of Northern States Power Company, a Minnesota corporation
Case No. PU- Order Date:

TIME OF DAY PURCHASE SERVICE
RATE CODE D52

Section No. 9
2nd Revised Sheet No. 4

AVAILABILITY

Available to any Small Qualifying Facility (SQF).

RATE

Metering Charge per Month

Single Phase	\$5.25
Three Phase	\$7.60

Payment Schedule for Energy Delivered to Company

	<u>Oct-May</u>	<u>Jun-Sep</u>	
Energy Payment per On-Peak kWh	4.44¢	5.82¢	C
Energy Payment per Off-Peak kWh	3.01¢	2.96¢	C
Capacity Payment per On-Peak kWh for Firm Power	1.50¢	4.22¢	C

FUEL CLAUSE

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DETERMINATION OF FIRM POWER

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The average on-peak period metered capacity delivered to the Company for the on-peak period of the billing period divided by the greatest 15 minute metered capacity delivered for the on-peak period of the same billing period expressed in percent and rounded to the nearest whole percent. If the percent calculated is 65 or greater, capacity payment will be made. If the percent calculated is less than 65, capacity payment will not be made.

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3. The minimum contract term of service is 12 months.

Date Filed: 01-02-09 By: David M. Sparby Effective Date: 02-01-09
President and CEO of Northern States Power Company, a Minnesota corporation
Case No. PU- Order Date:

Standard Contract Offer
by
Northern States Power Company

2009 Rate Sheet

Years	\$/kW-mth	Years	\$/MWh
<u>Contract Length</u>	<u>Levelized Capacity</u>	<u>Payment Period</u>	<u>Levelized Energy (1)</u>
1	0.00		
2	0.00		
3	1.97		
4	2.98		
5	3.60		
6	4.04	1	46.49
7	4.36	2	46.86
8	4.62	3	47.15
9	4.83	4	47.52
10	5.00	5	48.01
11	5.15	6	48.49
12	5.29	7	48.85
13	5.41	8	49.28
14	5.51	9	49.51
15	5.61	10	49.77
16	5.70	11	50.00
17	5.79	12	50.28
18	5.87	13	50.49
19	5.94	14	50.79
20	6.01	15	51.06
21	6.08	16	51.34
22	6.14	17	51.75
23	6.20	18	52.15
24	6.25	19	52.53
25	6.31	20	52.89
26	6.36		
27	6.41		
28	6.45		
29	6.50		
30	6.54		
31	6.58		
32	6.62		
33	6.66		
34	6.70		
35	6.73		

(1) Minimum contract length required for levelized energy payments is 6 years. Maximum length is 20 years. Examples: A 6 year contract could receive one year of levelized energy rates at 46.10 \$/MWh with the remaining 5 years used for payback account corrections. A 20 year contract could receive 15 years of levelized payment at 48.86 \$/MWh for each year with the remaining 5 years for payback account corrections.

Standard Contract Offer
by
Northern States Power Company

2010 Rate Sheet

Years	\$/kW-mth	Years	\$/MWh
<u>Contract Length</u>	<u>Levelized Capacity</u>	<u>Payment Period</u>	<u>Levelized Energy (1)</u>
1	0.00		
2	3.06		
3	4.12		
4	4.68		
5	5.03		
6	5.29	1	48.66
7	5.49	2	48.79
8	5.65	3	49.08
9	5.78	4	49.51
10	5.90	5	49.96
11	6.01	6	50.27
12	6.10	7	50.67
13	6.19	8	50.87
14	6.27	9	51.10
15	6.35	10	51.31
16	6.42	11	51.57
17	6.48	12	51.77
18	6.55	13	52.06
19	6.61	14	52.32
20	6.67	15	52.60
21	6.72	16	53.03
22	6.78	17	53.43
23	6.83	18	53.83
24	6.88	19	54.20
25	6.92	20	54.65
26	6.97		
27	7.01		
28	7.06		
29	7.10		
30	7.14		
31	7.18		
32	7.21		
33	7.25		
34	7.28		
35	7.32		

(1) Minimum contract length required for levelized energy payments is 6 years. Maximum length is 20 years. Examples: A 6 year contract could receive one year of levelized energy rates at 46.76 \$/MWh with the remaining 5 years used for payback account corrections. A 20 year contract could receive 15 years of levelized payment at 49.80 \$/MWh for each year with the remaining 5 years for payback account corrections.

Standard Contract Offer
by
Northern States Power Company

2011 Rate Sheet

Years	\$/kW-mth	Years	\$/MWh
<u>Contract Length</u>	<u>Levelized Capacity</u>	<u>Payment Period</u>	<u>Levelized Energy (1)</u>
1	6.35		
2	6.41		
3	6.47		
4	6.53		
5	6.59		
6	6.65	1	49.78
7	6.71	2	50.00
8	6.77	3	50.42
9	6.82	4	50.86
10	6.88	5	51.16
11	6.93	6	51.56
12	6.99	7	51.73
13	7.04	8	51.96
14	7.09	9	52.15
15	7.14	10	52.40
16	7.19	11	52.60
17	7.24	12	52.89
18	7.29	13	53.16
19	7.33	14	53.45
20	7.38	15	53.89
21	7.42	16	54.32
22	7.47	17	54.73
23	7.51	18	55.12
24	7.55	19	55.60
25	7.59	20	56.11
26	7.63		
27	7.67		
28	7.71		
29	7.74		
30	7.78		
31	7.81		
32	7.85		
33	7.88		
34	7.91		
35	7.94		

(1) Minimum contract length required for levelized energy payments is 6 years. Maximum length is 20 years. Examples: A 6 year contract could receive one year of levelized energy rates at 46.44 \$/MWh with the remaining 5 years used for payback account corrections. A 20 year contract could receive 15 years of levelized payment at 50.25 \$/MWh for each year with the remaining 5 years for payback account corrections.

STANDARD KWH METER	Single Phase	Three Phase
(1) Installed Cost	\$73.83	\$129.05
(2) L.A.R.R.	11.02%	11.02%
(3) Levelized Cost (1)*(2)	\$8.14	\$14.22
(4) Accounting Expenses \$/Cust/Yr	\$26.51	\$41.99
(5) Total Annual (3)+(4)	\$34.64	\$56.21
(6) Total Monthly (5)/12	\$2.89	\$4.68
	\$3.25 Proposed	\$5.50 Proposed
	\$3.25 Last Year	\$5.50 Last Year

TOD KW/KWH METER	Single Phase	Three Phase
(7) Installed Cost	\$251.48	\$276.50
(8) Levelized Cost (7)*(2)	\$27.71	\$30.47
(9) Total Annual (8)+(4)	\$54.22	\$72.46
(10) Total Monthly	\$4.52	\$6.04
	\$5.25 Proposed	\$7.60 Proposed
	\$5.25 Last Year	\$7.60 Last Year

Source:

(1)(7) Data provided by Xcel Energy Metering Dept.

(2) See page 6A.

(4) See pages 2, 3, 4 and 5.

Assumed accounting expenses for the second meter is 56.41%

For 1ø: $(2036000+233000)/(68180+7047)*0.5641*1.03^{16}$

For 3ø: $140000/2930*0.5641*1.03^{16}$

To project 2009 accounting expense, the above

1993 Test Year numbers were inflated 3% / year.

NORTHERN STATES POWER COMPANY (MINNESOTA)
 ELECTRIC UTILITY - STATE OF NORTH DAKOTA
 EMBEDDED CLASS COST OF SERVICE STUDY
 TEST YEAR ENDING DECEMBER 1993
 (DOLLARS IN THOUSANDS)

REVENUE REQUIREMENT BY COST COMPONENT (PROPOSED REVENUES)

	OUT		IN		ALLOC	RESIDENTIAL		
	WITH HEATING	WITHOUT HEATING	LOAD MANAGEMENT	TOTAL RESIDENTIAL		WITH HEATING	WITHOUT HEATING	TOTAL RESIDENTIAL
DEVELOPMENT OF REVENUE REQUIREMENTS								
1	10.03	8.59	5.11				9.09	
2	18,482	27,828	240				44,328	
3	18,438	28,823	213				43,174	
4	24	1,103	27				1,154	
5	0.15	4.16	12.46				2.87	
CUSTOMER COMPONENT								
6	2,207	5,500	38				7,743	
7	18,548	49,274	351				68,531	
8	9.71	9.31	9.42				9.42	
ENERGY COMPONENT								
TIME OF DAY RELATED								
9	2,068	3,063	33				5,164	
10	2,817	3,868	63				8,548	
11	4,885	6,729	97				11,711	
12	291,763	398,878	5,923				696,564	
13	18.74	16.87	18.33				16.81	
CAPACITY COMPONENT								
PRODUCTION RELATED								
14	4,533	5,914	73				10,521	
15	1,748	1,739	0				3,484	
16	7,180	10,665	76				17,921	
17	995	1,709	1				2,705	
18	204	688	0				892	
19	145	584	1				730	
20	349	1,272	1				1,622	
21	822	848	3				1,473	
22	9,346	14,294	81				23,721	
23	0	0	0				0	
24	0.00	0.00	0.00				0.00	
25	32.03	35.83	13.63				34.05	

NORTHERN STATES POWER COMPANY (MINNESOTA)
ELECTRIC UTILITY - STATE OF NORTH DAKOTA
EMBEDDED CLASS COST OF SERVICE STUDY
TEST YEAR ENDING DECEMBER 1993
(DOLLARS IN THOUSANDS)

REVENUE REQUIREMENT BY COST COMPONENT (PROPOSED REVENUES)

	DUTY IN ALLOC		COMMERCIAL & INDUSTRIAL		TOTAL COMMERCIAL & INDUSTRIAL
	NON-DEMAND METERED	FIRM INTERRUPTIBLE	DEMAND METERED	TOTAL	
DEVELOPMENT OF REVENUE REQUIREMENTS					
1 RATE OF RETURN ON RATE BASE RETURN	12.81	11.14	9.34	10.81	11.00
2 RETAIL REVENUE REQUIREMENT REVROR	5,436	37,633	9,258	46,891	52,327
3 REVENUE FROM SALES-PROPOSED PROREV	8,789	38,640	9,095	47,736	53,524
4 REV DEF TO PRODUCE 10.05% ROR RTZ	-353	-1,007	163	-844	-1,197
5 PERCENTAGE REVENUE REVEN	-6.10	-2.61	1.79	-1.77	-2.24
CUSTOMER COMPONENT					
6 REVENUE REQUIREMENT REVC	1,013	981	64	1,045	2,058
7 AVERAGE MONTHLY CUSTOMERS C11	7,047	2,930	141	3,071	10,118
8 REVENUE REQUIRED \$/MO/CUST REVI	11.98	27.90	37.83	28.36	18.85
ENERGY COMPONENT					
TIME OF DAY RELATED					
9 ON PEAK REVON	876	6,720	1,737	8,457	9,333
10 OFF PEAK REVOFF	841	5,690	1,835	7,526	8,188
11 REVENUE REQUIREMENT REVE	1,517	12,410	3,572	15,982	17,499
12 ANNUAL MWH SALES E99	88,381	718,326	210,845	929,171	1,015,652
13 REVENUE REQUIRED MILLS/KWH REV2	17.56	17.28	16.94	17.20	17.23
CAPACITY COMPONENT					
PRODUCTION RELATED					
14 BASE LOAD REVEL	1,540	11,962	3,230	15,192	16,732
15 SUMMER PEAKING REVSUM	548	4,533	490	5,024	5,570
16 WINTER PEAKING REVWIN	374	2,351	581	2,933	3,307
17 TOTAL PRODUCTION REVOD	2,461	18,847	4,301	23,148	25,609
18 TRANSMISSION RELATED REVTD	340	2,505	395	2,901	3,241
DISTRIBUTION SUBSTATION REVPSD					
19 LINES & TRANSFORMERS REVPD	164	1,214	272	1,487	1,651
20 TOTAL PRIMARY REVPD	145	1,402	322	1,724	1,869
21 SECONDARY RELATED REVPD	309	2,618	594	3,210	3,520
22 REVENUE REQUIREMENT REVD	149	1,280	168	1,449	1,598
23 ANNUAL KW BILLED DEMANDS D99	3,259	25,249	5,459	30,708	33,967
24 REVENUE REQUIRED \$ PER KW REV3	0.00	2,264,088	546,961	2,811,049	2,811,049
25 REVENUE REQUIRED MILLS/KWH REV4	0.00	11.15	9.98	10.92	12.08
26 REVENUE REQUIRED MILLS/KWH REV4	37.73	35.15	25.89	33.05	33.45

NORTHERN STATES POWER COMPANY (MINNESOTA)
ELECTRIC UTILITY - STATE OF NORTH DAKOTA
EMBEDDED CLASS COST OF SERVICE STUDY
TEST YEAR ENDING DECEMBER 1993
(DOLLARS IN THOUSANDS)

OPERATION & MAINTENANCE EXPENSES (PAGE 2 OF 2)

	OUT	IN	ALLOC	RESIDENTIAL		
				WITH HEATING	WITHOUT HEATING	LOAD MANAGEMENT
1	DISTRIBUTION EXPENSE	OXDSE	XDSE	ZDSE		
2	SUPERVISION & ENGINEERING	OX61SE	X61SE	P61	151	
3	SUBSTATION EXPENSE	OX61SC	OX61SC		247	
4	LEASED FACILITIES CREDITS	OXDL	XDL	PDL	0	
5	OVERHEAD LINES EXPENSE	OXUL	XUL	PUL	809	
6	UNDERGROUND LINES EXPENSE	OX68	X68	P68	358	
7	LINE TRANSFORMER EXPENSE	OX73	OX73		91	
8	STREET LIGHTING EXPENSE	OX70	X70	P70	0	
9	METER EXPENSE	OX71	X71	P71	237	
10	CUSTOMER INSTALLATIONS EXP	OX88	X88	OXDT5	0	
11	MISCELLANEOUS	OX89	X89	OXDL	680	
12	RENTS (POLE ATTACHMENTS)	OX60			14	
13	TOTAL DISTRIBUTING EXP				2,597	
14	CUSTOMER ACCOUNTING EXPENSE	OX90S	X90S	C11WA		
15	SYSTEM	OX90L	X90L	C11WA	188	
16	LOCAL	OX90			1,850	
17	TOTAL CUST ACCTG EXP				2,038	
18	SALES EXPENSE	OX91S	X91S	OXPPJ	0	
19	SYSTEM NON-ASSOC UTIL SALES	OX91L	X91L	C11P10	0	
20	LOCAL	OX91			1	
21	TOTAL SALES EXPENSE				1	
22	CUSTOMER SERVICE & INFO EXPENSE	OX92S	X92S	C11P10	0	
23	SYSTEM	OX92L	X92L	C11P10	42	
24	LOCAL	OX92			950	
25	TOTAL CUST SERVICE EXP				992	
26	ADMINISTRATIVE AND GENERAL EXPENSE	OX93S	X93S	PLT5AL	2,058	
27	SYSTEM	OX93L	X93L	PLT5AL	563	
28	LOCAL	OX93		NEP15	428	
29	PROPERTY INSURANCE	OX94S	X94S	LABOR	0	
30	PENSIONS & BENEFITS	OX94L	X94L	LABOR	0	
31	INCENTIVE COMPENSATION	OX95S	X95S	LABOR	414	
32	INJURIES AND CLAIMS	OX95L	X95L	LABOR	69	
33	REGULATION EXPENSE	OX96S	X96S	ROI	102	
34	CIP/DSM EXPENSE	OX96L	X96L	D57E43	379	
35	TOTAL A&G EXPENSE	OX97S	X97S	C11P10	4,012	
36	ECONOMIC DEVELOPMENT EXP	OX97L	X97L	D59E41	24	
37	PATHFINDER O&M EXPENSE	OX98S	X98S		0	
38	TOTAL O & M EXPENSE	OX98L	X98L		0	
39	TOTAL D & M EXPENSE				18,308	
40	TOTAL RESIDENTIAL				11,272	181
41	TOTAL D & M EXPENSE				18,308	181
42	TOTAL RESIDENTIAL				29,760	

**Northern States Power Company, a Minnesota Corporation Operating In North Dakota
State of North Dakota
Derivation of Energy Payments**

NET ENERGY BILLING SERVICE	Average Summer	Average Winter	Wtd Avg Annual
(1) Estimated System Average Incremental Energy Costs for 2009 (¢/kWh)	3.89	3.42	
(2) Energy Loss Factors	0.9737	0.9707	
(3) Estimated System Average Incremental Energy Costs Adjusted for Losses (1)/(2)	4.00 ^[1]	3.52 ^[2]	
(4) Average Annual (Cents/kWh) ((1)*4/12) + ([2]*8/12)			3.68

PURCHASE AND SALE BILLING SERVICE	Average Summer	Average Winter
(1) Estimated System Average Incremental Energy Costs for 2009 (¢/kWh)	3.89	3.42
(2) Energy Loss Factors	0.9737	0.9707
(3) Estimated System Average Incremental Energy Costs Adjusted for Losses (1)/(2)	4.00	3.52

TIME OF DAY PURCHASE SERVICE	Summer On Peak	Summer Off Peak	Winter On Peak	Winter Off Peak
(1) Estimated System Average Incremental Energy Costs for 2009 (¢/kWh)	5.66	2.89	4.31	2.93
(2) Energy Loss Factors	0.9723	0.9756	0.9707	0.9739
(3) Estimated System Average Incremental Energy Costs Adjusted for Losses(1)/(2)	5.82	2.96	4.44	3.01

Sources:

Incremental Energy Cost Data provided by Xcel Energy's Energy Marketing.

Northern States Power Company, a Minnesota Corporation Operating In North Dakota
State of N. Dakota
Calculation of Net Annual Avoided Capacity Costs

(1) Completed Cost of Planned C.T. Unit (2009 \$)	\$758 /kW
(2) Inflation Net of Technical Progress	1.92%
(3) Average Service Life	35 Years
(4) Discount Rate (After Tax)	7.83%
Calculation of Marginal Capital Carry Charge Rate	
(5) Present Value of Revenue Requirements	\$818 /kW
(6) Annuity Factor Adjustment for Inflation **	0.06865
(7) Present Value of Revenue Requirements Adjusted for Inflation (5)*(6)	\$56.16
(8) Marginal Capital Carrying Charge Rate (7)/(1)	0.07408
(9) First Year Revenue Requirement (1)*(8)	\$56.16 /kW (2009 \$)
(10) Present Value at 7.83% for 0 years	\$56.16 /kW
(11) Present Value of Average Annual Fuel Savings	\$0.00 /kW
(12) Annual Avoided Capacity Cost (10)-(11)	\$56.16 /kW
(13) Adjusted for 15% Reserve Margin (12)*1.15	\$64.58 /kW
(14) Plus \$2.53/kW Fixed O & M (13)+2.53	\$67.11 /kW
(15) Adjusted for Losses (14)/0.9375	\$71.58 /kW
(16) NET ANNUAL AVOIDED CAPACITY COST	\$71.58 /kW
(17) Net Winter On-Peak Avoided Capacity Cost (TOD PURCHASE) (16)*0.4188*100/2040	1.47 cents/kWh
(18) Net Summer On-Peak Avoided Capacity Cost (TOD PURCHASE) (16)*0.5812*100/1008	4.13 cents/kWh
(19) Net Annual On-Peak Avoided Capacity Cost (16)*100/3048	2.35 cents/kWh
(20) Net Winter Avoided Capacity Cost Averaged Over All Winter Hours (PURCHASE & SALE BILLING) (16)*0.4188*100/5832	0.51 cents/kWh
(21) Net Summer Aoided Capacity Cost Averaged Over All Summer Hours (PURCHASE & SALE BILLING) (16)*0.5812*100/2928	1.42 cents/kWh
(22) Net Annual Avoided Capacity Cost Average Over All Hours (16)*100/8760	0.82 cents/kWh

Note: The weighting factors 0.5812 and 0.4188 are obtained from NSP's most recent Cost of Service Study. These ratios represent relative summer and winter season capacity costs on NSP's system.

$$** AC = K \cdot (r-j) \cdot (1+j)^{t-1} \cdot [1 / (1-(1+j)^n / (1+r)^n)]$$

Where AC = Annual Charge in year t

t = Year (=1)

K = Total Present Value Cost of Original Investment

r = Discount Rate (Overall Marginal Cost of Capital) (7.83%)

j = Inflation Rate Net of Technology Progress (1.92%)

n = Expected Service Life of Investment (35 Years)

PUL-1 SCHEDULE 10

NORTHERN STATES POWER COMPANY (MINNESOTA)
 ELECTRIC UTILITY - STATE OF NORTH DAKOTA
 EMBEDDED CLASS COST OF SERVICE STUDY
 TEST YEAR ENDING DECEMBER 1983
 (DOLLARS IN THOUSANDS)

REVENUE REQUIREMENT BY COST COMPONENT (REQUIRED NOR)

MAJOR RETAIL CLASSES OF SERVICE		TOTAL	TOTAL	TOTAL
NORTH DAKOTA RETAIL	RESIDENTIAL	COMMERCIAL SALES TO PUBLIC STREET & AREA	INDUSTRIAL AUTHORITIES	LIGHTING
10.09	10.09	10.09	10.09	10.09
90,768	28,827	49,349	1,138	1,452
99,820	44,328	52,327	1,333	1,842
8,763	8,601	2,978	105	90
9.65	14.17	6.03	17.12	6.18

OUT IN ALLOC.

DEVELOPMENT OF REVENUE REQUIREMENTS

1	RATE OF RETURN ON RATE BASE	RETURN
2	REVENUE FROM SALES-PRESENT	ROI
3	RETAIL REVENUE REQUIREMENT	REV
4	REV DEF TO PRODUCE 10.00X NOR	REV
5	PERCENTAGE REVENUE	REVEN

CUSTOMER COMPONENT

6	REVENUE REQUIREMENT	REVC
7	AVERAGE MONTHLY CUSTOMERS	CII
8	REVENUE REQUIRED \$/MO/CUST	REVI

ENERGY COMPONENT

TIME OF DAY RELATED		REVEN
9	ON PEAK	REVOFF
10	OFF PEAK	REVE
11	REVENUE REQUIREMENT	F09
12	ANNUAL KWH SALES	REVI
13	REVENUE REQUIRED HILLS/KWH	REVI

CAPACITY COMPONENT

PRODUCTION RELATED		REVEN
14	BASE LOAD	REVSUM
15	SUMMER PEAKING	REVIN
16	WINTER PEAKING	REVD
17	TOTAL PRODUCTION	REVD
18	TRANSMISSION RELATED	REVD
19	PRIMARY RELATED	REVPD
20	DISTRIBUTION SUBSTATION	REVPD
21	LINES & TRANSFORMERS	REVPD
22	TOTAL PRIMARY	REVPD
23	SECONDARY RELATED	REVD
24	REVENUE REQUIREMENT	REVD
25	ANNUAL KW BILLED DEMANDS	REVD
26	REVENUE REQUIRED \$ PER KW	REVD
27	REVENUE REQUIRED HILLS/KWH	REVD

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Northern States Power Company, a Minnesota Corporation Operating In North Dakota
 State of N. Dakota
Marginal Cost of Capital

<i>(Before Tax)</i>	Capitalization Ratio (%)	Cost (%)	Weighted (%)
LT- Debt	38.99%	8.39%	3.27%
ST- Debt	4.29%	5.20%	0.22%
Preferred Equity	8.20%	5.74%	0.47%
Common Equity	48.52%	11.50% *	5.58%
Weighted Average	100.00%		9.55%

<i>(After Tax)</i>	Capitalization Ratio (%)	Cost (%)	Weighted (%)
LT-Debt	38.99%	8.39%	1.98%
ST-Debt	4.29%	5.20%	0.00%
Preferred Equity	8.20%	5.74%	0.47%
Common Equity	48.52%	11.50% *	5.58%
Weighted Average	100.00%		8.03%

* Common Equity is Commission approved return in case no. PU-400-92-399

Source:
 Information provided by Xcel Energy Revenue Analysis

REVENUE REQUIREMENTS
Combustion Turbine - North Dakota

12/31/2008

Income Tax Rate	39.55%	Return Requirement	2.38%
AFUDC Rate	0.00%	Depreciation Requirement	2.57%
Beginning Year	2008	Income Tax Requirement	1.50%
Year in Service	2009	Total Capital Requirement	6.45%
Salvage/(Removal)%	0.00%	Property Tax Rate (ND)	1.54%
Tax Life	15 years	Total LARR	7.99%
Book Life	25 years		

Cost of Capital		Before-Tax Weighted Cost		After-Tax Weighted Cost	
Equity	11.50%	48.52%	5.58%	5.58%	0.47%
Preferred	5.74%	8.20%	0.47%	0.47%	0.87%
L-T Debt	8.39%	38.99%	3.27%	1.98%	1.98%
S-T Debt	5.20%	-4.29%	0.22%	0.00%	0.00%
		100.00%	9.54%	8.03%	

Time Period	Year	Capital Expend.	AFUDC	Total CWIP	Plant in Service BOY	Plant in Service EOY	Average Plant in Service	Average Net Plant in Service	Average Acc. Def. Income Taxes	Average Rate Base	Rate of Return (Equity)	Rate of Return (Debt)	AFUDC	Operating Expenses	Book Depr. Expense	Deferred Income Taxes	Salvage
0	2008	333		333	0	0	0	0	0	167	10	0	0	0	0	0	0
1	2009	333		666	0	666	326	4	0	322	20	1	0	0	13	8	0
2	2010	334		0	666	666	639	15	0	624	38	1	0	0	27	14	0
3	2011			0	666	666	613	28	0	584	35	1	0	0	27	12	0
4	2012			0	666	666	586	39	0	547	33	1	0	0	27	10	0
5	2013			0	666	666	569	48	0	511	31	1	0	0	27	8	0
6	2014			0	666	666	533	55	0	478	29	1	0	0	27	6	0
7	2015			0	666	666	506	60	0	446	27	1	0	0	27	5	0
8	2016			0	666	666	480	65	0	414	25	1	0	0	27	5	0
9	2017			0	666	666	453	70	0	383	23	1	0	0	27	5	0
10	2018			0	666	666	426	75	0	351	21	1	0	0	27	5	0
11	2019			0	666	666	400	80	0	319	19	1	0	0	27	5	0
12	2020			0	666	666	373	85	0	288	17	1	0	0	27	5	0
13	2021			0	666	666	346	90	0	256	15	1	0	0	27	5	0
14	2022			0	666	666	320	95	0	224	14	1	0	0	27	5	0
15	2023			0	666	666	293	100	0	193	12	0	0	0	27	5	0
16	2024			0	666	666	266	101	0	165	10	0	0	0	27	5	0
17	2025			0	666	666	240	95	0	145	9	0	0	0	27	5	0
18	2026			0	666	666	213	84	0	129	8	0	0	0	27	5	0
19	2027			0	666	666	186	74	0	113	7	0	0	0	27	5	0
20	2028			0	666	666	160	63	0	97	6	0	0	0	27	5	0
21	2029			0	666	666	133	53	0	81	5	0	0	0	27	5	0
22	2030			0	666	666	107	42	0	64	4	0	0	0	27	5	0
23	2031			0	666	666	80	32	0	48	3	0	0	0	27	5	0
24	2032			0	666	666	53	21	0	32	2	0	0	0	27	5	0
25	2033			0	666	666	27	11	0	16	1	0	0	0	27	5	0
26	2034			0	666	666	7	3	0	4	0	0	0	0	27	5	0
27	2035			0	0	0	0	0	0	0	0	0	0	0	13	(5)	0
28	2036			0	0	0	0	0	0	0	0	0	0	0	0	0	0
29	2037			0	0	0	0	0	0	0	0	0	0	0	0	0	0
30	2038			0	0	0	0	0	0	0	0	0	0	0	0	0	0
31	2039			0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	2040			0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	2041			0	0	0	0	0	0	0	0	0	0	0	0	0	0
34	2042			0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	2043			0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	2044			0	0	0	0	0	0	0	0	0	0	0	0	0	0
37	2045			0	0	0	0	0	0	0	0	0	0	0	0	0	0
38	2046			0	0	0	0	0	0	0	0	0	0	0	0	0	0
39	2047			0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	2048			0	0	0	0	0	0	0	0	0	0	0	0	0	0
41	2049			0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	2050			0	0	0	0	0	0	0	0	0	0	0	0	0	0
43	2051			0	0	0	0	0	0	0	0	0	0	0	0	0	0
44	2052			0	0	0	0	0	0	0	0	0	0	0	0	0	0
45	2053			0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	2054			0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	2055			0	0	0	0	0	0	0	0	0	0	0	0	0	0
48	2056			0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	2057			0	0	0	0	0	0	0	0	0	0	0	0	0	0
				1,000											666		(0)

**Northern States Power Company, a Minnesota Corporation Operating In North Dakota
State of N. Dakota
Derivation of Seasonal Loss Factors**

		<u>50%</u>
<u>ENERGY LOSS FACTORS</u>		
(1) Summer On Peak	0.9446	0.9723
(2) Summer Off Peak	0.9511	0.9756
(3) Summer Average	0.9473	0.9737
(4) Winter On Peak	0.9414	0.9707
(5) Winter Off Peak	0.9477	0.9739
(6) Winter Average	0.9470	0.9735
<u>DEMAND LOSS FACTOR</u>		
(7) Annual Average	0.9375	

Source:
Information provided by Xcel Energy Load Research Dept.