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May 26, 2009

-VIA E-MAIL & U.S. MAIL-

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

Re: MAY 11, 2009 WORKSHOP FOLLOW-UP COMMENTS
FEDERAL 2007 ENERGY INDEPENDENCE AND SECURITY ACT STANDARDS
DOCKET NO. PU-09-20

Dear Mr. Nitschke:

Northern States Power Company, a Minnesota Corporation operating in North Dakota ("Xcel Energy" or "Company"), respectfully submits these comments to the North Dakota Public Service Commission ("Commission") as a follow-up to the May 11, 2009 workshop. The workshop was held as part of the Commission's investigation into the Federal 2007 Energy Independence and Security Act ("EISA") Standards in the docket noted above.

During the discussion, utilities stated that they are all submitting Resource Plans to the Commission for review and as a result, the EISA standard was being met. Parties agreed that it was too early in the evolution of Smart Grid to establish standards in this regard, and the waste energy issue should be addressed during specific contract negotiation and approval processes. It was noted that the remaining standards regarding energy efficiency and energy efficiency incentives required further discussion. Parties were asked to give thought to including the discussion of these standards as part of the Electric Demand Side Management Rulemaking (Case No. PU-08-884).

The Electric Demand Side Management Rulemaking case appears to cover most of the areas that are addressed by the EISA standards and therefore, the rulemaking proceeding can easily incorporate the EISA standard discussion. The remaining issues that need to be added to the rulemaking docket are a discussion of incentives for promoting energy efficiency and the recovery of or offset to lost margins as customers reduce their usage.

In looking at gas energy efficiency standards and rate designs, the workshop did not devote much time to this discussion. However, as we stated in our initial comments, we believe that we are already meeting the EISA standards in this area.

To help stimulate further discussion in Case No. PU-08-884, we are enclosing a recently published report by the American Council for an Energy-Efficient Economy that we believe addresses some

of the issues discussed in the May 11th workshop. In particular, it described some of reasons why some states have more successful programs and what those programs are in more detail.

We look forward to further discussions within Case No. PU-08-884 and wish to thank the Commission for hosting the May 11th workshop.

Please let me know if you have any questions regarding this follow-up response.

Sincerely,

A handwritten signature in blue ink that reads "David H. Sederquist". The signature is written in a cursive style with a large initial 'D'.

DAVID H. SEDERQUIST
SR. CONSULTANT, REGULATION & FINANCE

Enclosures