

STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION

Northern States Power Company  
Aggregators of Retail Customers  
Investigation

Case No. PU-10-59

**AFFIDAVIT OF SERVICE BY CERTIFIED MAIL**

STATE OF NORTH DAKOTA  
COUNTY OF BURLEIGH

**Cara DeSaye** deposes and says that:

she is over the age of 18 years and not a party to this action and, on the **25<sup>th</sup>** day of **August, 2010**, she deposited in the United States Mail, at Bismarck, North Dakota, **one** envelope with certified postage, return receipt requested, fully prepaid, securely sealed and containing a photocopy of:

**Order Prohibiting ARC Operations**

The envelope was addressed as follows:

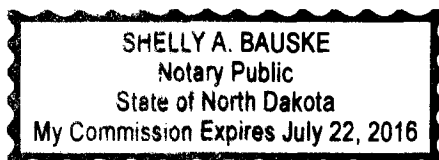
Allen Krug  
Managing Director  
Regulatory Administration  
Xcel Energy  
PO Box 2747  
Fargo ND 58108-2747

**Cert. No. 7010 1060 0001 0644 4048**

The address shown is the respective addressee's last reasonably ascertainable post office address.

  
\_\_\_\_\_

Subscribed and sworn to before me  
this **25<sup>th</sup>** day of **August, 2010**.



  
\_\_\_\_\_  
Notary Public

**STATE OF NORTH DAKOTA  
PUBLIC SERVICE COMMISSION**

**Northern States Power Company  
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**Case No. PU-10-59**

**ORDER PROHIBITING ARC OPERATIONS**

**August 24, 2010**

On March 1, 2010, Northern States Power Company (NSP) filed comments and a request for action prohibiting the operation of Aggregators of Retail Customers (ARCs). ARCs would aggregate retail customer load reductions and sell the resulting energy in the Midwest Independent System Operator (Midwest ISO) wholesale energy market.

NSP states that a Midwest ISO federal tariff filed to comply with Federal Energy Regulatory Commission Order 719 would authorize ARCs to begin operating unless the Public Service Commission takes action to prohibit ARC operations. NSP contends that operation of ARCs may negatively impact customer rates, system reliability and existing demand response programs.

On May 12, 2010, the Commission issued a Notice of Opportunity for Hearing, which provided until June 22, 2010 for receiving written comments or requests for hearing. The notice identified the following issues to be determined:

1. Whether ARC operations constitute resale of electricity by retail customers prohibited under North Dakota Admin. Code section 69-09-02-15 unless the rate schedule under which the customer receives service specifically provides for resale.
2. Whether the Commission should prohibit or regulate the operation of ARCs and if operation should be regulated then how and to what extent.

No requests for hearing were received. Written comments were filed by NSP and by Montana-Dakota Utilities Co, a Division of MDU Resources Group, Inc. (MDU). NSP maintains its position that ARCs have potential to adversely impact retail customers and should be prohibited until issues raised by ARC operations can be fully considered. MDU supports NSP's request to prohibit ARC operations to protect the interest of customers.

Having considered this matter, the Commission finds ARC operations involve electric service furnished by a public utility under established rate schedules being resold by a customer. By aggregating the demand response of retail customers and bidding that into the market, ARCs essentially offer to resell the electricity associated with that demand response to other retail customers. Therefore, the Commission issues the following:

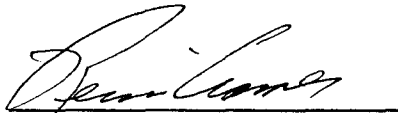
**Order**

The Commission Orders ARC operations prohibited under North Dakota Admin. Code section 69-09-02-15 unless the rate schedule under which the retail customer receives service specifically so provides.

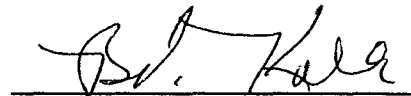
**PUBLIC SERVICE COMMISSION**



**Tony Clark  
Commissioner**



**Kevin Cramer  
Chairman**



**Brian P. Kalk  
Commissioner**