

STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION

**Northern States Power Company
2011 Electric Rate Increase
Application**

Case No. PU-10-657

**Northern States Power Company
2012 Electric Rate Increase
Application**

Case No. PU-11-55

**Northern States Power Company
Customer Credit- DOE Settlement
Application**

Case No. PU-11-557

AFFIDAVIT OF SERVICE BY ELECTRONIC 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 16th day of **September, 2011**, she electronically mailed to **6** recipients, electronic copies of:

Memo from Advocacy Staff

The electronic mails were addressed as follows:

Matthew.P.Loftus@xcelenergy.com
Matthew P. Loftus
Northern States Power Company

Dave.sederquist@xcelenergy.com
Dave Sederquist
Northern States Power Company

Debra.J.Paulson@xcelenergy.com
Debra J. Paulson
Northern States Power Company

BradleyM@moss-barnett.com
Michael J. Bradley
Moss & Barnett

JohnsonR@moss-barnett.com
Richard J. Johnson
Moss & Barnett

mgruman@nd.gov
Mark Gruman
ND Public Service Commission

59 PU-11-55 Filed 09/16/2011 Pages: 3
Affidavit of Service, email - Advocacy Staff memo
Public Service Commission Advocacy Staff

9 PU-11-557 Filed 09/16/2011 Pages: 3
Affidavit of Service, email - Advocacy Staff memo
Public Service Commission Advocacy Staff

84 PU-10-657 Filed 09/16/2011 Pages: 3
Affidavit of Service, email - Advocacy Staff memo
Public Service Commission Advocacy Staff

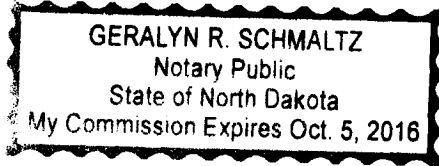
Each email address is the respective addressee's last reasonably ascertainable electronic mailing address.

Cara DeLoe

Subscribed and sworn to before me
this 16th day of September, 2011.

Gerald R. Schmalz
Notary Public

SEAL



Memo from Advocacy Staff

To: Darrell Nitschke, Executive Secretary

From: Mike Diller, Director of Economic Regulation

Date: September 16, 2011

Re: Rationale for Entering into a Settlement Agreement
Case Nos. PU-10-657, PU-11-55 & PU-11-557

The advocacy staff has reviewed Northern States Power Company's application to increase its electric rates based on 2011 and 2012 test years as well as its filing to refund dollars to customers for NSP's settlement with the Department of Energy for breach of contract. We have conducted our review by examining the filings and hiring consultants to help in our investigation. The Settlement Agreement filed at the close of business yesterday is a culmination of our work.

In the past, I have supported various settlements; some of which I was ambivalent towards as to whether the commission accepted or rejected. Ambivalent because, in some cases, it is hard to tell whether staff would win or lose in a highly contested case. After considering our position in these cases, I am quite certain that the filed Settlement Agreement is better than what can be expected in a fully litigated case. Therefore, in this instance, I strongly recommend that the commission consider approving the Settlement Agreement.

I recommend that the formal hearing scheduled to begin on October 18, 2011, be used solely for purposes of hearing the matter of settlement. In the event the commission does not accept the Settlement Agreement, then I recommend scheduling another technical hearing for purposes of litigating the case. I am asking for this approach to minimize work that may not be necessary in the event the commission agrees with the parties to the case. Thank you for your consideration.