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Minneapolis, Minnesota 55401

December 20, 2013

— VIA E-MAIL & FEDERAL EXPRESS —

Darrell Nitschke, Executive Secretary
North Dakota Public Service Commission
State Capitol Building, Dept 408
600 East Boulevard
Bismarck, ND 59505-0480

RE: NORTHERN STATES POWER COMPANY
2013 ELECTRIC RATE INCREASE APPLICATION
RESPONSE TO DECEMBER 10, 2013 NOTICE
CASE NO. PU-12-813

Dear Mr. Nitschke:

In response to the Commission's December 10, 2013 Notice of Intent to Consider Information In Addition to Evidence Presented at Hearing (Notice) in the above referenced Case, the Company respectfully submits that it makes no objection to the Commission's taking of official notice as described in the Notice.

Pursuant to N.D.C.C. § 28-32-35, the Company also seeks to provide clarifying information to ensure that statements made by Company witness Steven W. Wishart in Case Nos. PU-13-194 and PU-13-195 (the Gas CT Cases) are evaluated in their entirety by the Commission. Specifically, in response to questioning by Advocacy Staff counsel, Mr. Wishart provided the following testimony:

Oh, Okay. What we plan to in the NSP region is to meet our peak during summer. So it's the annual peak. We do plan around other months, and we do this in a few ways. I can give examples.¹

¹ Tr. at 145:25 – 146:1-3 (emphasis added) (filed under separate cover).

Mr. Wishart then went on to discuss two examples of ways the Company takes into account requirements in other months of the year.² Based on this discussion, Mr. Wishart makes it clear that while the system peak is a key factor in the Company's determination of resource needs, there are other important factors that influence our system planning and ultimately, the associated costs. Consequently, utilization of the peak demand to identify resource need should not be the only factor used to determine how certain demand related costs should be allocated. This is consistent with the testimony of Mr. Scott Brockett in the above referenced Case.³

The Company acknowledges the Commission's interest in identifying the appropriate demand allocation methodology in North Dakota. To that end, the Company and Advocacy Staff have agreed to undertake an in-depth study of demand allocation methodologies as part of the Comprehensive Settlement Agreement filed in the above referenced case on December 13, 2013.

The Company appreciates the opportunity to provide these clarifications to the record. Please feel free to contact me at kari.l.valley@xcelenergy.com or (612) 215-4526 should you have any questions or concerns.

Sincerely,



Kari L. Valley
Assistance General Counsel

² *Id.* at 146:4-25.

³ Tr. 354:12-25 - 355:1-16 (Brockett) (discussing how Company cost are impacted by items other than capacity needs derived through total system peak such as determinations as to types of resources, maintenance planning, and diversity exchanges).