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VIA U. S. AND ELECTRONIC MAIL

Mr. Darrell Nitschke, Executive Secretary
North Dakota Public Service Commission
600 East Blvd.
Bismarck, ND 58505

RE: EXTENSION OF 2013-2016 OUTAGE CREDIT PROGRAM
CASE NO. PU-07-776 - ELECTRIC RATE INCREASE APPLICATION

Dear Mr. Nitschke:

Northern States Power Company, doing business as Xcel Energy, respectfully submits to the North Dakota Public Service Commission this response to the Commission Staff's recent review of our 2016 "Customers Experiencing Multiple Interruptions" (CEMI) results.

Ms. Cardwell's May 5, 2017 memorandum to the Commission summarized her findings and recommended that the Commission extend the CEMI program. The recommendation appears to stem primarily from the fact that the Company is still working on removing some of its least performing underground cable, the credits provide recognition that multiple outages are an inconvenience to customers, and the program helps to demonstrate that the Commission is monitoring the Company's reliability performance.

Although the Company is no longer under an obligation to continue the CEMI program pursuant to the terms of the Settlements in Case Nos. PU-07-776 and PU-12-813, and general reliability continues to be strong (even though 2016 SAIDI performance was not at the same level as the previous 4 years), Xcel Energy recognizes that the credits send a positive signal to affected customers about the importance of reliability. Therefore, the Company is amenable to continuing the CEMI program in 2017 if the Commission so desires. It would be the Company's preference for the

Commission to limit the extension to one year at this time, and revisit any further continuation after a review of the Company's 2017 CEMI and reliability results.

We appreciate Staff's open communication with us during their review. Please contact me if you have any questions about this response.



David H. Sederquist
Sr. Regulatory Consultant

CC: Pat Fahn
Sara Cardwell