

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer

Chair

Ken Nickolai

Commissioner

Marshall Johnson

Commissioner

Phyllis Reha

Commissioner

Judy Poferl
Director, Regulatory Administration
Northern States Power Company
d/b/a Xcel Energy
414 Nicollet Mall
Minneapolis, MN 55401

SERVICE DATE: JULY 29, 2004

DOCKET NO. G-002/M-04-503

In the Matter of a Request by Northern States Power Company d/b/a Xcel Energy for Approval of a Conservation Cost Recovery Contained in its Conservation Improvement Program (CIP) Tracker Account for its Natural Gas CIP, Including a 2003 Demand Side Management Financial Incentive; and a Revised CIP Adjustment Factor

The above entitled matter has been considered by the Commission and the following disposition made:

Approved Xcel's petition with modifications;

Approved recovery of the Department's proposed 2003 DSM financial incentive of \$1,096,682 that reflects the exclusion of mandated payments from Xcel's gas CIP to the University of Minnesota's Initiative in the calculation of net benefits for 2003 (which does not set a precedent for future treatment of Initiative payments or other similar types of payments in the calculation of net benefits) and the exclusion of this payment in the calculation of the Company's incentive cap, and allow Xcel to record that amount in the Company's CIP Tracker Account as of the date of this Order;

Approved Xcel's 2003 CIP Tracker Account, including recovery of \$3,933,423 in CIP expenditures and negative carrying charges of \$30,217;

Approved the Department's proposed CIP Adjustment Factor of \$0.00231 per therm, which will be implemented on the earliest billing cycle after the issue date of this Order; and

Xcel is required to file, as a compliance filing within 20 days of the date of this Order, the relevant tariff sheets that comply with the Commission's determination in this matter.

The Commission agrees with and adopts the recommendations of the Department of Commerce which are attached and hereby incorporated in the Order, except as to the CIP Adjustment Factor, which is set at \$0.00231 per therm per the Department's revised recommendation.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)

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