

STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE PUBLIC UTILITIES COMMISSION

In the Matter of the Application of
Northern States Power Company, a
Minnesota Corporation and Wholly
Owned Subsidiary of Xcel Energy Inc.,
for authority to Increase Rates for
Natural Gas Service in Minnesota

FIRST PREHEARING ORDER

A prehearing conference was held before Beverly Jones Heydinger, Administrative Law Judge, on February 2, 2007, at the Public Utilities Commission, 350 Metro Square Building, 121 Seventh Place East, St. Paul, Minnesota.

Appearances:

Megan J. Hertzler, Assistant General Counsel, Xcel Energy, 414 Nicollet Mall, 5th Floor, Minneapolis, MN 55401-1993, and Michael J. Bradley and Richard J. Johnson, Moss & Barnett, 4800 Wells Fargo Center, 90 South Seventh Street, Minneapolis, MN 55402-4129, appeared on behalf of the Applicant (Xcel).

Karen Finstad Hammel, Assistant Attorney General, and Valerie M. Smith, Assistant Attorney General, 445 Minnesota Street, Suite 1400, St. Paul, MN 55101, appeared on behalf of the Department of Commerce (Department).

Ronald M. Giteck, Assistant Attorney General, Steve Alpert, Assistant Attorney General, and Curt Nelson, Financial Analyst, 445 Minnesota Street, Suite 900, St. Paul, MN 55101, appeared on behalf of the Attorney General's Office, Residential Utilities Division (OAG/RUD).

Chris Duffrin, 823 7th Street East, St. Paul, MN 55106, appeared on behalf of Energy CENTS Coalition.

James M. Strommen and Peter G. Mikhail, Kennedy & Graven Chartered, 470 U.S. Bank Plaza, 200 South Sixth Street, Minneapolis, MN 55402, appeared on behalf of the Suburban Rate Authority.

Robert S. Lee and Andrew P. Moratzka, Mackall, Crouse & Moore, PLC, 1400 AT&T Tower, 901 Marquette Avenue, Minneapolis, MN 55402, appeared

on behalf of Gerdau Ameristeel US, Inc., and Marathon Petroleum Company LLC.

Commission staff Robert C. Harding, Rates Analyst, and Jerry Dasinger, Financial Analyst were present.

Discussion was held among the participants concerning the proposed schedule. The Administrative Law Judge makes the following Prehearing Order.

IT IS HEREBY ORDERED:

Intervention

1. The parties to this matter as named in the Commission's Notice and Order for Hearing issued January 4, 2007, are Xcel and the Department. The OAG/RUD filed a Notice of Appearance on January 11, 2007, pursuant to Minn. Stat § 216B.243, subd. 1. Petitions to intervene were filed with the Administrative Law Judge by Energy CENTS Coalition, the Suburban Rate Authority, Gerdau Ameristeel US Inc., and Marathon Petroleum Company LLC. There was no objection to the intervention petitions. The Petitions for Intervention of Energy CENTS Coalition, Suburban Rate Authority, Gerdau Ameristeel US, Inc., and Marathon Petroleum Company LLC are **GRANTED**.

3. Members of the public need not become formal parties to participate in the hearing. Members of the public may offer either oral or written testimony, and they may offer exhibits for inclusion in the record. But any person desiring to become a formal party must file a petition to intervene.

4. Persons who wish to intervene in this proceeding are requested to file a written petition to intervene with the Administrative Law Judge no later than **March 2, 2007**, as set forth in Minn. R. 1400.6200. Any objections to the petitions shall be filed by **March 12, 2007**. The petition shall be served upon all existing parties and the Commission. A Notice of Appearance shall be filed with the Petition.

Schedule

5. The following schedule is adopted:
- | | |
|-------------------------------|----------------|
| Direct Testimony, intervenors | March 9, 2007 |
| Rebuttal | April 10, 2007 |
| Surrebuttal | April 24, 2007 |
| Evidentiary Hearing | May 1-4, 2007 |
| Post-hearing Brief | May 25, 2007 |
| Reply Brief | June 8, 2007 |

6. The Public Hearings will be held on the following dates:

St. Cloud – Monday, March 12, 2007, 7:00 p.m., Whitney Senior Center, 1527 Northway Drive;

St. Paul – Wednesday, March 14, 2007, at 1:30 p.m., Public Utilities Commission, Metro Square Building, 121 7th Place East;

Oakdale – Wednesday, March 14, 2007, at 7:00 p.m., Fireside Room at the Prom Center, 484 Inwood Avenue North;

St. Paul – Thursday, March 15, 2007, at 7:00 p.m., St. Clair Recreation Center, 265 Oneida Street.

7. The Evidentiary Hearing will begin on **May 1, 2007 at 9:00 a.m.** at the Public Utilities Commission.

Publication of Hearing Schedule

8. Notice of the hearings, including the public hearings, shall be given by Xcel, as set forth in the Commission's Notice and Order for Hearing issued January 4, 2007.

Settlement

9. Pursuant to Minn. Stat. § 216B.16, subd. 1(a), the Administrative Law Judge is required to convene a proceeding for the purposes of discussing settlement of issues in a public utility rate proceeding. The Administrative Law Judge encourages the parties to exhaust opportunities for settlement. Recognizing that the potential for settlement cannot be evaluated until after additional testimony has been filed, the parties are directed to inform the Administrative Law Judge as to whether an additional proceeding should be convened to discuss settlement. Settlement assistance, including mediation, is available through the Office of Administrative Hearings.

Discovery

10. A party may serve requests for information on any other party. All requests for information shall be made in writing by e-mail, and the requesting party shall follow the e-mail with a copy of the request sent by regular U.S. mail or other delivery service to all parties. To the extent that a request includes material designated as Trade Secret or Nonpublic under the Minnesota Government Data Practices Act, Chapter 13, an e-mail request is required only between the requesting and responding party. Requests shall be sent to the person(s) designated to receive data requests by the party from whom the information is sought. Any request received by e-mail after 4:30 p.m. on a business day, on a weekend day, or on a Minnesota state holiday is considered received on the next business day.

11. The party responding to the request shall provide the requested information to the requesting party within eight days of receipt of the request. A business day does not include weekend days and Minnesota state holidays. In accordance with Minn. R. 1400.6100, subpt. 1, the day that the information request is received is not counted in the eight-day period. If the request is received after 4:30 on a business day, the following business day is also not counted in the calculation of the eight-day response period.

12. Responses to information requests shall be submitted by e-mail, and the responding party shall follow the e-mail with a copy of the response sent by regular U.S. mail or other delivery service. To the extent that a response includes material designated as Trade Secret or Nonpublic, an e-mail response is required only between the requesting party and the responding party. Any response received before 4:30 p.m. on a business day is considered to be received on the same day. Any response that is received after 4:30 on a business day is considered to be received the following business day.

13. In the event that due to the volume or nature of information included in a response, the responding party is unable to send the response by e-mail, the responding party shall send the response by facsimile, regular U.S. mail or other delivery service so that the requesting party receives the entire response including any material designated as Trade Secret or Nonpublic by the date due. Responding parties may utilize CDs to convey large volumes of data. If the response is sent by facsimile, the responding party shall follow the facsimile with a copy of the response sent by regular U.S. mail or other delivery service. There shall be a continuing obligation to update and supplement information responses with any responsive material that may subsequently be discovered or acquired by the responding party. The responsive information need not be supplied to other parties unless specifically requested by a party.

14. A party that wishes to receive e-mail copies of requests or responses shall notify the requesting/responding party, who shall provide the information in that format. If the request or response contains material designated as Trade Secret or Nonpublic information, the providing party may require that the requesting party comply with the terms of the Protective Order in this matter before providing the information.

15. In the event the information cannot be supplied within eight business days, the responding party shall notify the requesting party as soon as reasonably possible in advance of the deadline of the reasons for not being able to supply the information and to work out a schedule of compliance with the requesting party.

16. For Xcel, the following persons should be served with an e-mail copy of the request/response.

Megan Hertzler (megan.hertzler@xcelenergy.com)

Nancy Haley (nancy.a.haley@xcelenergy.com)
Gail Baranko (gail.baranko@xcelenergy.com)
Mary Martinka (mary.a.martinka@xcelenergy.com)

Hard copies of requests/responses should be mailed to:

Megan J. Hertzler
Assistant General Counsel
Xcel Energy Services Inc.
414 Nicollet Mall, 5th Floor
Minneapolis, MN 55402

SaGonna Thompson
Records Analyst
Xcel Energy Services Inc.
414 Nicollet Mall
Minneapolis, MN 55402

17. All disputes concerning the reasonableness of discovery requests and the timing and sufficiency of responses shall be resolved by the Administrative Law Judge upon motion of a party. Hearings on such motions may be conducted by telephone conference call.

Prefiled Testimony

18. Prefiled testimony shall be marked as an exhibit and offered for admission into the record at the hearing. A hard copy shall be provided for that purpose and the offering party shall provide the unique E-file identifying number. The Administrative Law Judge will assign a hearing exhibit number to the document at the time that it is offered for admission at the hearing.

19. Prefiled testimony that is amended, or not offered into the record, shall be considered withdrawn and no witness shall be cross-examined concerning the withdrawn testimony. Any new affirmative matter that is not offered in reply to another party's direct case will not be allowed in rebuttal testimony and exhibits. Except for good cause shown, all revisions or corrections to any prefiled testimony shall be in writing and served upon the Administrative Law Judge and the parties no later than three days prior to the commencement of the evidentiary hearing.

Order of Testimony

20. Unless the parties agree otherwise, the order of testimony shall be: Xcel, Energy CENTS Coalition, Suburban Rate Authority, Gerdau Ameristeel US Inc., Marathon Petroleum Company LLC, other intervenors (in order of intervention), OAG/RUD, and the Department of Commerce. Questioning of the witnesses shall proceed in the same order, subject to change by agreement of the parties or further order of the Administrative Law Judge.

21. If a witness needs a day certain to offer testimony, the sponsoring party should submit a request to the Administrative Law Judge and other parties.

Examination of Witnesses

22. Witnesses shall be allowed ten minutes to summarize their prefiled testimony. For good cause shown, witnesses will be permitted to respond to any new matters not addressed in prefiled testimony through direct examination by counsel.

23. Parties shall examine and cross-examine witnesses through their attorneys, if they are represented by counsel. Any party not represented by counsel may examine and cross-examine each witness through any one representative chosen by the party.

24. Except for good cause shown, objections by any party relative to the qualifications of a witness or the admissibility of any portion of a witness's prefiled testimony (except surrebuttal testimony) shall be considered waived unless the objecting party states its objection by motion made to the Administrative Law Judge, and serves a copy of such objections on the parties, no later than **April 17, 2007**. Objections to surrebuttal testimony shall be filed and served no later than **April 27, 2007**.

Procedure

25. The rules of the Office of Administrative Hearings govern the conduct of the hearings, and the Professionalism Aspirations adopted by the Minnesota Supreme Court will be observed.

Filing of Documents (Excluding Information Requests and Responses)

26. Prefiled testimony and exhibits may be in any reasonable format that is understandable, logically organized, and capable of being cited by page and line number, paragraph number, or similar identifier.

27. The parties, including intervenors, have agreed to file all documents, including prefiled testimony, using the E-File system of the Public Utilities Commission, the Department and the Office of Administrative Hearings. Such E-filing constitutes service on those offices and upon any other party that has agreed to accept E-filing as service.

28. The original document shall be filed using the E-file system wherever feasible. Otherwise, the original document shall be filed by delivery or mail with the Administrative Law Judge.

29. The effective date of filing shall be the date the document is E-filed, mailed by U.S. Mail, or delivered to the Administrative Law Judge. Parties using the E-filing system must retain the unique document identifier as proof of service through that system. Proof of service shall be filed with each document or within three business days thereafter.

30. With the exception of trade secret and other nonpublic data, copies of all documents that are filed shall be served by e-mail according to the attached service list by 3:00 p.m., and a hard copy shall also be mailed or delivered that day to the persons so indicated on the official service list. The list will be revised as necessary by the Office of Administrative Hearings.

31. Hard copies of trade secret and other nonpublic data shall be transmitted by U.S. Mail or courier to the parties who have signed Exhibit A to the Protective Agreement and Order. Such documents may be served on the next business day following the filing of the public version.

32. After the Administrative Law Judge's Report is issued, the parties shall file the original of all documents with the Executive Secretary of the Commission.

33. If trade secret or nonpublic data is filed with the Administrative Law Judge, it shall be prepared and marked in accordance with the Public Utilities Commission's September 1, 1999, Revised Procedures for Handling Trade Secret and Privileged Data. The procedures may be viewed at www.puc.state.mn.us/docs/tradsecret.pdf. Access to nonpublic data shall be governed by the Protective Agreement and Order issued in this proceeding.

Court Reporter

34. The Office of Administrative Hearings will arrange to have a court reporter present at the hearing. Parties must make arrangements with the Court Reporter to obtain a copy of the transcript.

Request for Accommodation

35. No person has requested accommodation for a disability or appointment of an interpreter. The Office of Administrative Hearings shall be notified promptly if either an accommodation or interpreter is needed.

Subpoenas

36. Requests of subpoenas for the attendance of witnesses or the production of documents shall be made in writing to the administrative law judge pursuant to Minn. R. 1400.7000. A copy of the subpoena request shall be served on the other parties. A subpoena request form is available at www.oah.state.mn.us.

Dated this 9th day of February, 2007.

/s/ Beverly Jones Heydinger
BEVERLY JONES HEYDINGER
Administrative Law Judge