





EL02-007

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April 18, 2002

Ms. Deb Elofson, Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, South Dakota 57501-5070

**RECEIVED**

APR 22 2002

**SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION**

RE: Petition for approval to renew  
The Customer Buyback Program  
Docket No. EL02-

Dear Ms. Elofson:

Northern States Power Company d/b/a Xcel Energy ("Xcel Energy") hereby submits for filing a petition to continue the Customer Buyback Program that expired on December 31, 2001.

Xcel Energy proposes to reduce the customer's Committed Load Reduction (CLR) minimum from 1 Megawatt to 500 kilowatt.

If anyone has any questions, please call me at 339-8350

Sincerely,

Jim Wilcox

c. Kent Larson  
Judy Pofel  
John Chow

APR 22 2002

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

STATE OF SOUTH DAKOTA  
BEFORE THE  
SOUTH DAKOTA PUBLIC UTILITIES COMMISSION

James A. Burg  
Pam Nelson  
Robert Sahr

Chair  
Commissioner  
Commissioner

IN THE MATTER OF THE APPLICATION BY  
NORTHERN STATES POWER COMPANY  
d/b/a XCEL ENERGY FOR  
APPROVAL TO RENEW THE CUSTOMER  
BUYBACK PROGRAM

DOCKET No. EL00-013

**REQUEST FOR RENEWAL OF THE CUSTOMER BUYBACK PROGRAM**

Overview

On July 20, 2000, the South Dakota Public Utilities Commission (“Commission”) approved Northern States Power Company d/b/a Xcel Energy’s (“Xcel Energy” or “Company”) Customer Buyback Program and the associated Enabling Agreement (South Dakota Electric Rate Book – SDPUC No. 2, Section No. 8, Original Sheet No. 13, 14, 15). In its July 20th Order, the Commission approved this tariff to be in effect until December 31, 2001. If the Company were to desire to continue this program after the expiration date, the Company would have to submit a filing in another proceeding. The Order also required the Company to file compliance reports by January 31, 2001, July 30, 2001, and January 31, 2002.

Due to cooler than normal weather, there was no need for the Company to utilize the Buyback Program in summer 2000. For the summer of 2001, the Company called on the Buyback Program during July 31<sup>st</sup>, August 6<sup>th</sup>, 7<sup>th</sup> and 8<sup>th</sup>. One customer in South Dakota had participated in these buyback offers with 1 MW of committed load reduction. The Company most recently submitted a compliance report to the Commission on January 31, 2002 to report these buyback activities. As discussed below, Xcel Energy requests that the Commission renew the Customer Buyback

Program. In addition, the Company also seeks permission to reduce the minimum customer buyback load threshold (Committed Load Reduction or CLR) from 1 MW to 500 kW for the summer seasons of 2002 and 2003. The Company will continue to restrict the use of the Customer Buyback Program to periods when critical system conditions exist.

### Proposed Extension and Revisions

In spite of the limited experience to date, the Company believes that the Customer Buyback Program has the potential to become an important addition to its menu of load management options. As a result, in the summer of 2001, the Company acquired a specialized software package that assists in the automation of the customer buyback process. This "Yukon System" developed by Cannon Technologies is a pager- and web-based, electronic notification / communication system whereby customers can be offered real-time curtailment price signals and offers. This system will allow for a larger number of participants in the program as the "Yukon System" can handle substantially more customer buyback program transactions than the current manual method. The initial testing of this computer system has been encouraging. More evaluation to determine the program's technical capabilities and cost effectiveness will be continued over the next year.

The Company plans to implement the Yukon program during the 2002 summer season with the existing Buyback program's customer base and with a limited number of additional large commercial and industrial customers. The Company seeks Commission approval to renew this Customer Buyback Program and to reduce the minimum customer buyback load threshold from 1 MW to 500 kW. By reducing this minimum, the Company hopes it will attract more customers to the program in 2002 (there was one customer in South Dakota who participated in the 2001 Buyback Program). Exhibit 1 contains tariff sheets that contain the Enabling Agreement for the Customer Buyback Program with the revision to the proposed reduction of the CLR from 1 MW to 500 kW:

**Section No. 8, Original Sheet No. 13**

**Section No. 8, 1<sup>st</sup> Revised Sheet No. 14 (canceling Original Sheet No. 14)**

**Section No. 8, Original Sheet No. 15**

### Conclusions and Request for Program Extension

While Xcel Energy has limited buyback activity thus far, the Company believes that the use of the buyback program has the potential to more effectively manage price

risk for our retail customers. The Company will continue to operate this program within the five restrictions outlined in the Commission's July 20, 2000 Order.

The Company respectfully requests that the Commission renew the Buy Back Program for a period expiring on December 31, 2003.

If you have any questions regarding this filing please contact me at (605) 339-8350.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "J Wilcox", written over a horizontal line.

JIM WILCOX  
MANAGER,  
GOVERNMENT & REGULATORY SERVICES

Dated: April 18, 2002



**ENABLING AGREEMENT FOR CUSTOMER BUYBACK PROGRAM**

Section No. 8  
 Original Sheet No. 13

**ENABLING AGREEMENT**

This Agreement ("Agreement") is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by and between Customer and Northern States Power Company (Company), and provides the general terms, conditions, and administrative structure necessary to participate in the Customer Buyback Program ("Program"). The Program provides for Company energy purchases from Customer. Agreement is effective until cancelled by written notice from Customer or Company.

*CUSTOMER INFORMATION*

Organization: \_\_\_\_\_ Account Number: \_\_\_\_\_  
 Contact: \_\_\_\_\_ Telephone: \_\_\_\_\_

Company and Customer agree to the following descriptions, procedures, terms, and conditions as parties to this Program:

*PURPOSE*

The Program provides Company with an additional energy purchase resource to more efficiently manage system requirements during exceptional periods, and Customer the option of receiving pricing associated with energy supply markets during such periods. Completion of this Enabling Agreement qualifies Customer to submit an offer to participate in any Buyback Period specified by Company. Under this Agreement, Company has the option, but not the obligation, to accept any offer by Customer.

*BUYBACK PERIOD*

The time period during which Company agrees to purchase energy from Customer.

*BUYBACK NOTIFICATION*

Customer will receive advance notice of Company interest in scheduling a Buyback Period using this Program. Notice may (1) include a purchase price offer or (2) request a selling price offer from Customer. Company will endeavor to notify Customer at the same time other qualified customers are notified.

*CUSTOMER OFFERS*

Customer agrees that all offers to participate in a Buyback Period will include (1) a fixed selling price bid per Megawatt Hour and (2) a Committed Load Reduction (CLR) as defined in this Agreement. Customer may revise or retract an offer if Company is notified no later than four hours before start of the buyback period, unless a specific alternate time is included in a Company notification of a buyback period.

(Continued on Sheet No. 8-14)

Date Filed: \_\_\_\_\_ By: Kent T. Larson \_\_\_\_\_ Effective Date: \_\_\_\_\_  
 State Vice President – Minnesota & Dakotas  
 Docket No. \_\_\_\_\_ Order Date: \_\_\_\_\_



**ENABLING AGREEMENT FOR CUSTOMER BUYBACK PROGRAM (Continued)**

Section No. 8  
 1<sup>st</sup> Revised Sheet No. 14

*ACCEPTANCE OF OFFERS*

Company reserves the right to accept, refuse, or counter-offer any Customer offer. Customer may accept, refuse, or counter-offer any Company offer. Company will normally accept offers expected to minimize energy supply costs.

*COMMITTED LOAD REDUCTION (CLR)*

The CLR is the load reduction Customer agrees to provide for the entire buyback period, relative to the Reference Load Profile (RLP) as defined in this Agreement. Customer agrees to provide the CLR specified in a buyback offer that is accepted by Company. The CLR must be 500 kilowatt (kW) or greater, and rounded to the nearest 10 kW for CLR less than 1 Megawatt (MW) and one-tenth of a MW for CLR 1MW or more.

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*REFERENCE LOAD PROFILE (RLP)*

Company determines a RLP for each buyback period. The RLP is generally developed by load interval from the five-day rolling average of uninterrupted, non-holiday weekday integrated loads for the period ending the day before a buyback period. The rolling average will exclude days not representative of load characteristics expected during the buyback period, with such days solely determined by Company.

Controllable Service Limit: Company has controllable electric retail service options that define a Predetermined Demand Level as the maximum allowable load during control periods. If Customer receives this type of controllable service from Company, the RLP may not exceed their Predetermined Demand Level for load intervals that occur during an applicable control period.

*PURCHASE QUANTITY*

Customer energy purchased by Company will be based on the difference between actual loads and the RLP during the Buyback Period, rounded to the nearest 10 kW for CLR less than 1MW and one-tenth of a MW for CLR 1MW or more. Energy will be determined from the sum of such differences using integrated load intervals for each hour of the buyback period. Purchase Quantity will be adjusted for each interval to exclude:

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 C

1. All energy if the actual load reduction is less than 50 percent of the CLR, and
2. Energy corresponding to an actual load reduction greater than 120 percent of the CLR.

*CUSTOMER COMPENSATION*

Company will determine compensation by applying the selling price to the Purchase Quantity. Company will determine whether to compensate Customer through a bill credit or a separate payment.

(Continued on Sheet No. 8-15)

Date Filed:

By: Kent T. Larson

Effective Date:

State Vice President – Minnesota & Dakotas

Docket No.

Order Date:



**ENABLING AGREEMENT FOR CUSTOMER BUYBACK  
PROGRAM (Continued)**

Section No. 8  
Original Sheet No. 15

COMMUNICATION REQUIREMENTS

Customer agrees to use Company-specified communication requirements and procedures when submitting any offer to Company. These requirements may include specific computer software and electronic communication procedures.

METERING REQUIREMENTS

Company approved metering equipment capable of providing load interval information is required for Program participation. Customer agrees to pay for the additional cost of such metering when not provided in conjunction with an existing retail electric service.

LIABILITY

Company and Customer agree that Company has no liability for indirect, special, incidental, or consequential loss or damages to Customer, including but not limited to Customer's operations, site, production output, or other claims by the Customer as a result of this Agreement.

PROVISION OF ANCILLARY SERVICES

Company and Customer agree that Program participation does not represent any form of Customer self-provision of ancillary services that may be included in any retail electric service provided to Customer.

DISPUTE RESOLUTION

Company and Customer agree that any disputes pursuant to this agreement shall be settled by arbitration under the terms and provisions of the American Arbitration Association.

APPROVAL SIGNATURES

NORTHERN STATES POWER COMPANY	CUSTOMER	_____
By _____	By _____	_____
Title _____	Title _____	_____
Signature _____	Signature _____	_____

Date Filed:	By: Kent T. Larson	Effective Date:
Docket No.	State Vice President – Minnesota & Dakotas	Order Date:

**South Dakota Public Utilities Commission**  
**WEEKLY FILINGS**  
**For the Period of April 18, 2002 through April 24, 2002**

If you need a complete copy of a filing faxed, overnight expressed, or mailed to you, please contact Delaine Kolbo within five business days of this report. Phone: 605-773-3705 Fax: 605-773-3809

**ELECTRIC**

**EL02-006      In the Matter of the Filing by Otter Tail Power Company for Approval of a Contract with Deviations with the City of New Effington.**

On April 22, 2002, Otter Tail Power Company filed with the Commission a municipal contract with the City of New Effington effective May 1, 2002, and Otter Tail Power Company's summary List of Contracts with Deviations. The municipal contract for the City of New Effington was updated because the old contract will expire on May 1, 2002. The new contract does not include any new rates that would be considered a deviation.

Staff Analyst: Heather Forney  
Staff Attorney: Kelly Frazier  
Date Docketed: 04/22/02  
Intervention Deadline: 05/03/02

**EL02-007      In the Matter of the Application of Xcel Energy for Approval to Renew the Customer Buyback Program.**

Northern States Power Company d/b/a Xcel Energy (Xcel) is requesting the Commission renew its Customer Buyback Program. The original program tariff was approved by the Commission on July 20, 2000 and expired December 31, 2001. This renewal would allow Xcel to purchase energy from its large customers who curtail their load.

Staff Analyst: Keith Senger  
Staff Attorney: Kelly Frazier  
Date Docketed: 04/22/02  
Intervention Deadline: 05/10/02

**TELECOMMUNICATIONS**

**TC00-196      In the Matter of the Application of Z-Tel Communications, Inc. for a Certificate of Authority to Provide Local Exchange Services in South Dakota.**

On April 22, 2002, the Commission received a filing from Z-Tel Communications (Z-Tel) whereby Z-Tel, to amend its certificate of authority, posted a \$25,000 bond in order to receive Commission approval to provide prepaid services. Z-Tel requested that the Commission reinstate the company's ability to obtain advance payments from customers.

Staff Analyst: Michele Farris  
Staff Attorney: Kelly Frazier  
Date Docketed: 04/22/02  
Intervention Deadline: 05/03/02

**TC02-039 In the Matter of the Application of North By NortheastCom LLC for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.**

North By NortheastCom LLC is seeking a Certificate of Authority to provide interexchange telecommunication services in South Dakota. The Applicant plans to offer nationwide directory assistance with call completion, long distance transport and enhanced directory services.

Staff Analyst: Keith Senger  
Staff Attorney: Karen Cremer  
Date Docketed: 04/18/02  
Intervention Deadline: 05/10/02

**TC02-040 In the Matter of the Filing by Ionex Communications North, Inc. for Approval of its Intrastate Switched Access Tariff and for an Exemption from Developing Company Specific Cost-Based Switched Access Rates.**

Ionex Communications North, Inc. has filed a request for an exemption from developing Company-specific cost-based switched access rates contained in ARSD 20:10:27:07. The Company indicates that it does not have the available resources to determine company-specific cost-based intrastate switched access rates. Ionex is also requesting a waiver from the process to determine switched access rates under ARSD 20:10:27:12.

Staff Analyst: Heather Forney  
Staff Attorney: Karen Cremer  
Date Docketed: 04/18/02  
Intervention Deadline: 05/10/02

**TC02-041 In the Matter of the Application of ePHONE Telecom, Inc. for a Certificate of Authority to Provide Interexchange Telecommunications Services in South Dakota.**

On April 22, 2002, ePHONE Telecom, Inc. filed an application for a Certificate of Authority to provide resold interexchange telecommunications service throughout South Dakota. ePHONE intends to utilize traditional telephony connections, as well as the internet, to provide intrastate interexchange service. They intend to offer a variety of prepaid IP telephony services through either a monthly calling plan, where customers are billed in advance for service, or through prepaid calling cards.

Staff Analyst: Michele Farris  
Staff Attorney: Kelly Frazier  
Date Docketed: 04/22/02  
Intervention Deadline: 05/10/02

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**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF SOUTH DAKOTA**

**IN THE MATTER OF THE APPLICATION OF ) ORDER APPROVING TARIFF  
XCEL ENERGY FOR APPROVAL TO RENEW ) REVISIONS  
THE CUSTOMER BUYBACK PROGRAM ) EL02-007**

On April 22, 2002, Northern States Power Company d/b/a Xcel Energy (Xcel) Minneapolis, Minnesota, filed with the Public Utilities Commission (Commission) proposed revisions to its South Dakota Electric Rate Book - SDPUC No. 2, specifically the Customer Buyback Program Tariff:

Section No. 8, 1st Revised Sheet Nos. 13, 14 and 15, canceling Original Sheet Nos. 13, 14 and 15

The Customer Buyback Program Tariff allows Xcel to make energy purchases from its South Dakota customers who voluntarily agree to interrupt their firm load. Xcel is seeking renewal of this program originally approved on July 20, 2000 (EL00-013) which expired December 31, 2001. Xcel is requesting one change to the tariff; that the minimum amount a customer may release be changed from one megawatt to five hundred kilowatts which will allow more customers to participate in the program. Xcel is requesting that the tariff be approved for two cooling seasons, expiring December 31, 2003.

On April 25, 2002, the Commission electronically transmitted notice of the filing and the intervention deadline of May 10, 2002, to interested individuals and entities. No petitions to intervene or comments were filed. At its regularly scheduled meeting of June 13, 2002, the Commission considered approval of the application. Commission Staff recommended approval as filed with the continuation of the restrictions and reporting requirements found in EL00-013.

The Commission finds that it has jurisdiction over this matter pursuant to SDCL Chapter 49-34A. The Commission voted to approve the tariff revisions. The Commission finds the revisions are just and reasonable. As the Commission's final decision in this matter, it is therefore

ORDERED, that Xcel's revised tariff, as described above, is approved as filed with the continuation of the restrictions and reporting requirements found in EL00-013, and it shall be effective for service rendered on and after June 13, 2002. It is

FURTHER ORDERED, that this approved tariff as described above shall expire on December 31, 2003. In the future, should Xcel wish to continue this program after this expiration date, Xcel will have to come before the Commission in another proceeding.

Dated at Pierre, South Dakota, this 19<sup>th</sup> day of June, 2002.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that this document has been served today upon all parties of record in this docket, as listed on the docket service list, by facsimile or by first class mail, in properly addressed envelopes, with charges prepaid thereon.

By: Reidaine Kalbo

Date: 6/21/02

(OFFICIAL SEAL)

BY ORDER OF THE COMMISSION:

James A. Burg  
JAMES A. BURG, Chairman

Pam Nelson  
PAM NELSON, Commissioner

Robert K. Sahr  
ROBERT K. SAHR, Commissioner



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FEB 06 2003

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

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Government & Regulatory Affairs  
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P.O. Box 988  
Sioux Falls, SD 57101-0988  
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Feb 4, 2003

Ms. Pam Bonrud, Executive Director  
South Dakota Public Utilities Commission  
State Capitol Building  
500 East Capitol Avenue  
Pierre, South Dakota 57501-5070

Re: December 31, 2002 Customer Energy Buyback Program Report

Dear Ms. Bonrud:

Pursuant to the Northern States Power Company d/b/a Xcel Energy ("Company") Customer Energy Buyback Program tariff that was authorized by the South Dakota Public Utilities Commission ("Commission") most recently in Docket No. EL02-007, the Company hereby reports to the Commission that there was no customer buyback activity during the summer of 2002.

The Company did not need to invoke this buyback option mainly due to low forced outage rates of our generating plants, reasonable market prices and a supply balance in the region. In 2002, there were 20 customers with approximately 50 MW of Committed Load Reduction (CLR) participating in this program in Minnesota, North Dakota, South Dakota and Wisconsin. One customer with a CLR of 1 MW is participating in South Dakota, but was not called on to perform in 2002.

The Company will continue to administer this buyback program according to the terms and conditions set forth by the Commission in its Order of June 19, 2002.

If you have any questions please feel free to call me at 339-8350.

Sincerely,

Jim Wilcox

c. Kent Larson  
Judy Pofert