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December 17, 2010

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

Re: Revised Draft Rules for Docket RM10-001 In the Matter of the Request to Amend Rules Regarding ARSD Chapter 20:10:17 Gas and Electric Customer Billing.

Dear Ms. Van Gerpen:

Northern States Power Company, a Minnesota Corporation operating in South Dakota, ("Xcel Energy" or the "Company") respectfully submits these comments to the South Dakota Public Utilities Commission ("Commission") regarding the revised draft rules issued in this docket on November 23, 2010. We appreciate the opportunity to comment in this matter and the work that has been done to date in this docket.

Xcel Energy believes that the objective of our meter reading and billing efforts are to provide our customers with an accurate and timely billing statement. In South Dakota we read about 1,000,000 meters each year. The percentage of meters that are inaccurate, fail to register or require some other correction is exceedingly small. As developed in our reply to the data request in this matter provided on June 30, 2010, we described processes that the Company has in place to test meters, to catch and remedy meters that fail to register, and to correct for other billing and meter inaccuracies. We believe that with limited exception, our practices and the rules that guide our practices have been working.

Proposed Rules 20:10:17:06, 08 and 09

Each of these proposed rules would prevent companies from back billing residential customers for any category of billing or meter error. We believe that this rule would create an inconsistency between rate classes and may cause an

unreasonable preference for residential customers. We also believe that this proposed rule could create an incentive for residential customers to conceal their knowledge of any meter failing to register since the longer that condition persisted, the better off the customer would be. Further, in the case of a switched meter, the error is often caused by a wiring mix-up outside the control of the Company. We believe that being allowed to refund or back bill all of our customers, including residential customers, for these types of billing errors is fair and reasonable. For these reasons, the Company urges the Commission to not adopt the restriction on back billing residential customers for meter and billing errors.

Proposed Rule 20:10:17:08

Xcel Energy proposes that proposed rule 20:10:17:08 be amended to add the following text:

The corrected billing for a meter failing to register shall be calculated as accurately as possible from the date of the error. If the error date cannot be fixed with reasonable certainty, the charge is limited to one year.

Proposed Rule 20:10:17:09:01

This proposed rule change would provide for the creation of a regulatory asset for uncollected amounts. We appreciate Staff's proposal to keep the Company whole. However, the effort and expense needed to keep track of lost moneys due to meter and billing errors would likely exceed the benefit of bringing the total amount lost forward as a regulatory asset at the time of the next rate case. Accordingly, this proposed rule change may not be practical in implementation and we suggest the Commission not adopt this proposed rule regarding regulatory assets.

Xcel Energy appreciates the opportunity to comment and we will look forward to the opportunity to appear before the Commission at a hearing in this matter to discuss our recommendations further.

Thank you.

Sincerely,

A handwritten signature in cursive script, appearing to read "J Wilcox".

Jim Wilcox