

**STATE OF NORTH DAKOTA**  
**PUBLIC SERVICE COMMISSION**

**Northern States Power company  
Natural Gas Rate Increase  
Application**

**Case No. PU-04-578**

**NOTICE OF HEARING, NOTICE OF PUBLIC INPUT SESSIONS,  
AND NOTICE OF INTERVENTION DEADLINE**  
**December 15, 2004**

On November 2, 2004, Northern States Power Company (NSP) filed an application to increase its rates for natural gas service by an amount sufficient to provide increased total annual revenue of \$1,280,232. NSP proposes to change natural gas rates for residential customers by increasing the Basic Service Charge per month from \$5.50 to \$8.50 and by decreasing the Distribution Charge per therm from \$0.12480 to \$0.12388. NSP proposes to increase natural gas rates to small interruptible customers by increasing the Distribution Charge per therm from \$0.07310 to \$0.07740. NSP proposes to increase natural gas rates to large interruptible customers by increasing the Distribution Charge per therm from \$0.04390 to \$0.04632. NSP proposes to change natural gas rates to commercial and industrial service customers by changing the Basic Service Charge per month from \$14.00 to \$20.00 and changing the Distribution Charge per therm from \$0.11280 to \$0.10120. Residential, commercial, and industrial customers will be able to determine whether their bill will change by reviewing their gas usage throughout the year.

NSP anticipates that an average residential customer bill will increase by \$2-\$3 per month. NSP further proposes a rate element for residential customers in order to capture what natural gas customers would have paid toward recovery of distribution costs had weather-normalized use not deviated from the sales volume established in the rate proceeding. NSP's proposed rate changes would not affect the cost of purchased gas, which is separately recovered through the Cost of Gas billing provision.

A **public hearing** on this matter will be held beginning **April 20, 2005 at 1:30 p.m. CDT** in the Commission hearing room, State Capitol, 12th Floor, Bismarck, North Dakota 58505. You can listen to a broadcast of the hearing on the Commission's website at <http://www.psc.state.nd.us/psc/media/comm-live.html>.

Issues to be considered in this matter include:

1. What is the value of NSP's property, used and useful, for the service and convenience of the public in North Dakota?
2. What is NSP's rate of return on its property, used and useful, for the service and convenience of the public in North Dakota?

3. What is a just and reasonable rate of return on NSP's property, used and useful, for the service and convenience of the public in North Dakota?
4. What rates and charges are necessary to provide a just and reasonable rate of return on NSP's property, used and useful, for the service and convenience of the public in North Dakota?
5. Are NSP's rate schedules designed in such a manner that they result in a basis of charge to its customers that is just and reasonable without discrimination?
6. Other relevant information or proposals concerning the proceeding.

Anyone wishing to become a party to this proceeding must file a **Petition to Intervene by January 31, 2005.**

**A Public Input Session** will be held via interactive television on **February 7, 2005, at 7 p.m. CST** at locations set forth below. Members of the public are invited to appear and participate in the informal discussion. The session is not considered part of the technical hearing and the discussion at the session will not become part of the evidence reviewed by the Commission in making its decision. The discussion will, however, aid the Commission and its staff in identifying areas of concern to the members of the public and help customers better understand NSP's request.

### Public Input Session Locations

<p><b>Bismarck</b>          Bismarck Veterans Memorial Public Library          515 North 5<sup>th</sup> Street, Lower Level          Bismarck, ND</p>	<p><b>Fargo</b>          North Dakota State University          E. Morrow Lebedeff, Room 183          Fargo, ND</p>
<p><b>Grand Forks</b>          University of North Dakota          Gamble Hall, Room 120          Grand Forks, ND</p>	

The public will also be able to hear the input session by connecting to the Commission's web site [www.psc.state.nd.us](http://www.psc.state.nd.us) and clicking on "Highlighted Issues" and then clicking on the "Broadcast of Public Input Sessions" link. The Commission will receive e-mail questions during the session at [ndpsc@state.nd.us](mailto:ndpsc@state.nd.us).

For more information contact the Public Service Commission, State Capitol, Bismarck, North Dakota 58505, 701-328-2400 or Relay North Dakota 1-800-366-6888 TTY. If you require any auxiliary aids or services, such as readers, signers, or Braille materials, please notify, Ilona Jeffcoat-Sacco, Executive Secretary, at least 24 hours prior.

## **PUBLIC SERVICE COMMISSION**

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**Susan E. Wefald  
Commissioner**

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**Tony Clark  
President**

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**Kevin Cramer  
Commissioner**