



2302 Great Northern Drive
P.O. Box 2747
Fargo, ND 58108-2747
(701) 241-8632
dave.sederquist@xcelenergy.com

**VIA E-MAIL AND
REGULAR U.S. MAIL**

November 25, 2009

Michael R. Diller, Director, Economic Regulation
North Dakota Public Service Commission
State Capital Building, Dept. 408
600 East Boulevard
Bismarck, ND 58505-0480

Re: *Aviation Related Questions of November 20, 2009*

Dear Mr. Diller:

Late last week, you sent a number of questions related to a recent news article about our use of corporate planes. Provided below is a general overview of aviation services followed by responses to your specific questions.

Company aircraft are available for employees to use for business purposes only and are used to help serve our eight-state and 100,000 –square-mile service territory, which runs from north central North Dakota to the southern plains of Texas. Company employees most frequently use commercial air service, but the use of Company aircraft enables more productive use of time and improved access to locations underserved by commercial air service, as well as greater flexibility for employees who are responsible for services in multiple locations.

The information provided below in the responses to all of your questions reflects actual experience for calendar year 2008 and through most of November of 2009.

1. Total cost of operating the planes; and 2. Allocated cost to North Dakota.

The total cost of operating and supporting aviation services and the portion of those costs that are allocated to the NSP-Minnesota Company (“NSPM”) and then to the North Dakota electric and natural gas jurisdictions are shown below. The impact of these costs to the typical residential electric customer is estimated to be about 5¢ per

month, compared to the average total monthly North Dakota bill of about \$70. It should be noted that over 10 percent of the costs (\$694,326 in 2008) are not included in rates but are borne instead by Xcel Energy shareholders.

	Total Xcel Energy	NSPM Company	N. Dakota Electric	N. Dakota Nat. Gas
2008	\$6,549,359	\$2,594,748	\$136,577	\$21,470
2009	\$5,225,253	\$2,023,646	\$106,488	\$17,053

3. Number of full-time employees providing this service.

The total number of aviation personnel including pilots, mechanics, and administrative staff was 9 people in 2008 and 8 people, as of today in 2009.

4. Total number of travelers, not counting flight personnel or family members accompanying other employees; 5. Number of air miles flown; and 6. Number of trips.

The table below shows the number of employees, board members, or business associates (exclusive of flight crew and employee family members) that flew on a company plane in 2008 and 2009. Also shown are the numbers of miles and trips flown on company aircraft.

	Travelers	Air Miles Flown	Trip Legs Flown
2008	634	457,203	4,193
2009	398	305,370	2,629

7. Number of trips into and out of North Dakota.

During 2008, there were 6 trips into and out of North Dakota. So far in 2009, there have been no trips made into the state with a corporate plane.

8. Number of trips to places where commercial airline services were not available.

During both 2008 and 2009, there were no flights taken to locations not served by some level of commercial airline service.

9. Number of family and friends that flew unrelated to carrying out utility business.
Xcel Energy does allow relatives of employees the use of our aviation services on a limited basis. The following is an excerpt from the Company's travel policy addressing circumstances of spouse/family travel.

4.5 Travel and Employee Expense Reimbursement (Uniform Policy)

Flights on corporate aircraft will not be scheduled for personal use. Limited non-business travel for Employees and/or their relatives on corporate aircraft will be permitted on business trips only if seats are available and approval is obtained before the flight from the Director, Aviation Services. In accordance with IRS requirements, personal travel may result in additional imputed personal income and additional income taxes to the Employee benefiting from the personal travel, based upon published U.S. Department of Transportation Standard Industry Fare Level (SIFL) rates.

During 2008 and 2009, the number of employee family members that traveled on a corporate plane was 9 and 6 individuals, respectively. Family members were present on a total of 40 flights in 2008 and 30 flights in 2009.

10. Tons of CO2 disbursed into the air.

Based on the amount of jet fuel used, there were an estimated 2,725 tons of CO2 emitted during flights in 2008 and 1,832 tons emitted in 2009.

I will arrange a call so that we can discuss this information further, but please don't hesitate to contact me at 701-241-8632 if you have any questions.

Sincerely,



DAVID SEDERQUIST
SR. REGULATORY CONSULTANT