



414 Nicollet Mall  
Minneapolis, Minnesota 55401

June 11, 2013

**--Via Electronic Filing--**

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101

RE: PETITION  
APPROVAL OF A TRANSFER AND EXCHANGE OF TRANSMISSION ASSETS WITH  
GREAT RIVER ENERGY  
DOCKET NO. E002/PA-13-\_\_\_\_\_

Dear Dr. Haar:

Enclosed for filing is the Petition of Northern States Power Company requesting approval of a transfer and exchange of transmission substation assets with Great River Energy.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies of the one-page Summary of Filing have been served on the parties on the attached service list.

Please contact me at [paul.lehman@xcelenergy.com](mailto:paul.lehman@xcelenergy.com) or 612-330-7529 if you have any questions regarding this filing.

Sincerely,

/s/

PAUL J LEHMAN  
MANAGER, REGULATORY COMPLIANCE AND FILINGS

Enclosures  
c: Service List (Summary)

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
David Boyd	Commissioner
Nancy Lange	Commissioner
J. Dennis O'Brien	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF THE PETITION OF  
NORTHERN STATES POWER COMPANY  
FOR APPROVAL OF A TRANSMISSION  
SUBSTATION ASSET EXCHANGE WITH  
GREAT RIVER ENERGY

DOCKET NO. E002/PA-13-\_\_\_\_\_

**PETITION**

**INTRODUCTION**

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Petition for approval of an ownership exchange with Great River Energy of certain transmission substation assets located in Minnesota. This exchange will result in single ownership of the assets inside five substations. This exchange is in the public interest and represents a fair transaction for both Parties.

The asset exchange is pursuant to an Asset Exchange Agreement (Agreement) dated February 21, 2013, entered into by and among Northern States Power Company (NSPM) and Great River Energy (GRE) and is included as Attachment A to this Petition. NSPM will exchange its transmission assets at GRE's Benton County substation for GRE's transmission assets at NSPM's Carver County, Coon Creek, Wakefield, and Wilmarth substations. The asset exchange will better define the ownership and operation of transmission assets within each Party's substations, and also simplify compliance with North American Electric Reliability Corporation (NERC) reliability standards. The net book value of the assets to be exchanged has an estimated difference of about \$722,000. The Parties will net out the exact book values at the date of closing, and make any true-up cash payment required to effectuate the asset exchange.

This Petition has many similarities to a prior petition to approve an asset exchange agreement between the Parties approved by the Commission in 2006 in *In the Matter of*

*Northern States Power Company's d/b/a Xcel Energy's Petition for Approval of a Transfer and Exchange of Transmission Assets with Great River Energy and Member Cooperatives, Docket No. E002/PA-06-932 (2006 Asset Exchange Docket).<sup>1</sup>*

## **I. SUMMARY OF FILING**

A one-paragraph summary is attached to this filing pursuant to Minn. R. 7829.1300, subp. 1.

## **II. SERVICE ON OTHER PARTIES**

Pursuant to Minn. R. 7829.1300, subp. 2, the Company has served a copy of this filing on the Minnesota Department of Commerce (the Department) and the Office of the Attorney General – Antitrust and Utilities Division. A summary of the filing has been served on all parties on the enclosed service list.

## **III. GENERAL FILING INFORMATION**

Pursuant to Minn. R. 7829.1300, subp. 3, the Company provides the following information.

### **A. Name, Address, and Telephone Number of Utility**

Northern States Power Company, doing business as:  
Xcel Energy  
414 Nicollet Mall  
Minneapolis, MN 55401  
(612) 330-5500

### **B. Name, Address, and Telephone Number of Utility Attorney**

James R. Denniston  
Assistant General Counsel  
Xcel Energy  
414 Nicollet Mall, 5<sup>th</sup> Floor  
Minneapolis, MN 55401  
(612) 215-4656

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<sup>1</sup> MPUC Order dated October 16, 2006 in Docket No. E002/PA-06-932.

**C. Date of Filing and Date the Proposed Asset Exchange is to Take Effect**

The date of this filing is June 11, 2013. The Agreement contains a contingency which requires Commission approval under Minn. Stat. §216B.50 prior to closing.<sup>2</sup>

**D. Statute Controlling Schedule for Processing the Filing**

This Petition is being submitted pursuant to Minn. Stat. §216B.50 and Minn. Rule Part 7825.1600-1800. Minn. Stat. §216B.50 does not provide for a specific schedule for processing an asset exchange filing. Since no determination of NSPM's general revenue requirements is necessary, this filing falls within the definition of a "miscellaneous tariff filing" under Minn. Rule 7829.0100, subp. 11. Pursuant to Minn. Rule 7829.1400, subps. 1 and 4, initial comments on a miscellaneous tariff filing are due within 30 days of filing, with replies due 10 days thereafter.

**E. Utility Employee Responsible for Filing**

Paul J Lehman  
Manager, Regulatory Compliance and Filings  
Xcel Energy  
414 Nicollet Mall, 7<sup>th</sup> Floor  
Minneapolis, MN 55401  
(612) 330-7529

**IV. MISCELLANEOUS INFORMATION**

Pursuant to Minn. Rule 7829.0700, the Company requests that the following persons be placed on the Commission's official service list for this proceeding:

James R. Denniston  
Assistant General Counsel  
Xcel Energy  
414 Nicollet Mall, 5<sup>th</sup> floor  
Minneapolis, MN 55401  
james.r.denniston@xcelenergy.com

SaGonna Thompson  
Records Analyst  
Xcel Energy  
414 Nicollet Mall, 7<sup>th</sup> Floor  
Minneapolis, MN 55401  
regulatory.records@xcelenergy.com

Any information requests in this proceeding should be submitted to Ms. Thompson at the Regulatory Records email address above.

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<sup>2</sup> See the Agreement, Sections 2.5(c), 3.3, and, 5.5(b) and Schedule 3.3.

## **V. DESCRIPTION AND PURPOSE OF FILING**

We request approval of the Agreement with GRE, as specified in Attachment A, which describes the terms and conditions of the exchange. NSPM will exchange its specified transmission assets at GRE's Benton County substation for GRE's transmission assets at NSPM's Carver County, Coon Creek, Wakefield, and Wilmarth substations.

### **A. Purpose of Filing**

Commission approval is required for this transaction. A detailed description of the public interest supporting this transaction is contained in the section F below.

### **B. Standard of Review**

#### *1. Statutory Requirements*

Minn. Stat. §216B.50 governs the Commission's review of the proposed asset exchange transaction. Minn. Stat. §216B.50 provides as follows:

No public utility shall sell, acquire, lease, or rent any plant as an operating unit or system in this state for a total consideration in excess of \$100,000 ... without first being authorized so to do by the Commission. Upon the filing of an application for the approval and consent of the Commission, the Commission shall investigate, with or without public hearing. The Commission shall hold a public hearing, upon such notice as the Commission may require. If the Commission finds that the proposed action is consistent with the public interest, it shall give its consent and approval by order in writing. In reaching its determination, the Commission shall take into consideration the reasonable value of the property, plant, or securities to be acquired or disposed of, or merged and consolidated. This section does not apply to the purchase of property to replace or add to the plant of the public utility by construction.

In the *2006 Asset Exchange Docket*, the Commission agreed with and adopted the reasoning of the Department. The Department considered the exchange of transmission facilities between the Parties to fall under the purview of the Commission under Minn. Stat. §216B.50 and corresponding Minn. Rules Parts 7825.1600 and 1800. The Department considered the primary issue to be whether the

exchange of transmission facilities between NSP and GRE at net book value to be consistent with the public interest.

This is consistent with prior cases where the Commission determined that this public interest standard "does not require an affirmative finding of public benefit, just a finding that the transaction is compatible with the public interest." *In the Matter of the Proposed Merger of Minnegasco, Inc. With and Into ARKLA, Inc.*, ORDER APPROVING MERGER, Docket No. G008/PA-90-604 (1990). *See also, In the Matter of the Proposed Merger of Minnegasco, Inc. With and Into Houston Industries, Inc. and Houston Lighting and Power Co.*, Docket No. G008/PA-96-950 (1997).

## 2. Rule 7825.1800, Subps. B, C and D Filing Requirements

In the 2006 *Asset Exchange Docket*, the Department noted that Minn. Rule 7825.1800, subps. B, C and D specifically address the issue of transfer of property. These provisions state as follows:

### 7825.1800 FILING REQUIREMENTS FOR PETITIONS TO ACQUIRE PROPERTY.

Petitions for approval to acquire property shall contain one original and three copies of the following information, either in the petition or as exhibits attached thereto: ...

B. Petitions for approval of a transfer of property shall be accompanied by the following: all information as required in part 7825.1400, items A to J; the agreed upon purchase price and the terms for payment and other considerations.

C. A description of the property involved in the transaction including any franchises, permits, or operative rights, and the original cost of such property, individually or by class, the depreciation and amortization reserves applicable to such property, individually or by class. If the original cost is unknown, an estimate shall be made of such cost. A detailed description of the method and all supporting documents used in such estimate shall be submitted.

D. Other pertinent facts or additional information that the commission may require.

In the *2006 Asset Exchange Docket*, the Department agreed with the Company's request for a variance from providing the information requested in Minn. Rule 7825.1400 (as referenced in Minn. Rule 7825.1800, subpart B). For the same reasons, the Company respectfully requests a similar variance of such filing requirements for purposes of the present petition. This information is relevant to a capital structure filing and is required for purposes of investigating the issuance of securities. NSPM believes that this information has no relevance in determining whether the asset exchange is in the public interest. The requirement to provide this information would impose an excessive burden on the Company, and granting a variance would not conflict with any statutory provisions or adversely affect the public interest.

Attachment B of this Petition provides the information required under Minn. Rule 7825.1800, part C.

#### **D. Description of Transaction**

A description of the assets to be exchanged is found in Article 2 of the Asset Exchange Agreement and included as Attachment A. Under the Agreement, the asset exchange will constitute a tax-free exchange of "like kind" property under Section 1031 of the Internal Revenue Code.<sup>3</sup> The NSPM transmission assets to be transferred to GRE have a net book value of approximately \$3.9 million (as of year end 2012); the GRE transmission assets to be transferred to NSPM have a net book value of approximately \$3.2 million. The netted Equalization Payment, as calculated as of December 31, 2012, would result in an estimated \$722,000 to be paid by GRE to NSPM. The exact amount will be determined based on the net book value as of the close of the transaction.

The proposed exchange will result in more defined ownership, operation and maintenance of transmission facilities in Minnesota. Specifically, NSP will exchange: 1) all the NSPM-owned relays, breakers, switches, transformers, associated equipment, and other high voltage transmission substation facilities, equipment, and tangible personal property located in the GRE-owned Benton County substation; 2) all (A) current and complete one-line system diagrams, engineering drawings and structure drawings; (B) SAG charts, plan and profiles, staking sheets and phasing drawings, if any; (C) maintenance, repair, and replacement business records; (D) relay settings and operating guides of NSPM, MISO, or MRO; and (E) such other documentation in the possession of NSPM as may be reasonably requested by GRE for the ownership, operation, maintenance, and control of the facilities; 3) all of NSPM's rights, claims and benefits of and under any Operating Contracts, including manufacturer

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<sup>3</sup> 26 U.S.C. Section 1031 (2003).

warranties, related to the facilities described in the Agreement; 4) all of NSPM's Permits, to the extent transferable, relating to the facilities described in the Agreement; 5) all easements or leases necessary for the ownership, operation, maintenance, and replacement of the facilities described in the Agreement; and 6) all pending claims or rights to claim reimbursement or payment under property or liability insurance policies of NSPM relating to the facilities described in the Agreement. The following assets are excluded from this Agreement: NSPM-owned Supervisory Control and Data Acquisition (SCADA) Communications Equipment located within or adjacent to the Benton County Substation, any fiber optic lines or telephone circuits between NSPM-owned SCADA Communications Equipment and the substation. These assets will remain the property of NSPM and will not be assumed or assigned by GRE.

GRE will exchange: 1) all the GRE-owned relays, breakers, switches, transformers, associated equipment, and other high voltage transmission substation facilities, equipment, and tangible personal property located in the NSPM-owned Carver County, Coon Creek, Wakefield, and Wilmarth substations; 2) all (A) current and complete one-line system diagrams, engineering drawings and structure drawings; (B) SAG charts, plan and profiles, staking sheets and phasing drawings, if any; (C) maintenance, repair, and replacement business records; (D) relay settings and operating guides of GRE, MISO, or MRO; and (E) other such documentation in the possession of GRE as may be reasonably requested by NSPM for the ownership, operation, maintenance, and control of the facilities described in the Agreement; 3) all of GRE's rights, claims and benefits of and under any Operating Contracts, including manufacturer warranties, relating to the facilities described in the Agreement; 4) all of GRE's Permits, to the extent transferable, relating to the facilities described in the Agreement; 5) all easements or leases necessary for the ownership, operation, maintenance, and replacement of the facilities described in the Agreement; and 6) all pending claims or rights to claim reimbursement or payment under property or liability insurance policies of GRE relating to the transmission facilities described in the Agreement. The following assets are excluded from this Agreement: any GRE-owned SCADA Communications Equipment located within or adjacent to the Carver County, Coon Creek, Wakefield, or Wilmarth substations, fiber optic lines or telephone circuits between GRE-owned SCADA Communications Equipment and the substations. These assets will remain the property of GRE and will not be assumed or assigned by NSPM.

#### **E. Net Book Value of the Assets to be Exchanged**

The assets will be exchanged based on the Net Book Value as explained in Section 2.3 of the Agreement. The Net Book Value of the NSPM assets to be exchanged as of

December 31, 2012 was \$3,929,821. The Net Book Value of the GRE assets to be exchanged on the same date was \$3,207,788. Attachment B is a list of assets for each substation, along with the associated net values. In the *2006 Asset Exchange Docket*, the Department agreed that allowing the exchange of transmission assets between the Company and GRE at net book value to be reasonable and consistent with the public interest according to past Commission decisions. Attachment C1 is a worksheet detailing the assets being exchanged and Attachment C2 shows the expected journal entries to reflect the exchange.

The Company will apply the true-up cash payment (\$722,033 as of year end 2012, difference between our asset value and GRE's asset value) to FERC Account No. 108, Accumulated Provision for Depreciation, as salvage for transmission. The effect of this transaction will be a reduction to rate base of \$722,033. This adjustment will not have a material effect on the Company's net transmission plant, which was approximately \$1.5 billion as of year end 2012. If at closing the value of the NSPM assets are less than the value of the GRE assets, NSPM will pay GRE the equalization payment and will record the transaction in FERC Account No. 107, Construction Work in Progress.

#### **F. Public Interest Analysis**

The proposed asset exchange will serve the public interest. The purpose for the Agreement is to improve the reliability of the transmission network of each utility. Today, GRE and NSPM own equipment in several of each other's substations as a result of legacy construction and operating practices. The Agreement would provide for better reliability of the transmission network since all of the specified equipment in the specified substations of each utility would now belong to that utility and that utility would be responsible for the maintenance and repair of that equipment.

The asset exchange will also better define the ownership and operation of transmission assets within the service areas and electrical control areas operated by NSPM and GRE. The asset exchange consolidates ownership and maintenance of transmission facilities and is expected to create increased efficiency for NSPM and GRE as a result of the transaction, and simplify compliance with NERC reliability standards. For example, the Agreement would reduce the risk of reliability failures by limiting the operations and maintenance personnel working in the substations to a single utility and also improve the operational efficiency of both NSPM and GRE.

In the *2006 Asset Exchange Docket*, the Department agreed with the Company that allowing the Company and GRE to each have 100 percent ownership and maintenance responsibility for assets in substations is in the public interest. In the

*2006 Asset Exchange Docket* the Department also noted the following additional benefits to that transaction which would also be applicable the Agreement:

1. Through the MISO regional transmission planning process, NSPM and GRE will continue their past practice of joint planning and use of transmission assets to provide efficiencies for their customers and for the State of Minnesota by avoiding duplicate facilities.
2. The Commission will continue to have oversight and review of all NSPM-owned transmission assets in Minnesota through the Commission's jurisdiction over NSPM. NSPM's retail utility operations are subject to Commission authority, and the Commission can at all times review the Company's records relating to the asset exchange and any maintenance activities undertaken by NSPM.

#### **G. Proposed Compliance Requirements**

Similar to the requirements contained in the *2006 Asset Exchange Docket*, the Company would support the Commission adopting the following compliance requirements:

- The Company will file a copy of its FERC filing relating to this transaction, if it has not done so prior to the Commission order in this matter, so the Department and other parties can track the proceeding at the FERC.
- The Company will file final accounting journal entries within 60 days after the exchange of transmission assets is completed.
- The equalization payment of the amount finally determined at closing, shall be recorded to FERC Account No. 108 (if GRE owes NSPM) or FERC Account No. 107 (if NSPM owes GRE).

#### **VI. EFFECT OF CHANGE UPON XCEL ENERGY REVENUE**

The Parties will net out the exact book values at the date of closing, and make any true-up cash payment required to effectuate the asset exchange. As stated previously, the estimated Equalization Payment, calculated as of December 31, 2012, is \$722,000 to be paid by GRE to NSPM. The Company would apply the equalization payment dollars to FERC Account No. 108, which would have the effect of slightly reducing net transmission plant. Thus, rate base will decrease and rate payers will benefit over time.

## CONCLUSION

Xcel Energy respectfully requests that the Commission issue an Order indicating Commission approval under Minn. Stat. §216B.50 for NSPM to proceed with the asset exchange pursuant to the Agreement.

The Commission should find the asset exchange under the Agreement with GRE to be consistent with the public interest. The asset exchange consolidates ownership and maintenance of transmission facilities and is expected to provide reliability benefits and create increased efficiency for NSPM and GRE as a result of the transaction. The Company thus respectfully requests that the Commission approve the proposed asset exchange.

The Company believes this Petition includes all of the information necessary for the Commission to determine that the transfer in the proposed asset exchange is consistent with the public interest.

Dated: June 11, 2013

Northern States Power Company

Respectfully submitted by:

/s/

PAUL J LEHMAN  
MANAGER, REGULATORY COMPLIANCE AND FILINGS

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
David Boyd	Commissioner
Nancy Lange	Commissioner
J. Dennis O'Brien	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF THE PETITION OF  
NORTHERN STATES POWER COMPANY  
FOR APPROVAL OF A TRANSMISSION  
SUBSTATION ASSET EXCHANGE WITH  
GREAT RIVER ENERGY

DOCKET NO. E002/PA-13-\_\_\_\_\_

**PETITION**

**SUMMARY OF FILING**

Please take notice that on June 11, 2013, Northern States Power Company, doing business as Xcel Energy, filed with the Minnesota Public Utilities Commission a Petition for approval of a Transmission Substation Asset Exchange Agreement with Great River Energy. This exchange will result in single ownership of the assets inside five substations. This exchange is in the public interest and represents a fair transaction for both parties.

The asset exchange is pursuant to an Asset Exchange Agreement dated February 21, 2013, entered into by and among Northern States Power Company (NSPM) and Great River Energy (GRE). NSPM will exchange its transmission assets at GRE's Benton County substation for GRE's transmission assets at NSPM's Carver County, Coon Creek, Wakefield, and Wilmarth substations. The asset exchange will better define the ownership and operation of transmission assets within each party's substations.

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

**ASSET EXCHANGE AGREEMENT**

**By and Between**

**NORTHERN STATES POWER COMPANY,  
a Minnesota corporation**

**And**

**GREAT RIVER ENERGY,  
a Minnesota cooperative corporation**

**Dated as of**

FEBRUARY 21, 2013

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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## ASSET EXCHANGE AGREEMENT

**THIS ASSET EXCHANGE AGREEMENT** (together with all Schedules and Exhibits attached hereto, this "**Agreement**") is made and entered into as of this 21<sup>st</sup> day of FEBRUARY, 2013, by and among Northern States Power Company, a Minnesota corporation ("**NSPM**") and Great River Energy, a Minnesota cooperative corporation ("**GRE**"). NSPM and GRE may be individually referred to as a "**Party**" or collectively referred to as the "**Parties**." Capitalized terms used herein shall, unless otherwise defined, have the meanings given such terms in Article I of this Agreement.

### RECITALS

WHEREAS, GRE is an electric utility engaged in the business of generating, transmitting, and selling electric power and energy in the States of Minnesota and Wisconsin; and

WHEREAS, NSPM is an electric utility engaged in the business of, inter alia, generating, transmitting, and selling electric power and energy and related services in the States of Minnesota, North Dakota, and South Dakota; and

WHEREAS, NSPM and GRE desire to exchange with each other certain electric transmission substation facilities each owns; and

WHEREAS, the Parties have undertaken due diligence and good faith negotiations to reach the terms and conditions for an asset exchange, and wish to set forth the definitive terms and conditions by which they will exchange such transmission substation assets by the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing Recitals and the mutual promises contained in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each of NSPM and GRE hereby agrees as follows:

### **ARTICLE 1** **DEFINITIONS**

For purposes of this Agreement, the following terms have the meanings specified:

**"Affiliate"** means (i) a Person that is under the Control of a specified Person; (ii) a Person that Controls a specified Person; or (iii) a Person that is under common Control with a specified Person in Anoka County, Minnesota, near the city of Coon Rapids.

Northern States Power Company, a Minnesota corporation  
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"**Closing**" has the meaning set forth in Section 2.4 of this Agreement.

"**Closing Date**" has the meaning set forth in Section 2.4 of this Agreement.

"**Code**" means the Internal Revenue Code of 1986, as amended, or rules and regulations issued by the IRS pursuant to the Internal Revenue Code or any successor law.

"**EMS**" means Energy Management System, a system of computer-aided tools used by operators of electric utility grids to monitor, control, and optimize the performance of the generation and/or transmission system.

"**Encumbrance**" means and includes (i) with respect to any personal property, any specified Person, in each case under any circumstances that would cause the FERC to treat the specified Person as a Market Participant if the Affiliate is a Market Participant.

"**Agreement**" has the meaning set forth in the introductory paragraph of this Agreement.

"**Ancillary Documents**" means the documents, instruments, and agreements to be executed and/or delivered by the Parties pursuant to this Agreement.

"**Applicable Laws**" means any and all laws, ordinances, constitutions, regulations, statutes, treaties, rules, codes, and Injunctions adopted, enacted, implemented, promulgated, issued, entered, or deemed applicable by or under the authority of any Governmental Body having jurisdiction over a specified Person or any of such Person's properties or assets.

"**Benton County Substation**" means the GRE-owned 230 kV electrical transmission substation located in Benton County, Minnesota, near the city of St. Cloud.

"**Carver County Substation**" means the NSPM-owned 115 kV electrical transmission substation located in Carver County, Minnesota, near the city of Norwood.

"**Coon Creek Substation**" means the NSPM-owned 345 kV electrical transmission substation located intangible property or any property other than real property, any security or other property interest or right, claim, lien, pledge, option, charge, security interest, contingent or conditional sale, or other title claim or retention agreement or lease or use agreement in the nature thereof, whether voluntarily incurred or arising by operation of law, and including any agreement to grant or submit to any of the foregoing in the future; and (ii) with respect to any real property, any mortgage, lien, easement, interest, right of way, condemnation or eminent domain proceeding, encroachment, any building, use or other form of restriction, encumbrance or other claim (including adverse or prescriptive) or right of third parties (including Governmental Bodies), any lease or sublease, boundary dispute, and agreements with respect to any real property including: purchase, sale, right of first refusal, option, construction, building or property service, maintenance, property management, conditional or contingent sale, use or occupancy, franchise or concession, whether voluntarily incurred or arising by operation of law, and including any agreement to grant or submit to any of the foregoing in the future.

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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**“Environmental Information”** means (i) any communication or written materials from any Governmental Authority or Person relating to the compliance status of the GRE Assets or NSPM Assets under any Environmental Law, (ii) internal memoranda relating to the compliance status of the GRE Assets or NSPM Assets under any Environmental Law, or (iii) any investigations, audits, reviews, studies, or other analyses (including Phase I and Phase II environmental assessments) concerning the GRE Assets or NSPM Assets (as they currently exist or as they historically existed), including but not limited to PCB sampling records related to the GRE Assets or NSPM Assets, and records of any Releases from the GRE Assets or NSPM Assets.

**"Environmental Laws"** means any and all Applicable Laws (i) regulating the use, treatment, generation, transportation, storage, control, or disposal of any Hazardous Material, including the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. § 9601 et seq.); the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 1801 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Water Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.) and all state and local laws corollary thereto; and/or (ii) relating to the protection of the environment, natural resources, and public or worker health and safety, all as existing, defined or interpreted as of the Closing Date.

**"Excluded GRE Assets"** has the meaning set forth in Section 2.1(b) of this Agreement.

**"Excluded NSPM Assets"** has the meaning set forth in Section 2.2(b) of this Agreement.

**"Final Order"** has the meaning set forth in Section 6.2 of this Agreement.

**"FERC"** means the Federal Energy Regulatory Commission, or any successor regulatory authority.

**“Good Utility Practice”** shall mean any of the practices, methods and acts engaged in or approved by a significant portion of the electric industry during the relevant time period, or any of the practices, methods and acts which, in the exercise of reasonable judgment in light of the facts known at the time the decision was made, could have been expected to accomplish the desired result at a reasonable cost consistent with good business practices, reliability, safety and expedition. Good Utility Practice is not intended to be limited to the optimum practice, method, or act to the exclusion of all others, but rather to be acceptable practices, methods, or acts generally accepted in the region, including those practices required by Federal Power Act Section 215(a)(4).

**"Governmental Body"** means any local, state, regional, federal, or national administrative, legal, judicial or executive agency, commission, department, or other governmental entity.

**"GRE Assets"** has the meaning set forth in Section 2.1(a) of this Agreement.

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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**"GRE Exchange Value"** has the meaning set forth in Section 2.3(a) of this Agreement.

**"GRE Assets Maintenance Contract"** has the meaning set forth in Section 2.1(c) of this Agreement.

**"Harris Trust Indenture"** means the lien of a Trust Indenture with Harris Trust & Savings Bank, as Trustee, dated February 1, 1937, and numerous indentures supplemental thereto, including an indenture substituting the Bank of New York Midwest Trust Company, as Trustee, to which the NSPM Assets are subject.

**"Hazardous Materials"** means any and all (i) toxic or hazardous pollutants, contaminants, chemicals, wastes, materials or substances listed or identified in, or regulated by, any Environmental Law, and (ii) any of the following, whether or not included in the foregoing: polychlorinated biphenyls, asbestos in any form or condition, urea formaldehyde, petroleum, including crude oil or any fraction thereof, synthetic gas usable for fuel or mixtures thereof, chemical wastes, radioactive materials and explosives.

**"Indemnified Party"** has the meaning set forth in Section 7.1 of this Agreement.

**"Indemnifying Party"** has the meaning set forth in Section 7.1 of this Agreement.

**"Injunction"** means any and all writs, rulings, awards, directives, injunctions (whether temporary, preliminary or permanent), judgments, decrees or orders (whether executive, judicial or otherwise) adopted, enacted, implemented, promulgated, issued, entered or deemed applicable by or under the authority of any Governmental Body.

**"Knowledge"** means, with respect to any Party, means the actual awareness of a fact or other matter of the executives, management, and staff employees of such Party, together with such awareness as could be developed by such executives, management, and staff employees in the course of a reasonable investigation of the fact or other matter.

**"Liability"** or **"Liabilities"** means any and all debts, liabilities and/or obligations of any type, nature or description (whether known or unknown, asserted or unasserted, secured or unsecured, absolute or contingent, accrued or unaccrued, liquidated or unliquidated and whether due or to become due).

**"Loss"** or **"Losses"** has the meaning set forth in Section 7.1 of this Agreement.

**"Material Adverse Effect"** or **"Material Adverse Change"** means, in connection with any Party, any event, change or effect that is materially adverse, individually or in the aggregate, to the condition (financial, operational, environmental, or otherwise), properties, assets, Liabilities, revenues, income, business, operations or results of operations of such Party, taken as a whole; provided, however, that the foregoing shall not be deemed to include any event, change or effect which arises with respect to (i) conditions of change that are primarily the result of the national economy whereby the effect or change is generally universal upon businesses as a whole or within an industry as a whole, or (ii) uniformly applied legislative or judicial Applicable Laws or Final Orders that have general applicability to business as a whole or an industry as a whole.

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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**"MISO Tariff"** means the Midwest Independent Transmission System Operator, Inc. open access transmission tariff and related energy market tariff and other modules on file with FERC.

**"MPUC"** means the Minnesota Public Utilities Commission or successor regulatory authority.

**"MRO"** means the Midwest Reliability Organization, or any successor regional reliability organization.

**"NSPM Assets"** has the meaning set forth in Section 2.2(a) of this Agreement.

**"NSPM/GRE Equalization Payment"** has the meaning set forth in Section 2.3(c) of this Agreement.

**"NSPM Exchange Value"** has the meaning set forth in Section 2.3(a) of this Agreement.

**"Operating Contracts"** has the meaning set forth in Section 3.9 of this Agreement.

**"Ordinary Course of Business"** means an action taken by a Party only if such action is consistent with the past practices of such Party and is taken in the ordinary course of the normal day-to-day operations of such Party.

**"Permits"** means all right, title and interest in and to any permits, licenses, certificates, filings, authorizations, approvals, or other indicia of authority (and any pending applications for approval or renewal of a Permit), to own, construct, operate, sell, inventory, disburse or maintain any asset or conduct any business as issued by any Governmental Body.

**"Permitted Encumbrances"** means such Encumbrances listed on Schedule 3.4 hereto and such minor Encumbrances, charges and imperfections which do not, individually or in the aggregate detract from, in any material way, the value or use of any asset, or otherwise interfere with, in any material way, the quiet enjoyment of any asset under any lease or leasehold interest, as well as any exceptions appearing on the abstracts of title obtained by GRE or the Cooperatives prior to Closing with respect to any real property to be transferred by NSPM hereunder, to the extent such abstracts have delivered prior to the Closing Date and such exceptions are not objected to by GRE or the Cooperatives prior to the Closing Date.

**"Person"** means any individual, corporation (including any non-profit corporation), general, limited or limited liability partnership, limited liability company, joint venture, estate, trust, association, organization, or other entity or Governmental Body.

**"Proceeding"** means any suit, litigation, arbitration, hearing, audit, investigation, or other action (whether civil, criminal, administrative, or investigative) commenced, brought, conducted, or heard by or before, or otherwise involving, any Governmental Body or arbitrator.

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**“Release”** means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, dumping, weeping, or disposing into the environment of any Hazardous Material.

**"SAG Drawings"** means the wire, sag and tension charts and drawings prepared in accordance with industry engineering practices and procedures.

**“SCADA”** is an acronym for Supervisory Control and Data Acquisition. SCADA systems are used to monitor and control electric transmission and distribution power equipment. These systems encompass the transfer of data between a SCADA central host computer and field data interface devices such as Remote Terminal Units (RTU’s) and/or Programmable Logic Controllers (PLC’s), and the central host and the operator terminals.

**“SCADA Communications Equipment”** means the communication equipment used exclusively to transfer data between field data interface devices and the computers in the SCADA central host. The communications system can be radio, telephone, cable, satellite, etc., or any combination of these.

**"Schedules"** has the meaning set forth in the introductory paragraph to Article 3 of this Agreement.

**"Supplement"** has the meaning set forth in Section 11.18 of this Agreement.

**"Tax"** or **"Taxes"** means any and all net income, gross income, gross revenue, gross receipts, net receipts, ad valorem, franchise, profits, transfer, sales, use, social security, employment, unemployment, disability, license, withholding, payroll, privilege, excise, value added, severance, stamp, occupation, property, customs, duties, real estate and/or other taxes, assessments, levies, fees or charges of any kind whatsoever imposed by any Governmental Body, together with any interest or penalty relating thereto.

**"Tax Return"** or **"Tax Returns"** means any return, declaration, report, claim for refund or information return or statement relating to Taxes, including, without limitation, any schedule or attachment thereto, any amendment thereof, and any estimated report or statement.

**"Third Party"** means a Person not a Party to this Agreement.

**"Threatened"** means any written demand or statement, or any other notice that would lead a reasonably prudent Person to conclude that a claim, Proceeding, dispute, action, or other matter will, with substantial certainty, be asserted, commenced, taken or otherwise pursued in the future; provided, however, that the foregoing definition specifically excludes any customer billing disputes that occur in the Ordinary Course of Business.

**"Transactional Expenses"** has the meaning set forth in Section 11.9 of this Agreement.

**"Valuation Date"** means the Closing Date or other date mutually agreed by the Parties.

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"**Wakefield Substation**" means the NSPM-owned 115 kV electrical transmission substation located in Sterns County, Minnesota, near the city of Cold Spring.

"**Wilmarth Substation**" means the NSPM-owned 345 kV electrical transmission substation located in Blue Earth County, Minnesota, near the city of Mankato.

## ARTICLE 2 EXCHANGE OF ASSETS

2.1 Exchange of GRE Assets. In reliance upon the representations, warranties and covenants contained in this Agreement as of the date hereof and on the Closing Date, NSPM agrees to accept from GRE on the Closing Date all of GRE's rights, title and interest in and to the GRE Assets in exchange for all of NSPM's right, title and interest in and to the NSPM Assets. The transfer, conveyance, assignment, and delivery of the GRE Assets by GRE shall convey good and valid title to the GRE Assets, free and clear of any and all Encumbrances except for Permitted Encumbrances.

(a) GRE Assets. Subject to Section 2.1(b), the "**GRE Assets**" consist of all right, title, and interest of GRE in and to the following:

(i) all the GRE-owned relays, breakers, switches, transformers, associated equipment, and other high voltage transmission substation facilities, equipment, and tangible personal property located in the NSPM-owned Carver County, Coon Creek, Wakefield, and Wilmarth substations as set forth in the GRE Bill of Sale (Exhibit A);

(ii) all (A) current and complete one-line system diagrams, engineering drawings and structure drawings; (B) SAG charts, plan and profiles (showing pole locations for transmission lines), staking sheets and phasing drawings, if any; (C) maintenance, repair, and replacement business records; (D) relay settings and operating guides of GRE, MISO, or MRO; and (E) other such other documentation in the possession of GRE as may be reasonably requested by NSPM for the ownership, operation, maintenance, and control of the facilities described in Section 2.1(a)(i) and Exhibit A;

(iii) all of GRE's rights, claims and benefits of and under any Operating Contracts, including manufacturer warranties, relating to the facilities described in Section 2.1(a)(i) and Exhibit A, which are set forth in Schedule 2.1(a)(iii);

(iv) all of GRE's Permits, to the extent transferable, relating to the facilities described in Section 2.1(a)(i) and Exhibit A, which are set forth in Schedule 2.1(a)(iv);

(v) all easements or leases necessary for the ownership, operation, maintenance, and replacement of the facilities described in Section 2.1(a)(i) and Exhibit A, which are set forth on Schedule 2.1(a)(v); and

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(vi) all pending claims or rights to claim reimbursement or payment under property or liability insurance policies of GRE relating to the transmission facilities described in Section 2.1(a)(i) and Exhibit A, which are set forth in Schedule 2.1(a)(vi).

(b) Excluded Assets. Notwithstanding anything to the contrary contained in Section 2.1(a) and Exhibit A, the GRE Assets do not include any GRE-owned SCADA Communications Equipment located within or adjacent to the Carver County, Coon Creek, Wakefield, or Wilmarth Substations, nor any fiber optic lines or telephone circuits between GRE-owned SCADA Communications Equipment and the substations (“**Excluded GRE Assets**”). The Excluded GRE Assets shall remain the property of GRE, and shall not be assumed or assigned by NSPM.

(c) Upon the transfer of the GRE Assets to NSPM at Closing, the existing contract under which GRE pays NSPM to maintain the GRE Assets (the “**GRE Assets Maintenance Contract**”) will terminate. NSPM will have no obligations under the GRE Asset Maintenance Contract after Closing. GRE will be obligated to make any payments to NSPM for maintenance of the GRE Assets that are still outstanding as of the Closing Date.

2.2 Exchange of NSPM Assets. In reliance upon the representations, warranties, and covenants contained in this Agreement as of the date hereof and on the Closing Date, GRE agrees to accept from NSPM on the Closing Date all of NSPM's right, title, and interest in and to the NSPM Assets in exchange for all of GRE's right, title and interest in the GRE Assets. The transfer, conveyance, assignment, and delivery of the NSPM Assets by NSPM shall convey good and valid title to the NSPM Assets free and clear of any and all Encumbrances, except for Permitted Encumbrances.

(a) NSPM Assets. Subject to Section 2.2(b), the "**NSPM Assets**" consist of all right, title and interest of NSPM in and to the following:

(i) all the NSPM-owned relays, breakers, switches, transformers, associated equipment, and other high voltage transmission substation facilities, equipment, and tangible personal property located in the GRE-owned Benton County substation as set forth in the NSPM Bill of Sale (Exhibit B);

(ii) all (A) current and complete one-line system diagrams, engineering drawings and structure drawings; (B) SAG charts, plan and profiles (showing pole locations for transmission lines), staking sheets and phasing drawings, if any; (C) maintenance, repair, and replacement business records; (D) relay settings and operating guides of NSPM, MISO, or MRO; and (E) such other documentation in the possession of NSPM as may be reasonably requested by GRE for the ownership, operation, maintenance, and control of the facilities described in Section 2.2(a)(i) and Exhibit B;

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(iii) all of NSPM's rights, claims and benefits of and under any Operating Contracts, including manufacturer warranties, related to the facilities described in Section 2.2(a)(i) and Exhibit B, which are set forth in Schedule 2.2(a)(iii);

(iv) all of NSPM's Permits, to the extent transferable, relating to the facilities described in Section 2.2(a)(i) and Exhibit B, which are set forth in Schedule 2.2(a)(iv);

(v) all easements or leases necessary for the ownership, operation, maintenance, and replacement of the facilities described in Section 2.2(a)(i) and Exhibit B, which are set forth in Schedule 2.2(a)(v); and

(vi) all pending claims or rights to claim reimbursement or payment under property or liability insurance policies of NSPM relating to the facilities described in Section 2.2(a)(i) and Exhibit B, which are set forth on Schedule 2.2(a)(vi).

(b) Excluded Assets. Notwithstanding anything to the contrary contained Section 2.2(a) and Exhibit B, the NSPM Asset do not include any NSPM-owned SCADA Communications Equipment located within or adjacent to the Benton County Substation, nor any fiber optic lines or telephone circuits between NSPM-owned SCADA Communications Equipment and the substation ("**Excluded NSPM Assets**"). The Excluded NSPM Assets shall remain the property of NSPM, and shall not be assumed or assigned by GRE.

### 2.3 NSPM & GRE Exchange Values and Equalization Payment.

(a) The agreed value of the NSPM Assets shall be the net book value of the NSPM Assets, subject to any adjustments agreed to by NSPM and GRE, as of the Valuation Date (the "**NSPM Exchange Value**"). The agreed value of the GRE Assets shall be the net book value of the GRE Assets, subject to any adjustments agreed to by GRE and NSPM, as of the Valuation Date (the "**GRE Exchange Value**").

(b) Prior to the Closing, each of NSPM and GRE shall furnish the other a statement showing the estimated NSPM Exchange Value or the GRE Exchange Value, as the case may be, computed in accordance with the provisions of this Section 2.3.

(c) A payment to equalize the value of the NSPM Assets and the GRE Assets (the "**NSPM/GRE Equalization Payment**") shall be payable by one of NSPM or GRE at the Closing in immediately available funds. Such payment shall be equal to the difference between the NSPM Exchange Value and the GRE Exchange Value.

(d) Each Party shall have until the 180<sup>th</sup> day after the Closing to question or contest the correctness of the NSPM Exchange Value, the GRE Exchange Value, or the NSPM/GRE Equalization Payment, after which time the correctness of such values shall be conclusively presumed. In the event a Party timely notifies the other Party of an error

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in the calculation of such agreed values, the non-disputing Party shall have thirty (30) days from the date of the notice to determine whether it agrees with the disputing Party's analysis. If the non-disputing Party agrees with the disputing Party's analysis, the non-disputing Party shall reimburse the other for the amount charged or failed to be charged in error. If the non-disputing Party does not agree with the disputing Party's analysis, the matter shall be submitted promptly to senior management of NSPM and GRE. In the event senior management of the Parties are unable to resolve the dispute, the matter shall be submitted promptly to a nationally recognized independent accounting firm mutually agreed upon by the Parties for written analysis and determination as soon as reasonably possible after the submission, and such determination shall be final, binding and conclusive on the Parties, absent manifest error. The Parties shall split equally the costs and expenses of such accounting firm.

(e) Neither the NSPM Exchange Value nor the GRE Exchange Value shall include Transactional Expenses.

(f) The statements of estimated Exchange Value to be delivered by NSPM and GRE pursuant to Section 2.3(b) shall also include a certificate to the effect that (1) the Party keeps its books in conformity with standard industry accounting practices; (2) the Party's Exchange Value has been calculated in accordance with Section 2.3; and (3) the Party's estimated Exchange Value is based on amounts that appear on its books, and any adjustments agreed to by the Parties pursuant to Section 2.3(a).

(g) The exchange of the NSPM Assets for the GRE Assets is intended by both NSPM and GRE to be an exchange of "like-kind" property under Section 1031 of the Code (26 U.S.C. § 1031 (2003)).

#### 2.4 Payment of NSPM/GRE Equalization Payments on the Closing Date.

Subject to the fulfillment or satisfaction of the various conditions precedent and other duties and obligations of the Parties set forth herein, the closing of the exchange provided for in this Article 2 hereof (the "**Closing**") shall take place at such location, on such date, and at such time as NSPM and GRE shall mutually agree (such date and time being herein referred to as the "**Closing Date**"). At the Closing, NSPM shall deliver (i) the deeds, bills of sale, and other documents specified in Section 2.5 of this Agreement, (ii) the NSPM/GRE Equalization Payment, if it is due from NSPM to GRE as calculated under Section 2.3 of this Agreement, (iii) evidence satisfactory to GRE that the conditions precedent to the Closing have been satisfied, and (iv) all other documents required to be delivered by this Agreement. At the Closing, GRE shall deliver to NSPM (i) the deeds, bills of sale and other documents specified in Section 2.5 of this Agreement, (ii) the NSPM/GRE Equalization Payment, if it is due from GRE to NSPM as calculated under Section 2.3 of this Agreement, (iii) evidence satisfactory to NSPM that all conditions precedent to the Closing have been satisfied, and (iv) all other documents required to be delivered by this Agreement. GRE and NSPM agree that the only payment due at Closing is the NSPM/GRE Equalization Payment. As a reference for the Parties, the netted Equalization Payment calculated as of December 31, 2012, resulted in an estimated \$70,000 to be paid by GRE to NSPM.

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2.5 Documents to be Delivered by the Parties. At the Closing, the Parties shall execute, where necessary or appropriate, and deliver to the other each and all of the following:

- (a) Bill of Sale for the GRE Assets substantially in the form of Exhibit A;
- (b) Bill of Sale for the NSPM Assets substantially in the form of Exhibit B;
- (c) A Final Order of the MPUC under Minn. Stat. Section 216B.50 authorizing NSPM to (i) transfer the NSPM Assets located in Minnesota to GRE, or (ii) acquire the GRE Assets;
- (d) A partial mortgage release from the Harris Trust Indenture for the NSPM Assets (if available; or if not, as soon as possible thereafter, with best efforts to deliver within the next 90 days) substantially in the form of Exhibit C as to NSPM Assets;
- (e) A GRE Closing Certificate substantially in the form of Exhibit D;
- (f) An NSPM Closing Certificate substantially in the form of Exhibit E; and
- (g) Updated Schedules to this Agreement.

Nothing herein shall preclude the exchange and submission of executed Closing documents at a Pre-closing for review as mutually agreed by the Parties, and the holding of executed Closing documents in escrow for delivery pending payment by wire transfer of the NSPM/GRE Equalization Payment.

### **ARTICLE 3** **GRE REPRESENTATIONS AND WARRANTIES**

GRE represents and warrants to NSPM that the following representations and warranties (as modified by the Schedules to this Agreement (the "**Schedules**") and any Supplement delivered pursuant to Section 11.18 of this Agreement) are true and correct as of the date of this Agreement and will be true and correct as of the Closing Date.

3.1 Organization. GRE is a cooperative corporation duly organized, legally existing and in good standing under the laws of the State of Minnesota. It has all requisite corporate or cooperative corporation power and authority to own, operate, and lease its properties and assets and to conduct its business as it is now being conducted. It is duly qualified to transact business as a foreign corporation in every state or jurisdiction in which the nature of its activities or of its properties owned, leased or operated makes such qualification necessary and in which the failure to be so qualified could reasonably be expected to have a Material Adverse Effect on its business as a whole.

3.2 Due Authorization. The execution, delivery, and performance of this Agreement and the Ancillary Documents, and the consummation of the transactions contemplated hereby and thereby, have been duly and validly authorized by all necessary action, corporate or

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otherwise, and GRE's obligations hereunder and thereunder are or will be upon such execution and delivery valid, legally binding and enforceable against it in accordance with their respective terms.

3.3 No Breach. GRE has full power and authority to exchange, assign, transfer, convey, and deliver the GRE Assets to NSPM. It has full power and authority to otherwise perform its obligations under this Agreement and the Ancillary Documents. The execution and delivery of this Agreement, including the Ancillary Documents, and the consummation of the transactions contemplated hereby and thereby will not: (i) violate any provision of its Articles of Incorporation or Bylaws (or comparable governing documents or instruments), (ii) violate any Applicable Laws or Injunction applicable to it, (iii) except as set forth in Schedule 3.3, require any filing with, Permit from, authorization, consent or approval of, or the giving of any notice to, any Person, (iv) except as set forth in Schedule 3.4, result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give a Third Party any rights of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, franchise, Permit, or other contract to which it is a party, or by which it or any of its properties or assets may be bound, or (v) result in the creation or imposition of any Encumbrance on any of the assets it will exchange hereunder.

3.4 Clear Title. Except as set forth in Schedule 3.4, on the Closing Date, (i) GRE holds good and valid title to all of the assets to be exchanged by it hereunder that are tangible assets to be exchanged by it hereunder, (ii) all of its interests in and to its assets to be exchanged by it hereunder that are intangible assets are valid and enforceable, (iii) it holds good and valid title to the assets to be exchanged by it hereunder that are valid and enforceable interests in, such assets that are mixed assets, and (iv) as of the Closing Date, the GRE Assets are free and clear of any and all Encumbrances, except for Permitted Encumbrances.

3.5 Disclaimer. SUBJECT TO THE REPRESENTATION AND WARRANTY PROVIDED IN SECTION 3.6, THE GRE ASSETS ARE BEING EXCHANGED "AS IS WHERE IS WITH ALL FAULTS" AND GRE MAKES NO REPRESENTATION OR WARRANTY AS TO THE CONDITION, OPERABILITY OR USEFULNESS OF THE GRE ASSETS. ALL STATEMENTS OF FACT OR DISCLOSURES, IF ANY, MADE IN THIS AGREEMENT OR IN CONNECTION WITH THIS AGREEMENT, DO NOT CONSTITUTE WARRANTIES OR REPRESENTATIONS OF ANY NATURE. THE WARRANTIES IN THIS ARTICLE 3 SHALL BE IN LIEU OF ANY IMPLIED WARRANTIES, INCLUDING ANY WARRANTY OF DESIGN, FITNESS, OR MERCHANTABILITY, WHICH ARE HERBY GENERALLY AND SPECIFICALLY DISCLAIMED BY GRE. NSPM BY THIS AGREEMENT EXPRESSLY ACKNOWLEDGES THAT NO OTHER SUCH REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE BY GRE OR RELIED UPON BY NSPM. GRE IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTEES, PROMISES, STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE CONDITION OF THE GRE ASSETS MADE OR FURNISHED BY ANY AGENT, EMPLOYEE, SERVANT, OR OTHER PERSON REPRESENTING GRE, UNLESS SUCH WARRANTIES, GUARANTEES, PROMISES, STATEMENTS, REPRESENTATIONS, OR INFORMATION ARE EXPRESSLY SET FORTH IN THIS ARTICLE 3 OR ANY ANCILLARY AGREEMENT.

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3.6 Condition. The GRE Assets are in good working order to the best of GRE's Knowledge.

3.7 Litigation. Except in connection with any required regulatory approvals needed to effectuate this transaction or as set forth in Schedule 3.7(a), there is no pending Proceeding with respect to the GRE Assets:

(a) that has been commenced by or served upon GRE or of which it has Knowledge (other than any Proceeding which generally affects the business of all Persons conducting business similar to it and in which it is not a named defendant); or

(b) that, as of the date of execution of this Agreement and the Closing Date, challenges or will have the effect of preventing, delaying, making illegal, or otherwise interfering with any of the transactions contemplated hereunder.

To GRE's Knowledge, no Proceeding has been Threatened with respect to the GRE Assets. Except as set forth in Schedule 3.7(a), GRE is not a party to or subject to the provisions of any Injunction which could, individually or in the aggregate, reasonably be expected to impair its ability to consummate the transactions contemplated hereunder.

3.8 Compliance with Laws. GRE has not received any notice of, and has no Knowledge of, any material violation of any Applicable Laws respecting its Assets.

3.9 Operating Contracts. Except as set forth in Schedule 3.9, and except with respect to contracts that have been fully performed or terminated as of the Closing Date hereof and have no further force or effect, GRE is not a party to any oral or written contract with respect to the GRE Assets. Schedule 3.9 sets forth all of the contracts required or necessary to operate the GRE Assets as they have been operated (the "**Operating Contracts**"). All of the Operating Contracts to which it is a party were made in the Ordinary Course of Business, and, are valid, binding and currently in full force and effect with respect to it. GRE is not in default under any of the Operating Contracts to which it is a party, and, no event has occurred which, through the passage of time or the giving of notice, or both, would constitute a default by it or give rise to a right of termination or cancellation by another party under any of the Operating Contracts to which it is a party, or cause the acceleration of any liability of it, or result in the creation of any Encumbrance upon any of the GRE Assets. To its Knowledge, no other party to any of the Operating Contracts to which it is a party is in default under any such Operating Contract. Except as set forth in Schedule 3.9, none of the Operating Contracts to which it is a party have been amended or modified. Except as set forth in Schedule 3.9, the consummation of the transactions contemplated hereby will not require the consent or approval of any Person under any of the Operating Contracts to which it is a party.

3.10 Insurance. GRE has maintained and will continue to maintain until the Closing Date insurance which covers its tangible real and personal property and the GRE Assets against loss or damage by fire or other casualty. All such insurance is in full force on the date of this Agreement and is carried with insurers licensed in the states affected by such policies.

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3.11 Asset Inspection. GRE made the GRE Assets available to NSPM for inspection prior to Closing.

#### **ARTICLE 4** NSPM REPRESENTATIONS AND WARRANTIES

NSPM represents and warrants to GRE that the following representations and warranties (as modified by the Schedules and any Supplement delivered pursuant to Section 11.18 of this Agreement) are true and correct as of the date of this Agreement and will be true and correct as of the Closing Date.

4.1 Organization. NSPM is a corporation duly organized, legally existing and in good standing under the laws of the State of Minnesota. It has all requisite corporate or cooperative corporation power and authority to own, operate, and lease its properties and assets and to conduct its business as it is now being conducted. It is duly qualified to transact business as a foreign corporation in every state or jurisdiction in which the nature of its activities or of its properties owned, leased or operated makes such qualification necessary and in which the failure to be so qualified could reasonably be expected to have a Material Adverse Effect on its business as a whole.

4.2 Due Authorization. The execution, delivery, and performance of this Agreement and the Ancillary Documents, and the consummation of the transactions contemplated hereby and thereby, have been duly and validly authorized by all necessary action, corporate or otherwise, and NSPM's obligations hereunder and thereunder are or will be upon such execution and delivery valid, legally binding and enforceable against it in accordance with their respective terms.

4.3 No Breach. NSPM has full power and authority to exchange, assign, transfer, convey, and deliver to GRE the NSPM Assets. It has full power and authority to otherwise perform its obligations under this Agreement and the Ancillary Documents. The execution and delivery of this Agreement, including the Ancillary Documents, and the consummation of the transactions contemplated hereby and thereby will not: (i) violate any provision of its Articles of Incorporation or Bylaws (or comparable governing documents or instruments), (ii) violate any Applicable Laws or Injunction applicable to it, (iii) except as set forth in Schedule 3.3, require any filing with, Permit from, authorization, consent or approval of, or the giving of any notice to, any Person, (iv) except as set forth in Schedule 3.4, result in a violation or breach of, or constitute (with or without due notice or lapse of time or both) a default (or give a Third Party any rights of termination, cancellation or acceleration) under any of the terms, conditions or provisions of any note, bond, mortgage, indenture, license, franchise, Permit, or other contract to which it is a party, or by which it or any of its properties or assets may be bound, or (v) result in the creation or imposition of any Encumbrance on any of the assets it will exchange hereunder.

4.4 Clear Title. Except as set forth in Schedule 3.4, on the Closing Date, (i) NSPM holds good and valid title to all of the assets to be exchanged by it hereunder that are tangible assets to be exchanged by it hereunder, (ii) all of its interests in and to its assets to be exchanged

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by it hereunder that are intangible assets are valid and enforceable, (iii) it holds good and valid title to the assets to be exchanged by it hereunder that are valid and enforceable interests in, such assets that are mixed assets, and (iv) as of the Closing Date, the NSPM Assets are free and clear of any and all Encumbrances, except for Permitted Encumbrances.

4.5 Disclaimer. SUBJECT TO THE REPRESENTATION AND WARRANTY PROVIDED IN SECTION 4.6, THE NSPM ASSETS ARE BEING EXCHANGED “AS IS WHERE IS WITH ALL FAULTS” AND NSPM MAKES NO REPRESENTATION OR WARRANTY AS TO THE CONDITION, OPERABILITY OR USEFULNESS OF THE NSPM ASSETS. ALL STATEMENTS OF FACT OR DISCLOSURES, IF ANY, MADE IN THIS AGREEMENT OR IN CONNECTION WITH THIS AGREEMENT, DO NOT CONSTITUTE WARRANTIES OR REPRESENTATIONS OF ANY NATURE. THE WARRANTIES IN THIS ARTICLE 4 SHALL BE IN LIEU OF ANY IMPLIED WARRANTIES, INCLUDING ANY WARRANTY OF DESIGN, FITNESS, OR MERCHANTABILITY, WHICH ARE HERBY GENERALLY AND SPECIFICALLY DISCLAIMED BY NSPM. GRE BY THIS AGREEMENT EXPRESSLY ACKNOWLEDGES THAT NO OTHER SUCH REPRESENTATIONS OR WARRANTIES HAVE BEEN MADE BY NSPM OR RELIED UPON BY GRE. NSPM IS NOT LIABLE OR BOUND IN ANY MANNER BY ANY EXPRESS OR IMPLIED WARRANTIES, GUARANTEES, PROMISES, STATEMENTS, REPRESENTATIONS, OR INFORMATION PERTAINING TO THE CONDITION OF THE NSPM ASSETS MADE OR FURNISHED BY ANY AGENT, EMPLOYEE, SERVANT, OR OTHER PERSON REPRESENTING NSPM, UNLESS SUCH WARRANTIES, GUARANTEES, PROMISES, STATEMENTS, REPRESENTATIONS, OR INFORMATION ARE EXPRESSLY SET FORTH IN THIS ARTICLE 4 OR ANY ANCILLARY AGREEMENT.

4.6 Condition of Assets. The NSPM Assets are in good working order to the best of NSPM’s Knowledge.

4.7 Litigation. Except in connection with obtaining any required regulatory approvals to effectuate this Agreement or as set forth in Schedule 3.7(b), there is no pending Proceeding with respect to the NSPM Assets:

(a) that has been commenced by or served upon it or of which it has Knowledge (other than any Proceeding which generally affects the business of all Persons conducting business similar to it and in which it is not a named defendant); or

(b) that, as of the date of execution of this Agreement and the Closing Date, challenges, or that will have the effect of preventing, delaying, making illegal, or otherwise interfering with, any of the transactions contemplated hereby.

To NSPM’s Knowledge, no Proceeding has been Threatened with respect to the NSPM Assets. Except as set forth in Schedule 3.7(b) hereto, it is not a party to or subject to the provisions of any Injunction which could, individually or in the aggregate, reasonably be expected to impair its ability to consummate the transactions contemplated hereunder.

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4.8 Compliance with Laws. NSPM has not received any notice of, and has no Knowledge of, any material violation of any Applicable Laws respecting its Assets.

4.9 Operating Contracts. Except as set forth in Schedule 3.9, and except with respect to contracts that have been fully performed or terminated as of the Closing Date hereof and have no further force or effect, NSPM is not a party to any oral or written contract with respect to the NSPM Assets. Schedule 3.9 sets forth all of the Operating Contracts for the NSPM Assets. All of the Operating Contracts to which it is a party were made in the Ordinary Course of Business, and, are valid, binding and currently in full force and effect with respect to it. NSPM is not in default under any of the Operating Contracts to which it is a party, and, no event has occurred which, through the passage of time or the giving of notice, or both, would constitute a default by it or give rise to a right of termination or cancellation by another party under any of the Operating Contracts to which it is a party, or cause the acceleration of any liability of it, or result in the creation of any Encumbrance upon any of the NSPM assets. To its Knowledge, no other party to any of the Operating Contracts to which it is a party is in default under any such Operating Contract. Except as set forth in Schedule 3.9, none of the Operating Contracts to which it is a party have been amended or modified. Except as set forth in Schedule 3.9, the consummation of the transactions contemplated hereby will not require the consent or approval of any Person under any of the Operating Contracts to which it is a party.

4.10 Insurance. NSPM has maintained and will continue to maintain until the Closing Date insurance which covers its tangible real and personal property and the NSPM Assets to be exchanged by it hereunder against loss or damage by fire or other casualty. All such insurance is in full force on the date of this Agreement and is carried with insurers licensed in the states affected by such policies.

4.12 Asset Inspection. NSPM made the NSPM Assets available to GRE for inspection prior to Closing.

## **ARTICLE 5**

### **PERFORMANCE AND COVENANTS PENDING CLOSING**

NSPM and GRE covenants and agrees that from and after the date of this Agreement and until the earlier of the Closing Date or the termination of this Agreement in accordance with Article 9 hereof:

5.1 Access to Information. At the request of a Party, the other Party shall, from time to time, give or cause to be given to the requesting Party, its officers, employees, engineers, counsel, accountants and other representatives, upon reasonable notice, reasonable access during normal business hours, without undue disruption, to the properties and assets to be exchanged hereunder and all of the records, files, contracts, insurance policies, environmental records and reports, licenses and documents of every character of the Party relating to the assets to be exchanged hereunder, and shall furnish or cause to be furnished all of the information with respect to assets to be exchanged hereunder as may be reasonably requested. In addition, a Party may, subject to the conditions stated above, at its sole cost and expense, at any time prior to the

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Closing Date, through its officers, employees, engineers, counsel, accountants and other representatives, conduct such investigations and examinations of another Party's assets to be exchanged hereunder as it deems necessary or advisable, and such other Party will provide reasonable cooperation to the investigating Party in such investigations.

5.2 Access to Environmental Information. No later than twenty (20) calendar days after the date hereof, NSPM shall provide GRE as to the NSPM Assets and GRE shall provide NSPM as to the GRE Assets, a copy of (i) the maintenance, repair, and replacement records, (ii) in-service date, original cost and accumulated depreciation, (iii) a detailed list of equipment, (iv) all Environmental Information which the Party holds, controls, or has Knowledge of, and (v) legal descriptions, as applicable.

5.3 Notification of Inaccuracy. Each Party shall promptly notify the other Parties in writing of any material inaccuracy made in this Agreement of which that Party becomes aware or otherwise has Knowledge prior to the Closing Date. The foregoing shall not limit the ability of the Parties to supplement the Schedules.

5.4 Lien Search. Within seven days prior to the Closing Date, each Party shall deliver an Encumbrance search report to the other Parties which discloses any and all UCC-1 filings, tax liens, and litigation filed with respect to the assets it will exchange hereunder.

5.5 Cooperation with Respect to Permits, Licenses, and Regulatory Matters.

(a) Permits. Each Party shall at its sole cost and expense promptly perform such lawful acts and execute and deliver to the other such documents as any other Party may reasonably request to obtain the full benefits of the transfer of ownership of the assets, and the Parties shall cooperate to obtain all transferable and nontransferable Permits issued by a Governmental Body necessary or appropriate to continue the operation of the assets in the Ordinary Course of Business from and after the Closing Date.

(b) Regulatory Matters. Upon execution of this Agreement, the Parties shall promptly proceed to file or transmit, as applicable, all applications, consent requests and associated documentary material required by or necessary to obtain all approvals and releases of any Governmental Body necessary to complete or satisfy the conditions to Closing with respect to the transactions contemplated by this Agreement.

5.6 Substation Operations, Maintenance, and Planning.

Each Party shall use best efforts to plan, operate, and maintain the assets it owns and are to be exchanged under this Agreement in accordance with Good Utility Practice and applicable reliability standards and directives issued by the MISO, MRO, NERC, or any successor agency assuming or charged with similar responsibilities.

**ARTICLE 6**  
**MUTUAL CONDITIONS PRECEDENT TO THE PARTIES' OBLIGATIONS**

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Unless waived in writing by each Party, each and every obligation of a Party to be performed at or upon the Closing shall be subject to the satisfaction at or prior thereto of each and all of the following conditions precedent:

6.1 Proceedings. There being no (i) Proceeding which has been brought, asserted, commenced, or Threatened against any Party by any Person involving or affecting in any way that Party's consummation of the transactions contemplated hereby, or (ii) Applicable Laws restraining or enjoining, or which may reasonably be expected to nullify or render ineffective, this Agreement or the consummation of the transactions contemplated hereby or which otherwise could reasonably be expected to have a Material Adverse Effect on the assets to be exchanged hereunder.

6.2 Consents and Approvals. Each Party shall have received evidence, in form and substance reasonably satisfactory to the respective counsel for each respective Party, that all consents, waivers, releases, authorizations, approvals, licenses, certificates, Permits, and franchises of all Persons (including each and every Governmental Body) set forth on Schedule 3.3 have been obtained and are in full force and effect. All consents of a Governmental Body shall be by Final Order; provided, however, that if such Party waives the condition of Governmental Body consent by Final Order, the Parties shall consider the Governmental Body consent without Final Order sufficient to proceed to Closing according to the other terms of this Agreement. "**Final Order**" means an action or decision of the Governmental Body as to which (i) no request for a stay is pending, no stay is in effect, and any deadline for filing such request that may be designated by statute or regulation has passed, (ii) no petition for rehearing or reconsideration or application for review is pending and the time for the filing of such petition or application has passed, (iii) the Governmental Body does not have the action or decision under reconsideration on its own motion and the time within which it may effect such reconsideration has passed, and (iv) no judicial appeal is pending or in effect and any deadline for filing any such appeal that may be designated by statute or rule has passed.

6.3 Accuracy of Representations and Warranties. The representations and warranties (as modified by the Schedules and any Supplement(s) which has not been objected to by such Party) made by the other Party in this Agreement and in the Ancillary Documents, shall be true and correct in all material respects at and as of the Closing with the same force and effect as though such representations and warranties had been made or given at and as of the Closing.

6.4 Compliance with Covenants and Agreements. The Parties shall have performed and complied in all material respects with all of the covenants, agreements, and obligations under this Agreement which are to be performed or complied by them at or prior to the Closing, all of which shall be reasonably satisfactory in form and substance to counsel for such Party.

6.5 No Material Adverse Effect or Change. As of the Closing Date, nothing shall have occurred which, in the reasonable judgment of such Party could, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on the ownership and operation of the assets to be exchanged hereunder.

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6.6 Approval by Counsel. All actions, Proceedings, instruments, and documents required of such Party to carry out the transactions contemplated by this Agreement or incidental thereto and all other related legal matters shall have been reasonably satisfactory to and approved by counsel for such Party, and such counsel shall have been furnished with such certified copies of actions and Proceedings and such other instruments and documents as they shall have reasonably requested.

6.7 Ancillary Agreements. The Parties shall have executed and delivered at Closing the Ancillary Agreements (in substantially the form of any Ancillary Agreement attached as an Exhibit hereto).

6.8 Mortgage and Indenture Releases. The Parties shall have received copies of or satisfactory covenants for the Harris Trust Indenture release documents for the assets to be exchanged hereunder, as applicable.

6.9 Condition of Assets. As of the Closing Date, the Party shall be satisfied, in its reasonable judgment, that the condition of the assets to be transferred to it pursuant to this Agreement is consistent with the representation and warranties with respect to such assets set forth in Sections 3.6 and 4.6 of this Agreement.

6.10 Completion of Work. The Parties, as applicable, have completed their work and fulfilled their obligations as provided for in Article V of this Agreement, with the exception that the obligations provided in Section 6.6 need not be completed prior to the Closing Date.

## ARTICLE 7 INDEMNIFICATION

7.1 Indemnification. Each of NSPM or GRE ("**Indemnifying Party**"), hereby covenants and agrees to indemnify, defend, and hold the other and its or their respective officers, directors, employees, Affiliates, shareholders and agents, and each of their respective heirs, personal representatives, successors and assigns (the "**Indemnified Parties**"), harmless from, against and in respect of any and all losses, costs, expenses (including without limitation, reasonable attorneys' fees and disbursements of counsel), Liabilities, damages (excluding incidental, consequential, punitive and other indirect damages), fines, penalties, charges, assessments, judgments, settlements, claims, causes of action and other obligations of any nature whatsoever (individually, a "**Loss**" and collectively, "**Losses**") that any of them may at any time, directly or indirectly, suffer, sustain, incur or become subject to, to the extent arising out of, based upon or resulting from or on account of each of the following:

- (a) the material breach or falsity of any representation or warranty made by the Indemnifying Party in this Agreement (as amended by any Supplement properly provided and not objected to pursuant to Section 11.18 of this Agreement) and in the Ancillary Documents; or

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(b) the material breach of any covenant or agreement made by the Indemnifying Party in this Agreement and in the Ancillary Documents.

#### 7.2 Environmental Indemnification.

(a) NSPM shall indemnify, defend, and hold harmless GRE from and against any claims, liabilities, losses, damages, fines, penalties, and expenses (including investigation and remediation costs, natural resource damages, and reasonable attorney's and technical consulting fees), including governmental claims, arising from or related to the Release of any Hazardous Material from the NSPM Assets which Release can be demonstrated to have first occurred prior to or on the Closing Date, or to have arisen from or be related to NSPM's violation of any Environmental Law applicable to the NSPM Assets where such violation occurred prior to or on the Closing Date.

(b) NSPM releases and holds harmless GRE from any liability for Releases from the GRE Assets that have commingled with, and are indivisible from, Releases from NSPM's other equipment and activities, and for any releases from the GRE Assets which cannot be demonstrated to have first occurred prior to or on the Closing Date.

(c) GRE shall indemnify, defend, and hold harmless NSPM from and against any claims, liabilities, losses, damages, fines, penalties, and expenses (including investigation and remediation costs, natural resource damages, and reasonable attorney's and technical consulting fees), including governmental claims, arising from or related to the Release of any Hazardous Material from the GRE Assets which Release can be demonstrated by NSPM to have first occurred prior to or on the Closing Date, or to have arisen from or be related to GRE's violation of any Environmental Law applicable to the GRE Assets where such violation occurred prior to or on the Closing Date.

(d) GRE releases and holds harmless NSPM from any liability for Releases from the NSPM Assets that have commingled with, and are indivisible from, Releases from GRE's other equipment and activities, and for any Releases from the NSPM Assets which cannot be demonstrated by GRE to have first occurred prior to or on the Closing Date.

7.3 Procedure for Indemnification. In the event the Indemnified Party intends to seek indemnification pursuant to the provisions of Sections 7.1 or 7.2 of this Agreement, the Indemnified Party shall promptly give notice hereunder to the Indemnifying Party after obtaining written notice of any claim, investigation, or the service of a summons or other initial or continuing legal or administrative process or Proceeding in any action instituted against the Indemnified Party as to which recovery or other action may be sought against the Indemnifying Party because of the indemnification provided for in Sections 7.1 or 7.2 of this Agreement; and, if such indemnity shall arise from the claim of a Third Party, the Indemnified Party shall permit the Indemnifying Party to assume the defense of any such claim and any litigation resulting from such claim; provided, however, that the Indemnified Party shall not be required to permit such an assumption of the defense of any claim or Proceeding which, if not first paid, discharged or otherwise complied with, would result in a material interruption or disruption of the business of

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the Indemnified Party, or any material part thereof. Notwithstanding the foregoing, the right to indemnification hereunder shall not be affected by any failure of the Indemnified Party to give such notice (or by delay by the Indemnified Party in giving such notice) unless, and then only to the extent that, the rights and remedies of the Indemnifying Party shall have been prejudiced as a result of the failure to give, or delay in giving, such notice. Failure by the Indemnifying Party to notify the Indemnified Party of its election to defend any such claim or action by a Third Party within twenty (20) days after notice thereof shall have been given to the Indemnifying Party shall be deemed a waiver by the Indemnifying Party of its right to defend such claim or action.

If the Indemnifying Party assumes the defense of such claim, investigation or Proceeding resulting therefrom, the obligations of the Indemnifying Party hereunder as to such claim, investigation or Proceeding shall include taking all steps necessary in the defense or settlement of such claim, investigation or Proceeding and holding the Indemnified Party harmless from and against any and all Losses arising from, in connection with or incident to any settlement approved by the Indemnifying Party or any judgment entered in connection with such claim, investigation or Proceeding, except where, and only to the extent that, the Indemnifying Party has been prejudiced by the actions or omissions of the Indemnified Party. The Indemnifying Party shall not, in the defense of such claim or any Proceeding resulting therefrom, consent to entry of any judgment (other than a judgment of dismissal on the merits without costs) except with the written consent of the Indemnified Party (which consent shall not be unreasonably withheld, delayed or conditioned) or enter into any settlement (except with the written consent of the Indemnified Party, which consent shall not be unreasonably withheld, delayed or conditioned) unless (i) there is no finding or admission of any violation of Applicable Law and no material effect on any claims that could reasonably be expected to be made against the Indemnified Party, (ii) the sole relief provided is monetary damages that are paid in full for Losses, and (iii) the settlement shall include the giving by the claimant or the plaintiff to the Indemnified Party a release from all Liability in respect to such claim or litigation.

If the Indemnifying Party assumes the defense of such claim, investigation, or Proceeding resulting therefrom, the Indemnified Party shall be entitled to participate in the defense of the claim, but solely by observation and comment to the Indemnifying Party, and the counsel selected by the Indemnified Party shall not appear on its behalf in any Proceeding arising hereunder. The Indemnified Party shall bear the fees and expenses of any additional counsel retained by it to participate in its defense unless any of the following shall apply: (i) the employment of such counsel shall have been authorized in writing by the Indemnifying Party, or (ii) the Indemnifying Party's legal counsel shall advise the Indemnifying Party in writing, with a copy to the Indemnified Party, that there is a conflict of interest that would make it inappropriate under applicable standards of professional conduct to have common counsel. If clause (i) or (ii) in the immediately preceding sentence is applicable, then the Indemnified Party may employ separate counsel at the expense of the Indemnifying Party to represent the Indemnified Party, but in no event shall the Indemnifying Party be obligated to pay the costs and expenses of more than one such separate counsel for any one complaint, claim, action or Proceeding in any one jurisdiction.

If the Indemnifying Party does not assume the defense of any such claim by a Third Party or litigation resulting therefrom after receipt of notice from the Indemnified Party, the

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Indemnified Party may defend against such claim or litigation in such manner as it reasonably deems appropriate, and unless the Indemnifying Party shall deposit with the Indemnified Party a sum equivalent to the total amount demanded in such claim or litigation plus the Indemnified Party's estimate of the cost (including attorneys' fees) of defending the same, the Indemnified Party may settle such claim or Proceeding on such terms as it may reasonably deem appropriate and the Indemnifying Party shall, subject to its defenses, promptly reimburse the Indemnified Party for the amount of such settlement and for all reasonable costs (including attorneys' fees), expenses and damages incurred by the Indemnified Party in connection with the defense against or settlement of such claim, investigation or litigation, or if any such claim or litigation is not so settled, the Indemnifying Party shall, subject to its defenses, promptly reimburse the Indemnified Party for the amount of any final nonappealable judgment rendered with respect to any claim by a Third Party in such litigation and for all costs (including attorneys' fees), expenses and damage incurred by the Indemnified Party in connection with the defense against such claim or litigation, whether or not resulting from, arising out of, or incurred with respect to, the act of a Third Party.

Each Party shall cooperate in good faith and in all respects with each Indemnifying Party and its representatives (including without limitation its counsel) in the investigation, negotiation, settlement, trial, and/or defense of any Proceedings (and any appeal arising therefrom) or any claim. The Parties shall cooperate with each other in any notifications to and information requests of any insurers. No individual representative of any Person or their respective Affiliates shall be personally liable for any Loss or Losses under this Agreement, except as specifically agreed to by said individual representative.

7.4 Effect of Insurance. An Indemnified Party who has a right to make a claim under any policy of insurance with respect to an indemnified claim made by the Indemnified Party shall make such claim on a prompt and competent basis in the manner required by the insurance carrier. The Indemnified Party shall promptly and diligently pursue such claim and shall cooperate fully with the insurance carrier and the Indemnifying Party in the prosecution of the claim or claims. In the event an Indemnified Party receives insurance proceeds with respect to Losses for which the Indemnified Party has made an indemnification claim prior to the date on which the Indemnifying Party is required pursuant to this Article 7 to pay such indemnification claim, the indemnification claim shall be reduced by an amount equal to such insurance proceeds received by the Indemnified Party less all reasonable out-of-pocket costs incurred by the Indemnified Party in its pursuit of such insurance proceeds including reasonable attorney's fees. If such insurance proceeds are received by the Indemnified Party after the date on which the Indemnifying Party is required pursuant to this Article 7 to pay such indemnification claim, the Indemnified Party shall, no later than five (5) days after the receipt of such insurance proceeds, reimburse the Indemnifying Party in an amount equal to such insurance proceeds (but in no event in an amount greater than the Losses theretofore paid to the Indemnified Party by the Indemnifying Party) less all reasonable out-of-pocket costs incurred by the Indemnified Party in obtaining such insurance proceeds including reasonable attorney's fees. In either case, the Indemnifying Party shall compensate the Indemnified Party for all costs incurred by the Indemnified Party subsequent to either the reduction of any indemnification claim as provided above, or the delivery of any such insurance proceeds to the Indemnifying Party as provided above, as the case may be, as a result of any such insurance, including retrospective premium adjustments, experience-based premium adjustments (whether retroactive or prospective) and

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indemnification or surety obligations of the Indemnified Party to any insurer. A claim for such costs shall be made by an Indemnified Party by delivery of a written notice to the Indemnifying Party requesting compensation and specifying this Section 7.4 as the basis on which compensation for such costs is sought, and the Indemnifying Party shall pay such costs no later than thirty (30) days after receiving the written notice requesting such compensation. Notwithstanding the foregoing, except to the extent set forth in the first two sentences of this Section 7.4, the Indemnified Party is not required to pursue a recovery from an insurer as a precondition to the Indemnifying Party's obligation to pay any indemnification claim as required by this Article 7, and the Indemnifying Party shall not be entitled to delay any payment beyond the respective payment dates for any indemnification claims referred to in this Article 7 for the purpose of awaiting receipt of insurance proceeds or credits therefore as provided herein.

7.5 NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, EXCEPT AS EXPRESSLY PROVIDED IN SECTION 7.4, NO PARTY SHALL, UNDER ANY CIRCUMSTANCES, BE LIABLE TO ANY OTHER PARTY FOR LOST PROFITS, CONSEQUENTIAL, INCIDENTAL, SPECIAL PUNITIVE, OR INDIRECT DAMAGES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREUNDER, EVEN IF THE PARTY HAS BEEN APPRISED OF THE LIKELIHOOD OF SUCH DAMAGES.

7.6 Limitations of Liability.

(a) Non-Third Party Claims. IN NO EVENT SHALL ANY PARTY'S INDEMNIFICATION OBLIGATIONS PURSUANT TO THIS ARTICLE 7 WITH RESPECT TO LOSSES OTHER THAN THOSE ARISING FROM THE CLAIMS OF THIRD PARTIES EXCEED \$500,000.

(b) Third Party Claims. EACH PARTY'S INDEMNIFICATION OBLIGATIONS TO THE OTHER PARTIES WITH RESPECT TO LOSSES ARISING FROM THE CLAIMS OF THIRD PARTIES SHALL NOT BE LIMITED.

**ARTICLE 8**  
**CERTAIN TAX MATTERS**

8.1 Income and Transfer Taxes – GRE Assets. All income, transfer, registration, sales and use, excise, recording, franchise, and similar Taxes and fees of any kind (including all penalties and interest) which arise from, in connection with or are imposed incident to the exchange of the GRE Assets shall be borne and timely paid (without penalty or distraint) solely by GRE.

8.2 Income and Transfer Taxes – NSPM Assets. All income, transfer, registration, sales and use, excise, recording, franchise, and similar Taxes and fees of any kind (including all penalties and interest) which arise from, in connection with or are imposed incident to the exchange of the NSPM Assets shall be borne and timely paid (without penalty or distraint) solely by NSPM.

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8.3 Ad Valorem and Certain Other Taxes. Ad valorem, real property, and other taxes against the ownership of the assets for the calendar year during which the Closing occurs will be prorated between the Parties as of the Closing Date based on the number of days such assets are or are to be owned by the applicable Party during such calendar year. Such proration shall be based on estimated taxes for such calendar year and shall be adjusted between the Parties upon receipt of the actual tax bills for such calendar year.

8.4 Post-Closing Access and Cooperation. From and after the Closing Date, each Party shall permit the other Parties to have reasonable access, during normal business hours, to its books and records, to the extent that such books and records relate to a pre-Closing period, for the purpose of enabling the requesting Party to: (i) prepare its Tax Returns, (ii) investigate or contest any Tax matter, and (iii) evaluate any claim for indemnification made by any other Party.

## ARTICLE 9

### PERFORMANCE FOLLOWING THE CLOSING DATE

The following covenants and agreements are to be performed after the Closing by the Parties and shall continue in effect for the periods respectively indicated or, where no indication is made, until performed:

9.1 Further Acts and Assurances. The Parties agree that, at any time and from time to time, on and after the Closing Date, upon the reasonable request of another Party, they will do or cause to be done all such further acts and things and execute, acknowledge, and deliver or cause to be executed, acknowledged, and delivered any and all papers, documents, instruments, agreements, assignments, transfers, assurances and conveyances as may be necessary or desirable to carry out and give effect to the provisions and intent of this Agreement. In addition, from and after the Closing Date, each Party will afford to the other Parties and their respective attorneys, engineers, accountants, and other representatives access during normal business hours to such books and records relating to the assets exchanged under this Agreement as may reasonably be required in connection with the preparation of financial information, the filing of Tax Returns, and the operation and maintenance of such assets, and will cooperate in all reasonable respects in connection with claims and Proceedings asserted by or against Third Parties relating to or arising from the transactions contemplated hereby.

9.2 Information Provided to MISO. With respect to MISO, the Parties shall work together in good faith to do the following: provide revisions to the transmission owner facility lists on the MISO website and under the Agreement of Transmission Facilities Owners to Organize the Midwest Independent Transmission System Operator, Inc. ("MISO Agreement"); inform MISO operations and transmission planning representatives of the asset exchange; inform MISO markets, rates, and settlement representatives of the asset exchange; and supply copies of the revised MISO Agreement documentation to MISO legal representatives.

9.3 NSPM Operating and Maintenance Obligations. Immediately upon the Closing, NSPM agrees to assume the ownership, maintenance, repair, and operation of the GRE Assets at its sole cost.

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9.4 GRE Operating and Maintenance Obligations. Immediately upon the Closing, GRE agrees to assume the ownership, maintenance, repair, and operation of the NSPM Assets at its sole cost. GRE also agrees to provide NSPM with a port on its remote terminal unit (“RTU”) for NSPM to obtain real-time transmission system operating data such as voltage, MW, MVar, breaker status, and any other operating data deemed reasonably necessary by NSPM to provide for safe and reliable operation of its electric system. GRE shall provide NSPM with one port and configure its RTU at the Benton County Substation. NSPM, at its own expense, shall provide and configure the communication circuits and equipment needed to communicate with the RTU. GRE shall continue to own and maintain the RTU at its own expense, except that NSPM may be required to pay GRE any justified and reasonable incremental costs to maintain one port and the configuration of such port for NSPM’s use. Should GRE replace or remove the existing RTU, GRE will provide NSPM written notice at least six (6) months prior to the installation or removal of the equipment. When the existing RTU is removed or replaced, NSPM will be ultimately responsible for making other arrangements to transmit SCADA data from the Benton County Substation.

9.5 Access to Excluded Assets. Upon reasonable notice, each Party shall permit the other Party and its subcontractors reasonable access to the Party’s substation at no cost to allow the other Party to operate, maintain, repair, test, inspect, replace, or remove its Excluded Assets. The Party permitting access shall communicate in advance to the Party being permitted access all operational, safety, and other protocols that must be followed, which may change from time to time as determined by the Party permitting access. The Party being permitted access shall not unreasonably disrupt or interfere with the normal operation of the business of the Party permitting access, and shall adhere to the operational, safety, and other protocols communicated by the Party permitting access. Each Party shall maintain insurance coverage on, or for any activities related to, its Excluded Assets consistent with current insurance coverages and Good Utility Practice. Section 7 of this Agreement (Indemnification) shall apply to any third party claims, causes of action, or damages arising out of, based upon, resulting from, or on account of activities taking place under this Section 9.5.

## **ARTICLE 10**

### **TERMINATION**

10.1 Termination. This Agreement may be terminated and the transactions contemplated herein may be abandoned after the date of this Agreement, but not later than the Closing:

(a) by mutual written consent of the Parties hereto;

(b) by any Party if any of the conditions provided for in Article 6 of this Agreement have not been met and have not been waived in writing by the Party seeking to terminate on or before the Closing Date, with the exception of Section 6.8 for which neither Party shall have the right to terminate unless NSPM fails to release the NSPM Assets from the Harris Trust Indenture within one hundred and eighty (180) days of the Closing Date.

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(c) by any Party if the Closing shall not have occurred on or before July 1, 2013; and

(d) by a Party who objects to a Supplement pursuant to Section 11.18 of this Agreement.

In the event of termination or abandonment by any Party as provided in this Section 10.1, written notice shall forthwith be given to the other Party and, except as otherwise provided herein, each Party shall pay its own expenses incident to preparation or consummation of this Agreement and the transactions contemplated hereunder and no Party shall have any Liability to any other Party hereunder except such liability as may arise as a result of a breach hereof (which liability, for the avoidance of doubt, shall be subject to the limitations set forth in Section 7.5).

10.2 Return of Documents and Nondisclosure. If this Agreement is terminated for any reason pursuant to Section 10.1 of this Agreement, each Party and its counsel shall return all documents and materials which shall have been furnished by or on behalf of the other Parties, and all copies thereof.

## ARTICLE 11 MISCELLANEOUS

11.1 Effectiveness. This Agreement shall become effective on the date set forth above; provided, however, that the effectiveness of any obligation hereunder to transfer any assets shall be subject to receipt of a Final Order from any jurisdictional regulatory authority approving such transfer.

11.2 Survival of Representations and Warranties, Covenants, and Agreements. After the Closing, each provision of this Agreement affecting the right or obligations of Parties, including but not limited to terms related to any post-Closing obligations, any representations and warranties, indemnification obligations pursuant to Article 7, the recovery of damages sustained hereunder and the exercise of remedies generally shall each survive the Closing to the full extent necessary for their enforcement and the protection of the Party in whose favor it runs.

11.3 Cooperation. The Parties hereto shall cooperate with each other in all respects, including using commercially reasonable efforts to assist each other in satisfying the conditions precedent to their respective obligations under this Agreement, to the end that the transactions contemplated hereby will be consummated.

11.4 Notices. Unless otherwise specifically provided in this Agreement, all notices and other communications required or permitted to be given hereunder shall be in writing and shall be (i) delivered by hand, (ii) delivered by a nationally recognized commercial overnight delivery service, (iii) mailed postage prepaid by certified mail in any such case directed or addressed to the respective addresses set forth below or (iv) transmitted by electronic mail or facsimile to the address or facsimile number set forth below, with receipt confirmed. Such notices shall be effective: (a) in the case of hand deliveries, when received; (b) in the case of an

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overnight delivery service, on the next Business Day after being placed in the possession of such delivery service, with delivery charges prepaid; (c) in the case of certified mail, upon receipt of the written signature card indicating acceptance by addressee; and (d) in the case of electronic mail or facsimile notices, the date on which electronic indication of receipt is received by the sender, and if such date is not a Business Day, then the next Business Day. Any Party may change its address and facsimile number by written notice to the other Party given in accordance with this Section 11.4, following the effectiveness of which notice such Party's address or facsimile number shall be updated accordingly.

**If to NSPM:**

Manager, Transmission Business Relations  
Xcel Energy Services Inc.  
414 Nicollet Mall – (MP8)  
Minneapolis, MN 55401  
(612) 330-6773 or (800) 328-8226 – ext. 0

With a copy to:

Xcel Energy - Legal Services  
414 Nicollet Mall, 8th Floor  
Minneapolis, MN 55401

**If to GRE:**

c/o Great River Energy  
12300 Elm Creek Boulevard  
Maple Grove, MN 55369  
Attention: Mr. William R. Kaul  
Vice President, Transmission

With a copy to:

c/o Great River Energy  
12300 Elm Creek Boulevard  
Maple Grove, MN 55369  
Attention: Mr. Eric Olsen  
Vice President, General Counsel

11.5 Entire Agreement. This Agreement, including the documents, instruments, and agreements to be executed by the Parties pursuant hereto, contains the entire agreement of the Parties hereto and supersedes all prior or contemporaneous agreements and understandings, oral or written, between the Parties hereto with respect to the subject matter hereof.

11.6 Remedies. The respective indemnification obligations of the Parties set forth in Article 7 of this Agreement are the exclusive remedies of the Parties and their successors, assigns, or others seeking to claim by, through, or on behalf of a Party, under this Agreement or any Ancillary Document, and no other remedy or remedies, whether arising under any Applicable Law, common law or otherwise, may be used, asserted or prosecuted in connection with this Agreement or any Ancillary Document and any transaction, occurrence, or omission

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arising from, in connection with or otherwise based upon this Agreement or any Ancillary Document; provided, however, that all equitable remedies and assertions of fraud and/or intentional misrepresentation shall remain available and shall not require an election of remedies.

11.7 Amendments. No purported amendment, modification, or waiver of any provision of this Agreement or any of the documents, instruments or agreements to be executed by the Parties pursuant hereto shall be effective unless in a writing specifically referring to this Agreement and signed by the Parties hereto.

11.8 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns but nothing in this Agreement is to be construed as an authorization or right of any Party to assign its rights or delegate its duties under this Agreement without the prior written consent of the other Parties hereto; provided, that such consent shall not be unreasonably withheld.

11.9 Fees and Expenses. Each Party hereto shall pay their own fees and expenses incurred in connection with negotiating and preparing this Agreement and consummating the transactions contemplated hereby, including fees and disbursements of their respective attorneys, accountants, and advisors ("**Transactional Expenses**").

11.10 Governing Law and Jurisdiction. This Agreement, including the documents, instruments and agreements to be executed and/or delivered by the Parties pursuant hereto, shall be construed, governed by, and enforced in accordance with the internal laws of the State of Minnesota, without giving effect to the principles of comity or conflicts of laws thereof.

11.11 Counterparts; Facsimile, Electronic Signatures. This Agreement may be executed in two or more counterparts (including by electronic signature received via facsimile or by e-mail delivery of a portable document format ".pdf" data file), each of which when so executed shall be deemed an original but all of which together shall constitute one and the same Agreement. The counterparts of this Agreement and all Ancillary Documents may be executed and delivered electronically by facsimile or e-mail by any Party to the other Parties and the receiving Parties may rely on the receipt of such document so executed and delivered as if the original had been received.

11.12 Headings. The headings of the articles, sections and subsections of this Agreement are intended for the convenience of the Parties only and shall in no way be held to explain, modify, construe, limit, amplify or aid in the interpretation of the provisions hereof. The terms "this Agreement," "hereof," "herein," "hereunder," "hereto" and similar expressions refer to this Agreement as a whole and not to any particular article, section, subsection or other portion hereof and include the Schedules and Exhibits hereto and any document, instrument or agreement executed and/or delivered by the parties pursuant hereto.

11.13 Number and Gender. Unless the context otherwise requires, words importing the singular number shall include the plural and vice versa and words importing the use of any gender shall include all genders.

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11.14 Severability. In the event that any provision of this Agreement is declared or held by any court of competent jurisdiction to be invalid or unenforceable, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of this Agreement, unless such invalid or unenforceable provision goes to the essence of this Agreement, in which case the entire Agreement may be declared invalid and not binding upon either Party.

11.15 Waiver. The terms, conditions, warranties, representations and indemnities contained in this Agreement and the Ancillary Documents, may be waived only by a written instrument executed by the Parties waiving compliance. Any such waiver shall only be effective in the specific instance and for the specific purpose for which it was given and shall not be deemed a waiver of any other provision hereof or of the same breach or default upon any recurrence thereof. No failure on the part of a Party hereto to exercise and no delay in exercising any right hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right.

11.16 Construction. The Parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. The words "including," "include" or "includes" shall mean including without limitation. The Parties intend that each representation, warranty, and covenant contained herein shall have independent significance. If any Party has breached any representation, warranty or covenant contained herein in any respect, the fact that there exists another representation, warranty or covenant relating to the same subject matter (regardless of the relative levels of specificity) which the Party has not breached shall not detract from or mitigate the fact that the Party is in breach of the first representation, warranty or covenant.

11.17 Specific Performance. The Parties agree that irreparable damage would occur in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunctive relief to prevent breaches of this Agreement and to enforce specifically the terms and provisions hereof in any court of the United States or any state having jurisdiction, this being in addition to any other remedy to which they are entitled at law or in equity.

11.18 Supplementation of Schedules. A Party may elect to deliver a supplement ("**Supplement**") to one or more of the Schedules previously delivered to the other Parties in accordance with the procedures set forth in this Section 11.18 as follows:

- (a) Prior to the Closing Date, any and all Supplements must be in writing and must be delivered to the other Parties before the date that is five business days prior to the scheduled Closing Date. The other Parties shall be given the opportunity during the five business days following the delivery of the proposed Supplement to consider that Supplement. If the recipient does not object to the contents of the Supplement within such period, the Schedule in question shall be deemed amended by the Supplement. If

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the recipient objects to a proposed Supplement, the sole remedy of such objecting party shall be termination of this Agreement in accordance Section 10.1 of this Agreement, provided that this limitation of remedies shall only apply if the Supplement was prepared in connection with or was made necessary by a change in circumstance of which the Party proposing the Supplement was unaware from the date of this Agreement to the date of the proposed Supplement; and

(b) Any and all Supplements within five business days prior to the scheduled Closing Date must be in writing and delivered to the other Parties pursuant to Section 11.4 of this Agreement, and will only be deemed to amend a Schedule with the written consent of the recipient of the Supplement.

11.19 Time is a Material Consideration. A material consideration of the Parties entering into this Agreement is that the Parties will perform all other obligations under this Agreement in a timely manner. Except as otherwise specifically provided in this Agreement, time is of the essence of each and every provision of this Agreement.

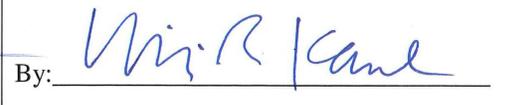
11.20 Electronic Signatures. The parties consent to electronic signatures for the purpose of executing this Agreement by e-mail or other electronic means, subject to compliance with any applicable laws, rules, or regulations. Any such documents that are delivered electronically and accepted are deemed to be “in writing” to the same extent and with the same effect as if the Agreement had been signed manually. In no event shall the electronic execution expand such assent to include any terms other than those explicitly set forth in this Agreement.

**[SIGNATURE PAGE FOLLOWS]**

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**IN WITNESS WHEREOF**, the Parties hereto have caused this Agreement to be executed by duly authorized representatives as of the day, month, and year first above written.

<p>NSPM:</p> <p>Northern States Power Company, a Minnesota corporation</p> <p>By: </p> <p>Name: Teresa M. Mogensen Title: Vice President, Transmission</p>	<p>GRE:</p> <p>Great River Energy, a Minnesota cooperative corporation</p> <p>By: </p> <p>Name: William R. Kaul Title: Vice President, Transmission</p>
---	---

**[SIGNATURE PAGE TO ASSET PURCHASE AGREEMENT]**

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## **EXHIBITS AND SCHEDULES**

### **Exhibits**

- A. Bill of Sale for GRE Assets
- B. Bill of Sale for NSPM Assets
- C. Mortgage/Lien Release for the NSPM Assets
- D. GRE Closing Certificate
- E. NSPM Closing Certificate

### **Schedules**

- 2.1 GRE Asset Information
- 2.2 NSPM Asset Information
- 2.3 Reference Calculation of Exchange Values and Equalization Payment
- 3.3 Filings, Permits, Authorizations, and Consents
- 3.4 Easements, Conditions, and Restrictions on Title to Assets
- 3.6(a) Condition of GRE Assets
- 3.6(b) Condition of NSPM Assets
- 3.7 Pending Proceedings
- 3.9 Operating Contracts
- 3.10 Taxes and Assessments

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**EXHIBIT A**  
**BILL OF SALE FOR GRE ASSETS**

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**EXHIBIT A  
BILL OF SALE**

FOR VALUABLE CONSIDERATION, the receipt and legal sufficiency of which is hereby acknowledged, Great River Energy, a Minnesota cooperative corporation, hereinafter referred to as "GRE", does hereby sell, transfer, and deliver to Northern States Power Company, a Minnesota corporation, hereinafter referred to as "NSPM", all of GRE's right, title and interest in and to the following described personal property described on the attached Exhibits A-1, A-2, A-3, A-4 and located on the real property also described on attached Exhibit A, hereinafter referred to as the "Personal Property".

GRE hereby warrants and represents to NSPM that GRE is the owner and holder of the Personal Property described on Exhibits A-1, A-2, A-3, A-4 and that it has the right to sell, transfer and deliver said Personal Property to NSPM and that it is free or, within a reasonable period of time following the date of this Bill of Sale, will be made free of any and all liens or security interests granted by GRE to U.S. Bank National Association.

THE PERSONAL PROPERTY COVERED BY THIS BILL OF SALE IS SOLD, TRANSFERRED AND DELIVERED "AS IS - WHERE IS" AND, EXCEPT AS OTHERWISE PROVIDED FOR IN THE AGREEMENT, GRE MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, RELATING THERETO AND HEREBY EXPRESSLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Intending to be legally bound, GRE has caused this Bill of Sale to be executed in its name by a duly authorized representative on \_\_\_\_\_, 2013.

GREAT RIVER ENERGY,  
a Minnesota cooperative corporation

By: \_\_\_\_\_

Name: William R. Kaul

Title: Vice President, Transmission

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**EXHIBIT A-1**  
**TO BILL OF SALE BETWEEN GRE AND NSPM**

The GRE Assets relating to the Coon Creek Substation as set forth in Section 2.1 of the Agreement, including all right, title, and interest of GRE in and to the following:

(i) the six 345 kV breakers, five breaker failure relays, four sets of 345 kV Line protection (primary, secondary and associated communication equipment) and associated equipment and other high voltage transmission facilities, equipment, and other tangible personal property;

(ii) all (A) current and complete one-line system diagrams, engineering drawings, and structure drawings; (B) SAG charts, plan and profiles (showing pole locations for transmission lines), staking sheets and phasing drawings, if any; (C) maintenance, repair, and replacement business records; (D) relay settings and operating guides of GRE, MISO, or MRO; and (E) other such other documentation in the possession of GRE as may be reasonably requested by NSPM for the ownership, operation, maintenance, and control of the above transmission facilities;

(iii) all of GRE's rights, claims and benefits of and under any Operating Contracts related to the above transmission facilities, including manufacturer's warranties relating to the above transmission facilities, ;

(iv) all of GRE's Permits relating to the above transmission facilities to the extent transferable;

(v) all easements or leases necessary for the ownership, operation, maintenance, and replacement of the above transmission facilities; and

(vi) ownership in and all rights in and to all current pending claims or current rights to claim reimbursement or payment under property or liability insurance policies of GRE relating to the above transmission facilities.

In the Coon Creek Substation, these GRE Assets consist of the following major equipment:

QTY	Equipment ID	Equipment Description
6	8M24, 8M35, 8M36, 8M38, 8M39, 8M40	BREAKER CIRCUIT 345 KV
2-3 Ph	8M37, 8M40B	SWITCH AIR BREAK 345 KV
5-3 Ph	Bus #2, Terminal, Bunker/Sherburne #2, Sherburne #3, Kohlman Lake	CAPACITOR COUP CCVT 345 KV
4	Terminal, Bunker/Sherburne #2, Sherburne #3, Kohlman Lake	LINE TRAP 345 KV

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6	Terminal, Dickinson, Sherburne #1 Bunker/Sherburne #2, Sherburne #3, Kohlman Lake	LINE TUNING UNIT
4	Terminal, Dickinson, Sherburne #1, Sherburne #3	Line Protection (Primary Secondary and Associated Communication Equipment)
5	8M23, 8M24, 8M35, 8M36, 8M39	BKR Fail Relay & BKR Sync Relay

The above major equipment is located on the following described land:

Coon Creek Substation: That part of Section 36, Township 31 North, Range 24 West, Anoka County, MN; Lot 5, Block 9, Evergreen Industrial Park North according to that plat on file and of record in the office of the Register of Deeds in and for Anoka County, MN.

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**EXHIBIT A-2**  
**TO BILL OF SALE BETWEEN GRE AND NSPM**

The GRE Assets relating to the Wakefield Substation as set forth in Section 2.1 of the Agreement, including all right, title, and interest of GRE in and to the following:

(i) the 115/69 kV transformer 6TR, two 115 kV breakers, two 69 kV breakers, one breaker failure relay, and five sets 115 kV or 69 kV line/transformer protection (primary, secondary and associated communication equipment) and associated equipment and other high voltage transmission facilities, equipment, and other tangible personal property;

(ii) all (A) current and complete one-line system diagrams, engineering drawings, and structure drawings; (B) SAG charts, plan and profiles (showing pole locations for transmission lines), staking sheets and phasing drawings, if any; (C) maintenance, repair, and replacement business records; (D) relay settings and operating guides of GRE, MISO, or MRO; and (E) other such other documentation in the possession of GRE as may be reasonably requested by NSPM for the ownership, operation, maintenance, and control of the above transmission facilities;

(iii) all of GRE's rights, claims and benefits of and under any Operating Contracts related to the above transmission facilities, including manufacturer's warranties relating to the above transmission facilities, ;

(iv) all of GRE's Permits relating to the above transmission facilities to the extent transferable;

(v) all easements or leases necessary for the ownership, operation, maintenance, and replacement of the above transmission facilities; and

(vi) ownership in and all rights in and to all current pending claims or current rights to claim reimbursement or payment under property or liability insurance policies of GRE relating to the above transmission facilities.

In the Wakefield Substation, these GRE Assets consist of the following major equipment:

QTY	Equipment ID	Equipment Description
2	5N27, 5N28	BREAKERCIRCUIT 115 KV
2	4N113, 4N114	BREAKERCIRCUIT 69 KV
1-3 Ph	6TR	SWITCH 115 KV
1	6TR	115/69 kV-70 MVA Transformer
2-3 Ph 115kV; 1-1 Ph 115kV; 1-3 Ph 69kV; 2-1 Ph	115 kV Bus #1 & Bus #3; A- Ph Big Swan 115 kV; 69 kV Bus; C-Ph Maple Lk/Lk Pulaski; C-Ph Paynseville/Albany	Voltage Transformer

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QTY	Equipment ID	Equipment Description
69kV		
1	Big Swan	LINE TRAP 115 KV
1	Big Swan	LINE TUNING UNIT
5	Big Swan, St. Cloud/Ind Park, Transformer #6, 69 kV Maple Lk/Lk Pulaski, 69 kV Paynseville/Albany	Line Protection (Primary, Secondary, and Associated Communication Equipment) or Transformer Protection (Primary and Secondary)
1	5N28	BKR Fail Relay & BKR Sync Relay
1	SEL-2030	Relay Communication Equipment

The above major equipment is located on the following described land:

Wakefield Substation: A tract of land lying in and being a part of the Southwest Quarter of the Northwest Quarter (SW1/4 of NW1/4) of Section Thirty-five (35), Township One Hundred Twenty-three (123), North of Range Thirty (30) West, to-wit: Beginning at a point on the West line of said Section 35, Township 123 North, Range 30 West, Thirty-three (33) feet North of the Southwest corner of said SW1/4 of NW1/4 of said Section 35; thence North along said West line of said Section 35 for a distance of Six Hundred Sixty (660) feet; thence East and parallel with the South line of said SW1/4 of NW1/4 for a distance of Six Hundred Sixty (660) feet; thence due South and parallel with the said West line of said Section 35 for a distance of Six Hundred Sixty (660) feet; thence due West and in a straight line to the point of beginning and there terminating, said tract containing Ten (10) Acres in Stearns County, MN.

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**EXHIBIT A-3**  
**TO BILL OF SALE BETWEEN GRE AND NSPM**

The GRE Assets relating to the Wilmarth Substation as set forth in Section 2.1 of the Agreement, including all right, title, and interest of GRE in and to the following:

(i) the 345/115 kV transformer #10, three 345 kV circuit breakers, reactor, one set of 345 kV line protection (primary, secondary and associated communication equipment), and three breaker failure relays and associated equipment, and other high voltage transmission facilities, equipment, and other tangible personal property;

(ii) all (A) current and complete one-line system diagrams, engineering drawings, and structure drawings; (B) SAG charts, plan and profiles (showing pole locations for transmission lines), staking sheets and phasing drawings, if any; (C) maintenance, repair, and replacement business records; (D) relay settings and operating guides of GRE, MISO, or MRO; and (E) other such other documentation in the possession of GRE as may be reasonably requested by NSPM for the ownership, operation, maintenance, and control of the above transmission facilities;

(iii) all of GRE's rights, claims and benefits of and under any Operating Contracts related to the above transmission facilities, including manufacturer's warranties relating to the above transmission facilities, ;

(iv) all of GRE's Permits relating to the above transmission facilities to the extent transferable;

(v) all easements or leases necessary for the ownership, operation, maintenance, and replacement of the above transmission facilities; and

(vi) ownership in and all rights in and to all current pending claims or current rights to claim reimbursement or payment under property or liability insurance policies of GRE relating to the above transmission facilities.

In the Wilmarth Substation, these GRE Assets consist of the following major equipment:

QTY	Equipment ID	Equipment Description
3	8S22, 8S23, 8S25	BREAKER CIRCUIT 345 KV
1-3 Ph	8S25B	SWITCH AIR BREAK 345 KV-Motor Operated
1		Reactor and Breaker
1	Transformer #10	345/115 kV 448 MVA
3	Blue Lake Transformer #9 Reactor	Line, Transformer, and Reactor Protection (Primary, Secondary, and Associated Communication Equipment)
3	8S22, 8S23, 8S25	BKR Fail Relay & BKR Sync Relay

The above major equipment is located on the following described land:

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Wilmarth Substation: That part of Section 31, Township 109 North, Range 26 West, Blue Earth County, MN.

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**EXHIBIT A-4**  
**TO BILL OF SALE BETWEEN GRE AND NSPM**

The GRE Assets relating to the Carver County Substation as set forth in Section 2.1 of the Agreement, including all right, title, and interest of GRE in and to the following:

(i) the one 115 kV circuit breaker, one 69 kV circuit breaker, one set of 115 kV Line protection (primary, secondary, and associated communication equipment), one breaker failure relay and associated equipment, and other high voltage transmission facilities, equipment, and other tangible personal property;

(ii) all (A) current and complete one-line system diagrams, engineering drawings, and structure drawings; (B) SAG charts, plan and profiles (showing pole locations for transmission lines), staking sheets and phasing drawings, if any; (C) maintenance, repair, and replacement business records; (D) relay settings and operating guides of GRE, MISO, or MRO; and (E) other such other documentation in the possession of GRE as may be reasonably requested by NSPM for the ownership, operation, maintenance, and control of the above transmission facilities;

(iii) all of GRE's rights, claims and benefits of and under any Operating Contracts related to the above transmission facilities, including manufacturer's warranties relating to the above transmission facilities, ;

(iv) all of GRE's Permits relating to the above transmission facilities to the extent transferable;

(v) all easements or leases necessary for the ownership, operation, maintenance, and replacement of the above transmission facilities; and

(vi) ownership in and all rights in and to all current pending claims or current rights to claim reimbursement or payment under property or liability insurance policies of GRE relating to the above transmission facilities.

In the Carver County Substation, these GRE Assets consist of the following major equipment:

QTY	Equipment ID	Equipment Description
1	5M100	BREAKER CIRCUIT 115 KV
1	4M48	BREAKER CIRCUIT 69 KV
2	West Waconia - St. Boni	Line Protection (Primary, Secondary, and Associated Communication Equipment)
1	5M100	BKR Fail Relay & BKR Sync Relay

The above major equipment is located on the following described land:

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Carver County Substation: That part of South Half (S1/2) of the Northwest Quarter (NW1/4) of Section Nineteen (19), Township One Hundred Fifteen (115) North, Range Twenty-five (25) West, Carver County, MN.

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**EXHIBIT B**  
**BILL OF SALE FOR NSPM ASSETS**

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**EXHIBIT B**  
**BILL OF SALE**

FOR VALUABLE CONSIDERATION, the receipt and legal sufficiency of which is hereby acknowledged, Northern States Power Company, a Minnesota corporation, hereinafter referred to as "NSPM", does hereby sell, transfer, and deliver to Great River Energy, a Minnesota cooperative corporation, hereinafter referred to as "GRE", all of GRE's right, title and interest in and to the following described personal property described on the attached Exhibit A and located on the real property also described on attached Exhibit A, hereinafter referred to as the "Personal Property".

NSPM hereby warrants and represents to GRE that NSPM is the owner and holder of the Personal Property described on Exhibit B-1 and that it has the right to sell, transfer and deliver said Personal Property to GRE and that it is free or, within a reasonable period of time following the date of this Bill of Sale, will be made free of any and all liens or security interests granted by NSPM to Harris Trust.

THE PERSONAL PROPERTY COVERED BY THIS BILL OF SALE IS SOLD, TRANSFERRED AND DELIVERED "AS IS - WHERE IS" AND, EXCEPT AS OTHERWISE PROVIDED FOR IN THE AGREEMENT, NSPM MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, RELATING THERETO AND HEREBY EXPRESSLY DISCLAIMS ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

Intending to be legally bound, NSPM has caused this Bill of Sale to be executed in its name by a duly authorized representative on \_\_\_\_\_, 2013.

NORTHER STATES POWER COMPANY,  
a Minnesota corporation

By: \_\_\_\_\_  
Teresa M. Mogensen  
Vice President, Transmission

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**EXHIBIT B-1**  
**TO BILL OF SALE BETWEEN GRE AND NSPM**

The NSPM Assets relating to the Benton County Substation as set forth in Section 2.2 of the Agreement, including all right, title, and interest of NSPM in and to the following:

(i) two 230/115 kV - 336 MVA transformers, two 115 kV oil circuit breakers, two 115 kV gas circuit breakers, the 230 kV and 115 kV group operated switches, and associated equipment at the Benton County Substation and other high voltage transmission facilities, equipment and other tangible personal property;

(ii) all (A) current and complete one-line system diagrams, engineering drawings and structure drawings; (B) SAG charts, plan and profiles (showing pole locations for transmission lines), staking sheets and phasing drawings, if any; (C) maintenance, repair, and replacement business records; (D) relay settings and operating guides of NSPM, GRE, MISO, or MRO; and (E) such other documentation in the possession of NSPM or GRE as may be reasonably requested by NSPM for the ownership, operation, maintenance, and control of the above transmission facilities; (The Parties acknowledge that NSPM has title and possession of these items currently.)

(iii) all of NSPM's rights, claims and benefits of and under any Operating Contracts related to the above transmission facilities, including manufacturer's warranties relating to the above transmission facilities;

(iv) all of NSPM's Permits relating to the above transmission facilities to the extent transferable;

(v) all easements or leases necessary for the ownership, operation, maintenance, and replacement of the above transmission facilities; and

(vi) ownership in and all rights in and to all current pending claims or current rights to claim reimbursement or payment under property or liability insurance policies of NSPM relating to the above transmission facilities.

In the Benton County Substation, these NSPM Assets consist of the following major equipment:

<b>Ckt Diagram ND-69234-2 List of Equipment - Item #</b>	<b>Qty</b>	<b>Equipment Description</b>
7	1	230 KV disconnect, group operated switch with MOD, TR5
7	1	230 KV disconnect, group operated switch with MOD, TR6
22	1	115 KV Bus 1 CCPD A-phase
22	1	115 KV Bus 2 CCPD A-phase
37	1	3 - 115 KV GRC Line #1 PT

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<b>Ckt Diagram ND-69234-2 List of Equipment - Item #</b>	<b>Qty</b>	<b>Equipment Description</b>
41	2	2 - 15 KV fused disconnect, B & C phase, sta aux
42	1	115 KV oil circuit breaker, 5N52
42	1	115 KV oil circuit breaker, 5N53
48	1	115 KV Group operated switch, 5N52B2
48	1	115 KV Group operated switch, 5N3B
48	1	115 KV Group operated switch, 5N53A
51	1	230 - 118 - 13.8 KV 336 MVA Transformer, TR6
52	2	3 - 230 KV Surge arresters
53	4	3 - 115 KV Surge arresters
54	2	3 - 15 KV Surge arresters
55	1	230 - 118 - 13.8 KV 336 MVA Transformer, TR5
60	2	2 - single phase distribution transformers
61	1	115 KV group operated switch, TR5
61	1	115 KV group operated switch, 5N51
61	1	115 KV group operated switch, 5N54
61	1	115 KV group operated switch, 5N55 B2
61	1	115 KV group operated switch, 5N55 A
61	1	115 KV group operated switch, 5N55 B2
61	1	115 KV group operated switch, TR6
62	1	115 KV Gas circuit breaker, 5N56
63	1	115 KV Gas circuit breaker, 5N55
66	1	3 - 115 KV CCVT's
N/A	1	156 kW Diesel Generator - Caterpillar
87T5S		Microprocessor, SEL 387
87T5P		Electromechanical, BDD-16
50BF/5N52		Microprocessor, SEL 352-2
50BF/5N55		Microprocessor, SEL 352-2
50BF/5N56		BE1-BPR
50BF/5N53		Microprocessor, SEL 352-2
87T6P		Electromechanical, BDD-17
87T6S		Microprocessor, SEL 387
51NP/TR6		Electromechanical, CO-7
51NP/TR5		Electromechanical, CO-7
GRC1 XMTR/RCVR		XMTR/RCVR, AES
21P/GRC1		Microprocessor, SEL 321-1
21S/GRC1		Microprocessor, SEL 311C

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<b>Ckt Diagram ND-69234-2 List of Equipment - Item #</b>	<b>Qty</b>	<b>Equipment Description</b>
21P/GRC2		Microprocessor, SEL 321-1
21S/GRC2		Microprocessor, SEL 221-16
GRC2 XMTR/RCVR		XMTR/RCVR, RFL 9745
N/A	1	125VDC Battery Charger
N/A	1	125VDC Battery
N/A	1	Station auxiliary auto transfer switch
N/A	1	Comm Switch SEL 2030 (includes GPS clock & modem)

The above major equipment is located on the following described land:

That part of Section 35, Township 36 North, Range 30 West, Benton County, MN described as follows:

Commencing at the northeast corner of the Southeast quarter of the Northwest quarter of said Section 35; thence S87° 56'06"E on an assumed bearing along the north line of the Southwest quarter to the Northeast quarter of said Section 35 a distance of 200.10 feet; thence S00° 17'03"W parallel with the west line of said Southwest quarter of the Northeast quarter 660.00 feet; thence N87° 56'06"W 200.10 feet to the West line of said Southwest quarter of the Northeast quarter; thence N87° 56'39"W parallel with the North line of the Southeast quarter of the Northwest quarter 460.23 feet; thence N00° 17'03"E parallel with the east line of said Southeast quarter of the Northwest quarter 660.00 feet to the North of said Southeast quarter of the Northwest quarter; thence S87° 54'39"E along the north line of said Southeast quarter of the Northwest quarter 460.23 feet to the point of beginning.

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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**EXHIBIT C**  
**MORTGAGE RELEASE FOR NSPM ASSETS**

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

Page No. 49

MORTGAGE RELEASE FOR NSPM ASSETS

**PARTIAL RELEASE**

**KNOW ALL MEN BY THESE PRESENTS,** That The Bank of New York Mellon Trust Company, N.A., a national banking association, f/k/a Harris Trust and Savings Bank, BNY Midwest Trust Company, and The Bank of New York Trust Company, N.A., as Trustee under and by virtue of the Trust Indenture and Supplemental Indentures hereinafter described, for valuable consideration, receipt whereof is hereby acknowledged, does forever discharge and release the following described property situate in the County of \_\_\_\_\_, State of \_\_\_\_\_, described as follows, to-wit:

Supplemental Trust Indenture dated \_\_\_\_\_, page \_\_\_\_\_, Item \_\_\_\_\_ under \_\_\_\_\_ County

And

Supplemental and Restated Trust Indenture dated August 1, 2000, page \_\_\_\_\_, all of Item \_\_\_\_\_, under \_\_\_\_\_ County

[LEGAL DESCRIPTION]

from all claims and liens of and under that certain Trust Indenture dated February 1, 1937 (“Original Indenture”), from Northern States Power Company to Harris Trust and Savings Bank, now known as The Bank of New York Mellon Trust Company, N.A., a national banking association, which Indenture was restated, amended and supplemented pursuant to the Supplemental Trust Indenture dated May 1, 1988 (“Restated Indenture”), and all additional Indentures supplemental thereto dated:

<u>Document Name</u>	<u>Date of Indenture</u>
Trust Indenture	
Supplemental Trust Indenture	

which Original Indenture, Restated Indenture, and Supplemental Trust Indentures are recorded in the office of the County Recorder, \_\_\_\_\_ County, \_\_\_\_\_, and the recording data for said Original Indenture, Restated Indenture, as well as any Supplemental Trust Indenture which specifically describes any portion of the property hereby released as follows:

<u>Date of Document</u>	<u>Book Number</u>	<u>Page Number</u>	<u>Document No.</u>
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Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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WITNESS MY HAND AND NOTARIAL SEAL this \_\_\_\_ day of \_\_\_\_\_, 2013.

\_\_\_\_\_  
Notary Public

My Commission Expires:

\_\_\_\_\_  
(Notarial Seal)

**THIS INSTRUMENT WAS DRAFTED BY:**

Northern States Power Company  
414 Nicollet Mall, 5<sup>th</sup> Floor  
Minneapolis, Minnesota 55401

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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**EXHIBIT D**  
GRE CLOSING CERTIFICATE

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

Page No. 53

### GRE CLOSING CERTIFICATE

GRE hereby certifies to NSPM pursuant to Section 2.5(e) of the Asset Exchange Agreement made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between NSPM and GRE (the "Asset Exchange Agreement"), as follows:

1. Except as qualified by the applicable Schedules and any Supplements, all of the representations and warranties made by GRE in the Asset Exchange Agreement are true and correct in all material respects on and as of the date hereof with the same force and effect as though such representations and warranties had been made on or given on and as of the date hereof.

2. GRE has performed and/or complied with all of its covenants, agreements and obligations under the Asset Exchange Agreement which are to have been respectively performed and complied with by it prior to or on the date hereof.

3. All conditions precedent to Closing specified in Article 6 and otherwise in the Asset Exchange Agreement have occurred or have been waived prior to or on the date hereof.

4. With respect to all statements used and delivered by GRE pursuant to Section 2.3 of the Asset Exchange Agreement, GRE keeps its books and records in conformity with the U.S. Federal Energy Regulatory Commission Uniform System of Accounts as modified and adopted by the U.S. Rural Utilities Service, that the GRE Exchange Value has been calculated in accordance with such Section 2.3, that the NSPM/GRE Equalization Payment has been calculated in accordance with the Asset Exchange Agreement, and that all estimated exchange values were based on amounts that appear on the books of GRE.

5. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Asset Exchange Agreement.

**[SIGNATURE PAGE FOLLOWS]**

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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**IN WITNESS WHEREOF**, this GRE Closing Certificate has been executed as of the  
\_\_\_\_\_ day of \_\_\_\_\_, 2013.

GREAT RIVER ENERGY,  
a Minnesota cooperative corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

**[SIGNATURE PAGE TO GRE CLOSING CERTIFICATE]**

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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**EXHIBIT E**  
NSPM CLOSING CERTIFICATE

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

Page No. 56

### NSPM CLOSING CERTIFICATE

NSPM hereby certifies to GRE pursuant to Section 2.5(f) of the Asset Exchange Agreement made and entered into as of the \_\_\_\_\_ day of \_\_\_\_\_, 2013, by and between NSPM and GRE (the "Asset Exchange Agreement"), as follows:

1. Except as qualified by the applicable Schedules and any Supplements, all of the representations and warranties made by NSPM in the Asset Exchange Agreement are true and correct in all material respects on and as of the date hereof with the same force and effect as though such representations and warranties had been made on or given on and as of the date hereof.

2. NSPM have performed and/or complied with all of their respective covenants, agreements and obligations under the Asset Exchange Agreement which are to have been respectively performed and complied with by it prior to or on the date hereof.

3. All conditions precedent to Closing specified in Article 6 and otherwise in the Asset Exchange Agreement have occurred or have been waived prior to or on the date hereof.

4. With respect to all statements used and delivered by NSPM pursuant to Section 2.3 of the Asset Exchange Agreement, NSPM keeps its books and records in conformity with the U.S. Federal Energy Regulatory Commission Uniform System of Accounts, that the NSPM Exchange Value have been calculated in accordance with such Sections 2.3, that the NSPM/GRE Equalization Payment has been calculated in accordance with the Asset Exchange Agreement and that all estimated exchange values were based on amounts that appear on the books of NSPM.

5. Capitalized terms not otherwise defined herein shall have the meaning set forth in the Asset Exchange Agreement.

**[SIGNATURE PAGE FOLLOWS]**

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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**IN WITNESS WHEREOF**, this NSPM Closing Certificate has been executed as of the  
\_\_\_\_\_ day of \_\_\_\_\_, 2013.

NORTHERN STATES POWER COMPANY,  
A Minnesota corporation

By: \_\_\_\_\_

Its: \_\_\_\_\_

**[SIGNATURE PAGE TO NSPM CLOSING CERTIFICATE]**

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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**SCHEDULE 2.1**  
**GRE ASSET INFORMATION**

- 2.1(a)(iii) There are no operating contracts relating to the GRE Assets.
- 2.1(a)(iv) There are no Permits relating to the GRE Assets.
- 2.1(a)(v) There are no leases or easements necessary for the ownership, operation, maintenance, or replacement of the GRE Assets.
- 2.1(a)(vi) There are no pending claims or rights to claim reimbursement or payment under insurance policies relating to the GRE Assets.

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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**SCHEDULE 2.2**  
NSPM ASSET INFORMATION

- 2.2(a)(iii) There are no operating contracts relating to the NSPM Assets.
- 2.2(a)(iv) There are no Permits relating to the NSPM Assets.
- 2.2(a)(v) There are no leases or easements necessary for the ownership, operation, maintenance, or replacement of the NSPM Assets.
- 2.2(a)(vi) There are no pending claims or rights to claim reimbursement or payment under insurance policies relating to the NSPM Assets.

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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**SCHEDULE 2.3**

**REFERENCE CALCULATION OF EXCHANGE VALUES & EQUALIZATION PAYMENT**

Net book value of GRE assets at the time of Closing minus (-) Net book value of NSPM assets at the time of Closing equals (=) equalization payment.

Northern States Power Company, a Minnesota corporation  
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**SCHEDULE 3.3**  
**FILINGS, PERMITS, AUTHORIZATIONS, AND CONSENTS**

As to NSPM:

- If required, Final Orders of jurisdictional regulatory authorities, including the Federal Energy Regulatory Commission, Minnesota Public Utilities Commission, and mortgage releases under the Harris Trust Indenture.

As to GRE:

- If required, Final Orders of jurisdictional governmental authorities, and mortgage releases.

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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**SCHEDULE 3.4**  
Encumbrances, Conditions, and Restrictions on Title to Assets

As to NSPM Assets:

- Harris Trust Indenture lien.
- Permitted Encumbrances as defined in the Agreement.

As to GRE Assets:

- Permitted Encumbrances as defined in the Agreement.

Northern States Power Company, a Minnesota corporation  
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**SCHEDULE 3.6(a)**  
**CONDITIONS OF GRE ASSETS**

Nothing declared. An on-site field inspection and verification was performed by NSPM and GRE personnel.

Northern States Power Company, a Minnesota corporation  
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**SCHEDULE 3.6(b)**  
**CONDITIONS OF NSPM ASSETS**

Nothing declared. An on-site field inspection and verification was performed by NSPM and GRE personnel.

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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**SCHEDULE 3.7**  
**PENDING PROCEEDINGS**

As to NSPM:

- No exceptions noted.

As to GRE:

- No exceptions noted.

Northern States Power Company, a Minnesota corporation  
Service Agreement No. 551-NSP

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**SCHEDULE 3.9**  
**OPERATING CONTRACTS**

As to NSPM:

- MISO Agreement (as defined in Section 9.2).

As to GRE:

- MISO Agreement (as defined in Section 9.2).

Northern States Power Company, a Minnesota corporation  
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Substation Description	Equipment Description	Company Specific Equipment Identifier GRE: Equipment ID NSPM: Circuit Diagram Item#	In Service Date/Year	QTY	Book Cost	Estimated LTD Depreciation Expense/ Reserve 12/31/2012	Net Book Value as of 12/31/12
<b>Coon Creek Substation (GRE)</b>	<b>Included in Appendix A-1</b>						
	BREAKER CIRCUIT 345KV	8M24,8M35,8M36,8M38,8M39,8M40	8/1/1979	6	1,757,287.14	1,486,464.28	270,822.86
	Switch Air Break 345 KV	8M37, 8M40B	2/1/1987	2-3 PH	83,485.18	59,795.05	23,690.13
	CAPACITOR COUP CCVT 345 KV	BUS #2, Terminal Bunker / Sherburne #2, Sherburne #3, Kohlman Lake	8/1/1979 2/1/1987 3/1/2012	5-3- PH	105,240.83	64,974.17	40,266.66
	LINE TRAP 345 KV / LINE TUNING UNIT	Terminal, Dickinson, Sherburne #1, Bunker / Sherburne #2, Sherburne #3, Kohlman Lake	8/1/1979 3/1/2012	6	51,902.34	16,732.10	35,170.24
	Line Protection (Primary, Secondary and Associated Communication Equipment)	Terminal, Dickinson, Sherburne #1, Sherburne #3	8/1/1979 2/1/1987	4	416,664.88	361,609.62	55,055.26
	BKR Fail Relay & BKR Sync Relay	8M23, 8M24, 8M35, 8M36, 8M39	2/1/1987	5	34,961.38	25,040.59	9,920.79
	Current Transformers		2/1/1987	9	223,830.87	160,315.65	63,515.22
	<b>Minor items that were not included in Appendix A-1</b>						
	Misc. structures		2/1/1987	1	2,700.00	1,933.41	766.59
	Surge arrestors		8/1/1979	3	40,886.18	37,708.19	3,177.99
	Misc. bus work		8/1/1979	1	18,248.37	16,829.96	1,418.41
	Bus support - 345 kV		8/1/1979	23	12,759.12	11,767.38	991.74
	Bus work		2/1/1987	1	59,524.92	42,633.86	16,891.06
	Bus work		10/1/1994	1	9,938.80	5,024.36	4,914.44
	Cable & conduit	2/C	2/1/1987	6014	8,172.50	5,853.43	2,319.07
	Cable & conduit	19C	2/1/1987	1438	7,165.09	5,131.89	2,033.20
	Cable & conduit	#10	2/1/1987	3846	33,100.41	23,707.68	9,392.73
	Cable & conduit	4C	2/1/1987	11826	17,287.97	12,382.26	4,905.71
	Cable & conduit	7C	2/1/1987	4086	10,263.75	7,351.26	2,912.49
	Capacitor coupler		8/1/1979	1	9,174.13	8,461.06	713.07
	Misc. grounding		2/1/1987	1	2,612.49	1,871.23	741.26
	Insulator 10X5 3/4 BTS		8/1/1979	120	1,890.35	1,743.48	146.87
	Post insulator 345 kV		8/1/1979	55	47,004.78	43,351.21	3,653.57
	Post insulator		2/1/1987	80	81,887.30	58,650.60	23,236.70
	Misc. material		8/1/1979	1	2,280.43	2,103.18	177.25
	Misc. equipment		2/1/1987	1	72,063.60	51,614.52	20,449.08
	Control panel breaker		8/1/1979	1	4,156.67	3,833.59	323.08
	Panel annunciator		2/1/1987	3	6,977.89	4,997.83	1,980.06
	Breaker control panel		2/1/1987	3	73,733.49	52,810.53	20,922.96
	Misc. structures - steel / wood		8/1/1979	1	79,251.51	73,091.45	6,160.06
	Steel structures		8/1/1979	1	170,533.95	157,278.71	13,255.24
	Structure foundation		2/1/1987	1	30,504.89	21,848.69	8,656.20
	Structure steel		2/1/1987	1	77,562.97	55,553.38	22,009.59
	Switch - group operated		8/1/1979	7	120,049.53	110,718.32	9,331.21
	Cable		2/1/1987	1062	5,888.29	4,217.40	1,670.89
	Transformer- Pot- Aux		2/1/1987	2	3,090.60	2,213.60	877.00
	Wire & cable		8/1/1979	1	53,681.23	49,508.71	4,172.52
	Misc. equipment - Sherco terminal		6/1/1987	1	101,571.97	66,701.33	34,870.64
	<b>Total</b>				<b>3,837,335.80</b>	<b>3,115,823.96</b>	<b>721,511.84</b>
<b>Wakefield Substation (GRE)</b>	<b>Included in Appendix A-2</b>						
	BREAKER CIRCUIT 115 KV	5N27, 5N28	10/1/2009	2	182,302.79	16,100.30	166,202.49
	BREAKER CIRCUIT 69 KV	4N113, 4N114	12/1/2009	2	227,563.49	19,490.41	208,073.08
	SWITCH 115 KV	6TR	1/31/1984	1- 3 PH			
	115/69 kV - 70 MVA TRANSFORMER	6TR	4/30/1982	1			
	Voltage Transformer	115 kV Bus #1 & Bus #3; A- Ph Big Swan 115 kV; 69 kV Bus; C-Ph Maple Lk/Lk Pulaski; C-Ph Paynesville/ Albany	1/31/1984	2-3PH 115 kV; 1-1 Ph 115 kV; 1-3Ph 69 kV; 2-1 Ph 69 kV	1,356,324.74	1,031,509.71	324,815.03
	LINE TRAP 115 KV	Big Swan	1/31/1984	1			
	LINE TUNING UNIT	Big Swan	1/31/1984	1			
	Line Protection (Primary, Secondary, and Associated Communication Equipment) or Transformer Protection (Primary and Secondary)	Big Swan, St. Cloud/ Ind park, Transformer #6, 69 kV Maple Lk/Lk Pulaski, 69 kV paynesville/ Albany	12/1/2009	5	360,515.19	53,154.55	307,360.64
	BKR Fail Relay & BKR Sync Relay Relay Communications Equipment	5N28 SEL-2030		1 1			
	<b>Minor items that were not included in Appendix A-2</b>						
	All Aluminum cabinet		1/31/1984	1	1,444.39	1,211.93	232.46
	Control wiring		1/31/1984	1	3,087.58	2,590.67	496.91
	FT-1 Switch	FT-1	1/31/1984	2	281.32	236.05	45.27
	Meter XSM-100-0724	XSM-100-0724	1/31/1984	1	2,070.06	1,736.92	333.14
	Test Switch 170F	170F	1/31/1984	3	79.62	66.83	12.79
	Test Switch 2597 AF	2597 AF	1/31/1984	1	72.23	60.67	11.56
	Transformer 6500 VA		1/31/1984	1	8,607.58	7,222.22	1,385.36
	<b>Total</b>				<b>2,142,348.99</b>	<b>1,133,380.26</b>	<b>1,008,968.73</b>

Substation Description	Equipment Description	Company Specific Equipment Identifier GRE: Equipment ID NSPM: Circuit Diagram Item#	In Service Date/Year	QTY	Book Cost	Estimated LTD Depreciation Expense/ Reserve 12/31/2012	Net Book Value as of 12/31/12
<b>Wilmarth Substation (GRE)</b>	<b>Included in Appendix A-3</b>						
	BREAKER CIRCUIT 345 KV	8S22	11/1/2007	1	315,639.02	45,300.05	270,338.97
	BREAKER CIRCUIT 345 KV	8S23, 8S25	3/1/2011	2	309,681.10	15,770.79	293,910.31
	SWITCH AIR BREAK 345 KV - Motor Operated	8S25B	8/1/1979 10/1/1985	1-3PH	366,439.11	326,737.58	39,701.53
	Reactor and Breaker		10/1/2003 12/1/2011 4/1/2012	1	152,164.73	18,005.35	134,159.38
	345/115 kV 448 MVA	Transformer #10	6/30/1982	1	1,273,210.17	1,054,985.02	218,225.15
	Line, transformer, and Reactor Protection (Primary, Secondary, and Associated Communication Equipment)	Blue Lake Transformer #9 Reactor	10/1/1985 6/1/2006 10/1/2007	3	220,377.97	42,643.22	177,734.75
	BKR Fail Relay & BKR Sync relay	8S22, 8S23, 8S25	10/1/2010	3	70,687.57	4,361.10	66,326.47
	<b>Minor items that were not included in Appendix A-3</b>						
	Land easements		10/1/1985	1	261.73	5.45	256.28
	Lightning arrester		8/1/1979	6	90,360.13	80,827.79	9,532.34
	Vacuum breaker		10/1/1985	1	61,637.13	46,403.80	15,233.33
	Misc. bus work		8/1/1979	1	28,931.54	25,879.47	3,052.07
	Misc. bus work - bus support & insulator		8/1/1979	1	76,740.28	68,644.72	8,095.56
	Misc. bus work		10/1/1985	1	8,361.68	6,295.11	2,066.57
	Cable & Conduit		10/1/1985	1	2,102.19	1,582.72	519.47
	Capacitor Coupling		8/1/1979	1	12,465.72	11,150.68	1,315.04
	Capacitor Coupling		8/1/1979	4	38,385.65	34,336.25	4,049.40
	Current Limiting Fuse		10/1/1985	3	208.10	156.69	51.41
	Fuse	SMU-20	10/1/1985	6	440.21	331.46	108.75
	Fusemount with Live parts		10/1/1985	3	590.42	444.57	145.85
	Misc. grounding		10/1/1985	1	359.07	270.31	88.76
	Post insulators		10/1/1985	18	742.90	559.32	183.58
	Line trap		8/1/1979	1	11,855.37	10,604.71	1,250.66
	Line tuning unit		8/1/1979	1	1,511.13	1,351.81	159.32
	A-C Meteramp		10/1/1985	2	256.01	192.75	63.26
	Meter- digital panel		10/1/1985	1	162.39	122.32	40.07
	Circuit interruptor 100A		8/1/1979	3	400.71	358.44	42.27
	Misc. control equipment		8/1/1979	1	16,130.43	14,428.79	1,701.64
	Misc. equipment		8/1/1979	1	35,316.91	31,591.23	3,725.68
	Misc. panel controls - Blue Lake - Wilmarth		8/1/1979	1	25,335.15	22,662.48	2,672.67
	Misc. equipment		10/1/1985	1	6,353.86	4,783.58	1,570.28
	Mod breaker failure scheme		12/1/1990	1	8,858.92	5,411.23	3,447.69
	Reactor - -concrete column		10/1/1985	12	4,010.84	3,019.59	991.25
	Reactor - - concrete foundation		10/1/1985	1	10,815.48	8,142.51	2,672.97
	Reactor shunt		10/1/1985	2	82,519.90	62,125.49	20,394.41
	Steel structure		10/1/1985	1	8,182.42	6,160.17	2,022.25
	Switch		10/1/1985	1	97.46	73.44	24.02
	Switch		10/1/1985	1	97.46	73.44	24.02
	Test switch		10/1/1985	1	63.65	47.96	15.69
	Test switch		10/1/1985	1	44.05	33.22	10.83
	Transformer - potential- auxillary		8/1/1979	4	4,911.51	4,393.54	517.97
	Transformer - potential		10/1/1985	3	2,728.12	2,053.92	674.20
	Wire & cable		8/1/1979	1	74,942.25	67,036.38	7,905.87
	Wire 1000MCM 61STR		10/1/1985	510	990.71	745.86	244.85
	Wire 4/0 7STR SD		10/1/1985	1055	1,912.36	1,439.72	472.64
	Wire, all aluminum 1590MCM 61 STRD		12/1/2008	1	6,407.84	726.82	5,681.02
	Wire, Copper #4/0 7STRD SD		12/1/2008	1	573.86	65.10	508.76
	Misc. breaker		2/1/2009	1	414.52	45.09	369.43
	<b>Total</b>				<b>3,334,679.73</b>	<b>2,032,381.04</b>	<b>1,302,298.69</b>
<b>Carver County Substation (GRE)</b>	<b>Included in Appendix A-4</b>						
	Breaker Circuit 115 kV	5M100	7/31/1968	1	224,981.05	224,981.05	0.00
	Breaker Circuit 69 kV	4M48	7/1/2008	1	136,126.30	17,015.80	119,110.50
	Line Protection (Primary, Secondary, and Associated Communication Equipment)	West Waconia - St. Boni	7/1/2008	2	54,504.79	6,813.11	47,691.68
	BKR Fail Relay & BKR Sync Relay	5M100	12/1/2009	1	8,975.07	768.71	8,206.36
	<b>Minor items that were not included in Appendix A-4</b>						
	Structures		8/31/1970	1	13,972.28	13,972.28	0.00
	<b>Total</b>				<b>438,559.49</b>	<b>263,550.95</b>	<b>175,008.54</b>
	<b>GRE Grand Total</b>				<b>9,752,924.01</b>	<b>6,545,136.21</b>	<b>3,207,787.80</b>

Substation Description	Equipment Description	Company Specific Equipment Identifier GRE: Equipment ID NSPM: Circuit Diagram Item#	In Service Date/Year	QTY	Book Cost	Estimated LTD Depreciation Expense/ Reserve 12/31/2012	Net Book Value as of 12/31/12
<b>Benton County Substation (NSP)</b>	<b>Included in Appendix B</b>						
	230 KV disconnect, group operated switch with MOD, TR5	7	1975	1	1,023.17	845.45	177.72
	230 KV disconnect, group operated switch with MOD, TR6	7	1986	1	407.53	238.40	169.13
	115 KV Bus 1 CCPD A-phase	22	2004	1	10,308.41	1,942.41	8,366.00
	115 KV Bus 2 CCPD A-phase	22	2004	1	12,767.56	10,563.03	2,204.53
	3 - 115 KV GRC Line #1 PT	37	1986	1	1,678.71	982.03	696.68
	2 - 15 KV fused disconnect, B & C phase, sta aux	41	1994	2	46,276.96	18,915.30	27,361.66
	115 KV oil circuit breaker 5N52	42	1979	1	72,355.25	53,485.64	18,869.61
	115 KV oil circuit breaker 5N53	42	1979	1	72,355.25	53,485.64	18,869.61
	115 KV Group operated switch, 5N52B2	48	1979	1	20,678.98	15,286.08	5,392.90
	115 KV Group operated switch, 5N3B	48	1979	1	20,678.98	15,286.08	5,392.90
	115 KV Group operated switch, 5N53A	48	1979	1	20,678.98	15,286.08	5,392.90
	230 - 118 - 13.8 KV 336 MVA Transformer, TR6	51	2004	1	1,862,539.11	350,958.25	1,511,580.86
	3 - 230 KV Surge arresters	52	2004	2	14,379.82	2,709.58	11,670.24
	3 - 115 KV Surge arresters	53	2004	4	20,371.42	3,838.56	16,532.86
	3 - 15 KV Surge arresters	54	2004	2	4,511.08	850.02	3,661.06
	230 - 118 - 13.8 KV 336 MVA Transformer, TR5	55	2004	1	1,862,539.10	350,958.24	1,511,580.86
	2 - single phase distribution transformers	60	2004	2	384.64	72.48	312.16
	115 KV group operated switch, TR5	61	2004	1	11,745.86	2,213.27	9,532.59
	115 KV group operated switch, 5N51	61	2004	1	11,745.87	2,213.27	9,532.60
	115 KV group operated switch, 5N54	61	2004	1	11,745.87	2,213.27	9,532.60
	115 KV group operated switch, 5N55 B2	61	2004	1	11,745.87	2,213.28	9,532.59
	115 KV group operated switch, 5N55 A	61	2004	1	11,745.87	2,213.28	9,532.59
	115 KV group operated switch, 5N55 B2	61	2004	1	11,745.87	2,213.28	9,532.59
	115 KV group operated switch, TR6	61	2004	1	11,745.86	2,213.27	9,532.59
	115 KV Gas circuit breaker, 5N56	62	2004	1	52,311.31	9,857.02	42,454.29
	115 KV Gas circuit breaker, 5N55	63	2004	1	52,311.31	9,857.02	42,454.29
	3 - 115 KV CCVT's	66	2011	1	111,258.24	3,806.26	107,451.98
	Microprocessor 87T5S	87T5S	2004	1	748.95	141.13	607.82
	Electromechanical 87T5P	87T5P	2004	1	748.95	141.13	607.82
	Microprocessor 50BF/5N52	50BF/5N52	2003	1	6,391.04	1,204.26	5,186.78
	Microprocessor 50BF/5N55	50BF/5N55	2003	1	6,391.03	1,204.26	5,186.77
	Microprocessor 50BF/5N56	50BF/5N56	1981	1	5,048.13	3,731.63	1,316.50
	Microprocessor 50BF/5N53	50BF/5N53	2003	1	6,391.03	1,204.26	5,186.77
	Electromechanical 87T6P	87T6P	2004	1	748.95	141.13	607.82
	Microprocessor 87T6S	87T6S	2004	1	748.95	141.13	607.82
	Electromechanical 51NP/TR6	51NP/TR6	2004	1	898.74	169.36	729.38
	Electromechanical 51NP/TR5	51NP/TR5	2004	1	898.74	169.36	729.38
	GRC1 XMTR/RCVR	GRC1 XMTR/RCVR	1989	1	17,828.45	9,251.13	8,577.32
	Microprocessor 21P/GRC1	21P/GRC1	2003	1	599.16	112.90	486.26
	Microprocessor 21S/GRC1	21S/GRC1	2003	1	599.16	112.90	486.26
	Microprocessor 21P/GRC2	21P/GRC2	2000	1	451.50	124.87	326.63
	Microprocessor 21S/GRC2	21S/GRC2	2000	1	451.50	124.86	326.64
	GRC2 XMTR/RCVR	GRC2 XMTR/RCVR	1989	1	17,828.45	9,251.13	8,577.32
	125VDC Battery		2003	1	33,875.76	7,129.51	26,746.25
	125VDC Battery Charger		1975	1	1,491.43	1,233.91	257.52
	Station Auxiliary Auto Transfer Switch / Comm Switch SEL 2030		1979	1	2,584.86	1,910.76	674.10
	156 kW Diesel Generator - Caterpillar (to be Retired in Place)		1994	1	169,366.97	169,366.97	0.00
	<b>Minor items that were not included in Appendix B</b>						
	Building Station Control		1975	1	32,891.66	26,946.26	5,945.40
	Yard Improvements		1975	1	31,114.10	25,490.01	5,624.09
	Yard Improvements		1979	1	10,894.67	7,971.55	2,923.12
	Alarm-Annunciator System		1998	1	4,328.47	1,387.78	2,940.69
	Battery Storage Station		1975	1	3,038.87	2,514.16	524.71
	Cabinet Storage		1975	N/A	74,679.46	61,784.82	12,894.64
	Cabinet Storage		1979	N/A	61,586.23	45,525.09	16,061.14
	Cabinet Storage		1998	N/A	148,956.39	47,757.89	101,198.50
	Cabinet Storage		2004	N/A	71,799.84	13,529.24	58,270.60
	Communications Equip Telephone		1975	16	4,758.10	3,936.54	821.56
	Communications Equip Telephone		1979	2	594.28	439.30	154.98
	Communications Equip Telephone		1998	2	18,956.41	6,077.74	12,878.67
	Equipment Foundation		1975	43	57,133.24	47,268.24	9,865.00
	Equipment Foundation		1979	22	77,092.38	56,987.37	20,105.01
	Equipment Foundation		1994	1	8,215.13	3,357.86	4,857.27
	Equipment Foundation		2011	1	13,190.19	451.25	12,738.94
	Site Grounding		1975	137	45,016.43	37,243.60	7,772.83
	Site Grounding		1979	33	14,886.67	11,004.37	3,882.30
	Site Grounding		2004	15	10,188.40	1,919.80	8,268.60
	Station Controls		1975	N/A	2,404.31	1,989.16	415.15
	Station Controls		1982	N/A	14,180.37	9,545.02	4,635.35
	Station Controls		1992	N/A	7,930.73	3,591.06	4,339.67
	Station Controls		1994	N/A	567.50	231.96	335.54
	Station Controls		1998	N/A	4,911.82	1,574.81	3,337.01
	Station Wiring		1975	N/A	62,002.91	51,297.12	10,705.79
	Station Wiring		1979	N/A	77,729.36	57,458.21	20,271.15
	Station Wiring		1986	N/A	2,720.35	1,591.38	1,128.97
	Station Wiring		1994	N/A	3,823.20	1,562.70	2,260.50
	Station Wiring		1998	N/A	7,596.83	2,435.67	5,161.16
	Station Wiring		2004	N/A	72,686.05	13,696.23	58,989.82
	Station Wiring		2011	N/A	1,999.99	68.42	1,931.57
	Structure Substation Equip & Bus UNKV		1975	N/A	133,728.71	110,638.31	23,090.40
	Structure Substation Equip & Bus UNKV		1979	N/A	50,860.62	37,596.62	13,264.00
	Structure Substation Equip & Bus 115KV		2011	N/A	16,612.20	568.32	16,043.88
	Tools, Hand		1994	1	305.43	124.84	180.59
	Transf Instr Cur Pot Volt CCVolt		1975	1	8,436.79	6,980.04	1,456.75
	<b>NSP Total</b>				<b>5,773,946.72</b>	<b>1,844,125.82</b>	<b>3,929,820.90</b>
					<b>NET GRE - NSP</b>		<b>(722,033.10)</b>

**ORIGINAL COST, NET BOOK VALUE,  
PURCHASE PRICE INFORMATION**

<b>Asset Location</b>	<b>December 31, 2012</b>		
	<b>Book Cost</b>	<b>Allocated Reserve</b>	<b>Net Book Value</b>
<b>NSP Assets:</b>			
Benton County Sub	\$ 5,773,946.72	\$ 1,844,125.82	\$3,929,820.90
<b>GRE Assets:</b>			
Carver County Sub	\$ 438,559.49	\$263,550.95	\$175,008.54
Wakefield Power Sub	\$2,142,348.99	\$1,133,380.26	\$1,008,968.73
Coon Creek Sub	\$3,837,335.80	\$3,115,823.96	\$721,511.84
Wilmarth Sub	\$3,334,679.73	\$2,032,381.04	\$1,302,298.69
GRE Total	\$9,752,924.01	\$6,545,136.21	\$3,207,787.80

**Northern States Power Company – Minnesota (NSPM) and Great River Energy (GRE) Asset Exchange****Summary of Journal Entries**

The following journal entries reflect the value of the Company's transmission assets at the Benton County Substation that were exchanged for assets owned by GRE at Carver County, Wakefield, Wilmarth and the Wilmarth Power Sub (for presentation these have been combined as "Wilmarth") and Coon Creek. Due to the fact that the net book value (NBV) of the assets given up by NSPM exceeds the value of those given up by GRE, there is an equalization payment due to NSPM.

<b>Account and Description</b>	<b>Debit</b>	<b>Credit</b>
FERC Account 101 – Plant in Service, (Transmission Substation Sub-accounts)		
<b>To:</b> Carver County Substation	\$438,559.49	
Wakefield Power Substation	\$2,142,348.99	
Coon Creek Substation	\$3,837,335.80	
Wilmarth Substation	\$3,334,679.73	
Valuation Adjustment (*)	(\$3,978,977.29)	
<b>From:</b> Benton County Substation		\$5,773,946.72
FERC Account 108 – Accumulated Provision for Depreciation		
<b>To:</b> Carver County Substation		\$263,550.95
Wakefield Power Substation		\$1,133,380.26
Coon Creek Substation		\$3,115,823.96
Wilmarth Substation		\$2,032,381.04
Valuation Adjustment (*)		(\$4,701,010.39)
<b>From:</b> Benton County Substation	\$1,844,125.82	
<i>Recognize equalization payment from GRE</i>		
FERC Account 131 - Cash	\$722,033.10	

FERC Account 108- Retirement Work in Progress	\$722,033.10
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<b>Journal Entry Total</b>	<b>\$8,340,105.64</b>	<b>\$8,340,105.64</b>
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(\*) The assets received will be valued at the net book value of the assets given up.

## CERTIFICATE OF SERVICE

I, SaGonna Thompson, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

xx by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota

xx electronic filing

### **XCEL ENERGY'S MISCELLANEOUS ELECTRIC SERVICE LIST**

Dated this 11th day of June 2013

/s/

---

SaGonna Thompson  
Records Analyst

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022191	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
James J.	Bertrand	james.bertrand@leonard.com	Leonard Street & Deinard	150 South Fifth Street, Suite 2300  Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Michael	Bradley	bradley@moss-barnett.com	Moss & Barnett	4800 Wells Fargo Ctr 90 S 7th St Minneapolis, MN 55402-4129	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Jeffrey A.	Daugherty	jeffrey.daugherty@centerpointenergy.com	CenterPoint Energy	800 LaSalle Ave  Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Ronald	Giteck	ron.giteck@ag.state.mn.us	Office of the Attorney General-RUD	Antitrust and Utilities Division 445 Minnesota Street, BRM Tower St. Paul, MN 55101	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Lloyd	Grooms	lgrooms@winthrop.com	Winthrop and Weinstine	Suite 3500 225 South Sixth Street Minneapolis, MN 554024629	Paper Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law	2265 Roswell Road Suite 100 Marietta, GA 30062	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Richard	Johnson	johnsonr@moss-barnett.com	Moss & Barnett	4800 Wells Fargo Center90 South Seventh Street  Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Mark J.	Kaufman	mkaufman@ibewlocal949.org	IBEW Local Union 949	12908 Nicollet Avenue South  Burnsville, MN 55337	Paper Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Thomas G.	Koehler	N/A	Local Union #160, IBEW	2909 Anthony Ln  Minneapolis, MN 55418-3238	Paper Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E  St. Paul, MN 55106	Paper Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
David W.	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency	Suite 300 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Joseph V.	Plumbo		Local Union 23, I.B.E.W.	932 Payne Avenue  St. Paul, MN 55130	Paper Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Richard	Savelkoul	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	332 Minnesota Street Ste W2750  St. Paul, MN 55101	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Ken	Smith	ken.smith@districtenergy.com	District Energy St. Paul Inc.	76 W Kellogg Blvd  St. Paul, MN 55102	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Ron	Spangler, Jr.	rlspangler@otpc.com	Otter Tail Power Company	215 So. Cascade St. PO Box 496 Fergus Falls, MN 565380496	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Byron E.	Starns	byron.starns@leonard.com	Leonard Street and Deinard	150 South 5th Street Suite 2300 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
James M.	Strommen	jstrommen@kennedy-graven.com	Kennedy & Graven, Chartered	470 U.S. Bank Plaza 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Eric	Swanson	eswanson@winthrop.com	Winthrop Weinstine	225 S 6th St Ste 3500 Capella Tower Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
SaGonna	Thompson	Regulatory.Records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7  Minneapolis, MN 554011993	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Lisa	Veith	lisa.veith@ci.stpaul.mn.us	City of St. Paul	400 City Hall and Courthouse 15 West Kellogg Blvd. St. Paul, MN 55102	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric