



414 Nicollet Mall  
Minneapolis, MN 55401

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TRADE SECRET INFORMATION EXCISED**

July 18, 2014

— 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 FOR APPROVAL OF A FEEDER CABLE AND  
DUCTLINE OPERATIONS AND MAINTENANCE LEASE AGREEMENT  
WITH SEAGATE TECHNOLOGY, INC.  
DOCKET NO. E002/M-14-\_\_\_\_\_

Dear Dr. Haar:

Northern States Power Company, doing business as Xcel Energy, submits the enclosed Petition for approval of a feeder cable and ductline operations and maintenance agreement with Seagate Technology, Inc.

Portions of information in this filing designated as “Trade Secret” is specific customer information and is Trade Secret pursuant to Minnesota Statute § 13.37, subd. 1(b). This information is subject to efforts from the customer to maintain its secrecy. This information derives independent economic value, actual or potential, to Xcel Energy, its customers, suppliers, and competitors, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies 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

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STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger  
David C. Boyd  
Nancy Lange  
Dan Lipschultz  
Betsy Wergin

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

IN THE MATTER OF THE PETITION OF  
NORTHERN STATES POWER COMPANY  
FOR APPROVAL OF A FEEDER CABLE AND  
DUCTLINE OPERATIONS AND  
MAINTENANCE LEASE AGREEMENT WITH  
SEAGATE TECHNOLOGY, INC.

DOCKET NO. E002/M-14-\_\_\_\_\_

**PETITION**

**INTRODUCTION**

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Petition seeking approval of a Feeder Cable and Ductline Operations and Maintenance Lease Agreement with Seagate Technology, Inc.<sup>1</sup> The Lease Agreement sets forth the terms and conditions for Seagate's use of dedicated feeder cable and ductline facilities that connect their production plant in Bloomington, Minnesota to the Company's Nine Mile Creek substation; it specifically addresses the Company's installation and operation and maintenance responsibilities – and the Customer's payment obligations for the capital investment, property taxes, and O&M expenses associated with the dedicated facilities.

The Lease Agreement is dated March 1, 1997, and is contingent upon the approval of the Commission pursuant to Minn. Stat. § 216B.50. Our records indicate that we have not previously submitted this Agreement to the Commission for approval, which we became aware of as we worked recently with the customer to resolve a contractual issue. We apologize for our inadvertent oversight in not submitting the Lease Agreement to the Commission for approval upon its execution.

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<sup>1</sup> In June 2000, Seagate Technology LLC became the corporate successor of Seagate Technology, Inc. Section 3.5 of the lease agreement allows transfer or assignment of the contract with prior written consent of the other party, but no consent is required for assignment to a corporate successor of either Party.

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We respectfully request that the Commission now approve the Lease Agreement as the Lease Agreement is in the public interest.

We note that a lease agreement for dedicated facilities is relatively uncommon for the Company – only a handful of similar agreements currently exist. We have reviewed our records, and have no reason to believe that there are other lease agreements that have not been submitted to the Commission for approval. We have also implemented safeguards to help prevent this type of oversight in the future.

In addition, we note the revenues associated with this Lease Agreement have been included in Other Revenues in our past electric rate cases and our current electric rate case; thus, other customers have been held harmless.

In this Petition, we:

- Discuss the terms and conditions of the Lease Agreement;
- Discuss the resolution of the recent contractual issue;
- Outline our financial treatment of the resulting change in Other Revenues; and
- Demonstrate that the Lease Agreement is reasonable and in the public interest.

**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 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

**PUBLIC DOCUMENT:  
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Minneapolis, MN 55401  
(612) 330-5500

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

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

**C. Date of Filing**

The date of this filing is July 18, 2014.

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

Under Minn. R. 7829.0100, subp. 11, this request for approval is a “miscellaneous” filing because no determination of Xcel Energy’s general revenue requirements is necessary. Comments on a miscellaneous filing are due within 30 days of filing, with replies due 10 days thereafter.

**E. Utility Employee Responsible for Filing**

Christopher B. Clark  
Regional Vice President, Rates and Regulatory Affairs  
Xcel Energy  
414 Nicollet Mall, 7<sup>th</sup> Floor  
Minneapolis, MN 55401  
(612) 215-4593

**IV. MISCELLANEOUS INFORMATION**

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

James 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

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

**V. DESCRIPTION AND PURPOSE OF FILING**

**A. Background Information**

Seagate Technology, Inc., established in 1979, is an international company that provides hard disk drives and retail storage products for consumers and small businesses, as well as data-recovery services for any brand of hard drive and digital media type. Headquartered in Cupertino, California, Seagate has manufacturing and product development centers in Brazil, China, Malaysia, Minnesota, Northern Ireland, Singapore and Thailand. Seagate, worldwide, has about 57,000 employees.

Seagate maintains a 733,000 square feet high-tech manufacturing and research facility employing over 1,800 people, in Bloomington, Minnesota. As one of our larger customers, the Seagate facility in Bloomington uses approximately [BEGIN TRADE SECRET... ..END TRADE SECRET] per year, with an average system demand of between [BEGIN TRADE SECRET... ..END TRADE SECRET] and a load factor of approximately [BEGIN TRADE SECRET... ..END TRADE SECRET] percent. Since 1997, Seagate has saved approximately [BEGIN TRADE SECRET... ..END TRADE SECRET] through its participation in our Conservation Improvement Program (CIP).

In 1996, Seagate embarked on a major plant expansion of its Bloomington facility in order to increase production. Seagate and the Company discussed options regarding how to best meet the plant's future electrical energy needs including the costs of offering the customer a primary or secondary voltage rate. However, given the close proximity of the plant to the Nine Mile Creek substation (approximately 800 linear feet), it was determined that a transmission-transformed voltage rate, in conjunction with installation of the special/dedicated feeder cable and ductline facilities, was the preferred solution – as the costs associated with these dedicated facilities would more economically enhance service reliability for the Customer, as compared to our standard primary or secondary rates.

Consequently, Seagate and the Company entered into a 35-year Lease Agreement, whereby Seagate would make annual payments to the Company for the full capital cost of the installed facilities, property tax reimbursements, and an O&M fee component paid over various periods of time. Recently, Seagate informed the Company that it believed it had overpaid the Company, per the terms of the Lease Agreement. In April

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2014, we reached resolution with the customer, and have since issued Seagate a net refund, plus interest.

**B. The Lease Agreement**

In this section, we summarize the terms of the Lease Agreement, and provide the full March 1, 1997 agreement as Attachment A to this filing.

The facilities consist of four mainline feeder cables from the cable head potheads at the Company's Nine Mile Creek substation to the cable head potheads at Seagate's switchgear, and the associated physical ductline and manholes in which the cables are installed. Under the 35-year Lease Agreement, the capital investment cost was to be recovered over a ten-year period, while payment of the property tax and O&M fee components continues for the full 35-year period.

The Lease Agreement does not give the Customer ownership rights in the feeder cable and ductline facilities. Rather, the Company continues to own, maintain and operate the leased facilities serving the Seagate facility.

*1. Total Annual Payment*

The total annual payment by the Customer to the Company consists of three components: (1) the Annual Lease Fee, (2) the Annual Property Tax Reimbursement Fee, and (3) the Annual Operations and Maintenance Fee. Each component of the total annual payment reflects the portion of costs incurred by the Company which are attributable to Seagate as their portion of the "shared facilities."

*a. Annual Lease Fee*

The Annual Lease Fee payment was fixed at \$ 8,385 per month, and reflects the Company's initial capital investment in the "shared facilities," and may be increased to cover Seagate's share of any future requested capital expenditures. As mentioned previously, the Lease Agreement specifies these costs are to be paid to the Company over a ten-year period, which would have expired in 2007.

*b. Annual Property Tax Reimbursement Fee*

The Annual Property Tax Reimbursement Fee reflects Seagate's portion of the property taxes the Company incurs on the shared facilities. It is based on the initial capital investment, and may be adjusted to reflect any future increases in property taxes

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arising out of tax levy changes, or required or requested additional capital expenditures. The payment was fixed at \$ 1,156 per month until March 1, 1999, and is subject to an automatic inflationary adjustment every two years, based upon the actual percentage increase in property tax rates for the previous 24 months.

c. Annual Operations and Maintenance Fee

The Annual O&M Fee covers normal work identified in the Lease Agreement such as cable fault locating, cable splicing and repair, routine infrared inspections of the potheads at the Nine Mile Creek substation and at Seagate's switchgear, manhole and ductline inspections, and material and parts necessary for the repair, maintenance and operations of the feeder cables and ductline facilities. It also includes on-call, 24-hour, seven-days-per-week service restoration after outages caused by failure of the feeder cable or ductline. The payment was fixed at \$ 2,327 per month until March 1, 1999, and is subject to an automatic inflationary adjustment every two years, based upon a percentage equal to the Handy Whitman Industrial Price Index for the previous 24 months.

Normal operations and maintenance work shall include cable fault locating, cable splicing and repair, routine infra-red inspections of the potheads at the Nine Mile Creek substation and at Seagate's switchgear, visual manhole and ductline inspections, and material and parts necessary for the repair, maintenance and operations of the feeder cables and ductline facilities. If activities for shared facilities resulting from a service call are determined *not* to be normal O&M work, a prorated share of these costs will be assessed to the Customer based on the Customer's utilization of the shared facilities.

*2. General Provisions*

The Lease Agreement became effective on March 1, 1997 and remains in effect for the 35-year book life of the facilities, or until the parties agree to its dissolution. As noted previously, the Agreement is subject to the Commission's approval under Minn. Stat. § 216B.50. The Company is responsible to submit invoices to the Customer for the services performed on a monthly basis at the rate of one-twelfth (1/12) of the annual fees and any additional work requested and performed during the previous billing periods. Matters of dispute shall be addressed through an agreed upon arbitration and mediation process. If mediation is unsuccessful, the matter shall be resolved through binding arbitration. The arbitrator's decision is subject to review by the Commission for any matter within the Commission's jurisdiction.



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**C. The Lease Agreement is in the Public Interest**

1. *The Special Facilities are Important to Seagate's Reliability*

As noted earlier, Seagate runs a highly technical operation at its Bloomington facility, and any service interruption would result in a significant production set-back. Installation of the feeder cable and ductline that enabled Seagate to take transmission-transformed service was a reasonable and cost-effective solution to meet their electric service requirements, primarily due to the plant's proximity to the Company's Nine Mile Creek substation.

2. *Efficiencies Benefit Other Customers*

Segregating the load for a large C&I customer, when economically-feasible, benefits surrounding customers. By isolating and directly serving Seagate's significant load requirements, it is easier for the Company to manage the remaining load for other area customers, and restore service in a shorter period of time during an outage. It is also easier to identify the location of feeder cable faults and repair those breaks. In short, the Seagate feeder cable and ductline facilities enhance system reliability for Seagate and non-Seagate customers.

3. *The Lease Agreement Terms Protect Ratepayers*

Under the terms of the Lease Agreement, Seagate bears the cost of the initial capital investment, system improvements, property taxes, and O&M expenses, shielding other ratepayers from bearing costs for facilities that benefit this one customer. Additionally, the Lease Agreement places full responsibility on Seagate for the property taxes and O&M expenses associated with the dedicated facilities.

Further, the Lease Agreement specifies that the Company shall own the feeder cable and ductline facilities, even after Seagate has made full payment for the capital investment costs. As a result, in the unlikely event that Seagate discontinued its Bloomington operation, the infrastructure would be available for potential use by another customer at that location.

**D. Resolved Contractual Payments**

In reviewing our records, we determined that Seagate had overpaid the Company a net total of approximately \$583,000, which involves both over- and under-payments of the three components of Agreement components, as follows:

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<u>Lease Fee Component</u>	<u>Amount</u>	<u>Over- or Under-Paid</u>
Annual Lease Fee	\$ 679,185	Over
Property Tax Reimbursement	\$ 7,994	Over
O&M Fee	\$ 115,955	Under
Interest	<u>\$ 11,843</u>	Over
<i>Net Refund to Seagate</i>	<i>\$583,067</i>	

As can be seen in the above summary, the Annual Lease Fee is the primary component of the refund to Seagate, as its term expired ten years after execution of the Lease Agreement, or March 1, 2007. We discussed alternatives to resolve the net overpayment, including a lease amendment that would have reduced future O&M fees in lieu of a one-time refund. However, the Customer opted for a lump-sum payment of the over-paid amount, plus interest, which we issued to Seagate on June 24, 2014.

The Company budgets and records the actual revenues associated with this Lease Agreement as Other Revenues. Thus, other customers have been held harmless in this matter. However, a related impact is that the Company overstated Other Revenues in its current electric rate case (Docket No. E002/GR-13-868). We are not seeking an adjustment to our Other Revenues in the current rate case for the lower level of expected lease payments in 2014, or the refund that we recently issued to Seagate.

**CONCLUSION**

Xcel Energy respectfully requests the Commission approve the March 1, 1997 Feeder Cable and Ductline Operations and Maintenance Lease Agreement between the Company and Seagate Technology, Inc. The special facilities enabled by the Lease Agreement appropriately address the service needs of the Customer, and provide operational benefits to the Company and our other customers – while shielding our other customers from any costs for the special facilities that benefit only Seagate.

Dated: July 18, 2014

Northern States Power Company  
Respectfully submitted by:

CHRISTOPHER B. CLARK  
REGIONAL VICE PRESIDENT  
RATES AND REGULATORY AFFAIRS

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STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger  
David C. Boyd  
Nancy Lange  
Dan Lipschultz  
Betsy Wergin

Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner

IN THE MATTER OF THE PETITION OF  
NORTHERN STATES POWER COMPANY  
FOR APPROVAL OF A FEEDER CABLE AND  
DUCTLINE OPERATIONS AND  
MAINTENANCE LEASE AGREEMENT WITH  
SEAGATE TECHNOLOGY, INC.

DOCKET No. E002/M-14-\_\_\_\_\_

**PETITION**

**SUMMARY OF FILING**

Please take notice that on July 18, 2014 Northern States Power Company, doing business as Xcel Energy, filed with the Minnesota Public Utilities Commission a Petition for approval of a Feeder Cable and Ductline Operations and Maintenance Lease Agreement with Seagate Technology, Inc. dated March 1, 1997. The Agreement addresses the installation, operation and maintenance responsibilities of the Company for the facilities connecting the Seagate plant to the Company's Nine Mile Creek substation, and the payment obligations of the Customer for the initial and ongoing capital investment, property taxes, and certain operations and maintenance (O&M) costs associated with the special facilities. Our records indicate that we did not previously submit this Agreement to the Commission for approval, which we became aware of as we worked recently with the customer to resolve a contractual issue.

# **Feeder Cable & Ductline Operations and Maintenance Lease Agreement**

Between

**Seagate Technology, Inc.**

and

**Northern States Power Company**

Revision #1

11/12/97 N:\CTEMP\SEACBL2A.DOC

# Table of Contents

	<u>Page No.</u>
<b>RECITALS</b>	<b>1</b>
<b>ARTICLE I DEFINITIONS</b>	<b>2</b>
Section 1.0 <u>Feeder Cable and Ductline Facilities</u>	2
Section 1.1 <u>Total Annual Payment</u>	2
Section 1.2 <u>Annual Lease Fee Component</u>	2
Section 1.3 <u>Annual Property Tax Reimbursement Fee Component</u>	2
Section 1.4 <u>Annual Operations and Maintenance Fee Component</u>	3
Section 1.5 <u>Capital Equipment and Material</u>	3
Section 1.6 <u>Capital Work</u>	3
Section 1.7 <u>New Construction</u>	3
Section 1.8 <u>Reconstruction Work</u>	3
Section 1.9 <u>Seagate's Attributable Share of Shared Facilities</u>	4
<b>ARTICLE II FEEDER CABLE AND DUCTLINE OPERATIONS AND MAINTENANCE LEASE SERVICES</b>	<b>5</b>
Section 2.0 <u>General Provisions</u>	5
Section 2.1 <u>Total Annual Payment</u>	6
Section 2.2 <u>Annual Lease Fee Component</u>	6
Section 2.3 <u>Annual Property Tax Reimbursement Fee Component</u>	6
Section 2.4 <u>Annual Operations and Maintenance Fee Component</u>	6
A. <u>On-Call 24 Hour Response</u>	7
B. <u>Cable Fault Locating</u>	7
C. <u>Cable Splicing/ Repair</u>	7
D. <u>Infrareding</u>	7
E. <u>Manhole &amp; Ductline Inspections</u>	7
F. <u>Material and Parts</u>	7
G. <u>Procurement and Purchasing</u>	8
Section 2.5. <u>Other Work and Services Not Included in Total Annual Fee</u>	8

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Revision #4

# Table of Contents

	<u>Page No.</u>
A. <u>New Construction</u>	8
B. <u>Re-Construction</u>	9
Section 2.6 <u>Identification and Notification of Services to be Performed</u>	9
<b>ARTICLE III GENERAL PROVISIONS</b>	<b>10</b>
Section 3.0 <u>Response Time</u>	10
Section 3.1 <u>Agreement Term</u>	10
Section 3.2 <u>Billing</u>	11
Section 3.3 <u>Waiver of Warranty</u>	11
Section 3.4 <u>Third Party Rights</u>	11
Section 3.5 <u>Assignment</u>	11
Section 3.6 <u>Indemnification</u>	11
Section 3.7 <u>Regulation</u>	12
<b>ARTICLE IV</b>	<b>13</b>
<b>DISPUTE RESOLUTION</b>	<b>13</b>
Section 4.0 <u>Arbitration and Mediation Standards</u>	13
Section 4.1 <u>Mediation Procedure</u>	13
Section 4.2 <u>Arbitration Procedure</u>	13
Section 4.3 <u>Compromise and Settlement</u>	15
Section 4.4 <u>Effect of Termination</u>	15
<b>EXHIBIT A</b>	<b>1</b>
<b>EXHIBIT B</b>	<b>4</b>

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Revision #4

## **Feeder Cable & Ductline Operations And Maintenance Lease Agreement**

This Feeder Cable & Ductline Operations and Maintenance Lease Agreement (hereinafter referred to as the "Agreement") is made 1st day of March, 1997, between Northern States Power Company, a Minnesota corporation, its successors and assigns (hereinafter referred to as "NSP"), having offices at 414 Nicollet Mall, Minneapolis, Minnesota 55401, and SeagateTechnology, Inc., (hereinafter referred to as the "Customer") having offices in Bloomington, Minnesota.

For the purposes of this Agreement, "Party" shall refer to either NSP or the Customer and "Parties" shall refer to both NSP and the Customer.

### ***RECITALS***

0.0 WHEREAS the Parties have since March 1, 1997 had a Transmission Transformed Rate Agreement providing Customer a "transmission transformed rate structure" based on the Customer's electric delivery point being directly from NSP's Nine Mile Creek substation; and

0.1 WHEREAS the Parties have agreed to develop a separate lease document containing the terms and conditions for the lease of the Feeder Cable and Ductline facilities; and

0.2 WHEREAS this new separate lease agreement dated March 1, 1997, contains the terms and conditions for the lease of the Feeder Cable and Ductline facilities; and

0.3 WHEREAS the leased Feeder Cable and Ductline facilities includes the facilities electrically connecting Seagate's Bloomington facilities to NSP's Nine Mile Creek substation; and consists of four mainline feeder cables from the cable head potheads at NSP's Nine Mile Creek substation to the cable head potheads at Seagate's Switchgear and the associated physical ductline and manholes which the cables are installed in; and

0.4 WHEREAS NSP shall continue to own, maintain and operate the leased facilities.

NOW, THEREFORE, IN consideration of the foregoing and the respective covenants contained in this Agreement, NSP and the Customer agree as follows.

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Revision #1

## ***ARTICLE I***

### ***DEFINITIONS***

The following terms when used herein, shall have the meanings specified below.

#### **Section 1.0 Feeder Cable and Ductline Facilities**

Feeder Cable and Ductline Facilities associated with the four NSP owned feeders: NMC63, NMC64, NMC81 and NMC91 , from the outgoing 13.8 kv cablehead potheads at NSP's Nine Mile Creek substation to the incoming 13.8 kv cable head potheads at Seagate's switchgear.

#### **Section 1.1 Total Annual Payment**

The Total Annual Payment consists of three components: 1.) the Annual Lease Fee, 2.) the Annual Property Tax Reimbursement Fee and 3.) the Annual Operations and Maintenance Fee. Each component of this Total Annual Payment shall reflect the portions of costs incurred by NSP which are attributable as Seagate's portion of the "shared facilities".

This Agreement shall not give Customer ownership rights in the feeder cable and ductline facilities and shall not be considered, in whole or in part, a capital lease. NSP shall continue to own, maintain, and operate the leased facilities.

#### **Section 1.2 Annual Lease Fee Component**

Annual Lease Fee shall mean that fee described as such and set forth in Exhibit A to be paid by the Customer to NSP, to cover that portion of the costs associated with NSP's capital investment(s) in the Feeder Cable and Ductline facilities that is attributable as portion of the "shared facilities".

This component will reflect not only the initial capital investment but will also be increased to cover Seagate's attributable share of any future requested capital expenditures or required capital expenditures.

#### **Section 1.3 Annual Property Tax Reimbursement Fee Component**

Annual Property Tax Fee shall mean that fee described as such and set forth in Exhibit A to be paid by the customer to NSP, to cover that portion of the property taxes incurred by NSP on the "shared facilities" that is attributable as Seagate's portion.

This component will reflect not only the property taxes incurred on the initial capital investment but also will be adjusted to reflect Seagate's attributable share of any future increases in property taxes subsequently arising out of requested capital expenditures, required capital expenditures or tax levy changes.

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Revision #1



**Section 1.4 Annual Operations and Maintenance Fee Component**

Annual Operations and Maintenance Fee shall mean that fee described as such and set forth in Exhibit A to be paid by the Customer to NSP, to cover that portion of Normal Operations and Maintenance Work on the "shared facilities" that is attributable as Seagate's portion.

For purposes of this Agreement, Normal Operations and Maintenance Work shall mean the activities described in Article II, Section 2.4 of this Agreement. All other work, activities, equipment, material, and services rendered by NSP or its assigns are not considered part of the Normal Operations and Maintenance Work for the purposes of this Agreement.

This component will reflect not only the Normal Operations and Maintenance Costs as determined on the initial capital investment, but will also be adjusted to reflect Seagate's attributable share of any future increases in Normal Operation and Maintenance Cost subsequently arising out of requested capital expenditures or required capital expenditures.

**Section 1.5 Capital Equipment and Material**

Capital Equipment and Material shall mean all equipment and material which qualifies as a unit of property under the Federal Energy Regulatory Commission (FERC) Rules and Generally Accepted Accounting Principals (GAAP) in use by NSP on its own facilities at the time of the Agreement start date, unless otherwise stated in this Agreement.

**Section 1.6 Capital Work**

Capital Work shall mean all work performed on the Feeder Cable and Ductline which requires the installation or replacement of Capital Equipment and/or Capital Material. Capital Work also includes mobile or temporary installations and other work which would be considered Capital Work under FERC Rules, unless otherwise stated in this Agreement.

**Section 1.7 New Construction**

New Construction is work requested of NSP by the Customer which upgrades or enhances the existing electrical installation, or is required to serve additional electrical load. For the purposes of this contract, New Construction work is considered Capital Work.

**Section 1.8 Reconstruction Work**

Reconstruction Work shall mean activities required to maintain electrical service as a result of Customer requests, condemnation, road and other utility work, and such other actions that require efforts to be made to restore or maintain the existing electrical service, such as rehabilitation, storm work, and work to repair other damage including normal wear to equipment and material found during routine inspections and Operations and Maintenance work. For the purposes of this contract, Reconstruction Work is considered Capital Work.

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Revision #1

**Section 1.9 Seagate's Attributable Share of Shared Facilities**

For future capital expenditures which NSP deems necessary (including capital work which does not meet the definition of Normal Operations and Maintenance Work), NSP and the Customer shall share the costs the capital expenditures associated with the "shared facilities".

Seagate's attributable share of costs associated with the "shared facilities" shall be prorated based on the Customer's utilization of the "shared facilities". The Customer's utilization or attributable share of the "shared facilities" shall be based on the total asset value of the "shared facilities" (Versus the Customer's utilization of the "shared facilities" relative to NSP's utilization of the "shared facilities").

See **Exhibit B** for a detailed description of the "shared feeder cable and ductline facilities", including an illustration of how Seagate's attributable share is calculated.

## ***ARTICLE II***

### ***FEEDER CABLE AND DUCTLINE OPERATIONS AND MAINTENANCE LEASE SERVICES***

#### **Section 2.0 General Provisions**

The following is a listing of the services included in this Feeder Cable & Ductline Operations and Maintenance Agreement. The Total Annual Payment for these services are identified in Exhibit A and broken down into three major components: 1.) The Annual Lease Fee, 2.) The Annual Property Tax Reimbursement Fee and 3.) The Annual Operations and Maintenance Fee.

Any work which does not meet the definition of Normal Operations and Maintenance Work is not covered under the Annual Operations and Maintenance Fee. Any future Customer requested capital expenditures or NSP required capital expenditures shall result in adjustments to the: 1.) The Annual Lease Fee, 2.) The Annual Property Tax Reimbursement Fee and 3.) The Annual Operations and Maintenance Fee which make up the Total Annual Payment. In addition, the Annual Property Tax Reimbursement Fee Component and the Annual Operations and Maintenance Fee Component will also be readjusted every two years to reflect any inflationary changes or increases.

NSP will engage in work not intended to be covered by the Total Annual Payment of this agreement as requested by the Customer in writing or required by NSP. NSP will either bill the Customer separately for such work when it is of non-capital nature or in the case of capital expenditures will make appropriate adjustments to the: 1.) The Annual Lease Fee, 2.) The Annual Property Tax Reimbursement Fee and 3.) The Operations and Maintenance Fee; with the above three components making up the Total Annual Payment. In the event that these capital expenditures are of little significance, they can be billed separately to the Customer if that is agreeable in writing to both parties.

The Customer shall bear 100% of the costs of any future Customer requested improvements. For future capital expenditures which NSP deems necessary, NSP and the Customer shall share the costs of capital expenditures to the feeder cable and ductline "shared facilities". This cost sharing arrangement shall be prorated based on the Customer's utilization of the "shared facilities". Or more explicitly, the Customer's utilization or share of the costs shall be expressed as a percentage of the total "shared facilities" assets (as opposed to the Customer's utilization of the "shared facilities" assets relative to NSP's utilization of the "shared facilities" assets.)

NSP reserves the right to make any and all repairs, and perform any operating or maintenance work it deems appropriate in order to provide for the safe and reliable operation of the feeder cable and ductline and the rest of NSP's system. NSP will perform such work as needed consistent with its operational policies at the time, or as deemed appropriate by NSP to meet any events or circumstances it encounters.

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Revision #1

Under no circumstances shall the Customer have the right to refuse needed repair, replacement or other services to the feeder cable and ductline when NSP deems the work is required. NSP will make reasonable efforts to schedule work with the Customer as appropriate, but reserves the right to work on the feeder cable and ductline when it deems it necessary in order to provide for the safe and reliable operation of the feeder cable and ductline.

### **Section 2.1 Total Annual Payment**

The Total Annual Payment consists of three components: 1.) the Annual Lease Fee, 2.) the Annual Property Tax Reimbursement Fee and 3.) the Annual Operations and Maintenance Fee. This Agreement shall not give Customer ownership rights in the feeder cable and ductline facilities and shall not be considered, in whole or in part, a capital lease.

### **Section 2.2 Annual Lease Fee Component**

In consideration for NSP providing the Feeder Cable and Ductline Facilities described in Section 1.0 of this Agreement, the Customer agrees to pay the Annual Lease Fee stated in Exhibit A.

### **Section 2.3 Annual Property Tax Reimbursement Fee Component**

In consideration for NSP providing the Feeder Cable and Ductline Facilities described in Section 1.0 of this Agreement, the Customer also agrees to pay the Annual Property Tax Reimbursement Fee stated in Exhibit A.

### **Section 2.4 Annual Operations and Maintenance Fee Component**

In consideration for NSP providing the Feeder Cable and Ductline Facilities described in Section 1.0 of this Agreement, the Customer also agrees to pay the Annual Operations and Maintenance Fee stated in Exhibit A.

For the purposes of this Agreement, the Operations and Maintenance Fee Component only covers Normal Operations and Maintenance Work. This includes on-call status and work specifically identified in Section 2.4 (A) through Section 2.4 (H). If activities resulting from being called to service the cables and/or ductline performed by NSP are determined **not** to be Normal Operations and Maintenance Work or to be Capital Work, a prorated share of the costs will be assessed against the Customer which is attributable as Seagate's share. NSP will then recover these costs through necessary adjustments to the three fee components Total Annual Payment. In the event that these capital expenditures are of little significance, they can be billed separately to the Customer if that is agreeable in writing to both parties.

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Revision #1

**A. On-Call 24 Hour Response**

NSP is available 24 hours per day, 7 days per week, to facilitate service restoration after outages caused by feeder cable or ductline failure.

**B. Cable Fault Locating**

In the event of a failure of a feeder cable, Normal Operations and Maintenance Work will include NSP locating the cable fault to identify the source and location of the problem.

**C. Cable Splicing/ Repair**

In the event of a cable failure Normal Operations and Maintenance Work shall include non-capitalized Cable Splicing or Repair. This typically means repairs that do not require pulling or installing new cable in the duct between manholes ( i.e. can be repaired with only a splice such as in the case of a splice failure or failure of the cable within the manhole itself).

**D. Infrareding**

NSP will perform routine infra-red inspections of the potheads at the NMC substation and at Seagate's switchgear consistent with other infrared activities of NSP's system.

**E. Manhole & Ductline Inspections**

NSP will visually inspect the potheads, cable, manholes and ductline covered in this contract consistent with other inspection activities of NSP's system.

**F. Material and Parts**

NSP will provide the material and parts necessary for the repair & maintenance and operations of the feeder cables and ductline facilities. These parts and materials are only included under the Annual Operations and Maintenance Fee Component, if such material and parts are non-capital in nature. If the parts and materials are capitalized, they are not covered by the Annual Operations and Maintenance Fee Component. NSP will then recover Seagate's attributable share of these costs through necessary adjustments to the three fee components comprising the Total Annual Payment. In the event these capital expenditures are of little significance, they can be billed separately to the Customer if it is agreeable in writing to both parties.

Material supplied will be of the type used by NSP on its other equipment of the same type and will occasionally include the use of serviceable used material and equipment. This equipment is typically installed to reduce outage lengths, stock-outs, and associated costs.

## **G. Procurement and Purchasing**

NSP will provide the procurement and purchasing services required to locate and stock the material and parts necessary to restore normal functioning to the feeder cable and ductline.

### **Section 2.5. Other Work and Services Not Included in Total Annual Fee**

In general, any work which does not meet the definition of Normal Operations and Maintenance Work as specifically identified in Section 2.3(A) through Section 2.3(H) is not reflected in the Total Annual Fee of this Agreement as currently displayed in Exhibit A. In addition any future Capital Work is also not reflected in the Total Annual Fee of this Agreement as currently displayed in Exhibit A. Future Capital Work may take the form of either Reconstruction Work or New Construction Work either of which may be deemed necessary by NSP or requested by the Customer.

NSP will engage in work not intended to be covered by the Total Annual Fee of this agreement, but will either bill the Customer separately for such work when it is of non-capital nature or in the case of capital expenditures, will make appropriate adjustments to the: 1.) The Annual Lease Fee, 2.) The Annual Property Tax Reimbursement Fee and 3.) The Operations and Maintenance Fee. The three fee components comprising the Total Annual Payment. In the event these capital expenditures are of little significance, they can be billed separately to the Customer if it is agreeable in writing to both parties.

The Customer shall bear 100% of the costs of any future Customer requested improvements. For future capital expenditures which NSP deems necessary, NSP and the Customer shall share the costs of capital expenditures to the feeder cable and ductline "shared facilities". This cost sharing arrangement shall be prorated based on the Customer's utilization of the "shared facilities". Or more explicitly, the Customer's utilization or share of the costs shall be expressed as a percentage of the total "shared facilities" assets (as opposed to the Customer's utilization of the "shared facilities" assets relative to NSP's utilization of the "shared facilities" assets.)

## **A. New Construction**

Construction activities may be requested of NSP in writing by the Customer which upgrade or enhance the existing electrical installation, or is required to serve additional electrical load. The charge for such other services would not be covered by the Total Annual Fees of this Agreement as identified currently in Exhibit A. These construction activities could be negotiated with NSP on a fee for service basis. The Customer shall bear 100% of the cost of such customer requested improvements. When NSP engages in such activities for the Customer, the cost to the Customer for those services will be at rates specific to crew composition, equipment, and machinery required to perform the task. In turn these costs will be recovered by NSP through an adjustment to the Annual Lease Fee (or billed separately to the Customer if it is agreeable in writing to both parties).

**B. Re-Construction**

In addition, NSP will occasionally identify other problem situations with the feeder cables and ductline facilities which need to be addressed and which are not covered by the Annual Fees of this Agreement as identified currently in Exhibit A. When a situation exists with the feeder cable and ductline facilities which requires either repair or replacement of facilities, NSP will decide the appropriate solution.

For future capital expenditures which NSP deems necessary, NSP and the Customer shall share the costs of capital expenditures to the feeder cable and ductline "shared facilities". This cost sharing arrangement shall be prorated based on the Customer's utilization of the "shared facilities". Or more explicitly, the Customer's utilization or share of the costs shall be expressed as a percentage of the total "shared facilities" assets (as opposed to the Customer's utilization of the "shared facilities" assets relative to NSP's utilization of the "shared facilities" assets.)

Work to repair storm damage, vandalism, and accidents of any nature which affect the electrical system are defined as Reconstruction Work for the purposes of this Agreement. This type of damage includes, but is not limited to, the mechanical or electrical damage which affects system components and is due to the acts of God or nature, and/or individuals, groups or other entities who knowingly or unknowingly damage the electrical system regardless of intention. When NSP engages in such Reconstruction Work, the Customer's share of those costs or those activities will be at rates specific to crew composition, equipment, and machinery required to perform the task. In turn the Customer's share of these costs will be recover by NSP through an adjustment to the Annual Lease Fee (or billed separately to the Customer if it is agreeable in writing to both parties).

**Section 2.6 Identification and Notification of Services to be Performed**

When responding to an outage and/or emergency situation, the Customer understands that at its sole discretion NSP will perform the required work to restore service maintain a safe environment, regardless of the scope of work involved. NSP will then notify the Customer of any required Capital Work "after the fact".

## ***ARTICLE III***

### ***GENERAL PROVISIONS***

#### **Section 3.0 Response Time**

NSP makes no representation or guarantees as to the actual response time for emergency and/or other situations under this Agreement. Reasonable efforts will be made to reduce response times to the safest and most practical interval, but NSP reserves the right to prioritize its entire workload as it sees fit based on the circumstance for all its customers.

#### **Section 3.1 Agreement Term**

This renewable Agreement shall become effective on the 1st day of March, 1997, and shall remain in effect for the 35 year book life of the facilities or until both parties agree to its dissolution. Such a request for dissolution shall be in writing. Both parties agree that dissolution of this agreement may also require Customer to compensate NSP for any financial liability not yet recovered by NSP as of that date. Or more specifically, the cancellation penalty shall be based on present value of all future Lease Fees remaining on the 35 year lease agreement at that time. Both Parties also agree that this agreement is meant to exist as long as a "transmission transformed rate" agreement exists between NSP and the Customer. Conversely however, this agreement shall not guarantee the Customer that NSP will always provide a "transmission transformed rate".

The initial Total Annual Payment described in Exhibit A shall remain at that level until:

1.) An automatic inflationary adjustment is calculated every two years to the Annual Property Tax Reimbursement Fee Component as well as the Annual Operations and Maintenance Fee Component. This adjustment shall also reflect Seagate's portion of the cumulative capital expenditures to-date. The initial level for the Annual Property Tax Reimbursement Fee Component and the Annual Operations and Maintenance Fee Component shall remain fixed until March 1, 1999. At that time, the Annual Property Tax Reimbursement Fee Component paid under the rate schedules in Exhibit A shall be increased based upon the actual percentage increase in property tax rates for the previous 24 months. The Operations and Maintenance Fee Component paid under the rate schedules in Exhibit A shall be increased based upon a percentage equal to the Handy Whitman Industrial Price Index for the previous 24 months. Similar adjustments shall take place every two years thereafter in which the Agreement is in force.

2.) Any future capital expenditures requested by the Customer or deemed necessary by NSP will be amortized in a separate amortization schedule at that time and will necessitate an immediate automatic increase in the Annual Lease Fee Component, the Annual Property Tax Reimbursement Fee Component and the Annual Operations and Maintenance Fee Component based on the cumulative capital expenditures to-date. Such adjustments shall reflect only that portion of the costs incurred on the "shared facilities" which are attributable to Seagate.

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Revision #1



3.) Expiration of any individual amortization schedule associated with either the initial capital expenditures and/or any subsequent future capital expenditures will necessitate the need for an immediate and automatic decrease in the Annual Lease Fee Component. However, expiration of an amortization schedule will not result in a downward adjustment to the Annual Property Tax Reimbursement Fee Component or the Annual Operations and Maintenance Fee Component, both of which are based on the total cumulative capital expenditures to-date.

### **Section 3.2 Billing**

NSP shall submit invoices to the Customer for the fees associated with the services performed under this Agreement. The Customer will be billed monthly for one-twelfth (1/12) of the annual fees and any additional work requested and performed during the previous billing periods. Each invoiced amount will be due within thirty (30) days of the date of the invoice. If a due date falls on a weekend or a holiday, the bill shall be due on the next business day.

Payments received after the due date shall be considered late and are subject to an interest penalty equal to 1.5 percent per month and prorated for partial months. Interest shall be calculated on the number of days from the day after the due date to the date payment is received.

### **Section 3.3 Waiver of Warranty**

The Parties acknowledge the charges hereunder do not include any provisions for contingent liabilities on the part of NSP for defective equipment, materials, supplies, or installation. NSP warranty for work performed hereunder shall be to do such work in conformance with Section 2.3, and is limited to repair or replacement of any non-conforming installation. With the exception of any manufacturers' warranties, which may be applicable to equipment, materials, and supplies to be furnished by NSP under this Agreement, **NO OTHER WARRANTIES, WHETHER STATUTORY, WRITTEN, ORAL, EXPRESS, OR IMPLIED, SHALL APPLY TO SUCH EQUIPMENT, MATERIALS, or SUPPLIES.**

### **Section 3.4 Third Party Rights**

The services provided by NSP are intended for the sole benefit of the Customer. In no event shall the services create beneficial interests for any third party.

### **Section 3.5 Assignment**

Neither Party may transfer or assign this Master Agreement or any Supplemental Agreement without the prior written consent of the other, provided that no consent is required for assignment to a corporate successor of either Party.

### **Section 3.6 Indemnification**

Each Party will indemnify and hold harmless the other Party from and against all claims, liabilities, loss, damage, or expenses caused by or resulting from the negligent acts or omissions of the

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Revision #1

indemnifying Party, its agents, servants, or employees. No waiver of a breach of any of the agreements or provisions contained in the contract shall be construed to be a waiver of any subsequent breach of the same or of any other provision of the contract.

**Section 3.7 Regulation**

This Agreement is contingent upon the approval by the Minnesota Public Utilities Commission pursuant to Minnesota Statutes §216B.50, and is subject to the regulatory authority of any regulatory body having jurisdiction thereof.

## *ARTICLE IV*

### *DISPUTE RESOLUTION*

#### **Section 4.0 Arbitration and Mediation Standards**

Prior to the initiation of arbitration and mediation, the Parties shall meet for the purposes of discussing and attempting resolution of the controversy or claim.

Any unresolved controversy or claim arising out of, or relating to the Agreement, or any breach thereof, shall be subject to resolution by binding arbitration and mediation. Arbitration shall be governed by the laws of Minnesota.

#### **Section 4.1 Mediation Procedure**

Mediation shall be conducted by a single mediator appointed by mutual agreement of the Parties. The mediator shall not have the power to bind the Parties to a resolution.

The mediation session shall take place on one (1) business day and shall be attended by a representative of each Party with full authority to settle the matter, along with other representatives necessary to discuss the issues involved in the dispute. Each Party shall pay one-half (1/2) of the mediator's fees, costs, and expenses incurred in connection with any mediation of any matter hereunder.

#### **Section 4.2 Arbitration Procedure**

If mediation is unsuccessful, the matter shall be resolved through binding arbitration.

A. The arbitration shall be conducted before three (3) arbitrators appointed by the American Arbitration Association and shall be conducted in accordance with The Commercial Arbitration Rules of the American Arbitration Association then in effect, and judgment upon the award rendered by the arbitrators may be entered into any court having jurisdiction thereof. The arbitrators shall be competent by virtue of education and experience in the particular matter subject to arbitration. At least one (1) of the arbitrators shall be a licensed attorney.

(1) The arbitrators shall have jurisdiction and authority to interpret, apply, or determine compliance with the provisions of the Agreement insofar as shall be necessary to the determination of issues properly before the arbitrators. In making the decision, the arbitrators shall issue appropriate findings and conclusions regarding the issues. The arbitrators shall not have jurisdiction or authority to add to, detract from, or alter the provisions of the Agreement or any

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Revision #1

applicable law or rule of civil procedure. The arbitrators shall have the authority to order either party to specifically perform its obligations under the Agreement. The arbitrators shall render a decision within sixty (60) days after the completion of the hearing on the matter.

- (2) The arbitration shall be closed to observation or monitoring by a third party.
- B. Each Party shall have the rights of discovery in the manner provided under the rules governing civil actions in the district courts of the State of Minnesota, provided that the arbitrators at their discretion, or upon request of a Party, may limit discovery in the interest of maintaining the arbitration objective of prompt and expedient dispute resolution. All discovery issues shall be determined by order of the arbitrators upon motion made to them by either party. When a Party is asked to reveal material which the Party considers to be proprietary information or trade secrets, the Party shall bring the matter to the attention of the arbitrators, who shall make such protective orders as are reasonable and necessary or as are otherwise provided by law.
- C. Each Party shall pay one-half (1/2) of the arbitrators' fees, costs, and expenses, and those of the American Arbitration Association incurred in connection with any arbitration of any matter hereunder. However, if the arbitrators find a Party has unreasonably brought or has unreasonably forced the other Party to commence or defend an arbitration proceeding, the arbitrators shall order such Party to pay 100 percent of such fees, costs, and expenses. In all cases, however, each Party shall pay its own employees' costs, expert witnesses, and consultants and attorneys' fees, as well as its costs of exhibits and other incidental costs associated with any arbitration of any matter hereunder.
- D. Any decision (including orders arising out of disputes as to the scope or appropriateness of a request for, or response to, discovery) of the arbitrators may be enforced in district court with all costs, including court costs, paid by the Party in default or in error.
- E. All arbitration proceedings under this Article IV shall take place in the State of Minnesota. Any arbitration shall be held at a location agreed upon by the Parties, and in the event of a failure to agree, the arbitrators shall determine the most convenient location based on the location of the majority of the documentary evidence and prospective witnesses.
- F. Nothing in Article IV shall prohibit a Party hereto (a) from instituting litigation to enforce a final decision of the arbitrators; or (b) from instituting litigation to specifically enforce the Agreement whether or not such Party seeks relief under this Article IV.

G. Pending the final decision of the arbitrators, the Parties agree to diligently proceed with the performance of all obligations, including the payment of all sums, required by this Agreement.

**Section 4.3 Compromise and Settlement**

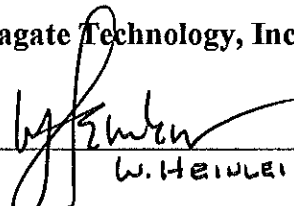
Except as may be necessary for (a) any review by any regulatory or governmental agency of any matter determined to be within its jurisdiction; or (b) any enforcement action of the decision, the arbitrators' decision shall be deemed to be a settlement between the Parties and the decision shall be treated as settlement for all purposes in the future.

**Section 4.4 Effect of Termination**

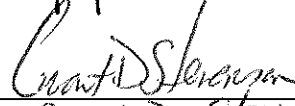
This arbitration provision shall survive the termination of the Agreement as necessary to resolve any disputes arising out of, in connection with, or relating to the Agreement.

IN WITNESS WHEREOF, the Parties have caused this Agreement to be duly executed and in force as of the day and year indicated below:

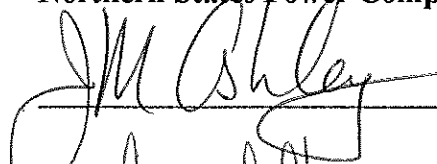
**Seagate Technology, Inc.**

  
\_\_\_\_\_  
W. HEINLEIN  
(Title) Exec ADOM MGR

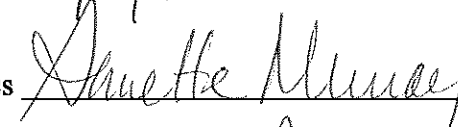
Date 12/11/97

Witness   
\_\_\_\_\_  
Grant D. Stevenson  
(Title) NSP Account Executive

**Northern States Power Company**

  
\_\_\_\_\_  
(Title) General Manager, Marketing + Sales

Date 12/10/97

Witness   
\_\_\_\_\_  
(Title) Executive Assistant  
Marketing + Sales

**EXHIBIT A*****SEAGATE FEEDER CABLE AND DUCTLINE OPERATIONS  
AND MAINTENANCE LEASE AGREEMENT******March 1, 1997*****Type of Activity** Equipment                       Service                       Training**Describe Exactly the Equipment, Service or Training to be Provided**

See Article II of this Agreement.

**General Information**

Location: SEAGATE TECHNOLOGY, INC., BLOOMINGTON, MINNESOTA

Start Date: March 1 ,1997

End Date: March 1, 2032 - Adjusted as Needed

**Total Annual Fee equals the sum of the Lease Fee Component plus Property Tax Component plus Operation and Maintenance Fee Component.****1.) The Lease Fee Component**

The Lease Fee Component for the Feeder Cable and Ductline Facilities is **\$100,620 per year or \$8,385 per month** for a period of 10 years or 120 months. This Monthly Lease Fee Component above reflects the amortization of the initial capital expenditure. If and when additional capital expenditures are required in the future, Seagate's appropriate share of the expenditures as defined in this Agreement will be amortized beginning at that time. This additional amortized amount will then be added to the initial Lease Fee Component above, thus increasing it. Likewise when an amortization schedule associated with either the initial capital expenditure or any subsequent future capital expenditure expires the Lease Fee Component will decrease accordingly. Thus the cost basis or the Lease Fee Component will go to zero when the initial capital expenditure and all future capital expenditures become fully amortized.

**2.) Property Tax Reimbursement Fee Component**

The Property Tax Reimbursement Fee Component for the Feeder Cable and Ductline Facilities is **\$13,872/year or \$1,156/month** for a period of 35 years. An automatic adjustment will be made to this Property Tax Reimbursement Fee Component every two years, based on the actual percent

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Revision #1

increase in property tax for the previous 24 months. In addition, the Property Tax Reimbursement Fee Component will also be increased if and when any future capital expenditures/outlays are required so as to reflect the property taxes associated with the total cumulative capital expenditures to-date. Or more specifically this also means that expiration of any capital amortization schedules will not result in a downward adjustment to the Annual Property Tax Reimbursement Fee. Thus this Property Tax Reimbursement Fee Component will continue for the perpetuity of the contract and be adjusted every two years for inflation or whenever additional capital expenditures are requested or required in the future .

### **3.) Operations and Maintenance Fee Component**

The Operations and Maintenance Fee Component for the Feeder Cable and Ductline Facilities is **\$27,924 per year or \$2327 per month** for a period of 35 years. An automatic inflationary adjustment will be made to this Operations and Maintenance Fee Component every two years based on a percentage equal to the Handy Whitman Industrial Price Index for the previous 24 months. In addition, this Operations and Maintenance Fee Component will also be increased if and when any future capital expenditures/outlays are required so as to reflect Operations and Maintenance Costs associated with the total cumulative capital expenditures to-date. Or more specifically this also means that expiration of any capital amortization schedules will not result in a downward adjustment to the Annual Property Tax Reimbursement Fee. Thus this Operations and Maintenance Fee Component will continue for the perpetuity of the contract and be adjusted every 24 months for inflation and whenever additional capital expenditures are required in the future .

For the purposes of this Agreement only Normal Operations and Maintenance Work as identified in Section 2.3(A) through Section 2.3(H) is included in this Operations and Maintenance Fee Component. All other site visits, work, material, and equipment associated with the Feeder Cable and Ductline not considered Normal Operations and Maintenance Work and are not covered by the annual fees.

### **Terms of Payment**

Net 30 days. Total Annual Payment will be billed in twelve (12) monthly increments. Total does not include sales tax, other taxes, and/or required permits and other applicable fees.

### **Miscellaneous Additional Information**

Outages may need to be scheduled with the Customer in accordance with the work being performed. The Customer agrees NSP reserves the right to do all service and repair work it deems necessary. The Customer's option to select services shall not infringe on NSP's right. The Customer will be billed for all work performed based on Article II of this Agreement.

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Revision #1

**Seagate Technology, Inc.**

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

*[Handwritten Signature]*  
L. HEINLEIN

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

FAC ADM OVR

**Northern States Power Company**

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

*[Handwritten Signature]*

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

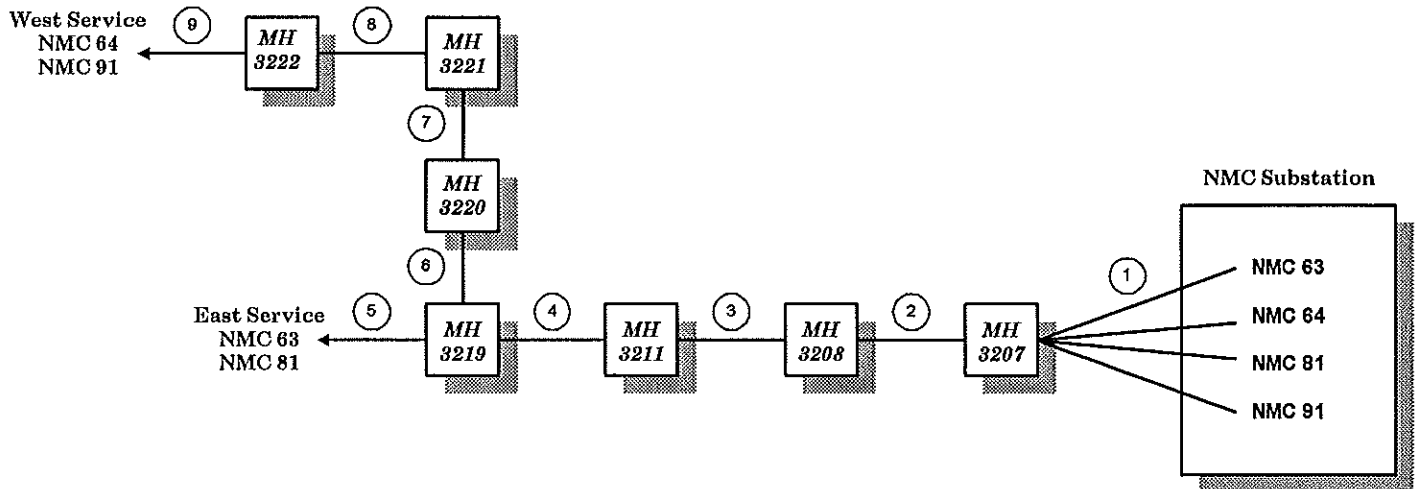
General Manager, Marketing + Sales



### EXHIBIT B

## SEAGATE FEEDER CABLE, DUCTLINE & MANHOLE CONFIGURATION

March 1, 1997



Span	Description	Type	Seagate's Attributable Share	Illustration of Calculation
1	Feeder Bays to MH3207	4 - 1 way	100 %	4 Seagate holes ÷ (4 total holes - no spare holes)
2	MH 3207 to MH 3208	2 - 6 way	50 %	4 Seagate holes ÷ (12 total holes - 4 spare holes)
3	MH 3208 to MH 3211	2 - 8 way	33 %	4 Seagate holes ÷ (16 total holes - 4 spare holes)
4	MH 3211 to MH 3219	1 - 8 way	66 %	4 Seagate holes ÷ (8 total holes - 2 spare holes)
5	MH 3219 to East Service	2 - 1 way	100 %	2 Seagate holes ÷ (2 total holes - no spare holes)
6	MH 3219 to MH 3220	1 - 6 way	50 %	2 Seagate holes ÷ (6 total holes - 2 spare holes)
7	MH 3220 to MH 3221	1 - 6 way	50 %	2 Seagate holes ÷ (6 total holes - 2 spare holes)
8	MH 3221 to MH 3222	1 - 4 way	100 %	2 Seagate holes ÷ (4 total holes - 2 spare holes)
9	MH 3222 to West Service	2 - 1 way	100 %	2 Seagate holes ÷ (2 total holes - no spare holes)
*	NMC 63, 64, 81 & 91	750 MCM Primary Feeder Cables	100 %	

Note the following:

- Seagate's utilization or attributable share of the "shared ductline and manhole facilities" varies depending on the span of ductline or the manhole.

Revision #1

- Seagate's utilization or attributable share of "shared ductline facilities" shall be expressed as a percentage of the total number of holes in each "shared ductline" (minus 2 unusable holes per ductline).
- Two holes per ductline are deemed unusable due to designed heat dissipation needs. In the event of an emergency they can also be used as a spare.
- Seagate's utilization or attributable share of "shared manhole facilities" shall be expressed as a percentage of the total number of holes entering and exiting the "shared manhole facility" (minus the usable holes).
- Seagate's utilization or attributable share of "shared facilities" will remain constant as depicted in Exhibit B until additional Seagate cables are installed in the ductline.
- If NSP installs additional cables in the ductline, Seagate's utilization or attributable share will remain unchanged.
- By default, Seagate's utilization or attributable with regards to Seagate "feeder cable facilities" is 100%.

The Customer shall bear 100% of the costs of any future Customer requested improvements regardless of Seagate's attributable share.

**CERTIFICATE OF SERVICE**

I, Theresa Sarafolean, hereby certify that I have this day served copies of the foregoing document or a summary thereof on the attached lists of persons:

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

xx via electronic filing

**DOCKET No. E002/M-14-\_\_\_\_\_**

Dated this 18th day of July 2014

/s/

---

Theresa Sarafolean

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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
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
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	mike.bradley@lawmoss.com	Moss & Barnett	Suite 4800 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
Ian	Dobson	ian.dobson@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
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
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
Michael	Hoppe	il23@mtn.org	Local Union 23, I.B.E.W.	932 Payne Avenue  St. Paul, MN 55130	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
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