



401 Nicollet Mall
Minneapolis, MN 55401

**PUBLIC DOCUMENT
NOT-PUBLIC DATA HAS BEEN EXCISED**

October 23, 2018

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

—Via Electronic Filing—

RE: PETITION
2019 CAPITAL STRUCTURE
DOCKET NO. E,G002/S-18-_____

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits the enclosed Petition requesting approval of our 2019 Capital Structure. We submit this Petition pursuant to Minn. Stat. § 216B.49 and Minn. R. 7825.1000-7825.1500, and respectfully request the Commission to approve our proposed 2019 Capital Structure by March 1, 2019.

Trade Secret Justification

Xcel Energy Inc. does not publicly provide earnings forecasts of its operating subsidiaries, including NSP-MN. We provide this information in our 2018 and 2019 Cash Flow Statements, provided as pages 1 and 2 of Attachment M to our Petition. The designated information in these Cash Flow Statements has not been publicly released and therefore meets the requirement under Minn. Stat. § 13.37, subd. 1(b), regarding reasonable efforts to maintain secrecy. Also, the public disclosure of the designated information in these Cash Flow Statements would violate Securities and Exchange Commission Fair Disclosure Regulation. Accordingly, such information is non-public under Minnesota law because it is non-public under Federal law

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(Minn. Stat. § 13.03, subd. 1). These Cash Flow Statements also contain “trade secret information” as defined by Minn. Stat. § 13.37, subd. 1(b), in that this information derives independent economic value to those who could obtain economic value 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. For these reasons, we have excised this data from the public version of our filing.

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 Lynnette Sweet at (612) 321-3159 or lynnette.m.sweet@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

SARAH W. SOONG
VICE PRESIDENT AND TREASURER

Enclosures

cc: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange	Chair
Dan Lipschultz	Vice-Chair
Matt Schuerger	Commissioner
John Tuma	Commissioner
Katie Sieben	Commissioner

IN THE MATTER OF THE PETITION OF
NORTHERN STATES POWER COMPANY
FOR APPROVAL OF CAPITAL STRUCTURE
FOR ISSUANCE OF LONG-TERM AND
SHORT-TERM SECURITIES FOR 2019

DOCKET No. E,G002/S-18-_____

PETITION

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Petition for approval of our proposed capital structure for 2019 pursuant to Minn. Stat. § 216B.49 and Minn. R. 7825.1000-7825.1500.

In summary, our Petition requests the Commission's approval to issue securities within the scope of the approved capital structure, plus contingencies. Specifically, we request:

- Approval of our proposed capital structure and total capitalization;
- Continued authorization of the ability to issue securities provided we remain within the approved capital structure;
- Continuation of flexibility to use risk management instruments to manage risk associated with the cost of capital;
- Continuation of the variance of Minn. R. 7825.1000, subp. 6 to allow the Company to treat borrowings under multi-year credit agreements as short-term debt;
- Approval to have discretion to enter into financings to replace outstanding long-term debt instruments with less expensive securities after considering the debt issuance expenses and amortization of redemption premiums, and to enter into tax-exempt financings for pollution control construction programs; and,

- Approval of the 2019 capital structure until the Commission issues a 2020 capital structure Order.

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 miscellaneous gas and electric service list.

III. GENERAL FILING INFORMATION

Pursuant to Minn. R. 7825.1400 and 7829.1300, subp. 3, the Company provides the following required information. The descriptive title of the Petition (Minn. R. 7825.1400, Part A) is set forth in the caption of this Petition, and the table of contents (Minn. R. 7825.1400, Part B) is set forth above.

A. Name, Address, and Telephone Number of Utility

Northern States Power Company
a Minnesota corporation
414 Nicollet Mall
Minneapolis, Minnesota 55401
(612) 330-5500

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

Ryan J. Long
Lead Assistant General Counsel
Xcel Energy Services Inc.
414 Nicollet Mall, 401 – 8th Floor
Minneapolis, MN 55401
(612) 215-4659

C. Date of Filing and Date Requested Approval will Take Effect

This Petition is being filed on October 23, 2018. The Company respectfully requests approval by March 1, 2019.

D. Statute Controlling the Schedule for Processing the Filing

Minn. Stat. § 216B.49 governs securities and public financings. However, no specific statute or rule explicitly sets a schedule for processing the filing.

E. Name, Address, and Telephone Number of Utility Employee Responsible for Filing

Sarah W. Soong
Vice President and Treasurer
Xcel Energy Services Inc.
414 Nicollet Mall, 401 – 4th Floor
Minneapolis, Minnesota 55401
(612) 215-4678

Provided as Attachment A to this filing is an affidavit by Sarah W. Soong, Vice President and Treasurer, attesting to the accuracy and completeness of the Petition and all attached exhibits.

IV. DESCRIPTION OF FILING AND BASIS FOR REQUEST

A. Background

The Commission authorized the current Company capital structure in its June 20, 2018 ORDER IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY FOR APPROVAL OF CAPITAL STRUCTURE FOR ISSUANCE OF LONG-TERM AND SHORT-TERM SECURITIES FOR 2018 in Docket No. E002/S-17-767, (the “2018 Capital Structure Order”), specifically addressing several issues, including the following:

- Approval of the Company’s requested 2018 capital structure until the Commission issues a 2019 Capital Structure Order;
- An equity ratio of 52.30 percent and a contingency range of ± 10 percent, which provided a range of 47.07 percent to 57.53 percent;
- Issuance of short-term debt not to exceed 15 percent of total capitalization at any time while the 2018 Capital Structure is in effect;
- Total capitalization that would not exceed \$11.5 billion (including a capitalization contingency of \$522 million);
- Continuation of the variance authorizing the Company to enter into and use multi-year credit agreements and issue associated notes;

- Flexibility to issue securities provided that the Company remains within the contingency ranges or does not exceed them for more than 60 days; and, Flexibility to use risk management instruments that qualify for hedge accounting treatment under ASC No. 815.

We note that, as of September 30, 2018, we are in compliance with the 2018 Capital Structure Order, as follows:

- *Equity ratio:* 52.73 percent, within the approved range of 47.07 percent to 57.53 percent.
- *Short-term debt balance:* \$24 million, within the approved limit of up to 15 percent of total capitalization;
- *Total capitalization:* \$10.493 billion, within the approved limit of \$11.50 billion;

Our 2019 Capital Structure Petition provides the information required by Minn. R. 7825.1000-7825.1500 and previous Commission Orders as detailed in Section IV.D. of this Petition.

B. Proposed 2019 Capital Structure and Request for Variance

We request that the Commission approve the following, which we further outline in this Section:

- Total capitalization of \$12.7 billion, including a contingency of \$533 million;
- A consolidated equity ratio of 52.3 percent with a contingency range of ± 10 percent (i.e., a range of 47.07 percent to 57.53 percent);
- The ability to issue short-term debt not to exceed 15 percent of total capitalization;
- Continuation of the variance permitting us to enter into and use multi-year credit agreements and issue associated notes, and to consider any direct borrowings as short-term debt for approved capital structure purposes;
- Flexibility to issue securities provided that the Company remains within the contingency ranges or does not exceed them for more than 60 days;
- Continued flexibility to issue long-term debt, provided we remain within the limits approved for the short-term debt and equity ratios, as well as within the total capitalization limit;
- Flexibility to use risk management instruments that qualify for hedge accounting treatment;
- Approval to have discretion to enter into financings to replace outstanding long-

term debt instruments with less expensive securities after considering the debt issuance expenses and amortization of redemption premiums and expenses, and to enter into tax-exempt financings if funds are available for construction programs; and,

- Approval of the 2019 capital structure by March 1, 2019, effective until the Commission issues a 2020 capital structure Order.

We outline our request below.

1. *Total Capitalization*

We request the Commission to approve a total 2019 capitalization of \$12.7 billion, which we detail in Attachment B to this Petition. Excluding a contingency of \$533 million, our projected 2019 base capitalization is \$12.167 billion.

Our requested capitalization of \$12.7 billion reflects continued increased spending for utility construction and infrastructure development during 2019. The Company's 2019 capital forecast is \$2.0 billion, of which approximately \$1.2 billion is for the wind projects approved in Dockets E002/M-16-777 and E002/M-17-694. As we invest in our utility infrastructure, we continue to balance equity from our parent, Xcel Energy Inc., with debt, to maintain appropriate debt and equity ratios at the Company for regulatory and credit rating agency purposes.

In addition to the capital expenditure program, we plan to issue short-term debt to provide funds for the Company's utility operations, or investments in the utility money pool,¹ and loans to the Company's wholly-owned subsidiary NSP Nuclear Corporation.² Our proposed total capitalization consists of short-term debt, which includes any direct borrowings under our multi-year credit agreements, long-term debt, and equity, which we discuss below:

a. Short-term debt

As with previous Capital Structure Petitions, we request a capital structure with no more than 15 percent of the total capitalization as short-term debt or debt issued under a multi-year credit agreement. The Commission first issued a variance allowing multi-year credit agreements to be treated as short-term debt in its March 15, 2005 ORDER IN THE MATTER

¹ Order points 1 and 2, July 9, 2004 ORDER IN THE MATTER OF A REQUEST BY NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY FOR APPROVAL OF AN AFFILIATED INTEREST CONTRACT, Docket No. E,G002/AI-04-100.

² NSP Nuclear Corporation is responsible for income tax and holding company services allocations.

OF NORTHERN STATES POWER COMPANY'S REQUEST FOR APPROVAL OF ITS 2005 CAPITAL STRUCTURE in Docket No. E,G002/S-04-1794 (the "2005 Capital Structure Order"), and has continued this variance for the Company in its subsequent capital structure orders. We note that short-term debt may take the form of commercial paper, borrowings through the utility money pool, borrowings that mature in one year or less, and direct borrowings under a 364-day credit agreement.

In addition to these traditional short-term debt instruments, in this Petition, we also request the inclusion of direct borrowings under a multi-year credit agreement as short-term debt. We provide additional description of multi-year credit agreements as Attachment C, as well as the current use of multi-year credit facilities as required by the 2017 Capital Structure Order.

Minn. R. 7825.1000 subp. 6 defines short-term securities as an:

...unsecured security with a date of maturity no more than one year from the date of issuance; and containing no provisions for automatic renewal or 'rollover' at the option of either the obligee or obligor.

Minn. R. 7825.1300, however, permits the Commission to issue a capital structure Order that allows the utility to freely issue short-term debt, provided the overall terms of the Commission's Order are met. We recognize that a reasonable reading of these rules would require a variance to allow us to treat direct borrowings under multi-year credit agreements as short-term debt. We outline our request for a continued variance to use multi-year credit facilities in Section IV.H. of this Petition.

To facilitate NSPM issuing commercial paper or to provide for direct bank borrowings, NSPM maintains a credit agreement. On June 20, 2016, NSPM executed its most recent \$500 million credit agreement. The credit facility agreement and compliance report were filed on July 8, 2016 in Docket No. E,G999/CI-08-1416. The June 20, 2016 five-year agreement was an amendment and extension to the October 14, 2014 agreement and has substantially the same terms and conditions, as it extends the favorable credit fee structure and provides for increased borrowing limits and extension of maturity.

b. Long-term debt

We request authority to issue long-term debt provided that we remain within the approved short-term debt and equity ratios, as well as within the total capitalization limit. Our forecast year-end 2019 long-term debt ratio is 46.3 percent, and the 2019 forecast includes a \$700 million debt issuance for the purposes discussed in Section V.A. below.

c. Equity

In 2019, the Company expects total equity infusions from Xcel Energy Inc. of approximately \$600 million to support the Company's proposed equity ratio of 52.3 percent with a contingency range of ± 10 percent.

In summary, we request the flexibility to issue equity, long and short-term debt securities provided that we remain within the approved total capitalization and short-term debt and equity ranges, or do not exceed them for a period of more than 60 days. We outline our request for flexibility in greater detail in Section IV.G. below.

In addition, we clarify that our proposed capital structure is limited to the Minnesota operating utility, and the following wholly-owned, first-tier subsidiaries:

- United Power & Land Company (UP&L), which owns real estate (primarily land)
- NSP Nuclear Corporation, which is presently maintained for risk mitigation purposes.

C. Common Equity Range

The Company's common equity ratio has been very stable during the past several years. We will continue to monitor the capital structure and project that the year-end 2019 consolidated equity ratio will be 52.3 percent.

During 2019, we request a range of ± 10 percent around the common equity ratio of 52.3 percent, resulting in an equity range of 47.07 percent to 57.53 percent. The ± 10 percent will allow us the flexibility needed to manage the capital structure and financing plans, and will provide us with the ability to meet unanticipated events including weaker economic conditions, major plant repairs, refinancings (for example, when two bond issues are temporarily outstanding at the same time during a refinancing), variation of actual events from forecast, and other similar events that would affect the Company's financing needs. Our proposed equity ratio range is similar to that approved by the Commission in the 2018 Capital Structure Order.

D. Filing Requirements Compliance

In this section, we demonstrate compliance with applicable Commission Rules, as well as previous Commission Orders that specify future Capital Structure filing requirements, as follows:

1. *Commission Rule Requirements*

We provide the information required by Minn. R. 7825.1300-7825.1400 in Section V. below.

2. *Commission Order Requirements*

The 2018 Capital Structure Order required in order point number 6, that the Company provide the following in all future capital-structure filings

- A schedule showing, for various time periods, the planned investment for each project. Attachment N of this filing includes projected expenditures by business or large project, a discussion of the factors which caused substantial discrepancies between estimated and actual capital spending on individual projects during the year the approved capital structure and securities issuances permission were in effect.
- A discussion detailing how often multiyear credit agreements are used, the amount involved, rates and financing costs, the intended uses of the financing, (see Attachment C of this filing) and, for any period in which Xcel Energy sells bonds, a comparison over a six-month period of the results of all bond issuances by other utilities. The Company issued \$600 million long-term debt during 2017, and a report of actual issuances and uses of the funds from the prior year,³ is provided in Attachment H, page 2. During 2018, the Company filed a Registration Statement but did not issue any long-term debt, as described in Attachment I.
- To ensure compliance with Order Points 1 and 2 of the Commission's July 9, 2004 order in Docket No. E,G-002/AI-04-100, provide a comparison of the borrowing and lending interest rates from the money pool to alternative interest rates, such as that provided in Xcel Energy's response to Department of Commerce (DOC) Information Request (IR) No. 2, shown in Attachment 2 to the Department's comments. We provide a summary of Xcel Energy's activity in the Utility Money Pool and rate comparison in Attachment E of this filing.
- To the extent practicable, evidence demonstrating that any bond issuances over the preceding year were cost-competitive, including at a minimum a detailed comparative analysis to other bond issuances such as that provided in Xcel Energy's response to DOC IR No. 1(c), which is provided as Attachment 3 to the Department's comments. As noted above, NSPM did not issue long-term debt during 2018; and

³ This required report is for information purposes only and need not cover short-term, recurring security issuances.

- A summary of Xcel Energy’s use of risk-management instruments and the resulting effect on ratepayers. NSPM has not entered into and does not have any outstanding risk management instruments. On June 3, 2014, the Commission issued an Order in Docket No. E002/M-00-1553 modifying reporting requirements regarding EWG and/or FUCO investments. In compliance with that Order, the Company reports in this filing that it does not have EWG and/or FUCO investments.

We continue to comply with the provisions of the January 13, 2003 ORDER APPROVING CAPITAL STRUCTURE WITH LIMITATIONS, Docket No. E,G002/S-02-1907 (incorporating items from the October 22, 2002 ORDER IN THE MATTER OF AN INQUIRY INTO POSSIBLE EFFECTS OF FINANCIAL DIFFICULTIES AT NRG AND XCEL ON NSP AND ITS CUSTOMERS AND POTENTIAL MITIGATION MEASURES, Docket No. E,G002/CI-02-1346).

Specifically, the Company:

- Continues to file capital structure petitions annually;
- Provides more specific explanations of the purpose for the security issuances instead of only providing that the funds will be used for “general corporate purposes;”
- Addresses, as part of an annual capital structure or securities issuance filings, the appropriate cost of capital to apply to the filings for the next 12 months. The Company proposes to use the last Commission-approved cost of capital for 2019 of 7.08 percent (6.43 percent after-tax) from the Company’s last electric rate case, Docket No. E002/GR-15-826. The commission-approved cost of capital from the Company’s last gas rate case is 8.27 percent (7.42 percent after-tax), Docket No. G002/GR-09-1153;
- Has not encumbered utility property in Minnesota for purposes other than operating the utility; and
- Does not make inter-company loans to Xcel Energy Inc. The Company has complied with this provision and has been prohibited from extending loans to Xcel Energy Inc. through the utility money pool approved by this commission and the FERC.

We also continue to comply with the provisions of the January 9, 1991 ORDER APPROVING PETITION AND REQUIRING FUTURE FILINGS, Docket No. E,G002/S-90-913, IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY FOR APPROVAL OF CAPITAL STRUCTURE PRIOR TO THE ISSUANCE OF SECURITIES.

Specifically, the Company was required in its next petition to provide information about securities issued in the year covered by the filing. In the current filing, the 2017

information is contained in Attachment H, page 2; we provide the 2018 information in Attachment I.

E. Contingency Amounts

As outlined in Section IV.B.1 above, our proposed total capitalization includes a contingency amount of \$533 million. This contingency allows necessary flexibility in our funding of utility construction and unforeseen business or financial conditions that might develop during the year. In addition, the contingency is needed because during a refinancing, both the new and old debt issues may be outstanding temporarily beyond the 60-day window that the Company is normally provided.

We believe our proposal, including contingency, restricts the amount of capital that may be raised by the Company to a reasonable amount in relation to the Company's existing total capital structure and business needs, while adequately addressing the probability of unforeseen events.

F. Risk-Management Instruments

We request continued permission to use risk-management instruments, when appropriate, to provide an economically-efficient means of managing price, duration or interest rate risk on securities. We will only consider those risk-management instruments that qualify for hedge accounting treatment. Examples of risk-management instruments include, but are not limited to, U.S. Treasury locks and interest rate swaps.

We may use these instruments to mitigate interest rate risk of debt capital by hedging the effective interest rate for a long-term debt issuance when interest rates are at economically attractive levels, or by establishing a lower effective interest cost for an existing fixed-rate bond. Our use of risk-management instruments would be consistent with the overall Xcel Energy Inc. corporate risk-management policy and required officer approvals, which also applies to the Company. We would report on our use of any risk-management instruments, and the economic effect of those instruments, in our next annual capital structure filing.

In summary, we request continued flexibility to use risk-management instruments for future debt transactions, or as opportunities arise. We believe these tools offer benefits for our customers, and that sufficient oversight exists both internally and through the regulatory approval process for our capital structure filings to ensure that use of the instruments is appropriate. Although the Company requests authorization to enter into risk management instruments, NSPM did not execute any such agreements in 2018.

G. Financing Flexibility

The 2018 Capital Structure Order provides for the issuance of securities that may not be specifically forecasted in this Petition, provided that the Company remains within the capital structure ratio parameters set forth in that Order. We request the Commission to continue this financing flexibility for 2019. We believe the overall limits placed on our capital structure through the regulatory process ensure that our overall structure remains in reasonable balance,⁴ and that this flexibility provides us the opportunity to capture the benefits of favorable market conditions or new financial products, which benefits both customers and the Company.

H. Variance Request – Multi-Year Credit Agreements

As outlined in Section IV.B.1.a. above, we request a continued variance from the Minn. R. 7825.1000, subp. 6 for authority to allow us to treat direct borrowings under multi-year credit agreements as short-term debt. The Commission Rules provide a three-part test for variances under Minn. R. 7829.3200. The Commission first issued a variance allowing multi-year credit agreements to be treated as short-term debt in its 2005 Capital Structure Order, and has continued this variance for the Company in its subsequent capital structure orders. This test provides and is satisfied as follows:

1. *Enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule.*

As discussed in Attachment C, our request involves the use of a multi-year credit facility as if it were short-term debt. If not allowed, the burden is that such direct borrowings under a multi-year credit facility would not be available, unless the Commission allows greater flexibility with regard to long-term debt. Because the purposes and manner in which these will be used resemble traditional use of short-term securities, we believe these should be counted with the short-term debt pursuant to the 15 percent limit. Without the ability to use these facilities, an additional burden may be an unfavorable reaction by credit rating agencies that view these as enhanced liquidity structures and fewer financing options that could lead to increased financing costs and fees.

2. *Granting the variance would not adversely affect the public interest.*

The Commission retains oversight of these types of issues through annual capital structure filings, the 15 percent short-term debt limit, the equity ratio, and the equity

⁴ For example, the equity ratio limits ensure that our overall capital structure does not move outside of a reasonable range throughout the year.

ratio ranges. These parameters assure that the Company will continue to have a capital structure that meets the public interest. These instruments allow us to lock in liquidity and fee structures for several years, which is also in the public interest.

3. *Granting the variance would not conflict with standards imposed by law.*

This variance would not conflict with law. We believe the continued granting of the variance is appropriate. Because the intended use of such facilities is to meet short-term funding requirements, we believe that the granting of this variance offers the most direct and consistent way of addressing this issue.⁵

V. SPECIFIC FILING REQUIREMENTS

The Company provides the following information in accordance with the specific requirements of Minn. R. 7825.1300 and 7825.1400.

A. The purpose for which any securities are to be issued. (Minn. R. 7825.1400, Part F)

Any debt or equity proceeds may be used to finance part of the Company's 2019 construction program, which is currently estimated at approximately \$2.0 billion. This estimate is subject to change as projects continue to develop or be evaluated. Debt or equity proceeds may also be used to redeem the Company's short-term debt originally issued for utility purposes, fund maturities of or refinance higher coupon long-term debt, invest in the utility money pool, supply the Company's working capital requirements, and for other corporate purposes. As also noted in Section IV.B.1., proceeds may be used to make short-term loans to NSP Nuclear Corporation.

B. Copies of resolutions by the directors and shareholders. (Minn. R. 7825.1400, Part G)

We provide a copy of the certified resolutions since the Company's prior capital structure Petition as Attachment D to this filing. For prior resolutions, please see previous years' capital structure Petitions.

C. A statement as to whether, at the time of filing of the petition, the petitioner knows of any person who is an "affiliated interest" within the

⁵ We note, however, that authorization of use of these multi-year facilities could also be accomplished without a variance either by providing additional flexibility in long-term debt or by including a specific Order point that allows these instruments to be used.

meaning of Minn. Stat. § 216B.48, subd. 1, who has received or is entitled to receive a fee for services in connection with the negotiations or consummation of the issuance of the securities, or for services in securing underwriters, sellers, or purchasers of the securities. (Minn. R. 7825.1400, Part H)

On July 9, 2004, the Commission issued its ORDER IN THE MATTER OF A REQUEST BY NORTHERN STATES POWER COMPANY D/B/A XCEL ENERGY FOR APPROVAL OF AN AFFILIATED INTEREST CONTRACT in Docket No. E,G002/AI-04-100 approving the Company's participation in a Utility Money Pool. That Order also required that the Company provide a report in its capital structure filings summarizing activity in the Utility Money Pool. We provide the required report as Attachment E, which covers activity from September 2017 through August 2018.

We are not currently aware of any other person who is an "affiliated interest" within the meaning of Minn. Stat. § 216B.48, who has received or will be entitled to receive any fee for services in connection with the negotiations involving, or consummation of, the issuance of any securities contemplated in this Petition.

D. A signed copy of the opinion of counsel in respect to the legality of the issue or assumption of liability. (Minn. R. 7825.1400, Part I)

We provide this information as Attachment F to this Petition.

E. A balance sheet dated no earlier than six months prior to the date of the petition together with an income statement and statement of changes in financial position covering the 12 months then ended. When the petitions include long-term securities, such statements shall show the effects of the issuance on such balance sheet and income statement. (Minn. R. 7825.1400, Part J)

We provide this information as Attachment G to this filing, which has the following three parts:

Part 1 - Balance Sheet as of June 30, 2018

Part 2 - Income Statement - For the 12-Month Period Ended June 30, 2018 with adjustments to effects of proposed 2018 financing transactions

Part 3 - Statement of Cash Flows - For the 12-Month Period Ended June 30, 2018

F. A description of the security or securities to be issued. (Minn. R. 7825.1400, Part K)

Securities that may be issued, depending on market conditions or the Company's ability to refinance existing securities, are as follows:

- Secured debt (First Mortgage Bonds or FMBs) or unsecured long-term debt;
- Common equity issued by the Company to Xcel Energy Inc.;
- Guaranty agreements to guarantee the performance of the Company with respect to pollution control, resource recovery facility financing, and industrial development bond agreements and debentures;
- Mandatorily redeemable preferred securities of a subsidiary trust, partnership or limited-liability company;
- Preferred stock or preference stock; and,
- Unsecured notes, letters of credit, short-term debt, or notes or loans under 364-day facilities, multi-year credit facilities or other facilities or agreements (in each case, either domestic or foreign). These securities may be fixed rate, variable rate or have provisions to change rates or maturities or both.

We highlight the specific financing assumptions we included in this capital structure Petition below:

- Long-term debt issuances of up to \$700 million. The actual amount could vary based on timing and amount of capital expenditures. The proceeds of the bond(s) will be used to repay short-term debt used to fund the Company's utility operations and construction program. In addition, the proceeds may be used to refund higher coupon debt if economical, to meet the retirement of an existing bond, or for general corporate purposes. In addition, we request authority to issue long-term debt as described in this Petition. The bonds may be issued in one or more series.
- Equity infusions from Xcel Energy Inc. of approximately \$600 million in 2019 to manage the targeted capital structure.
- Commercial paper, utility money pool loans or any borrowings that mature in less than one year (including notes issued under a 364-day revolving credit facility) will be considered short-term debt under GAAP and will be authorized under the 15 percent of capitalization limit.
- Unsecured promissory notes to commercial banks or other entities with interest and principal payable on designated dates or on the date of prepayment. The Company may issue these notes under credit agreements that may be 364-day or multi-year agreements.

- The Company will capture direct borrowings under a multi-year revolving credit facility in the short-term debt authorization of up to 15 percent of total capitalization for the purposes of this Petition (as authorized in the prior capital structure orders). Direct borrowings issued as notes under a multi-year facility will technically mature when the credit facility expires that may be greater than one year.

In addition, as outlined in this Petition, we may use risk management instruments, which may include but are not limited to U.S. Treasury locks and interest rate swaps. Ongoing, we will continue to investigate:

- Replacing certain outstanding long-term debt instruments with less expensive securities. Any re-financings will be dependent upon market conditions and such analysis will include amortization of redemption premiums, unamortized costs on the old bond and the new issuance costs over the life of the new bond.
- The availability of tax-exempt financings for pollution control or other specified construction programs.

The Company requests the ability to enter into these types of financings in the future, if applicable. Any proceeds from industrial development bonds issued by a municipality or county to provide funds for pollution control equipment will be used to pay for, or reimburse the Company for payment of, the costs for the construction of certain air and water pollution control facilities, or solid waste disposal or other specified facilities as permitted, or the redemption of outstanding tax-exempt issues used for those purposes.

Attachment H, page 1 lists the financing assumptions included in this capital structure Petition, including the amounts and expected timing of new long-term debt issuances and equity infusions from our parent. Page 1 also shows the uses of these funds for bond retirements and utility capital expenditures. Page 2 discusses the financing issuances and uses in the prior year, 2017.

G. An estimate of interest or dividend costs and a description of any anticipated terms or indenture provisions. (Minn. R. 7825.1400, Part L)

We currently estimate that interest rates on 30-year bonds for 2019 could range from 4.00 percent to 5.25 percent. This estimate is based on forecasted Treasury yields for long-term bonds and the Company's current credit ratings, and will change with market conditions at the time of issuance. When the Company issues bonds in 2019, the Company will determine the maturity of the new bonds, and the interest rates may be different than the range projected above.

To manage interest costs on new 2019 debt issues of up to \$700 million, we may enter into interest rate hedging mechanisms. Currently the ratings for the Company's senior secured debt are Aa3 by Moody's, A by S&P and A+ by Fitch. The Company's last rating change occurred on January 31, 2014 when Moody's raised the Company's corporate and senior unsecured ratings to A2 from A3 and the senior secured rating to Aa3 from A1.

Our current first mortgage bonds are governed by a Supplemental and Restated Trust Indenture (the Restated Indenture) dated May 1, 1988 between the Company and the Trustee, The Bank Of New York Mellon Trust Company N.A., as supplemented by various supplemental trust indentures (collectively, the Trust Indenture).⁶ The Trust Indenture includes any prior supplemental trust indentures that include restrictions on all outstanding Company first mortgage bonds are incorporated by reference.

New first mortgage bonds, when issued, will be secured equally and ratably, except as to sinking fund provisions,⁷ with all of the Company's other first mortgage bonds, by a first mortgage lien on all of the real and fixed properties, lease-hold rights, franchises and permits then owned by the Company. Supplemental indentures pertaining to new bonds are not expected to contain any additional restrictive provisions.

H. Articles of Incorporation. (Minn. R. 7825.1400, Part M)

We provide as Attachment J to this filing, the Company's Articles of Incorporation dated March 8, 2000 and Amended Articles of Incorporation dated August 21, 2000.

I. Required Exhibits. (Minn. R. 7825.1400, Part N)

We provide the following information in Attachment K in response to these Rule requirements:

⁶ Which Restated Indenture supplements and restates the Indenture dated February 1, 1937.

⁷ A sinking fund is a fund established to retire debt before maturity.

	<u>Requirement</u>	<u>Attachment</u>
1.	The amount and kinds of stock authorized.	K(1)
2.	The terms of preference of Preferred Stock.	K(2)
3.	A brief description of each security agreement authorized to be secured thereby, and amount of indebtedness actually secured, together with any sinking fund provisions.	K(3)
4.	The amount of bonds authorized and issued that exceed one percent of total debt giving the name of the public utility which issued same, describing each class separately.	K(4)
5.	Each note outstanding with a maturity of more than one year and which exceeds one percent of total debt.	K(5)
6.	Other indebtedness with a maturity of more than one year.	K(5)
7.	The rate and amount of dividends paid during the five previous fiscal years.	K(6)

J. A statement of the manner in which such securities will be issued. (Minn. R. 7825.1400, Part O)

In general the Company will issue securities under a negotiated process in either public or private offerings. It is unlikely the Company would issue securities by Competitive Bid because this method is no longer market standard and has not been market standard for many years. Negotiated underwritings are most common as they provide timing flexibility that is desired and often required during volatile market conditions.

Other advantages of using the negotiated method include: ability to choose a firm with adequate capital and financial expertise, the firm's familiarity with the Company and the type of offering being made; and in uncertain market conditions, lower costs of issuance. Such interests will be determined by management's examination of results obtained under similar offerings, by similarly rated entities, prevailing market conditions and other relevant factors. Under the negotiated method, the underwriter, Company and investors rely on current market conditions in the competitive capital markets.

In addition, in negotiated transactions, the underwriters' fees are market standard and transparent, and the interest rate on the new debt is established by the investors' base and market pressures of supply and demand. Negotiated transactions are priced on real-time market data, hence, they are priced on the competitive forces of the market. We provide a further description of the current market standard negotiated process as compared to the competitive process as Attachment L to this filing.

Short-term debt issued pursuant to a 364-day or multi-year credit agreement will be issued to the lenders participating in such credit agreement in accordance with the terms thereof. Any common equity would be issued directly to Xcel Energy Inc.

K. A copy of each plan, offer, or agreement for the reorganization or readjustment of indebtedness or capitalization or for the retirement or exchange of securities. (Minn. R. 7825.1400, Part P)

We have no such plan, offer, or agreement.

L. Other regulatory filings. (Minn. R. 7825.1400, Part Q)

There are no such items referenced in this filing.

M. Such additional information that the staff or Commission may require in a particular case. (Minn. R. 7825.1400, Part R)

We have previously included a robust discussion of our financing process at the request of the Department. We again provide this discussion (as Attachment O), as we believe it provides helpful context and aids understanding of our financing process and thus capital structure request.

N. A statement of cash flow, by month, showing the most recent available 21 months actual data and forecasted data to the end of 2015. (Minn. R. 7825.1300, Part C)

We provide as Attachment M to this filing, a statement of First Quarter 2018 and Second Quarter 2018 cash flow showing the actual data for the most recent six months and forecast data for 18 months to the end of 2019. The last six months of 2018 and the 2019 monthly cash flow information is contained in Attachment M, pages 1 and 2, which we note we have designated as Trade Secret.

O. A descriptive summary of the assumptions made in the development of the statement of cash flow in Attachment M. (Minn. R. 7825.1300, Part B)

Monthly cash requirements are based upon actual results for year-to-date June 2018, and upon forecast results for the remaining months of 2018 and for calendar year 2019. We note that we include cash flow statements in our SEC filings on a quarterly basis. As of the date of this filing, the most recent actual cash flow data available was for the six months ended June 30, 2018.

- In 2019, the Company expects to issue \$700 million in long term debt.
- In 2019, the Company expects to receive approximately \$600 million through equity infusions from Xcel Energy Inc.

- Capital expenditures are forecast to be approximately \$2.0 billion in 2019 but are always subject to change.
- Short-term debt balances may include commercial paper, utility money pool loans, borrowings that mature in one year or less, or direct borrowings under a 364-day or multi-year credit agreement.

VI. OVERVIEW OF THE COMPANY INVESTMENTS

We provide as Attachment N to this filing, an overview of the major capital projects during 2019 through 2023. In 2019, the total forecast is approximately \$2.0 billion and may change as new projects are defined or others are deferred. Approximately 62 percent of the \$2.0 billion is for energy supply, and the wind projects account for over 95 percent of energy supply. Nuclear and distribution account for approximately 9 percent and 17 percent, respectively of the total \$2.0 billion and transmission accounts for 5 percent, with the remainder being for other investments in our corporate facilities and technology.

The 2019 capital expenditure of approximately \$2.0 billion will be funded with a combination of internal funds, short-term debt, long-term debt and equity infusions from Xcel Energy Inc.

VII. MISCELLANEOUS INFORMATION

A. Trade Secret Designation

Xcel Energy Inc. does not publicly provide earnings forecasts of its operating subsidiaries, including the Company. We provide this 2018 and 2019 Cash Flow Statement information as pages 1 and 2 of Attachment M to our Petition. The designated information in these Cash Flow Statements has not been publicly released, and therefore meets the requirement under Minn. Stat. § 13.37, subd. 1(b), regarding reasonable efforts to maintain secrecy. Also, the public disclosure of the designated information in these Cash Flow Statements would violate Securities and Exchange Commission Fair Disclosure Regulation. Accordingly, such information is nonpublic under Minnesota law because it is non-public under Federal law (Minn. Stat. § 13.03, subd. 1).

These Cash Flow Statements also contain “trade secret information” as defined by Minn. Stat. § 13.37, subd. 1(b), in that this information derives independent economic value to those who could obtain economic value 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. For these reasons, we have excised this data from the public version of our filing.

B. Service List

Pursuant to Minn. R. 7829.0700, we request that the following persons be placed on the Commission's official service, and that any Information Requests be directed to:

Ryan J. Long
Lead Assistant General Counsel
Xcel Energy
414 Nicollet Mall, 401-8th Floor
Minneapolis, MN 55401
ryan.j.long@xcelenergy.com

Lynnette Sweet
Regulatory Administrator
Xcel Energy
414 Nicollet Mall, 401-7th Floor
Minneapolis, MN 55401
regulatory.records@xcelenergy.com

CONCLUSION

We believe that our proposed requests in this Petition regarding capitalization, contingencies, and flexibility represent a reasonable request based on our 2019 forecast capital structure and financing needs in the absence of unforeseen circumstances. We believe our requested contingencies and flexibility will provide the Company with adequate resources and the ability to take advantage of the best market opportunities available. The Company requests approval from the Commission of its proposed 2019 capital structure, and related issuances of securities by March 1, 2019.

Dated: October 23, 2018

Northern States Power Company
a Minnesota corporation

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Nancy Lange	Chair
Dan Lipschultz	Vice Chair
Matt Schuerger	Commissioner
John Tuma	Commissioner
Katie Sieben	Commissioner

IN THE MATTER OF THE PETITION OF
NORTHERN STATES POWER COMPANY
FOR APPROVAL OF CAPITAL STRUCTURE
FOR ISSUANCE OF LONG-TERM AND
SHORT-TERM SECURITIES FOR 2019

DOCKET NO. E,G002/S-18-_____

PETITION

SUMMARY OF FILING

Please take notice that on October 23, 2018, Northern States Power Company filed with the Minnesota Public Utilities Commission a petition for approval of its proposed consolidated capital structure for 2019. The Company is seeking approval of a consolidated common equity ratio of 52.3 percent with a contingency window of ± 10 percent (i.e., an equity ratio range of 47.07 percent to 57.53 percent). The Company is also seeking approval of total capitalization not to exceed \$12.7 billion, including a contingency reserve of \$533 million. The Company requests authorization to make one or more issues of securities with the provision that these parameters will not be exceeded for more than 60 days without notifying the Commission. The Petition is filed pursuant to Minn. Stat. § 216B.49 and Minn. R. 7825.1000 through 7825.1500. In addition, the petition addresses the Company's request to maintain financing flexibility and its intention to use risk management instruments to manage the cost of the Company's debt. The Company respectfully requests approval of this Petition by March 1, 2019.

NORTHERN STATES POWER COMPANY

2019 Capital Structure Petition List of Attachments

Attachment

- A. Attestation
- B. Proposed 2019 Capital Structure
- C. Description of Multi-Year Credit Agreements
- D. Certified Board Resolutions
- E. Utility Money Pool Report
- F. Opinion of Counsel
- G. Financial Statements
 - 1. Balance Sheet
 - 2. Income Statement for 12 Months
 - 3. Statement of Cash Flows
- H. Summary of 2019 Financing Assumptions
- I. Report on Actual Issuances
 - 1. No issuances
- J. Articles of Incorporation
- K. Securities Authorization
- L. Competitive and Negotiated Sales Discussion
- M. Monthly Cash Flow Statement
- N. Capital Expenditure Review
- O. NSPM Financing Process: Strategy and Cost-Benefit Analysis of Multi-Year Credit Facility

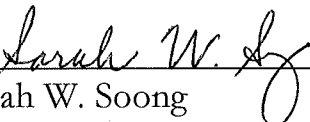
ATTESTATION

STATE OF MINNESOTA)
) ss.
COUNTY OF HENNEPIN)

Sarah W. Soong, Vice President and Treasurer, being first duly sworn, on oath deposes and says:

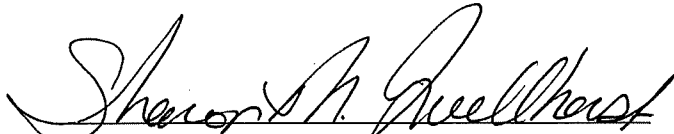
That she has read the foregoing petition and is familiar with the contents thereof and that all statements contained therein are accurate and complete to the best of her knowledge and belief.

Dated this 23 day of October 2018.

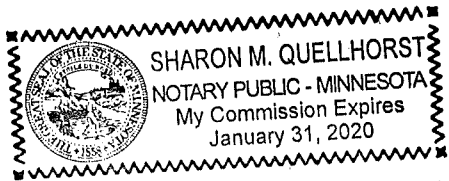


Sarah W. Soong
Vice President and Treasurer

Subscribed and sworn to before me this 23 day of October 2018.



Notary Public



NORTHERN STATES POWER COMPANY
CONSOLIDATED
Capital Structure Forecast
(\$Millions of Dollars)

	June 30, 2018 Actual : Form 10Q		Dec 31, 2018 Forecast*		Dec 31, 2019 Forecast*		2019 Maximum	
Common Equity	5,527	52.5%	5,683	52.3%	6,366	52.3%	6,366	51.7%
Short-Term Debt **	62	0.6%	249	2.3%	168	1.4%	305	2.5%
Borrowings Under 5-Year Credit Facility ***	-	0.0%	-	0.0%	-	0.0%	-	0.0%
Total Short-Term Debt	62	0.6%	249	2.3%	168	1.4%	305	2.5%
Long-Term Debt	4,935	46.9%	4,937	45.4%	5,633	46.3%	5,633	45.8%
Total Capitalization	10,524	100.0%	10,869	100.0%	12,167	100.0%	12,304	100.0%
2018 Contingency					533		396	
Total Capitalization with Contingency					12,700		12,700	

Equity Ratio - Range Calculation				
Yr End	Rounded to	+/- 10%	Round to	
2019	1 Decimal	Range	2 Decimal	
Forecast	Place		Places	
Equity Ratio				
4 Decimals				
52.3219%	52.3%	5.23%	57.53%	High End of Range
52.3219%	52.3%	-5.23%	47.07%	Low End of Range

Short Term Debt Limit		
2019	0.15	1,905.0

* This represents the Company's best estimated capital structure as of 9/19/2018.
** May include commercial paper or borrowings from the utility money pool.
*** These borrowings are considered short-term debt for regulatory purposes, and included in the 15% requested limit. No direct borrowings are forecast.

NSP-MN 2019 Annual Capital Structure Filing Report on Use of Multi-year Credit Facilities

Background

On June 20, 2016 NSP-MN executed its current \$500 million multi-year credit agreement as a result of amending and extending the October 14, 2014 agreement. The June 20, 2016 agreement extends the term of the agreement to June 20, 2021 and allows NSP-MN to continue to realize the favorable terms and credit fees it has realized since 2012. The June 20, 2016 agreement provides for the future flexibility to extend the life or upsize the amount of the facility.

The Commission first issued a variance allowing multi-year credit agreements to be treated as short-term debt in its March 15, 2005 ORDER IN THE MATTER OF NORTHERN STATES POWER COMPANY'S REQUEST FOR APPROVAL OF ITS 2005 CAPITAL STRUCTURE in Docket No. E,G002/S-04-1794 (the "2005 Capital Structure Order"). The 2005 Capital Structure Order, and the subsequent capital structure orders, in exchange for allowing multi-year agreements to be treated as short-term debt, required the Company to report on the use of such facilities. Under the current requirements in the 2017 Capital Structure Order, this report needs to include: how often they are used, the amount involved, the rates and financing costs, and the intended uses of the financing.

The Intended Use and How Often the Facility is Used

The current 5-year revolving credit facility will continue to be used primarily for commercial paper back-up but can also provide for direct borrowings from the banks which directly support the credit agreement. The credit agreement also serves as liquidity back-up for letters of credit the Company may issue. Please see Attachment C, Page 3 for direct borrowings under the credit facility during the last 3 years. As shown on Page 3, there were no direct borrowings under the multi-year credit facility between January 2016 and August 2018. During this time the Company utilized its commercial paper program. The last time the Company borrowed directly from the banks that support the credit agreement was in November 2008 and December 2008 due to the lack of liquidity in the short-term debt markets. The Company no longer provides short-term liquidity to NSP-Wisconsin as NSP-Wisconsin initiated its own commercial paper program in March 2011.

Amount Involved, Rates and Financing Costs

See Attachment C, page 3 for this information.

Advantages of Multi-Year Credit Facilities

Some advantages of the current multi-year facility include:

- Viewed favorably by the credit rating agencies as it provides liquidity backup over many years.
- More efficient for cost management as legal fees are not incurred every year as it would be for a 364-day facility.
- Up-front fees are amortized over multiple years, rather than 12 months (as with the 364-day facility).
- Reduces potential increased costs associated with roll-over risk. By locking in favorable borrowing rates and commitment fees for multiple years, the Company avoids the risk of market conditions on an annual basis.
- Most multi-year facilities have options to increase the size or extend the maturity, allowing for financing flexibility through the credit facility term.
- The Company can terminate the facility prior to its maturity and re-syndicate if even more favorable market pricing exists.

Note: There have been no direct bank borrowings under the multi-year credit facility since December of 2008.
 NSP-MN uses its credit agreement primarily as a back up facility for its commercial paper program.

	Credit Facility 1/	Avg. Direct Borrowings) 2/	Interest-only Rate %	Monthly Interest Expense \$	Monthly Credit Facility Fees	Monthly Cost Amortization 3/	Total Interest + Fee + Amort.
2016							
January	500,000,000	\$0	0.000%	\$0	\$41,510	\$40,315	\$81,825
February	500,000,000	\$0	0.000%	\$0	\$38,832	\$37,714	\$76,546
March	500,000,000	\$0	0.000%	\$0	\$41,510	\$40,315	\$81,825
April	500,000,000	\$0	0.000%	\$0	\$40,206	\$39,014	\$79,220
May	500,000,000	\$0	0.000%	\$0	\$41,528	\$40,315	\$81,843
June	500,000,000	\$0	0.000%	\$0	\$40,188	\$38,656	\$78,845
July	500,000,000	\$0	0.000%	\$0	\$41,689	\$39,364	\$81,053
August	500,000,000	\$0	0.000%	\$0	\$42,066	\$39,702	\$81,768
September	500,000,000	\$0	0.000%	\$0	\$40,709	\$38,421	\$79,130
October	500,000,000	\$0	0.000%	\$0	\$42,066	\$39,702	\$81,768
November	500,000,000	\$0	0.000%	\$0	\$40,709	\$38,421	\$79,130
December	500,000,000	\$0	0.000%	\$0	\$42,066	\$40,021	\$82,087
Weighted Average			0.000%				
Total				\$0	\$493,079	\$471,960	\$965,039
		Weighted Average Rate on Borrowings		Total Fees as % of Aggregate Credit Line			
2016 Cost	500,000,000		0.000%		0.19%	500,000,000	4/

	Credit Facility 1/	Avg. Direct Borrowings) 2/	Interest-only Rate %	Monthly Interest Expense \$	Monthly Credit Facility Fees	Monthly Cost Amortization 3/	Total Interest + Fee + Amort.
2017							
January	500,000,000	\$0	0.000%	\$0	\$42,058	\$40,021	\$82,079
February	500,000,000	\$0	0.000%	\$0	\$38,129	\$36,148	\$74,277
March	500,000,000	\$0	0.000%	\$0	\$42,356	\$40,024	\$82,380
April	500,000,000	\$0	0.000%	\$0	\$40,990	\$38,729	\$79,719
May	500,000,000	\$0	0.000%	\$0	\$42,356	\$40,021	\$82,377
June	500,000,000	\$0	0.000%	\$0	\$40,983	\$38,688	\$79,671
July	500,000,000	\$0	0.000%	\$0	\$42,344	\$40,021	\$82,365
August	500,000,000	\$0	0.000%	\$0	\$42,171	\$40,021	\$82,192
September	500,000,000	\$0	0.000%	\$0	\$39,883	\$39,883	\$79,766
October	500,000,000	\$0	0.000%	\$0	\$41,159	\$41,159	\$82,318
November	500,000,000	\$0	0.000%	\$0	\$39,810	\$39,810	\$79,621
December	500,000,000	\$0	0.000%	\$0	\$41,017	\$41,017	\$82,034
Weighted Average			0.000%				
Total				\$0	\$493,255	\$475,543	\$968,797
		Weighted Average Rate on Borrowings		Total Fees as % of Aggregate Credit Line			
2017 Cost	500,000,000		0.000%		0.19%	500,000,000	4/

	Credit Facility 1/	Avg. Direct Borrowings) 2/	Interest-only Rate %	Monthly Interest Expense \$	Monthly Credit Facility Fees	Monthly Cost Amortization 3/	Total Interest + Fee + Amort.
2018							
January	500,000,000	\$0	0.000%	\$0	\$41,011	\$40,021	\$81,032
February	500,000,000	\$0	0.000%	\$0	\$36,928	\$36,148	\$73,076
March	500,000,000	\$0	0.000%	\$0	\$40,816	\$40,021	\$80,837
April	500,000,000	\$0	0.000%	\$0	\$39,047	\$38,730	\$77,777
May	500,000,000	\$0	0.000%	\$0	\$39,921	\$40,021	\$79,942
June	500,000,000	\$0	0.000%	\$0	\$38,638	\$38,691	\$77,329
July	500,000,000	\$0	0.000%	\$0	\$39,909	\$40,021	\$79,930
August	500,000,000	\$0	0.000%	\$0	\$39,887	\$40,021	\$79,907
September	500,000,000						
October	500,000,000						
November	500,000,000						
December	500,000,000						
Weighted Average			0.000%				
Total				\$0	\$316,155	\$313,674	\$629,829
		Weighted Average Rate on Borrowings		Total Fees as % of Aggregate Credit Line			
2018 Cost	500,000,000		0.000%		0.19%	500,000,000	4/ & 5/

1/ The current five-year agreement dated June 20, 2016, was an extension of the 2014 agreement with minor amendments. NSP-MN may resyndicate its credit agreement to amend, extend or due to expiration of an existing agreement.

2/ Avg. Direct Borrowings are the average of daily outstanding direct borrowings under the credit facility.

3/ Actual credit facility fees recorded on NSPM's books include amortization of one-time up-front costs, and ongoing annual administrative fees.

4/ In March 2011, NSPM resyndicated a new facility for \$500M and NSPW executed its own \$150M facility. Both were amended/extended in July 2012, October 2014, and June 2016.

5/ 2018 fees as % of aggregate credit line have been pro-rated for the entire year.

- 1) **SECRETARIAL CERTIFICATE**

- 2) **EXHIBIT A - COMPANY BYLAWS**

- 3) **EXHIBIT B - 09/28/18 FINANCING RESOLUTION.
APPLICATION TO MPUC FOR APPROVAL OF CAPITAL STRUCTURE.**

- 4) **EXHIBIT C - 04/11/18 FINANCING RESOLUTION.
FILING OF REGISTRATION STATEMENT AND
07/31/2018 FINANCING RESOLUTION - ISSUANCE OF SECURED AND
UNSECURED DEBT SECURITIES.**

**Northern States Power Company – Minnesota
Secretarial Certificate**

I, Jodee Marble, do hereby certify that I am the Assistant Corporate Secretary of Northern States Power Company, a Minnesota corporation (the "Company"); that as such Assistant Corporate Secretary I have access to all original records of the Company; and I do hereby further certify that:

- (i) Attached hereto as **Exhibit A** is a true, correct and complete copy of the Bylaws as amended and adopted by the Board of Directors of the Company on August 21, 2000, June 3, 2008 and September 26, 2013, and said Bylaws have not been amended or rescinded and remain in full force and effect as of the date hereof.
- (ii) Attached hereto as **Exhibit B** is a true, correct and complete copy of the Resolution to Approve the Application to Minnesota Public Utilities Commission for Approval of Capital Structure, as approved on September 28, 2018, and said resolution has not been modified, amended, rescinded or repealed but are still in full force and effect as of the date hereof.
- (iii) Attached hereto as **Exhibit C** is a true, correct and complete copy of the resolutions Filing of Registration Statement, as approved on April 11, 2018, and Issuance of Secured and Unsecured Debt Securities, as approved on July 31, 2018, and said resolutions have not been modified, amended, rescinded or repealed but is still in full force and effect as of the date hereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company on this 3rd day of October, 2018.

(Corporate Seal)





Jodee Marble
Assistant Corporate Secretary

**NORTHERN STATES POWER COMPANY
(a Minnesota corporation)**

**AMENDED AND RESTATED BYLAWS
(as amended and restated September 26, 2013)**

ARTICLE I

OFFICES; CORPORATE SEAL

Section 1.1. Registered Office. The registered office of the corporation shall be at the address specified in the Articles of Incorporation or any amendment or restatement thereof or in a certificate of change of registered office filed with the Secretary of State of Minnesota.

Section 1.2. Other Offices. The corporation may also have offices at such other places both within and without the State of Minnesota as the Board of Directors may from time to time determine or the business of the corporation may require.

Section 1.3. Corporate Seal. The corporation may, but need not, have a corporate seal. If the corporation has a corporate seal, the use of the seal by the corporation on a document is not required, and the use or nonuse of the seal does not affect the validity, recordability, or enforceability of a document or act. The seal need include only the word "Seal," but it may also include a part or all of the name of the corporation and a combination, derivation, or abbreviation of either or both of the phrases "a Minnesota Corporation" and "Corporate Seal." If a corporate seal is used, it or a facsimile of it may be affixed, engraved, printed, placed, stamped with indelible ink, or in any other manner reproduced on any document.

ARTICLE II

SHAREHOLDERS

Section 2.1. In General. Except as required by Section 2.6, all meetings of the shareholders shall be held at the registered office of the corporation or at such other place either within or without the State of Minnesota as shall be designated from time to time by the Board of Directors and stated in the notice of the meeting.

Section 2.2. Regular Meetings. Regular meetings of shareholders may be held on an annual or other less frequent periodic basis, but need not be held unless

required by the Articles of Incorporation, these Bylaws, or the laws of the State of Minnesota.

Section 2.3. Business at Regular Meeting. At each regular meeting of shareholders there shall be an election of directors. No other particular business is required to be transacted at a regular meeting. Any business appropriate for action by the shareholders may be transacted at a regular meeting.

Section 2.4. Special Meetings. Special meetings of the shareholders may be called for any purpose or purposes at any time, by the chief executive officer, the chief financial officer, two or more directors, a person authorized in the Articles of Incorporation or these Bylaws to call special meetings, or a shareholder or shareholders holding ten percent or more of the voting shares.

Section 2.5. Business at Special Meetings. The business transacted at a special meeting shall be limited to the purposes stated in the notice of the meeting. Any business transacted at a special meeting that is not included in those stated purposes is voidable by or on behalf of the corporation, unless all of the shareholders have waived notice of the meeting in accordance with Section 2.7.

Section 2.6. Notice of Meeting. Written notice of all meetings of shareholders stating the place, date, and hour of the meeting and, in the case of special meetings, the purpose or purposes for which the meeting is called, shall be given to each shareholder entitled to vote at such meeting not less than 48 hours before the date of the meeting, except that a meeting called by or at the demand of a shareholder or shareholders shall be held in the county where the principal executive office of the corporation is located.

Section 2.7. Waiver; Objections. A shareholder may waive notice of a meeting of shareholders. A waiver of notice by a shareholder entitled to notice is effective whether given before, at, or after the meeting, and whether given in writing (including by authenticated electronic communication), orally, or by attendance. Attendance by a shareholder at a meeting is a waiver of notice of that meeting, except where the shareholder objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened, or objects before a vote on an item of business because the item may not lawfully be considered at that meeting and does not participate in the consideration of the item at that meeting.

Section 2.8. Record Date. The Board of Directors may fix a date not more than 60 days before the date of a meeting of shareholders as the date for the determination of the holders of voting shares entitled to notice of and to vote at such

meeting. When a date is so fixed, only shareholders on that date are entitled to notice and permitted to vote at that meeting of shareholders.

Section 2.9. Quorum. The holders of a majority of the voting power of the shares entitled to vote at a meeting present in person or by proxy at the meeting are a quorum for the transaction of business, unless a larger or smaller proportion or number is provided in the Articles of Incorporation. If a quorum is present when a duly called or held meeting is convened, the shareholders present may continue to transact business until adjournment, even though the withdrawal of a number of shareholders originally present leaves less than the proportion or number otherwise required for a quorum.

Section 2.10. Adjourned Meetings. In the absence of a quorum, any meeting may be adjourned from time to time. If any meeting of the shareholders is adjourned to another time (not more than 120 days after the date fixed for the original meeting) or place, no notice of the date, time, and place of such adjourned meeting need be given other than by announcement at the time of adjournment.

Section 2.11. Majority Vote Required. The shareholders shall take action by the affirmative vote of the holders of a majority of the voting power of the shares present, except where a larger proportion or number is required by the Articles of Incorporation, these Bylaws, or the laws of the State of Minnesota.

Section 2.12. Voting by Class. In any case where a class or series of shares is entitled by the Articles of Incorporation, the laws of the State of Minnesota, or the terms of the shares to vote as a class or series, the matter being voted upon must also receive the affirmative vote of the holders of the same proportion of the shares of that class or series as is required pursuant to Section 2.11.

Section 2.13. Voting Power. Unless otherwise provided in the Articles of Incorporation or in the terms of the shares, a shareholder has one vote for each share held.

Section 2.14. Jointly Owned Shares. Shares owned by two or more shareholders may be voted by any one of them unless the corporation receives written notice from any one of them denying the authority of that person to vote those shares.

Section 2.15. Shareholder Management. The holders of the voting shares of the corporation may, by unanimous affirmative vote, take any action that the Board of

Directors is required or permitted to take or that the shareholders are permitted to take after action or approval of the Board.

Section 2.16. Proxies. A shareholder may cast or authorize the casting of a vote by filing a written appointment of a proxy with an officer of the corporation at or before the meeting at which the appointment is to be effective. An appointment of a proxy for shares held jointly by two or more shareholders is valid if signed by any one of them, unless the corporation receives from any one of those shareholders written notice either denying the authority of that person to appoint a proxy or appointing a different proxy.

Section 2.17. Action Without a Meeting. An action required or permitted to be taken at a meeting of the shareholders may be taken without a meeting by written action signed, or consented to by authenticated electronic communication, by all of the shareholders entitled to a vote on such action. The written action is effective when it has been signed, or consented to, by all of those shareholders, unless a different time is provided in the written action.

ARTICLE III

DIRECTORS

Section 3.1. Number and Election. The Board of Directors shall consist of one or more directors. The number of directors shall be determined by the shareholders who shall, at each regular meeting, fix the number of directors and elect the number so fixed. Except as provided in Section 3.2, each director shall hold office until his successor is elected and qualifies or until his earlier death, disqualification, resignation or removal. Directors shall be natural persons but need not be shareholders.

Section 3.2. Vacancies and New Directorships. Unless different rules for filling vacancies are provided for in the Articles of Incorporation, vacancies on the Board resulting from the death, disqualification, resignation, or removal of a director may be filled by the affirmative vote of a majority of the remaining directors, even though less than a quorum, and vacancies on the Board resulting from newly created directorships may be filled by the affirmative vote of a majority of the directors serving at the time of the increase. Each director elected to fill a vacancy holds office until a qualified successor is elected by the shareholders at the next regular meeting or special meeting of the shareholders.

Section 3.3. Powers. Except as may otherwise be provided by Section 2.17, the business and affairs of the corporation shall be managed by or under the direction of a Board of Directors, which may exercise all such powers of the corporation and do all such lawful acts and things as are not by the Articles of Incorporation, these Bylaws, or the laws of the State of Minnesota required to be exercised or done by the shareholders.

Section 3.4. Time and Place of Meetings. Regular meetings of the Board of Directors may be held with and without notice, from time to time at any place, within or without the State of Minnesota, that the Board of Directors may select or by any means described in Section 3.5. If the Board of Directors fails to select a place for a meeting, the meeting shall be held at the principal executive office of the corporation.

Section 3.5. Electronic Meetings. A conference among directors by any means of communication through which the directors may simultaneously hear each other during the conference constitutes a board meeting, if the same notice is given of the conference as would be required by Section 3.7 for a meeting, and if the number of directors participating in the conference would be sufficient to constitute a quorum at a meeting. Participation in a meeting by that means constitutes presence in person at the meeting. A director may participate in a board meeting not described above by any means of communication through which the director, other directors so participating, and all directors physically present at the meeting may simultaneously hear each other during the meeting. Participation in a meeting by that means constitutes presence in person at the meeting.

Section 3.6. Other Meetings. Other meetings of the Board may be called by a director or by the chief executive officer of the corporation on 24 hours' notice to all directors, of the date, time and place of the meeting. The notice shall be given to each director by mail, electronic mail, facsimile, telephone, personal service or any other means as may then be permitted by law and need not state the purpose of the meeting. If the date, time, and place of a board meeting have been announced at a previous meeting of the Board, no notice is required.

Section 3.7. Quorum. A majority, or a larger or smaller proportion or number provided in the Articles of Incorporation, of the directors currently holding office present at a meeting is a quorum for the transaction of business.

Section 3.8. Adjourned Meetings. In the absence of a quorum, any meeting may be adjourned from time to time. If any meeting of the Board of Directors is adjourned to another time or place, no notice of such adjourned meeting need be given other than by announcement at the time of adjournment.

Section 3.9. Board Action. The Board shall take action by the affirmative vote of a majority of directors present at a duly held meeting, except where the affirmative vote of a larger proportion or number is required by the Articles of Incorporation, these Bylaws, or the laws of the State of Minnesota. If the Articles of Incorporation require a larger proportion or number than is required by the laws of the State of Minnesota for a particular action, the Articles of Incorporation shall control.

Section 3.10. Waiver of Notice. A director may waive notice of a meeting of the Board. A waiver of notice by a director entitled to notice is effective whether given before, at, or after the meeting, and whether given in writing, orally, or by attendance. Attendance by a director at a meeting is a waiver of notice of that meeting, except where the director objects at the beginning of the meeting to the transaction of business because the meeting is not lawfully called or convened and does not participate thereafter in the meeting.

Section 3.11. Absent Directors. A director may give advance written consent or opposition to a proposal to be acted on at a board meeting. If the director is not present at the meeting, consent or opposition to a proposal does not constitute presence for purposes of determining the existence of a quorum, but consent or opposition shall be counted as a vote in favor of or against the proposal and shall be entered in the minutes or other record of action at the meeting, if the proposal acted on at the meeting is substantially the same or has substantially the same effect as the proposal to which the director has consented or objected.

Section 3.12. Committees. A resolution approved by the affirmative vote of a majority of the entire Board of Directors may establish committees having the authority of the Board in the management of the business of the corporation to the extent provided in the resolution. Committee members shall be natural persons. Unless the Articles of Incorporation provide for a different membership, a committee shall consist of one or more persons, who need not be directors, appointed by affirmative vote of a majority of the directors present. A majority of the members of the committee present at a meeting is a quorum for the transaction of business, unless a larger or small proportion or number is provided in the Articles of Incorporation, these Bylaws, or in a resolution approved by the affirmative vote of a majority of the directors present. Minutes, if any, of committee meetings shall be made available upon request to members of the committee and to any director.

Section 3.13. Action Without a Meeting. An action required or permitted to be taken at a board meeting or by a lawfully constituted committee thereof may be taken by written action signed, or consented to by authenticated electronic

communication, by all of the directors or by all of the members of such committee, unless the action need not be approved by the shareholders and the Articles of Incorporation so provide, in which case, the action may be taken by written action signed, or consented to by authenticated electronic communication, by the number of directors that would be required to take the same action at a meeting of the Board of Directors or the committee at which all directors or committee members were present. The written action is effective when signed or consented to by the required number of directors or committee members unless a different effective time is provided in the written action. When written action is permitted to be taken by less than all directors or committee members, all directors and committee members shall be notified immediately of its text and effective date.

ARTICLE IV

OFFICERS

Section 4.1. Election of Required Officers. The corporation shall have one or more natural persons exercising the functions of the offices of chief executive officer and chief financial officers.

Section 4.2. Other Officers. The Board of Directors may elect or appoint any other officers or agents the Board deems necessary for the operation and management of the corporation, each of whom shall have the powers, rights, duties and responsibilities usually incident to the office or as otherwise provided for in these bylaws or determined by the Board of Directors, the chairman or the officer to whom he or she reports.

Section 4.3. Multiple Offices. Any number of offices or functions of those offices may be held or exercised by the same person. If a document must be signed by person holding different offices or functions and a person holds or exercises more than one of those offices or functions, that person may sign the document in more than one capacity, but only if the document indicates each capacity in which the person signs.

Section 4.4. Tenure, Removal, or Vacancy. Each officer shall hold office until his successor is elected and qualifies, or until his earlier death, disqualification, resignation, or removal. An officer may be removed at any time, with or without cause, by a resolution approved by the affirmative vote of a majority of the directors present. Such removal, however, shall be without prejudice to any contract rights of the officer. Any officer may resign at any time by giving written notice to the corporation.

Section 4.5. Duties of Chief Executive Officer. The chief executive officer shall have general active management of the business of the corporation; in the absence of the chairman, preside at all meetings of the shareholders and at all meetings of the Board of Directors; see that all orders and resolutions of the Board are carried into effect; and perform other duties as may be prescribed by the Board.

Section 4.6. Duties of Chief Financial Officer. The chief financial officer shall keep accurate financial records for the corporation, deposit all money, drafts, and checks in the name of and to the credit of the corporation in the banks and depositories designated by the Board; endorse for deposit all notes, checks, and drafts received by the corporation as ordered by the Board of Directors, making proper vouchers therefor; disburse corporate funds and issue checks and drafts in the name of the corporation, as ordered by the Board; render to the chief executive officer and the Board, whenever requested, an account of all transactions by the chief financial officer and of the financial condition of the corporation; and perform other duties prescribed by the Board or by the chief executive officer.

Section 4.7. Duties of Chairman of the Board. The Chairman of the Board, if there be one, shall, when present, preside at all meetings of the shareholders and the Board of Directors and shall perform such duties and have such powers as the Board of Directors may from time to time prescribe.

Section 4.8. Duties of President. Unless otherwise determined by the Board of Directors, the president, if designated, shall be the chief executive officer of the corporation. If a person other than the chief executive officer is designated as president, the president shall perform such duties as the Board, the chairman or the chief executive officer may from time to time determine.

Section 4.9. Duties of Vice Presidents. Any one or more of the vice presidents may be designated by the Board as a vice president, an executive vice president or a senior vice president or as otherwise determined by the Board, and each vice president shall have such powers and perform such duties as may from time to time be assigned to them respectively by the Board of Directors, the chairman or the chief executive officer.

Section 4.10. Duties of Secretary. The secretary shall attend all meetings of the Board of Directors and of the shareholders and record all the proceedings of all such meetings in a book to be kept for that purpose and shall perform like duties for any committee appointed by the Board when so directed by the chief executive officer; give, or cause to be given, notice of all meetings of the shareholders and,

when required, meetings of the Board of Directors; and have custody of the corporate seal of the corporation, if there be one, and he, or an assistant secretary, shall have authority to affix the same to any instrument requiring it and, when so affixed, it may be attested by his signature or by the signature of such assistant secretary. The Board of Directors may give general authority to any other officer to affix the seal of the corporation, if there be one, and to attest the affixing by his signature. The secretary shall perform such other duties and have such other powers as the Board of Directors, the chairman or the chief executive officer shall from time to time prescribe.

Section 4.11. Duties of Assistant Secretary. The assistant secretary, if there be one, shall, in the absence of the secretary or in the event of the secretary's inability or refusal to act, perform the duties and exercise the powers of the secretary and shall perform such other duties and have such other powers as the Board of Directors, the chairman, chief executive officer, chief financial officer or the secretary may from time to time prescribe.

Section 4.12. Duties of Treasurer. The treasurer, if there be one, shall perform such duties and have such powers as the Board of Directors, the chairman, chief executive officer or the chief financial officer may from time to time prescribe.

Section 4.13. Duties of Assistant Treasurer. The assistant treasurer, if there be one, shall, in the absence of the treasurer or in the event of the treasurer's inability or refusal to act, perform the duties and exercise the powers of the treasurer and shall perform such other duties and have such other powers as the Board of Directors, the chairman, chief executive officer, chief financial officer or the treasurer may from time to time prescribe.

Section 4.14. Delegation of Duties. Each officer shall have the authority and shall perform the specific duties reflected under the officer titles noted in sections 4.5 – 4.14 above. In addition they shall perform the duties as may be assigned by the Board of Directors, the Chairman of the Board, or the President, or as shall be conferred or required by law or these Bylaws, or as shall be normally incidental to the office. Unless prohibited by the Board, an officer may, without the approval of the Board, delegate in writing to any other person some or all of the duties and powers of his or her office to other persons. The president, the chief executive officer, the chief operating officer, the chief financial officer, any vice president of the corporation, and any other person or persons pursuant to delegated authority or as may be designated or authorized from time to time by the Board of the chief executive officer may execute and deliver contracts, deeds, mortgages, notes checks, conveyances, releases of mortgages and other instruments on behalf of the corporation and otherwise may bind the corporation.

ARTICLE V

CERTIFICATES OF SHARES

Section 5.1. Uncertificated Shares. The shares of the corporation may be certificated or uncertificated.

Section 5.2. Certificates. Every share certificate of the corporation shall be signed by or in the name of the corporation by an officer, certifying the number of shares represented by such certificate.

Section 5.3. Facsimile Signatures. If a person signs or has a facsimile signature placed upon a certificate while an officer, transfer agent, or registrar of a corporation, the certificate may be issued by the corporation, even if the person has ceased to have that capacity before the certificate is issued, with the same effect as if the person had that capacity at the date of its issue.

Section 5.4. New Certificates. The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed upon the making of an affidavit of that fact by the person claiming the certificate to be lost, stolen, or destroyed. When authorizing such issue of a new certificate or certificates, the Board of Directors may, in its own discretion and as a condition precedent to the issuance thereof, require the owner of such lost, stolen, or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as it shall require and to give the corporation a bond in such sum as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 5.5. Transfer, Fractional Shares. Upon surrender to the corporation or the transfer agent of the corporation of a certificate for shares duly endorsed or accompanied by proper evidence of succession, assignment, or authority to transfer, it shall be the duty of the corporation to issue a new certificate to the person entitled thereto, cancel the old certificate, and record the transaction upon its books. Transfers of fractional shares shall not be made nor shall certificates for fractional shares be issued.

ARTICLE VI

GENERAL PROVISIONS

Section 6.1. Manner of Amendment. These Bylaws may be altered, amended, or repealed or new Bylaws may be adopted by the shareholders or by the Board of Directors, subject to the power of the shareholders exercisable in the manner provided by the laws of the State of Minnesota to adopt, amend, or repeal Bylaws adopted, amended, or repealed by the Board.

Section 6.2. Dividends. Dividends on the shares of the corporation may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the corporation.

Section 6.3. Voting of Shares of Other Corporations. The shares of any other corporation owned by this corporation may be voted at any meeting of the shareholders of such other corporation by such proxy as the Board of Directors of this corporation may appoint, or if no such appointment be made, by the chief executive officer.

Section 6.4. Indemnification. The corporation shall indemnify any person made or threatened to be made a party to a proceeding by reason of the former or present official capacity of the person acting for the corporation or acting in an official capacity with another entity at the direction or request of the corporation to the full extent permitted by the laws of the State of Minnesota. The indemnification provided under these Bylaws shall inure to the benefit of the heirs, executors, administrators and personal representatives of any person acting in an official capacity for the corporation. The corporation may purchase and maintain insurance on behalf of a person in that person's official capacity, whether or not the corporation would be required by law to indemnify the person against the liability.

EXHIBIT B

**Northern States Power Company (MN)
9/28/18**

**Resolution to Approve the Application to Minnesota Public Utilities Commission
for Approval of Capital Structure**

WHEREAS, it is contemplated that Northern States Power Company, a Minnesota corporation, (the "Company") will issue various securities as defined in Minnesota Statutes Sec. 216B.49; and

WHEREAS, such securities may include the issuance of Common Stock, Preferred Stock, secured or unsecured long-term debt securities, including notes, bonds, guarantees, borrowings under a multi-year credit facility or First Mortgage Bonds (including bonds issued in payment of, or as collateral for the payment of, principal, interest, and premium, if any, on financial instruments issued by a governmental unit or agency in connection with facilities associated with the Company's operations), risk management instruments, short-term promissory notes; and, in lieu of or in addition to, short term notes or commercial paper, the Company may satisfy its short-term credit needs by borrowing from its parent, Xcel Energy Inc., or certain other utility affiliates through a Utility Money Pool; and

WHEREAS, the issuance of said equity and debt securities and entering into any Agreements of Guaranty are subject to the prior approval of the capital structure of the Company by the Public Utilities Commission of the State of Minnesota pursuant to Minnesota Statutes Sec. 216B.49.

NOW THEREFORE BE IT RESOLVED, that the Company's President, the Chief Executive Officer, the Chief Financial Officer, the Treasurer or any Assistant Treasurer, and the Secretary or any Assistant Secretary are authorized and instructed, for and on behalf of the Company, to execute and to file or cause to be filed with the Public Utilities Commission of the State of Minnesota an application or applications for approval of the capital structure of the Company with respect to any or all of the securities and instruments generally referred to above, and any and all amendments and supplements to said application or applications as they may deem necessary or advisable; and

RESOLVED FURTHER, that the foregoing authorization shall be effective for all applications for approval of capital structure filed during 2018 and 2019 with the Public Utilities Commission of the State of Minnesota; and

RESOLVED FURTHER, that all actions of the officers and the employees of the Company which are in conformity with the purposes and intent of the foregoing resolutions, whether taken before or after the adoption hereof, be and the same are hereby ratified, confirmed and adopted; and

RESOLVED FURTHER, that the Secretary or any Assistant Secretary of the Company be and each of them hereby is authorized and instructed to transmit certified copies of these resolutions bearing the corporate seal of the Company.

EXHIBIT C

**Northern States Power Company (MN)
B/D 4/11/18**

Filing of Registration Statement

WHEREAS, the Board of Directors has previously adopted resolutions dated November 20, 2014, authorizing the filing of a registration statement on Form S-3; and

WHEREAS, the Company's registration statement on Form S-3 (Registration No. 333-203664-01) will expire in April 2018 and the Board of Directors has determined that it is in the best interests of the Company to authorize the filing of an automatic shelf registration statement (or such other appropriate form) with the Securities and Exchange Commission for the issuance of, from time to time, in one or more series, and in any combination of an indeterminate amount of securities of the Company to be offered at indeterminate prices, which may include, (i) first mortgage bonds and (ii) senior unsecured debt securities (collectively, "Securities").

NOW, THEREFORE, BE IT RESOLVED, that the Chairman, President or any Executive or Senior Vice President; the Principal Executive Officer; the Principal Financial Officer; and the Principal Accounting Officer, respectively, of the Company be, and each of them hereby is, authorized and empowered to execute and file or cause to be filed with the Securities and Exchange Commission (the "Commission") pursuant to the provisions of the Securities Act of 1933, as amended, one or more Registration Statements (collectively, the "Registration Statement") on Form S-3 (or such other appropriate form), which Registration Statement may be the same registration statement filed with the SEC by Xcel Energy Inc. to register its securities, and to execute and cause to be filed any and all amendments (including post-effective amendments) to said Registration Statement required, or deemed by them advisable, to be filed in connection therewith; and be it

RESOLVED FURTHER, that all actions of the officers and the employees of the Company which are in conformity with the purposes and intent of the foregoing resolutions, whether taken before or after the adoption of these resolutions hereof, be and the same are hereby ratified, confirmed and adopted, and the officers of the Company be and hereby are authorized, directed and empowered to do any and all other acts and things necessary or in their judgment advisable in order to carry out the foregoing resolutions, including the execution of any instruments and the filing of any documents and receipt of any approvals under state "blue sky" or similar laws; and be it

RESOLVED FURTHER, this written consent may be executed in two or more counterparts, each of which when executed shall be deemed to be an original. Such counterparts, taken together, shall constitute one and the same instrument.

EXHIBIT C

**Northern States Power Company (MN)
B/D 7/31/18**

**Issuance of
Secured and Unsecured Debt Securities**

WHEREAS, on November 13, 2015, the Board of Directors of Northern States Power Company (Minnesota) (the "Company") adopted resolutions (the "Prior Resolutions") authorizing and approving the issuance and sale by the Company of up to \$1.2 billion in aggregate principal amount of its secured or unsecured debt securities with a maturity of greater than one year, including notes, bonds, debentures, guarantees or first mortgage bonds (the "Prior Debt Securities"); and

WHEREAS, the Company has issued and sold \$950.0 million of first mortgage bonds, leaving \$250.0 million of Prior Debt Securities available for issuance and sale under such Board authorization; and

WHEREAS, the Board has determined that it is in the best interests of the Company to increase the authorized amount of securities that may be issued, from the remaining authority of \$250.0 million under the Prior Resolutions to up to \$1.5 billion in aggregate principal amount of its secured or unsecured debt securities with a maturity of greater than one year, including notes, bonds, debentures, guarantees or first mortgage bonds (the "Debt Securities"), it being understood that this \$1.5 billion aggregate principal amount of Debt Securities will be in lieu of, and not in addition to, the remaining \$250.0 million aggregate principal amount of Prior Debt Securities authorized under the Prior Resolutions; and

WHEREAS, Sections 302A.305 and 302A.311, of the Minnesota Statutes, and Article IV of the Company's By-Laws, authorizes the Board to determine the duties and authority of the Company's officers and to assign the authority of the Board in the management of the business of the Company and in connection with the issuance and sale of the Debt Securities; and

WHEREAS, Section 302A.241 of the Minnesota Statutes, and Article III of the Company's By-Laws authorizes the Board to designate a committee to have the authority of the Board in the management of the business of the Company and in connection with the issuance and sale of the Debt Securities; and

WHEREAS, the Board has determined that it is in the best interests of the Company to appoint and designate a committee authorized to take certain actions with respect to the indentures, and that certain officers of the Company be authorized to take certain actions on behalf of the Board so that Debt Securities may be redeemed or sold by the Company during intervals between meetings of the Board to permit the orderly sale or redemption of the Debt Securities.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors authorizes and approves the issuance and sale by the Company from time to time, in one or more series, and in any combination, up to \$1.5 billion in aggregate principal amount of Debt Securities in the form of one or more new series of its notes, bonds, debentures, guarantees or first mortgage bonds, either through negotiation or competitive bidding, it being understood that this \$1.5 billion aggregate principal amount of unsecured Debt Securities is in lieu of the remaining \$250.0 million aggregate principal amount of Debt Securities authorized under the Prior Resolutions; and be it

RESOLVED FURTHER, that, under authority of the laws of the State of Minnesota, a committee of the Board (the "Pricing Committee"), which shall consist of the Company's Treasurer as its sole member, is hereby appointed and designated by the Board, which Pricing Committee shall have and may exercise, subject to these resolutions, the full powers of the Board, on behalf of the Company, to redeem outstanding debt securities, designate a new series of Debt Securities, to authorize and approve the issuance and sale of such Debt Securities and to determine and approve all terms and conditions with respect thereto including, without limiting the scope of the authority conferred by these resolutions, the documents and terms contained in the following resolutions and delivery of any resolutions required by the indentures in connection with any series of Debt Securities; and be it

RESOLVED FURTHER, that the Pricing Committee be, and it hereby is, authorized and empowered to determine and approve the principal amount of Debt Securities to be issued and sold (such amount not to exceed \$1.5 billion), the form of Debt Securities to be issued, including whether such Debt Securities are to be secured or unsecured, whether any such Debt Securities shall be issued as notes, bonds, debentures, guarantees or first mortgage bonds and whether any such Debt Securities are to be issued as one series or more than one series, and to execute and deliver such Debt Securities; and be it

RESOLVED FURTHER, that the Pricing Committee be, and it hereby is, authorized and empowered to adopt any necessary resolutions pertaining to the issuance of the Debt Securities, including, without limitation, to determine and approve the maturity date or dates of each series of the Debt Securities (which shall not be more than 40 years from date of issuance), the interest rate or rates or its method of determination, any other terms (including conversion, exchange or redemption provisions) of each series of the Debt Securities and the redemption or cancellation of any first mortgage bonds; and be it

RESOLVED FURTHER, that the Pricing Committee be and it hereby is, authorized and empowered to approve, for and on behalf of the Company, one or more trust indentures or similar agreements (including supplemental indentures) with one or more trustees relating to the sale of one or more series of Debt Securities, and which includes the form or forms of the Debt Securities and to take such further actions under such indentures, as may be necessary or advisable; and be it

RESOLVED FURTHER, that, under authority of the laws of the State of Minnesota, each of the Company's Chief Executive Officer; President; Chief Operating Officer; Chief Financial Officer; General Counsel; and Treasurer (each of the foregoing officers being referred to herein as a "Designated Officer") shall have and may exercise, subject to these resolutions, the full powers of the Board, on behalf of the Company, to authorize the redemption or issuance and sale of the Debt Securities and to establish all terms and conditions with respect thereto, including, without limiting the scope of the authority conferred by these resolutions, the documents and terms contained in the following resolutions; and be it

RESOLVED FURTHER, that the Designated Officers be, and each of them hereby is, authorized and empowered to approve, execute and deliver, for and on behalf of the Company, one or more underwriting agreements, purchase agreements or similar contracts or agreements with one or more underwriters, agents or other appropriate parties in connection with the issuance and sale of one or more series Debt Securities, and to determine any discounts to be delivered or commissions to be paid in connection with the issuance and sale of the Debt Securities, and that the execution of any such underwriting agreements, purchase agreements

or similar contracts or agreements by any Designated Officer shall be evidence of such Designated Officer's approval of the same; and be it

RESOLVED FURTHER, that the Designated Officers, any Executive Vice President, Senior Vice President or Vice President, Controller, Secretary or Assistant Secretary of the Company be and each of them hereby is, authorized and empowered to, negotiate the terms of, execute, attest and deliver, for and on behalf of the Company, one or more trust indentures or similar agreements (including supplemental indentures) with one or more trustees relating to the sale of one or more series of Debt Securities, and which includes the form or forms of the Debt Securities and to take such further actions under such indentures, as may be necessary or advisable; and be it

RESOLVED FURTHER, that the Designated Officers, and any Executive Vice President, Senior Vice President or Vice President of the Company, be, and each of them hereby is, authorized to approve, execute and deliver, for and on behalf of the Company, in the event that all or a portion of the Debt Securities bear a fixed or variable rate of interest: (i) one or more interest rate lock, swap, collar or cap agreements or similar agreements with one or more underwriters, banks or other financial institutions providing for the hedging of the interest rates on such securities, and (ii) any other agreement, document or instrument that may be necessary or appropriate in connection with any such transaction, and that the execution of any such agreements or similar instruments by any Designated Officer shall be evidence of such Designated Officer's approval of the same; and be it

RESOLVED FURTHER, that the Designated Officers, and any Executive Vice President, Senior Vice President or Vice President of the Company, or any Assistant Treasurer of the Company be and each of them hereby is authorized and empowered to cause to be executed and filed with the Minnesota Public Utility Commission in the name and on behalf of the Company all necessary applications and documents with respect to the issuance of the Debt Securities and any and all amendments or supplements to said applications as may be necessary or advisable; and be it

RESOLVED FURTHER, that it is desirable and in the best interests of the Company that the Debt Securities be qualified or registered for sale in various jurisdictions; that the proper officers of the Company be, and each of them hereby is, authorized to determine the jurisdictions in which appropriate action shall be taken to qualify or register for sale all or such part of the Debt Securities as any of said officers may deem advisable, that said officers are hereby authorized to perform on behalf of the Company any and all such acts as any of them may deem necessary or advisable in order to comply with the applicable laws of any such jurisdictions and in connection therewith to execute and file all requisite papers and documents, including, but not limited to, applications, reports, surety bonds, irrevocable consents and appointments of attorneys for service of process; and the execution by any one or more of such officers of any such paper or document or the doing by any one or more of them of any act in connection with the foregoing matters shall conclusively establish his or their authority therefore from the Company and the approval and ratification by the Company of the papers and documents so executed and the action so taken; and be it

FURTHER RESOLVED, that all actions of the officers and the employees of the Company which are in conformity with the purposes and intent of the foregoing resolutions, whether taken before or after the adoption of these resolutions hereof, be and the same are hereby ratified, confirmed and adopted, and the officers of the Company be and hereby are

authorized, directed and empowered to do any and all other acts and things necessary or in their judgment advisable in order to carry out the foregoing resolutions, including the execution of any instruments and the filing of any documents and receipt of any approvals under state "blue sky" or similar laws.

Northern States Power Company - Minnesota**Summary of Utility Money Pool Activity****Period Covered 9/1/17 thru 8/31/18****Borrowing Summary**

The Company borrowed periodically between September 2017 and August 2018 from the Utility Money Pool (UMP). Page 2 shows the borrowing activity.

The average balance for the month represents a simple average of daily loans outstanding. An increase in a daily balance indicates an incremental borrowing from the UMP. A decrease in a daily balance represents a repayment of the borrowings. The simple average interest rate for the period was 1.4922%.

The Company borrows from the Utility Money Pool when other participants have excess cash and the cost is comparable or less than if the Company borrowed independently. The Commission approved the use of the Utility Money Pool in an Order dated July 9, 2004, Docket No. E,G002/AI-04-100.

Investment Summary (contributions)

Page 3 shows the investment activity of NSPM between September 2017 and August 2018 to the Utility Money Pool (UMP).

The average balance for the month represents a simple average of daily contributions outstanding. An increase in a daily balance indicates an incremental investment to the UMP. A decrease in a daily balance represents a recompense of the contributions.

Summary and Rate Comparisons

Page 4 summarizes the balances, actual interest rates and alternative interest rates.

NSPMN - Sep. 2017 to Aug. 2018 Daily Borrowings Money Pool Balances

Days	Loan From MP Sep-17	Loan From MP Oct-17	Loan From MP Nov-17	Loan From MP Dec-17	Loan From MP Jan-18	Loan From MP Feb-18	Loan From MP Mar-18	Loan From MP Apr-18	Loan From MP May-18	Loan From MP Jun-18	Loan From MP Jul-18	Loan From MP Aug-18
01	26,000,000	0	0	0	0	0	0	0	0	0	0	0
02	0	0	2,000,000	0	0	0	0	0	0	0	39,000,000	0
03	0	0	0	0	13,000,000	0	0	0	0	0	0	0
04	0	0	0	25,000,000	21,000,000	0	0	0	0	0	0	0
05	0	0	0	0	0	0	0	0	0	0	0	0
06	0	0	0	0	0	3,000,000	0	0	0	0	7,000,000	6,000,000
07	0	0	0	0	0	4,000,000	0	0	0	0	0	2,000,000
08	0	0	0	0	0	0	0	0	0	0	0	22,000,000
09	0	0	11,000,000	0	8,000,000	0	0	0	0	0	0	0
10	0	0	6,000,000	0	5,000,000	0	0	0	0	0	4,000,000	0
11	0	0	0	14,000,000	0	0	0	0	0	0	68,000,000	0
12	2,000,000	5,000,000	0	0	0	0	0	0	0	0	0	0
13	0	1,000,000	3,000,000	0	0	0	0	0	0	0	0	0
14	0	0	0	0	0	0	0	0	0	0	0	0
15	0	0	5,000,000	29,000,000	0	0	0	0	0	0	0	1,000,000
16	0	0	0	0	4,000,000	0	0	0	0	0	0	0
17	0	0	0	0	10,000,000	0	0	0	0	0	0	0
18	0	0	0	0	4,000,000	0	0	0	0	0	0	0
19	0	26,000,000	0	0	2,000,000	0	0	0	0	0	0	0
20	0	27,000,000	0	0	0	0	0	0	0	0	30,000,000	0
21	0	0	6,000,000	10,000,000	0	0	0	0	0	0	0	0
22	0	0	34,000,000	19,000,000	0	0	0	0	0	0	0	0
23	0	10,000,000	0	0	0	0	0	0	0	0	4,000,000	0
24	0	1,000,000	0	0	8,000,000	0	0	0	0	0	0	0
25	0	0	0	0	0	0	0	0	0	0	2,000,000	0
26	0	0	0	34,000,000	0	0	0	0	0	0	0	0
27	0	0	16,000,000	0	0	0	0	0	0	0	0	0
28	0	0	5,000,000	0	0	0	0	0	0	0	0	0
29	50,000,000	0	0	16,000,000	0	0	0	0	62,000,000	0	0	9,000,000
30	0	14,000,000	3,000,000	0	0	0	0	0	0	2,000,000	0	0
31	0	0	0	0	0	0	0	0	0	0	13,000,000	0
Avg. Bal.	2,600,000	2,709,677	3,033,333	4,741,935	2,419,355	241,379	0	0	0	2,066,667	5,451,613	1,290,323
Interest Rate	1.1100%	1.1200%	1.1400%	1.1800%	1.5900%	1.5100%	1.6400%	1.8300%	1.8500%	1.8500%	1.9700%	1.9600%
	0.0111	0.0112	0.0114	0.0118	0.0159	0.0151	FALSE	FALSE	FALSE	0.0185	0.0197	0.0196

9 of 12 months had activity - The 7 Month Simple Average Interest Rate was.....

1.4922%

NSPMN - Sep. 2017 to Aug. 2018 Daily Investment Balances in Money Pool

Days	Investment in MP <u>Sep-17</u>	Investment in MP <u>Oct-17</u>	Investment in MP <u>Nov-17</u>	Investment in MP <u>Dec-17</u>	Investment in MP <u>Jan-18</u>	Investment in MP <u>Feb-18</u>	Investment in MP <u>Mar-18</u>	Investment in MP <u>Apr-18</u>	Investment in MP <u>May-18</u>	Investment in MP <u>Jun-18</u>	Investment in MP <u>Jul-18</u>	Investment in MP <u>Aug-18</u>
01	0	0	0	0	0	0	0	0	0	0	0	0
02	0	0	0	0	0	0	0	31,000,000	0	0	0	0
03	0	0	0	0	0	0	0	12,000,000	53,000,000	0	0	0
04	0	0	0	0	0	0	0	0	18,000,000	13,000,000	0	0
05	0	0	0	0	0	0	0	11,000,000	0	4,000,000	0	0
06	0	0	0	0	0	0	0	7,000,000	0	16,000,000	0	0
07	0	0	0	0	0	0	0	0	12,000,000	9,000,000	0	0
08	0	0	0	0	0	0	0	0	0	0	0	0
09	0	0	0	0	0	0	0	3,000,000	20,000,000	0	0	0
10	0	0	0	0	0	0	0	23,000,000	8,000,000	0	0	0
11	0	0	0	0	0	0	0	11,000,000	0	6,000,000	0	0
12	0	0	0	0	0	0	0	0	0	10,000,000	0	0
13	0	0	0	0	0	0	0	26,000,000	0	15,000,000	0	0
14	0	0	0	0	0	0	0	0	0	4,000,000	0	0
15	0	0	0	0	0	0	55,000,000	0	0	10,000,000	0	0
16	0	0	0	0	0	0	6,000,000	7,000,000	41,000,000	0	0	0
17	0	0	0	0	0	0	0	26,000,000	0	0	0	0
18	0	0	0	0	0	0	0	32,000,000	2,000,000	22,000,000	0	0
19	0	0	0	0	0	0	0	0	0	11,000,000	0	0
20	0	0	0	0	0	0	20,000,000	0	0	5,000,000	0	5,000,000
21	0	0	0	0	0	0	0	0	0	0	0	0
22	0	0	0	0	0	0	0	0	8,000,000	0	0	0
23	0	0	0	0	0	0	46,000,000	0	0	0	0	8,000,000
24	0	0	0	0	0	0	0	7,000,000	0	0	0	0
25	0	0	0	0	0	0	0	0	0	0	0	0
26	0	0	0	0	0	0	0	0	0	0	0	0
27	0	0	0	0	0	0	11,000,000	0	0	0	0	0
28	0	0	0	0	0	0	21,000,000	0	0	0	0	5,000,000
29	0	0	0	0	0	0	0	0	0	0	0	0
30	0	0	0	0	0	0	0	12,000,000	2,000,000	0	0	0
31	0	0	0	0	0	0	0	0	2,000,000	0	0	0
Avg. Bal.	0	0	0	0	0	0	5,129,032	6,709,677	5,354,839	4,166,667	0	580,645
Interest Rate	1.1100%	1.1200%	1.1400%	1.1800%	1.5900%	1.5100%	1.6400%	1.8300%	1.8500%	1.8500%	1.9700%	1.9600%
	FALSE	FALSE	FALSE	FALSE	FALSE	FALSE	0.016400	0.018300	0.0185	0.0185	FALSE	0.0196

5 of 12 months had activity - The 7 Month Simple Average Interest Rate was.....

1.8260%

NSPM Utility Money Pool <u>Borrowing</u> Activity			
Summary - September 2017 Through August 2018			
<u>Date</u>	<u>Average Amount Outstanding</u>	<u>Actual Interest Rate</u>	<u>Alternative Interest Rate (1)</u>
<u>2017</u>			
Sep.	\$2,600,000	1.1100%	4.2500%
Oct	\$2,709,677	1.1200%	4.2500%
Nov	\$3,033,333	1.1400%	4.2500%
Dec	\$4,741,935	1.1800%	4.5000%
<u>2018</u>			
Jan	\$2,419,355	1.5900%	4.5000%
Feb	\$241,379	1.5100%	4.5000%
Mar	\$0	1.6400%	4.7500%
Apr	\$0	1.8300%	4.7500%
May	\$0	1.8500%	4.7500%
Jun	\$2,066,667	1.8500%	5.0000%
Jul	\$5,451,613	1.9700%	5.0000%
Aug	\$1,290,323	1.9600%	5.0000%

NSPM Utility Money Pool <u>Investment</u> Activity			
Summary - September 2017 Through August 2018			
<u>Date</u>	<u>Average Amount Outstanding</u>	<u>Actual Interest Rate</u>	<u>Alternative Interest Rate (2)</u>
<u>2017</u>			
Sep.	\$0	1.1100%	0.7500%
Oct	\$0	1.1200%	0.7500%
Nov	\$0	1.1400%	0.7500%
Dec	\$0	1.1800%	0.7500%
<u>2018</u>			
Jan	\$0	1.5900%	1.0000%
Feb	\$0	1.5100%	1.0000%
Mar	\$5,129,032	1.6400%	1.0000%
Apr	\$6,709,677	1.8300%	1.2000%
May	\$5,354,839	1.8500%	1.2000%
Jun	\$4,166,667	1.8500%	1.2000%
Jul	\$0	1.9700%	1.3500%
Aug	\$580,645	1.9600%	1.3500%

(1) NSPM's short-term alternative interest rate is based on the Fed Prime Rate.

(2) Rate is from the bank sweep account. Overnight sweep accounts are standard in the treasury management field and are designed to provide investment options for earning a return on funds that would otherwise be sitting idle in a non-interest bearing checking account.

OPINION OF COUNSEL



Scott Wilensky
Executive Vice President and General Counsel

401 Nicollet Mall, 9th Floor
Minneapolis, Minnesota 55401
Phone: 612.330.5942
Fax: 612.215.4504

October 23, 2018

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
350 Metro Square Building
121 East Seventh Street
St. Paul, MN 55101

Dear Mr. Wolf:

I and other attorneys that I supervise have acted as counsel in connection with the preparation of the Petition to the Public Utilities Commission of the State of Minnesota, dated October 23, 2018, and the related exhibits (the "Petition") containing the request for approval of the proposed 2019 capital structure of Northern States Power Company ("NSP-MN" or "the Company"), as set forth in the Petition.

In my opinion, all requisite corporate action has been taken authorizing the filing of said Petition by the Company, and the issuance of securities and instruments of the Company as contemplated therein will be valid upon: (i) the completion of such further action by the Board of Directors of the Company or a committee thereof or certain authorized officers of the Company as may be appropriate for each particular type and issue of securities (the "Corporate Proceedings"); (ii) the issuance of appropriate orders by the Public Utilities Commission of the State of Minnesota approving the capital structure of the Company; (iii) appropriate Registration Statements together with all amendments thereto being effective at the time of issuance with respect to those securities issued by the Company which are "public offerings" within the requirements of federal law; and (iv) the due authorization, execution and delivery by all other parties of any such securities, instruments, agreements or other documents that require execution and delivery by all other parties than the Company.

In addition to these general provisions applicable to each type and issue of securities, in my opinion, each of the following types of securities will be valid upon satisfaction of the following:

1. In the case of First Mortgage Bonds, when (a) Supplemental Trust Indentures from the Company to The Bank of New York Mellon Trust Company, N.A. (formerly known as The Bank of New York Trust Company, N.A.), as successor to BNY Midwest Trust Company, as trustee (the "Trustee") under the Indenture dated February 1, 1937, as supplemented, including the Supplemental and Restated Trust Indenture between the Company and said Trustee dated May 1, 1988, have been duly authorized, executed, delivered, filed and recorded as required by law, (b) such bonds have been duly authorized, executed, authenticated and delivered and (c) the consideration for such bonds has been received by the Company, such bonds will be legally issued and binding obligations of the Company in accordance with their terms and entitled to the benefits and security of said Trust Indenture, as supplemented;
2. With respect to guaranty agreements for the obligations of pollution control revenue bonds, any such agreement will be valid, effective and legally binding upon the Company upon execution and delivery and the receipt of the proceeds of the underlying bonds and any other consideration due;
3. As to unsecured senior notes issued under the Company's Indenture dated July 1, 1999, when (a) Supplemental Indentures from the Company to Wells Fargo Bank, National Association, as Trustee under the Indenture dated July 1, 1999, as supplemented, have been duly authorized, executed and delivered, (b) such bonds have been duly authorized, executed, authenticated and delivered and (c) the consideration for such bonds has been received by the Company, such bonds will be legally issued and binding obligations of the Company in accordance with their terms and entitled to the benefits of said Indenture, as supplemented;
4. As to other unsecured senior notes or promissory notes issued by the Company, such notes will be valid and enforceable upon execution and delivery and receipt of the borrowings evidenced by such notes;
5. As to preferred stock or preference stock issued by the Company or one of its subsidiaries, such stock will be validly authorized and issued, fully paid and nonassessable upon the due authorization, execution, acknowledgment, delivery and filing with, and recording by, the Minnesota Secretary of State of the applicable Certificate of Designations, the receipt of consideration designated in the applicable Corporate Proceedings and the due execution, issuance and delivery of certificates representing the preferred stock or preference shares pursuant to such Certificate of Designations; and
6. As to common stock, such stock will be validly authorized and issued, fully paid and nonassessable upon the due execution, issuance and delivery of certificates representing the common stock and the receipt of consideration designated in the applicable Corporate Proceedings.

The foregoing opinions assume that at the time of delivery of any securities, instruments or agreements; (i) the Corporate Proceedings related thereto will not have been modified or rescinded, (ii) there will not have occurred any change in the law or current regulatory authorizations or approvals affecting the authorization, execution, delivery, validity or enforceability of such securities, instruments or agreements, (iii) none of the particular terms of such securities, instruments or agreements will violate any applicable law, and (iv) neither the issuance and sale thereof nor the compliance by the Company with the terms thereof will result in a violation of any issuance limit in the Corporate Proceedings, any agreement or instrument then binding upon the Company or any order of any court or governmental body having jurisdiction over the Company.

The legality, validity and enforceability of any securities, instruments, agreements described herein may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting the enforceability of creditors' rights generally and subject to equitable principles which may limit the right to obtain equitable remedies. My opinion is based on the laws of the State of Minnesota only, and any applicable federal law in effect on the date hereof. By rendering this opinion, I do not undertake to advise you with respect to any other matter or of any change in such laws or in the interpretation thereof which may occur after the date hereof. This opinion is being provided and delivered solely to the Public Utilities Commission of the State of Minnesota in conjunction with the Company's Petition for approval of its proposed 2019 capital structure and may not be used, generated or relied upon by any other person or for any other purpose without my prior written consent.

Very truly yours,



Scott Wilensky
Executive Vice President and General Counsel

FINANCIAL STATEMENTS

BALANCE SHEET AS OF JUNE 30, 2018

**INCOME STATEMENT FOR 12 MONTH PERIOD
ENDED JUNE 30, 2018**

**STATEMENT OF CASH FLOWS FOR 12 MONTH PERIOD
ENDED JUNE 30, 2018**

NSP-MINNESOTA
BALANCE SHEET AS OF JUNE 30, 2018
(Amounts are stated in thousands)

Docket No. E,G002/S-18-____
Attachment G
Part 1 - Page 1 of 2

	Before Transaction June 30, 2018	Adjustments To Record Proposed Transaction	After Transaction December 31, 2019
<u>ASSETS</u>			
CURRENT ASSETS			
Cash and cash equivalents	\$ 32,086		\$ 32,086
Investments in utility money pool arrangement	-		-
Notes receivable from affiliates	-		-
Accounts receivable - net	361,144		361,144
Accounts receivable from affiliates	19,462		19,462
Accrued unbilled revenues	246,362		246,362
Recoverable purchased natural gas and electric energy costs	-		-
Inventories	294,602		294,602
Regulatory Assets	300,150		300,150
Derivative instruments valuation	31,268		31,268
Prepaid Taxes	41,763		41,763
Prepayments and other	36,717		36,717
Total current assets	<u>1,363,554</u>	<u>-</u>	<u>1,363,554</u>
Property, plant and equipment, net	13,075,676		13,075,676
OTHER ASSETS			
Nuclear decommissioning fund and other investments	2,195,458		2,195,458
Regulatory assets	1,343,820		1,343,820
Prepaid pension asset	-		-
Derivative instruments valuation	26,790		26,790
Other investments	-		-
Other	11,936		11,936
Total other assets	<u>3,578,004</u>	<u>-</u>	<u>3,578,004</u>
SubTotal assets	<u>\$ 18,017,234</u>	<u>\$ -</u>	<u>\$ 18,017,234</u>
Net Change in Assets	\$ -	\$ 1,387,000	\$ 1,387,000
Total assets	<u>\$ 18,017,234</u>	<u>\$ 1,387,000</u>	<u>\$ 19,404,234</u>

NSP-MINNESOTA
BALANCE SHEET AS OF JUNE 30, 2018
(Amounts are stated in thousands)

Docket No. E,G002/S-18-____
Attachment G
Part 1 - Page 2 of 2

	Before Transaction June 30, 2018	Adjustments To Record Proposed Transaction	After Transaction December 31, 2019
<u>LIABILITIES AND EQUITY</u>			
CURRENT LIABILITIES			
Current portion of long-term debt	\$ 8		\$ 8
Short-term debt	-		-
Borrowings under utility money pool arrangement	62,000		62,000
Accounts payable	348,475		348,475
Accounts payable to affiliates	53,790		53,790
Taxes accrued	193,465		193,465
Accrued interest	67,765		67,765
Dividends payable to parent	88,714		88,714
Derivative instruments	18,029		18,029
Regulatory Liabilities	135,725		135,725
Provision for rate refund	66,764		66,764
Other	153,256		153,256
Total current liabilities	<u>1,187,991</u>	<u>-</u>	<u>1,187,991</u>
DEFERRED CREDITS AND OTHER LIABILITIES			
Deferred income taxes	1,655,863		1,655,863
Deferred investment tax credits	21,710		21,710
Asset retirement obligations	2,134,741		2,134,741
Regulatory liabilities	2,013,411		2,013,411
Derivative instruments	92,122		92,122
Pension and employee benefit obligations	271,228		271,228
Other	178,347		178,347
Total deferred credits and other liabilities	<u>6,367,422</u>	<u>-</u>	<u>6,367,422</u>
Commitments and contingent liabilities			
Capitalization:			
Long-term debt	4,935,060		4,935,060
\$400 million, 30-year, secured debt, weighted average interest rate of 4.50% at Jun 1, 2019		400,000 1/	400,000
\$300 million, 10-year, secured debt, weighted average interest rate of 4.375% at Jun 1, 2019		300,000 1/	300,000
Common stock	10		10
Additional paid in capital	3,600,234	687,000 2/	4,287,234
Retained earnings	1,950,716		1,950,716
Accumulated other comprehensive income	(24,199)		(24,199)
Total common stockholder's equity	<u>5,526,761</u>	<u>687,000</u>	<u>6,213,761</u>
Commitments and contingencies	-	0	-
Total liabilities and equity	<u>\$ 18,017,234</u>	<u>\$ 1,387,000</u>	<u>\$ 19,404,234</u>

1/ Reflects long term debt issuance of \$700 million in June 2019.
2 tranches: \$400 million, 30 year and \$300 million 10 year

2/ Reflects equity infusions of approximately \$687 million during 2018 & 2019.

NSP-MINNESOTA
INCOME STATEMENT
FOR 12 MONTH PERIOD ENDED JUNE 30, 2018
(Amounts are stated in thousands)

Docket No. E,G002/S-18-____
Attachment G
Part 2 - Page 1 of 1

	Before Transaction June 30, 2018	Adjustments To Record Proposed Transaction	After Transaction December 31, 2019
Operating Revenues:			
Electric, non-affiliates	\$ 4,060,079		\$ 4,060,079
Electric, affiliates	481,536		481,536
Natural gas utility	557,275		557,275
Other	29,543		29,543
Total operating revenues	<u>5,128,433</u>	-	<u>5,128,433</u>
Operating expenses:			
Electric fuel and purchased power	1,671,085		1,671,085
Cost of natural gas sold and transported	315,623		315,623
Cost of sales - other	18,148		18,148
Operating and maintenance expenses	1,200,767		1,200,767
Conservation program expenses	117,832		117,832
Depreciation and amortization	715,438		715,438
Taxes (other than income taxes)	255,575		255,575
Total operating expenses	<u>4,294,468</u>	-	<u>4,294,468</u>
Operating income	833,965	-	833,965
Other (expense) income, net	8,811		8,811
Allowance for funds used during construction - equity	30,457		30,457
Interest charges and financing costs:			
Interest charges - net of amount capitalized (1)	227,549	\$14,873	242,422
Allowance for funds used during construction - debt	(15,316)		(15,316)
Total interest charges and financing costs	<u>212,233</u>	<u>14,873</u>	<u>227,106</u>
Income before income taxes	661,000	(14,873)	646,127
Income taxes	148,580	(3,343)	145,237
Net Income (2)	<u>\$ 512,420</u>	<u>\$ (11,530)</u>	<u>\$ 500,890</u>

(1) Reflects 12 months of interest ending December 31, 2019 for NSPM consolidated debt.

(2) Does not represent the company's forecasted net income through December 31, 2019 but only reflects changes due to financing from June 2018.

NSP-MINNESOTA
STATEMENT OF CASH FLOWS
FOR 12 MONTH PERIOD ENDED JUNE 30, 2018
(Amounts are stated in thousands)

Docket No. E,G002/S-18-____
Attachment G
Part 3 - Page 1 of 1

	Before Transaction June 30, 2018
Operating Activities:	
Net income	\$ 512,420
Adjustments to reconcile net income to cash provided by operating activities:	
Depreciation and amortization	721,831
Nuclear fuel amortization	119,653
Deferred income taxes	143,449
Amortization of investment tax credits	(1,638)
Allowance for equity funds used during construction	(30,457)
Loss on Monticello life cycle management/extended power uprate proj	-
Provision for bad debts	15,683
Net realized and unrealized hedging and derivative transactions	(1,308)
Other, net	(1,174)
Changes in operating assets and liabilities:	
Accounts receivable	(22,842)
Accrued unbilled revenues	(32,269)
Inventories	32,833
Other current assets	90,554
Accounts payable	32,680
Net regulatory assets and liabilities	4,722
Other current liabilities	(82,982)
Pension and other employee benefits	(58,326)
Change in other noncurrent assets	9,239
Change in other noncurrent liabilities	(40,091)
Net cash provided by operating activities	<u>1,411,977</u>
Investing activities:	
Utility capital/construction expenditures	(972,379)
Proceeds from insurance recoveries	-
Allowance for equity funds used during construction	30,457
Purchases of investments in external decommissioning fund	(1,695,808)
Proceeds from sale of investments in external decommissioning fund	1,675,437
Investments in utility money pool arrangement	(557,000)
Repayments from utility money pool arrangement	557,000
Advances to affiliates	-
Advances from affiliates	-
Change in restricted cash	-
Other, net	(1,484)
Net cash used in investing activities	<u>(963,777)</u>
Financing activities:	
Proceeds from short-term borrowings - net	(83,000)
Borrowings under utility money pool arrangement	504,000
Repayments under utility money pool arrangement	(533,000)
Proceeds from issuance of long-term debt	585,248
Repayment of long-term debt, including reacquisition premiums	(507,874)
Borrowings under 5-year unsecured credit facility	-
Repayments under 5-year unsecured credit facility	-
Capital contributions from parent	105,138
Dividends paid to parent	(514,724)
Other, net	(68)
Net cash provided by financing activities	<u>(444,280)</u>
Net increase in cash and cash equivalents	3,920
Cash and cash equivalents at beginning of period	28,166
Cash and cash equivalents at end of period	<u>\$ 32,086</u>

**2019 CAPITAL STRUCTURE FINANCING ASSUMPTIONS
AND CAPITAL REQUIREMENTS**

NORTHERN STATES POWER COMPANY - MINNESOTA

2019 Capital Structure Financing Assumptions

(\$ in Thousands)

Sources:	Jul-Dec 2018	Jan-Dec 2019
<u>Financings: Long Term</u>		
Equity Infusions	\$81,000	\$606,000
Long-Term Debt Issuances	\$0	\$700,000 a)
Subtotal	<u>\$81,000</u>	<u>\$1,306,000</u>
<u>Uses:</u>		
<u>Retirements/Redemptions</u>		
Long-Term Debt	\$0	\$0
Subtotal	<u>\$0</u>	<u>\$0</u>
<u>Net Financings</u>		
Equity Infusions	\$81,000	\$606,000 b)
Long-Term Debt	\$0	\$700,000
Total	<u>\$81,000</u>	<u>\$1,306,000</u>
<u>Uses:</u>		
<u>2019 Utility Capital Requirements</u>		<u>Millions</u> c)
Energy Supply		\$1,233
Nuclear		\$179
Distribution		\$340
Transmission		\$96
Other		\$143
Total-NSP Minnesota		<u>\$1,991</u>
<u>Short-Term Debt/Internal Funds</u>		<u>\$685 d)</u>

(a) The Company forecasts a bond issue in 2nd Quarter 2019 of up to \$700 million.

(b) To maintain target capital structure ratios, the Company receives planned equity infusions from its parent company, Xcel Energy Inc.

(c) 3rd qtr 2018 Budget Information (greater detail provided in Attachment N).

(d) Capital expenditures will be financed with a combination of the \$1,306 million net financings, and \$685 million short-term debt/internal funds.

Please see Attachment M for monthly forecast source and use, and Attachment N for capital expenditure detail.

Northern States Power Company - Minnesota

Issuance and Use of Funds from the Prior Year (2017)

Comments:

- 1) In 2017 the Company issued \$600 million of FMBs.
- 2) The Company received \$148 million in equity from its parent during 2017.
This equity is used to re-balance the capital structure to maintain its target equity ratio, repay short term debt and fund utility capital expenditures.
- 3) The Company retired \$500 million 5.25% in 2017.
- 4) The Company spent approximately \$946 million on capital expenditures in 2017.
- 5) The Company used approximately \$698 million internal funds/short-term debt to help finance capital expenditures.

\$Millions	2017
Financings	Year
<u>Issuance: Long Term Financings</u>	
1) Long-Term Debt Issuances	\$600.0
2) Equity Infusions	<u>\$148.0</u>
Subtotal	\$748.0
<u>Use: Retirements/Redemptions</u>	
3) Long-Term Debt	\$500.0
<u>Net Financings</u>	\$248.0
<u>2017 Utility Capital Requirements</u>	
Energy Supply	\$126
Nuclear	\$252
Distribution	\$310
Transmission	\$119
Other	<u>\$139</u>
4) Total-NSP Minnesota	\$946
5) Short-Term Debt/Internal Funds	<u>\$698</u>

REPORT ON ACTUAL ISSUANCES

- **There were no NSPM bond offerings during 2018, however the Company filed a registration statement on Form S-3**

Attachments Include:

- 1. April 2018 Registration Statement**
- 2. Supplemental Indenture – None**
- 3. Prospectus Supplement – None**
- 4. Bond Issuance Market Information – None**

Registration Statement

April 18, 2018

As filed with the Securities and Exchange Commission on April 18, 2018

Registration No. 333-

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

**FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

Xcel Energy Inc.	Northern States Power Company	Northern States Power Company	Public Service Company of Colorado	Southwestern Public Service Company
(Exact name of registrant as specified in its charter)				
Minnesota	Minnesota	Wisconsin	Colorado	New Mexico
	(State or other jurisdiction of incorporation or organization)			
41-0448030	41-1967505	39-0508315	84-0296600	75-0575400
	(I.R.S. Employer Identification Number)			
414 Nicollet Mall Minneapolis, Minnesota 55401 (612) 330-5500	414 Nicollet Mall Minneapolis, Minnesota 55401 (612) 330-5500	1414 W. Hamilton Avenue Eau Claire, Wisconsin 54701 (715) 839-2625	1800 Larimer Street, Suite 1100 Denver, Colorado 80202 (303) 571-7511	790 South Buchanan Street Amarillo, Texas 79101 (303) 571-7511
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)				

Scott M. Wilensky
Executive Vice President and General Counsel
Xcel Energy Inc.
414 Nicollet Mall
Minneapolis, Minnesota 55401
(Name, address, including zip code, and telephone numbers, including area code, of agent for service)

Copy to:
Robert J. Joseph
Jones Day
77 West Wacker Drive
Chicago, Illinois 60601
(312) 782-3939

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this registration statement as determined by market conditions and other factors.

If the only securities being registered on this form are being offered pursuant to dividend or interest reinvestment plans, check the following box.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Xcel Energy Inc.	Large accelerated filer <input checked="" type="checkbox"/>	Accelerated filer <input type="checkbox"/>
	Non-accelerated filer <input type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
	(Do not check if a smaller reporting company)	Emerging growth company <input type="checkbox"/>
Northern States Power Company (a Minnesota corporation)	Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
	(Do not check if a smaller reporting company)	Emerging growth company <input type="checkbox"/>
Northern States Power Company (a Wisconsin corporation)	Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
	(Do not check if a smaller reporting company)	Emerging growth company <input type="checkbox"/>
Public Service Company of Colorado	Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
	(Do not check if a smaller reporting company)	Emerging growth company <input type="checkbox"/>
Southwestern Public Service Company	Large accelerated filer <input type="checkbox"/>	Accelerated filer <input type="checkbox"/>
	Non-accelerated filer <input checked="" type="checkbox"/>	Smaller reporting company <input type="checkbox"/>
	(Do not check if a smaller reporting company)	Emerging growth company <input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act.

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per security	Proposed maximum aggregate offering	Amount of registration fee ⁽¹⁾
Senior Debt Securities, Subordinated Debt Securities, Junior Subordinated Debt Securities, Common Stock (par value \$2.50 per share), Preferred Stock (par value \$100.00 per share), Depositary Shares, Warrants, Rights, Purchase Contracts and Units of Xcel Energy Inc.				
First Mortgage Bonds and Senior Unsecured Debt Securities of Northern States Power Company (a Minnesota corporation)				
First Mortgage Bonds and Senior Unsecured Debt Securities of Northern States Power Company (a Wisconsin corporation)				
First Mortgage Bonds and Senior Unsecured Debt Securities of Public Service Company of Colorado				
First Mortgage Bonds and Senior Unsecured Debt Securities of Southwestern Public Service Company				
Total ⁽¹⁾				

(1) An unspecified aggregate initial offering price and number or amount of the securities of each identified class is being registered as may from time to time be sold at unspecified prices. Separate consideration may or may not be received for securities that are issuable on exercise, conversion or exchange of other securities. The securities registered also include such unspecified amounts and numbers of common stock and debt securities as may be issued upon conversion of or exchange for debt securities that provide for conversion or exchange, or pursuant to the anti-dilution provisions of any such debt securities. Pursuant to Rule 416 under the Securities Act, the shares being registered hereunder include such indeterminate number of shares of common stock as may be issuable with respect to the shares being registered hereunder as a result of stock splits, stock dividends or similar transactions. The registrants are relying on Rule 456(b) and Rule 457(r) under the Securities Act to defer payment of all of the registration fee.

Explanatory Note

This registration statement contains five (5) separate prospectuses:

1. The first prospectus relates to the offering by Xcel Energy Inc. of its senior debt securities, subordinated debt securities, junior subordinated debt securities, common stock, preferred stock, depositary shares, warrants, rights, purchase contracts and units.

2. The second prospectus relates to the offering by Northern States Power Company (a Minnesota corporation), a wholly owned subsidiary of Xcel Energy Inc., of its first mortgage bonds and senior unsecured debt securities.

3. The third prospectus relates to the offering by Northern States Power Company (a Wisconsin corporation), a wholly owned subsidiary of Xcel Energy Inc., of its first mortgage bonds and senior unsecured debt securities.

4. The fourth prospectus relates to the offering by Public Service Company of Colorado, a wholly owned subsidiary of Xcel Energy Inc., of its first mortgage bonds and senior unsecured debt securities.

5. The fifth prospectus relates to the offering by Southwestern Public Service Company, a wholly owned subsidiary of Xcel Energy Inc., of its first mortgage bonds and senior unsecured debt securities.

This combined registration statement is separately filed by Xcel Energy Inc., Northern States Power Company, a Minnesota corporation, Northern States Power Company, a Wisconsin corporation, Public Service Company of Colorado and Southwestern Public Service Company. The registration statement of each of the respective registrants consists of the registrant's prospectus (including the documents incorporated therein by reference) and the information set forth in Part II of this registration statement that is applicable to such registrant. Each registrant makes no representation as to, nor takes any responsibility for, the information relating to the other registrants set forth herein or incorporated herein by reference.

PROSPECTUS

Xcel Energy Inc.

414 Nicollet Mall
Minneapolis, Minnesota 55401
(612) 330-5500

Senior Debt Securities
Subordinated Debt Securities
Junior Subordinated Debt Securities
Common Stock
Preferred Stock
Depository Shares
Warrants
Rights
Purchase Contracts
Units

We may offer and sell from time to time, in one or more offerings, together or separately, any combination of the securities listed above and described in this prospectus. We may offer and sell these securities to or through one or more underwriters, dealers and/or agents, or directly to purchasers, on a continuous or delayed basis.

This prospectus describes some of the general terms that may apply to the securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be described in a supplement to this prospectus. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

Our common stock trades on the Nasdaq Stock Market LLC under the symbol "XEL."

You should carefully consider the risk factors set forth in the applicable prospectus supplement and certain of our filings with the Securities and Exchange Commission before making any decision to invest in any of the securities described in this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 18, 2018.

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ABOUT THIS PROSPECTUS

This document is called a “prospectus” and it provides you with a general description of the securities we may offer. Each time we sell securities under this prospectus, we will provide a prospectus supplement containing specific information about the terms of the securities being offered. That prospectus supplement may include a discussion of any risk factors or other special considerations that apply to those securities. The prospectus supplement may also add, update or change the information in this prospectus. If there is any inconsistency between the information in this prospectus and in the prospectus supplement, you should rely on the information in the prospectus supplement. You should read this prospectus and the applicable prospectus supplement together with the additional information described under the caption “Where You Can Find More Information.” We may also prepare free writing prospectuses that describe particular securities. Any free writing prospectus should also be read in connection with this prospectus and with the prospectus supplement referred to therein. For purposes of this prospectus, any reference to an applicable prospectus supplement may also refer to a free writing prospectus, unless the context otherwise requires.

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the “SEC,” using a shelf registration process. By using this process, we may, from time to time, sell any combination of the securities described in this prospectus in one or more offerings. We may offer any of the following securities: senior debt securities, subordinated debt securities, or junior subordinated debt securities, each of which may be convertible into our common stock, common stock, preferred stock, depository shares, warrants, rights, purchase contracts and units. As permitted by SEC rules, this prospectus does not contain all of the information included in the registration statement and the accompanying exhibits and schedules we filed with the SEC. You should read the registration statement and the related exhibits and schedules for more information about us and our securities. The registration statement and the related exhibits and schedules can be read at the SEC’s website or at the SEC’s offices. The SEC’s website and street addresses are provided under the caption “Where You Can Find More Information.”

The distribution of this prospectus and the applicable prospectus supplement and the offering of the securities in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus and the applicable prospectus supplement come should inform themselves about and observe any such restrictions. This prospectus and the applicable prospectus supplement do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offering or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

This prospectus, the applicable prospectus supplement and any free writing prospectus that we prepare or authorize contain and incorporate by reference information that you should consider when making your investment decision. No one is authorized to provide you with information different from that which is contained, or deemed to be contained, in this prospectus and applicable prospectus supplement. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or the documents incorporated by reference is accurate as of any date other than the date on the front of those documents.

Unless otherwise specified or unless the context requires otherwise, all references in this prospectus to “Xcel Energy,” “we,” “us,” “our,” and “the Company” or similar terms refer to Xcel Energy Inc.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports, proxy statements and other information with the SEC. Our SEC filings are available to the public on the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room.

The SEC allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference our Annual Report on Form 10-K for the year ended December 31, 2017 and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, from the date of the prospectus until we sell all of the securities (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules).

Our common stock is described under "Description of Common Stock" included herein.

We will provide, without charge, to each person, including any beneficial owner of our securities to whom this prospectus is delivered, upon written or oral request, a copy of any or all documents referred to above that have been incorporated by reference into this prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may request these documents from:

Attn: Corporate Secretary
Xcel Energy Inc.
414 Nicollet Mall
Minneapolis, MN 55401
(612) 330-5500

OUR COMPANY

We are a public utility holding company with four utility subsidiaries: (i) Northern States Power Company, a Minnesota corporation, which provides electric utility service to approximately 1.5 million customers in Minnesota, North Dakota and South Dakota and natural gas utility service to approximately 0.5 million customers in Minnesota and North Dakota; (ii) Northern States Power Company, a Wisconsin corporation, which provides electric utility service to approximately 259,000 customers and natural gas utility service to approximately 114,000 customers in northwestern Wisconsin and the western portion of the Upper Peninsula of Michigan; (iii) Public Service Company of Colorado, a Colorado corporation, which provides electric utility service to approximately 1.5 million customers and natural gas utility service to approximately 1.4 million customers in Colorado; and (iv) Southwestern Public Service Company, a New Mexico corporation, which provides electric utility service to approximately 390,000 retail customers in Texas and New Mexico.

We were incorporated in 1909 under the laws of Minnesota. Our principal executive offices are located at 414 Nicollet Mall, Minneapolis, Minnesota 55401, and our telephone number at that location is (612) 330-5500. Our web site is www.xcelenergy.com. Except for documents incorporated by reference into this prospectus, no information contained in, or that can be accessed through, our web site is to be considered as part of this prospectus.

RISK FACTORS

Investing in our securities involves certain risks. You are urged to carefully read and consider the risk factors relating to an investment in our securities described in our annual, quarterly and current reports filed with the SEC under the Securities Exchange Act of 1934, as amended, which are incorporated by reference into this prospectus. Before making an investment decision, you should carefully consider these risks, as well as any other information that we include or incorporate by reference in this prospectus or any prospectus supplement. The prospectus supplement applicable to each type or series of securities we offer may contain a discussion of additional risks applicable to an investment in our securities and the particular type of securities we are offering under that prospectus supplement.

USE OF PROCEEDS

Unless otherwise set forth in a prospectus supplement, we intend to add the net proceeds from the sale of the securities described in this prospectus to our general funds and use those proceeds for general corporate purposes, which may include the funding of our operating units and subsidiaries, the repayment of indebtedness, working capital, capital expenditures and acquisitions. The specific allocation of the proceeds of a particular series of the securities will be described in the prospectus supplement.

RATIO OF CONSOLIDATED EARNINGS TO CONSOLIDATED FIXED CHARGES AND RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

The following table sets forth the ratio of our consolidated earnings to consolidated fixed charges for the periods indicated. As of the date of this prospectus, we have no preferred stock outstanding and accordingly, the ratio of consolidated earnings to combined fixed charges and preferred stock dividends is equal to the ratio of consolidated earnings to consolidated fixed charges and is not disclosed separately.

	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Ratio of consolidated earnings to consolidated fixed charges	3.3	3.3	3.2	3.3	3.1

For purposes of computing the ratio of consolidated earnings to consolidated fixed charges, (1) earnings consist of pre-tax income from continuing operations before adjustment for income or loss from equity investees plus fixed charges and distributed income of equity investees; and (2) fixed charges consist of interest on long-term debt, other interest charges, the interest component on leases and amortization of debt discount, premium and expense.

DESCRIPTION OF SENIOR DEBT SECURITIES

The description below contains summaries of selected provisions of the indenture, including supplemental indentures, under which the senior debt securities (referred to herein as “senior debt securities”) may be issued. These summaries are not complete. The indenture and the form of the supplemental indenture applicable to the senior debt securities have been filed as exhibits to the registration statement. You should read them for provisions that may be important to you. In the summaries below, we have included references to section numbers of the indenture so that you can easily locate these provisions.

We are not required to issue future issues of senior indebtedness under the senior indenture described in this prospectus. We are free to use other indentures or documentation, containing provisions different from those described in this prospectus, in connection with future issues of other senior indebtedness not under this registration statement.

The senior debt securities will be represented either by global senior debt securities registered in the name of The Depository Trust Company, or “DTC,” as depository, or “Depository,” or its nominee, or by securities in certificated form issued to the registered owners, as described in the applicable prospectus supplement. See the information under the heading “Book-Entry System” in this prospectus.

General

The senior debt securities will be issued in one or more new series under an indenture dated as of December 1, 2000 between us and Wells Fargo Bank, National Association, as trustee (the “Senior Debt Trustee”). This indenture, as previously supplemented by supplemental indentures and as may be supplemented by a new supplemental indenture for additional series of debt securities, is referred to in this prospectus as the “Senior Indenture.” As of December 31, 2017, there were seven series of senior debt securities in an aggregate principal amount of \$2.9 billion outstanding under the Senior Indenture.

The holders of the outstanding senior debt securities do not, and, unless the supplemental indenture that describes a particular series of senior debt securities provides otherwise with respect to that series, the holders of any senior debt securities offered by this prospectus will not, have the right to require us to repurchase the senior debt securities if we become involved in a highly leveraged or change in control transaction. The Senior Indenture does not have any provision that is designed specifically in response to highly leveraged or change in control transactions.

The senior debt securities will be our unsecured and unsubordinated obligations. The senior debt securities will rank on a parity in right of payment with all of our existing and future unsecured and unsubordinated indebtedness and will rank senior to any of our subordinated indebtedness. As of December 31, 2017, we have no junior subordinated debt outstanding and our aggregate unsecured and unsubordinated indebtedness was approximately \$2.9 billion. The senior debt securities will be subordinated to any of our secured indebtedness, as to the assets securing such indebtedness. As of December 31, 2017, we had no secured indebtedness.

In addition, the senior debt securities will be effectively subordinated to all existing and future liabilities of our subsidiaries. We are a holding company and conduct business through our various subsidiaries. As a result, our cash flow and consequent ability to meet our debt obligations primarily depend on the earnings of our subsidiaries, and on dividends and other payments from our subsidiaries. Under certain circumstances, contractual and legal restrictions, as well as the financial condition and operating requirements of our subsidiaries, could limit our ability to obtain cash from our subsidiaries for the purpose of meeting debt service obligations, including the payment of principal and interest on the senior debt securities. Any rights to receive assets of any subsidiary upon its liquidation or reorganization and the consequent right of the holders of the senior debt securities to participate in those assets will be subject to the claims of that subsidiary’s creditors, including trade creditors, except to the extent that we are recognized as a creditor of that subsidiary, in which

case our claims would still be subordinate to any security interests in the assets of that subsidiary. As of December 31, 2017, our subsidiaries had approximately \$27.7 billion of indebtedness and other liabilities outstanding.

The amount of securities that we may issue under the Senior Indenture is not limited. We are not required to issue all senior debt securities of one series at the same time and, unless we indicate otherwise in the applicable prospectus supplement, we may reopen a series for issuances of additional senior debt securities of that series without the consent of the holders of the senior debt securities of that series.

We may also sell hybrid or novel securities now existing or developed in the future that combine certain features of the senior debt securities and other securities described in this prospectus.

When we offer to sell a particular series of senior debt securities, we will describe the specific terms of that series in a prospectus supplement relating to that series, including the following terms:

- the title, aggregate principal amount and offering price of that series of senior debt securities;
- the interest rate or rates, or method of calculation of such rate or rates, on that series, and the date from which the interest will accrue;
- the dates on which interest will be payable;
- the record dates for payments of interest;
- the date on which the senior debt securities of that series will mature;
- any redemption terms;
- the period or periods within which, the price or prices at which and the terms and conditions upon which the senior debt securities of that series may be repaid, in whole or in part, at the option of the holder thereof;
- any changes to events of default or covenants; and
- other specific terms applicable to the senior debt securities of that series.

Any special U.S. federal income tax considerations applicable to senior debt securities sold at an original issue discount and any special U.S. federal income tax or other considerations applicable to any senior debt securities which are denominated in currencies other than U.S. dollars will be described in the prospectus supplement relating to that series of senior debt securities.

Unless we indicate otherwise in the applicable prospectus supplement, the senior debt securities will be denominated in U.S. dollars in minimum denominations of \$1,000 and integral multiples thereof.

Registration, Transfer and Exchange

Senior debt securities of any series may be exchanged for other senior debt securities of the same series of any authorized denominations and of a like aggregate principal amount, series and stated maturity and having the same terms and original issue date or dates. (Section 2.6 of the Senior Indenture).

Unless we indicate otherwise in the applicable prospectus supplement, senior debt securities may be presented for registration of transfer (duly endorsed or accompanied by a duly executed written instrument of transfer), at the office of the Senior Debt Trustee maintained for that purpose with respect to any series of senior debt securities and referred to in the applicable prospectus supplement, without service charge and upon payment of any taxes and other governmental charges as described in the Senior Indenture. Any transfer or exchange will be effected if the senior debt securities are duly endorsed by, or accompanied by a written instrument or instruments of transfer in a form satisfactory to the Company and the Senior Debt Trustee and duly executed by the holder of the senior debt security as described in the Senior Indenture. (Section 2.6 of the Senior Indenture).

The Senior Debt Trustee will not be required to exchange or register a transfer of any senior debt securities of a series selected, called or being called for redemption except, in the case of any senior debt security to be redeemed in part, the portion thereof not to be so redeemed. (Section 2.6 of the Senior Indenture). See the information under the heading “Book-Entry System” in this prospectus.

Payment and Paying Agents

Principal, interest and premium, if any, on senior debt securities issued in the form of global senior debt securities will be paid in the manner described below under the heading “Book-Entry System.” Unless we indicate otherwise in the applicable prospectus supplement, interest on senior debt securities that are in the form of certificated senior debt securities will be paid by check mailed to the holder at that person’s address as it appears in the register for the senior debt securities maintained by the Senior Debt Trustee; however, a holder of \$10,000,000 or more senior debt securities having the same interest payment dates will be entitled to receive payments of interest by wire transfer to a bank within the continental United States if appropriate wire transfer instructions have been received by the Senior Debt Trustee on or prior to the applicable record date. (Section 2.12 of the Senior Indenture). Unless we indicate otherwise in the applicable prospectus supplement, the principal, interest at maturity and premium, if any, on senior debt securities in the form of certificated senior debt securities will be payable in immediately available funds at the office of the Senior Debt Trustee. (Section 2.12 of the Senior Indenture).

All monies paid by us to a paying agent for the payment of principal, interest or premium, if any, on any senior debt security which remain unclaimed at the end of two years after that principal, interest or premium has become due and payable will be repaid to us and the holder of that senior debt security will thereafter look only to us for payment of that principal, interest or premium. (Section 4.4 of the Senior Indenture).

Events of Default and Remedies

The following constitute events of default under the Senior Indenture:

- default in the payment of principal and premium, if any, on any security issued under the Senior Indenture when due and payable and continuance of that default for 5 days;
- default in the payment of interest on any security issued under the Senior Indenture when due and continuance of that default for 30 days;
- default in the performance or breach of our other covenants or warranties in the securities or in the Senior Indenture and the continuation of that default or breach for 90 days after written notice to us as provided in the Senior Indenture; and
- specified events of bankruptcy, insolvency or reorganization of our company.

(Section 7.1 of the Senior Indenture).

Acceleration of Maturity. If an event of default occurs and is continuing, either the Senior Debt Trustee or the holders of a majority in principal amount of the outstanding senior debt securities may declare the principal amount of all senior debt securities to be due and payable immediately. At any time after an acceleration of the securities has been declared, but before a judgment or decree of the immediate payment of the principal amount of the securities has been obtained, if we pay or deposit with the Senior Debt Trustee a sum sufficient to pay all matured installments of interest and the principal and any premium which has become due otherwise than by acceleration and all defaults have been cured or waived, then that payment or deposit will cause an automatic rescission and annulment of the acceleration of the securities. (Section 7.1 of the Senior Indenture).

Indemnification of Senior Debt Trustee. The Senior Debt Trustee generally will be under no obligation to exercise any of its rights or powers under the Senior Indenture at the request or direction of any of the holders unless such holders have offered reasonable security or indemnity to the Senior Debt Trustee. (Section 8.2 of the Senior Indenture).

Right to Direct Proceedings. The holders of a majority in principal amount of the outstanding securities generally will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Senior Debt Trustee, or of exercising any trust or power conferred on the Senior Debt Trustee, relating to the securities. However, the Senior Debt Trustee may refuse to follow any direction that conflicts with law or the Senior Indenture or would expose the Senior Debt Trustee to personal liability or be unduly prejudicial to holders not joining in such proceeding. (Section 7.7 of the Senior Indenture).

Limitation on Rights to Institute Proceedings. No holder of the senior debt securities of a series will have any right to pursue a remedy under the Senior Indenture, unless:

- the holder has previously given the Senior Debt Trustee written notice of a continuing event of default on the series;
- the holders of at least a majority in principal amount of the outstanding securities affected by such event of default have made written request, and the holder or holders have offered indemnity satisfactory to the Senior Debt Trustee to pursue the remedy; and
- the Senior Debt Trustee has failed to comply with the request within 60 days after the request and offer.

(Section 7.4 of the Senior Indenture).

No Impairment of Right to Receive Payment. Notwithstanding any other provision of the Senior Indenture, the holder of any senior debt security will have the absolute and unconditional right to receive payment of the principal, premium, if any, and interest on that senior debt security when due, and to institute suit for enforcement of that payment. This right may not be impaired without the consent of the holder. (Section 7.4 of the Senior Indenture).

Notice of Default. The Senior Debt Trustee is required to give the holders notice of the occurrence of a default within 90 days of the default, unless the default is cured or waived. Except in the case of a payment default on the senior debt securities, or a default in the payment of any sinking or purchase fund installments, the Senior Debt Trustee may withhold the notice if its board of directors or trustees, executive committee, or a trust committee of directors or trustees or responsible officers determines in good faith that it is in the interest of holders to do so. (Section 7.8 of the Senior Indenture). We are required to deliver to the Senior Debt Trustee each year a certificate as to whether or not we are in compliance with the conditions and covenants under the Senior Indenture. (Section 5.5 of the Senior Indenture).

Modification

Unless we indicate otherwise in the applicable prospectus supplement, we and the Senior Debt Trustee may modify and amend the Senior Indenture from time to time.

We will not need the consent of the holders for the following types of amendments:

- curing any ambiguity, or curing, correcting or supplementing any defective or inconsistent provision or supplying an omission arising under the Senior Indenture;
- changing or eliminating any of the provisions of the Senior Indenture, provided that any such change or elimination is to become effective only when:
 - there is no outstanding security created prior to the execution of the supplemental indenture that is entitled to receive the benefit of this provision; or
 - this change or elimination is applicable only to securities issued after the date this change or elimination becomes effective;
- establishing the form of the securities or establishing or reflecting any terms of any security as provided in the Senior Indenture;

- evidencing our successor corporation and the assumption by our successor of our covenants in the Senior Indenture and in the securities;
- granting to or conferring upon the Senior Debt Trustee any additional rights, remedies, powers or authority for the benefit of the holders of the securities;
- permitting the Senior Debt Trustee to comply with any duties imposed upon it by law;
- specifying further the duties and responsibilities of the Senior Debt Trustee, any authenticating agent and any paying agent and defining further the relationships among the Senior Debt Trustee, authenticating agent and paying agent;
- adding to our covenants for the benefit of the holders of the securities or surrendering a right given to us in the Senior Indenture;
- adding security for the securities; or
- making any other change that is not prejudicial to the Senior Debt Trustee or the holders of the securities.

(Section 12.1 of the Senior Indenture).

We will need the consent of the holders of each outstanding security affected by a proposed amendment if the amendment would cause any of the following to occur:

- a change in the maturity date, reduction of the interest rate, or extension of the time of payment of interest, of any security;
- a reduction in the principal amount of any security or the premium payable on any security;
- a change in the currency of any payment of principal, premium or interest on any security;
- a change in date on which any security may be redeemed or repaid at the option of the holder;
- an impairment of the right of a holder to institute suit for the enforcement of any payment relating to any security;
- a reduction in the percentage of outstanding securities necessary to consent to the modification or amendment of the Senior Indenture; or
- a modification of these requirements or a reduction to less than a majority of the percentage of outstanding securities necessary to waive events of default.

(Section 12.2 of the Senior Indenture).

Amendments other than those described in the above two paragraphs will require the approval of a majority in principal amount of the outstanding securities.

Conversion Rights

Any supplemental indenture establishing a series of senior debt securities may provide for conversion rights. We will describe in the applicable prospectus supplement the particular terms and conditions, if any, on which senior debt securities may be convertible into other securities. These terms will include the conversion rate, the conversion period, provisions as to whether conversion will be mandatory or at our option or the option of the holder, events requiring an adjustment of the conversion rate and provisions affecting conversion in the event of the redemption of the debt securities. If we issue convertible debt securities, we will need to supplement the indenture to add applicable provisions regarding conversion.

Defeasance and Discharge

We may be discharged from all obligations relating to the senior debt securities and the Senior Indenture (except for specified obligations such as obligations to register the transfer or exchange of securities, replace stolen, lost or mutilated securities and maintain paying agencies) if we irrevocably deposit with the Senior Debt Trustee, in trust for the benefit of holders of securities, money or U.S. government obligations (or any combination thereof) sufficient to make all payments of principal, premium and interest on the securities on the dates those payments are due. To discharge these obligations, we must deliver to the Senior Debt Trustee an opinion of counsel that the holders of the securities will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance or discharge of the Senior Indenture. Upon any discharge of our obligations as described above, we will be deemed to have paid and discharged our entire indebtedness represented by the senior debt securities and our obligations under the senior debt securities. (Section 4.1 of the Senior Indenture).

Consolidation, Merger and Sale of Assets; No Financial Covenants

We will not consolidate with or merge into any other corporation or sell, or otherwise dispose all or substantially all of our assets unless the successor or transferee corporation assumes by supplemental indenture our obligations to pay the principal, interest and premium on all the securities and our obligation to perform every covenant of the Senior Indenture that we are to perform or observe, and we or the successor or transferee corporation, as applicable, are not immediately following such consolidation or merger, or sale, or disposition in default in the performance of any such covenant. Upon any consolidation or merger, or any sale, transfer or other disposition of all or substantially all of our assets, the successor or transferee corporation will succeed to, and be substituted for, and may exercise all of our rights and powers under the Senior Indenture with the same effect as if the successor corporation had been named as us in the Senior Indenture and we will be released from all obligations under the Senior Indenture. Regardless of whether a sale or transfer of assets might otherwise be considered a sale of all or substantially all of our assets, the Senior Indenture also specifically permits any sale, transfer or conveyance of our non-utility subsidiaries if, following such sale or transfer, the securities are rated by Standard & Poor's Ratings Group and Moody's Investors Service, Inc. at least as high as the ratings accorded the securities immediately prior to the sale, transfer or disposition. (Sections 11.1 and 11.2 of the Senior Indenture).

The Senior Indenture does not contain any financial or other similar restrictive covenants.

Resignation or Removal of Senior Debt Trustee

The Senior Debt Trustee may resign at any time by notifying us in writing and specifying the day that the resignation is to take effect. The resignation will not take effect, however, until the later of the appointment of a successor trustee and the day the resignation is to take effect. (Section 8.10 of the Senior Indenture).

The holders of a majority in principal amount of the outstanding securities may remove the Senior Debt Trustee at any time. In addition, so long as no event of default or event which, with the giving of notice or lapse of time or both, would become an event of default has occurred and is continuing, we may remove the Senior Debt Trustee upon notice to the holder of each security outstanding and written notice to the Senior Debt Trustee. (Section 8.10 of the Senior Indenture).

Governing Law

The Senior Indenture and the senior debt securities will be governed by, and will be construed in accordance with, the laws of the State of Minnesota.

Concerning the Senior Debt Trustee

Wells Fargo Bank, National Association is the Senior Debt Trustee. We maintain banking relationships with the Senior Debt Trustee in the ordinary course of business. The Senior Debt Trustee also acts as trustee for our junior subordinated debt securities and certain debt securities of our subsidiaries.

DESCRIPTION OF SUBORDINATED DEBT SECURITIES

We may issue subordinated debt securities (other than the junior subordinated debt securities (as defined below under “Description of Junior Subordinated Debt Securities” in this prospectus)), in one or more series, under one or more subordinated indentures. The description below contains summaries of selected provisions of the indenture under which the subordinated debt securities may be issued. These summaries are not complete. The form of subordinated indenture and the form of the supplemental indenture applicable to the subordinated debt securities have been filed as exhibits to the registration statement. You should read them for provisions that may be important to you. In the summaries below, we have included references to section numbers of the subordinated indenture so that you can easily locate these provisions.

We are not required to issue future issues of subordinated indebtedness under the subordinated indenture described in this prospectus. We are free to use other indentures or documentation, containing provisions different from those described in this prospectus, in connection with future issues of other subordinated indebtedness not under this registration statement.

The subordinated debt securities will be represented either by global subordinated debt securities registered in the name of the Depository or its nominee, or by securities in certificated form issued to the registered owners, as set forth in the applicable prospectus supplement. See the information under the heading “Book-Entry System” in this prospectus.

General

The subordinated debt securities will be issued in one or more new series under a subordinated indenture to be entered into between us and a trustee to be named therein, as trustee (the “Subordinated Trustee”). This subordinated indenture, as it may be supplemented by a supplemental indenture for each series of subordinated debt securities, is referred to in this prospectus as the “Subordinated Indenture.” As of December 31, 2017, we have no subordinated debt securities outstanding under the Subordinated Indenture.

The subordinated debt securities will be our unsecured obligations and will rank senior to any of our junior subordinated indebtedness and will rank junior in right of payment to our Senior Indebtedness, as described under the caption “—Subordination”. As of December 31, 2017, our outstanding Senior Indebtedness (as defined below) was approximately \$2.9 billion.

In addition, the subordinated debt securities will be effectively subordinated to all existing and future liabilities of our subsidiaries, including trade creditors, debtholders, secured creditors, taxing authorities, guarantee holders and any preferred stockholders. We are a holding company and conduct business through our various subsidiaries. As a result, our cash flow and consequent ability to meet our debt obligations primarily depend on the earnings of our subsidiaries, and on dividends and other payments from our subsidiaries. Under certain circumstances, contractual and legal restrictions, as well as the financial condition and operating requirements of our subsidiaries, could limit our ability to obtain cash from our subsidiaries for the purpose of meeting debt service obligations, including the payment of principal and interest on the subordinated debt securities. Any rights to receive assets of any subsidiary upon its liquidation or reorganization and the consequent right of the holders of the subordinated debt securities to participate in those assets will be subject to the claims of that subsidiary’s creditors, including trade creditors, except to the extent that we are recognized as a creditor of that subsidiary, in which case our claims would still be subordinate to any security interests in the assets of that subsidiary. As of December 31, 2017, our subsidiaries had approximately \$27.7 billion of indebtedness and other liabilities outstanding.

Unless the supplemental indenture that describes a particular series of subordinated debt securities provides otherwise with respect to that series, the holders of any subordinated debt securities offered by this prospectus will not have the right to require us to repurchase the subordinated debt securities if we become involved in a highly leveraged or change in control transaction. The Subordinated Indenture does not have any provision that is designed specifically in response to highly leveraged or change in control transactions.

The amount of subordinated debt securities that we may issue under the Subordinated Indenture is not limited. We are not required to issue all subordinated debt securities of one series at the same time and, unless we indicate otherwise in the applicable prospectus supplement, we may reopen a series for issuances of additional subordinated debt securities of that series without the consent of the holders of the subordinated debt securities of that series.

We may also sell hybrid or novel securities now existing or developed in the future that combine certain features of the subordinated debt securities and other securities described in this prospectus.

When we offer to sell a particular series of subordinated debt securities, we will describe the specific terms of that series in a prospectus supplement relating to that series, including the following terms:

- the title, aggregate principal amount and offering price of that series of subordinated debt securities;
- the interest rate or rates, or method of calculation of such rate or rates, on that series, and the date from which the interest will accrue;
- the dates on which interest will be payable;
- any rights that would allow us to defer or extend an interest payment date;
- the record dates for payments of interest;
- the date on which the subordinated debt securities of that series will mature;
- any redemption terms;
- the period or periods within which, the price or prices at which and the terms and conditions upon which the subordinated debt securities of that series may be repaid, in whole or in part, at the option of the holder thereof;
- any changes to events of default or covenants;
- any changes to subordination provisions; and
- other specific terms applicable to the subordinated debt securities of that series.

Any special U.S. federal income tax considerations applicable to subordinated debt securities sold at an original issue discount and any special U.S. federal income tax or other considerations applicable to any subordinated debt securities which are denominated in currencies other than U.S. dollars will be described in the prospectus supplement relating to that series of subordinated debt securities.

Unless we indicate otherwise in the applicable prospectus supplement, the subordinated debt securities will be denominated in U.S. dollars in minimum denominations of \$1,000 and integral multiples thereof.

Subordination

Each series of subordinated debt securities will be subordinate and junior in right of payment, to the extent set forth in the Subordinated Indenture, to all Senior Indebtedness (as defined below). If:

- we make a payment or distribution of any of our assets to creditors upon our dissolution, winding-up, liquidation or reorganization, whether in bankruptcy, insolvency or otherwise;
- a default in the payment of principal or interest on any Senior Indebtedness has occurred and is continuing; or
- the maturity of any Senior Indebtedness has been accelerated because of a default on that Senior Indebtedness,

then the holders of Senior Indebtedness generally will have the right to receive payment, in the case of the first instance above, of all amounts due or to become due upon that Senior Indebtedness, and, in the case of the second and third instances, of all amounts due on that Senior Indebtedness, or we will make provision for those

payments, before the holders of any subordinated debt securities have the right to receive any payments of principal or interest on their securities. (Sections 14.1 and 14.9 of the Subordinated Indenture).

Unless we indicate otherwise in the applicable prospectus supplement, "Senior Indebtedness" includes the senior debt securities and means, with respect to any series of subordinated debt securities, the principal, premium, interest and any other payment in respect of any of the following, whether outstanding on the date of execution of the Subordinated Indenture or thereafter incurred, other than obligations expressly on a parity with the subordinated debt securities or junior to the subordinated debt securities:

- all of our current and future indebtedness for borrowed or purchase money whether or not evidenced by bonds, debentures, notes or other similar written instruments;
- our obligations under synthetic leases, finance leases and capitalized leases;
- our obligations for reimbursement under letters of credit, banker's acceptances, security purchase facilities or similar facilities issued for our account;
- any of our other indebtedness or obligations with respect to derivative contracts, including commodity contracts, interest rate, commodity and currency swap agreements, forward contracts and other similar agreements or arrangements designed to protect against fluctuations in commodity prices, currency exchange or interest rates; and
- all indebtedness of others of the kinds described in the preceding categories which we have assumed or guaranteed.

Senior Indebtedness will not include trade accounts payable, accrued liabilities arising in the ordinary course of business, indebtedness to our subsidiaries or any indebtedness which is by its terms junior to or on parity with the subordinated debt securities, including the junior subordinated indebtedness issued under the Junior Subordinated Indenture. (Section 1.3 of the Subordinated Indenture.)

Senior Indebtedness will be entitled to the benefits of the subordination provisions in the Subordinated Indenture irrespective of the amendment, modification or waiver of any term of the Senior Indebtedness. We may not amend the Subordinated Indenture to change the subordination of any outstanding subordinated debt securities without the consent of each holder of subordinated debt securities that such amendment would adversely affect. (Sections 12.2 and 14.7 of the Subordinated Indenture.)

The Subordinated Indenture does not limit the amount of subordinated debt securities that we may issue.

Registration, Transfer and Exchange

Subordinated debt securities of any series may be exchanged for other subordinated debt securities of the same series of any authorized denominations and of a like aggregate principal amount, series and stated maturity and having the same terms and original issue date or dates. (Section 2.6 of the Subordinated Indenture).

Unless we indicate otherwise in the applicable prospectus supplement, subordinated debt securities may be presented for registration of transfer (duly endorsed or accompanied by a duly executed written instrument of transfer), at the office of the Subordinated Debt Trustee maintained for that purpose with respect to any series of subordinated debt securities and referred to in the applicable prospectus supplement, without service charge and upon payment of any taxes and other governmental charges as described in the Subordinated Indenture. Any transfer or exchange will be effected if the subordinated debt securities are duly endorsed by, or accompanied by a written instrument or instruments of transfer in a form satisfactory to the Company and the Subordinated Debt Trustee and duly executed by the holder of the subordinated debt security as described in the Subordinated Indenture. (Section 2.6 of the Subordinated Indenture).

The Subordinated Debt Trustee will not be required to exchange or register a transfer of any subordinated debt securities of a series selected, called or being called for redemption except, in the case of any subordinated

debt security to be redeemed in part, the portion thereof not to be so redeemed. (Section 2.6 of the Subordinated Indenture). See the information under the heading “Book-Entry System” in this prospectus.

Payment and Paying Agents

Principal, interest and premium, if any, on subordinated debt securities issued in the form of global subordinated debt securities will be paid in the manner described below under the heading “Book-Entry System.” Unless we indicate otherwise in the applicable prospectus supplement, interest on subordinated debt securities that are in the form of certificated subordinated debt securities will be paid by check mailed to the holder at that person’s address as it appears in the register for the subordinated debt securities maintained by the Subordinated Debt Trustee; however, a holder of \$10,000,000 or more subordinated debt securities having the same interest payment dates will be entitled to receive payments of interest by wire transfer to a bank within the continental United States if appropriate wire transfer instructions have been received by the Subordinated Debt Trustee on or prior to the applicable record date. (Section 2.12 of the Subordinated Indenture). Unless we indicate otherwise in the applicable prospectus supplement, the principal, interest at maturity and premium, if any, on subordinated debt securities in the form of certificated subordinated debt securities will be payable in immediately available funds at the office of the Subordinated Debt Trustee. (Section 2.12 of the Subordinated Indenture).

All monies paid by us to a paying agent for the payment of principal, interest or premium, if any, on any subordinated debt security which remain unclaimed at the end of two years after that principal, interest or premium has become due and payable will be repaid to us and the holder of that subordinated debt security will thereafter look only to us for payment of that principal, interest or premium. (Section 4.4 of the Subordinated Indenture).

Events of Default and Remedies

Unless we provide otherwise in a prospectus supplement, the following will constitute events of default under the Subordinated Indenture with respect to the subordinated debt securities of any series:

- default in the payment of principal and premium, if any, on any security of such series when due and payable and continuance of that default for 5 days;
- default in the payment of interest on any security of such series when due and continuance of that default for 30 days (subject, if applicable, to the right to optionally defer interest payments);
- default in the performance or breach of our other covenants or warranties in the securities of such series or in the Subordinated Indenture (other than a covenant or agreement that has been expressly included in the Subordinated Indenture for the benefit of one or more series of subordinated debt securities other than such series) and the continuation of that default or breach for 90 days after written notice to us as provided in the Subordinated Indenture; and
- specified events of bankruptcy, insolvency or reorganization of our company.

(Section 7.1 of the Subordinated Indenture).

Acceleration of Maturity. If an event of default occurs and is continuing with respect to a series of subordinated debt securities, either the Subordinated Debt Trustee or the holders of at least 25% in principal amount of the outstanding securities of that series may declare the principal amount of all securities of that series to be due and payable immediately. At any time after an acceleration of a series of securities has been declared, but before a judgment or decree of the immediate payment of the principal amount of those securities has been obtained, if:

- holders of a majority in aggregate principal amount of the securities of that series rescind in writing the acceleration; and
- we pay or deposit with the Subordinated Debt Trustee a sum sufficient to pay all matured installments of interest with respect to that series of securities and the principal and any premium which has become due with respect to that series of securities otherwise than by acceleration and all defaults with respect to that series of securities have been cured or waived, then that holders’ rescission and the payment or deposit will cause an automatic rescission and annulment of the acceleration of the securities of that series. (Section 7.1 of the Subordinated Indenture).

Indemnification of Subordinated Debt Trustee. The Subordinated Debt Trustee generally will be under no obligation to exercise any of its rights or powers under the Subordinated Indenture at the request or direction of any of the holders unless such holders have offered reasonable security or indemnity to the Subordinated Debt Trustee. (Section 8.2 of the Subordinated Indenture).

Right to Direct Proceedings. The holders of a majority in principal amount of the outstanding securities of a series generally will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Subordinated Debt Trustee, or of exercising any trust or power conferred on the Subordinated Debt Trustee, relating to the securities of that series. Notwithstanding, the Subordinated Debt Trustee may refuse to follow any direction that conflicts with law or the Subordinated Indenture or would expose the Subordinated Debt Trustee to personal liability or be unduly prejudicial to holders not joining in such proceeding. (Section 7.7 of the Subordinated Indenture).

Limitation on Rights to Institute Proceedings. No holder of the subordinated debt securities of a series will have any right to pursue a remedy under the Subordinated Indenture, unless:

- the holder has previously given the Subordinated Debt Trustee written notice of a continuing event of default on the series;
- the holders of at least a majority in principal amount of the outstanding securities of all series affected by such event of default, considered as one class, have made written request, and the holder or holders have offered indemnity satisfactory to the Subordinated Debt Trustee to pursue the remedy; and
- the Subordinated Debt Trustee has failed to comply with the request within 60 days after the request and offer.

(Section 7.4 of the Subordinated Indenture).

No Impairment of Right to Receive Payment. Notwithstanding any other provision of the Subordinated Indenture, the holder of any subordinated debt security will have the absolute and unconditional right to receive payment of the principal, premium, if any, and interest on that subordinated debt security when due and payable, and to institute suit for enforcement of that payment. This right may not be impaired without the consent of the holder. (Section 7.4 of the Subordinated Indenture).

Notice of Default. The Subordinated Debt Trustee is required to give the holders of a series of securities notice of the occurrence of a default within 90 days of the default with respect to that series, unless the default is cured or waived. Except in the case of a payment default on the subordinated debt securities, or a default in the payment of any sinking or purchase fund installments, the Subordinated Debt Trustee may withhold the notice if its board of directors or trustees, executive committee, or a trust committee of directors or trustees or responsible officers determines in good faith that it is in the interest of holders of the series of affected securities to do so. (Section 7.8 of the Subordinated Indenture). We are required to deliver to the Subordinated Debt Trustee each year a certificate as to whether or not we are in compliance with the conditions and covenants under the Subordinated Indenture. (Section 5.5 of the Subordinated Indenture).

Conversion Rights

A series of subordinated debt securities may provide for conversion rights. We will describe in the applicable prospectus supplement the particular terms and conditions, if any, on which subordinated debt securities may be convertible into other securities. These terms will include the conversion rate, the conversion period, provisions as to whether conversion will be mandatory or at our option or the option of the holder, events requiring an adjustment of the conversion rate and provisions affecting conversion in the event of the redemption of the debt securities.

Defeasance and Discharge

We may be discharged from all obligations relating to the subordinated debt securities and the Subordinated Indenture (except for specified obligations such as obligations to register the transfer or exchange of securities, replace stolen, lost or mutilated securities and maintain paying agencies) if we irrevocably deposit with the Subordinated Debt Trustee, in trust for the benefit of holders of securities, money or U.S. government obligations (or any combination thereof) sufficient to make all payments of principal, premium and interest on the securities on the dates those payments are due. To discharge these obligations, we must deliver to the Subordinated Debt Trustee an opinion of counsel to the effect that we have received from, or there has been published by, the Internal Revenue Service a ruling or similar pronouncement by the Internal Revenue Service or that there has been a change in law, in either case to the effect that the holders of the securities will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance or discharge of the Subordinated Indenture, and holders will be subject to tax in the same manner, in the same amounts and same time as would have been the case absent such defeasance. Upon any discharge of our obligations as described above, we will be deemed to have paid and discharged our entire indebtedness represented by the subordinated debt securities and our obligations under the subordinated debt securities. (Section 4.1 of the Subordinated Indenture).

Modification

Unless we indicate otherwise in the applicable prospectus supplement, we and the Subordinated Debt Trustee may modify and amend the Subordinated Indenture from time to time.

We will not need the consent of the holders for the following types of amendments:

- curing any ambiguity, or curing, correcting or supplementing any defective or inconsistent provision or supplying an omission arising under the Subordinated Indenture;
- changing or eliminating any of the provisions of the Subordinated Indenture, provided that any such change or elimination is to become effective only when:
- there is no outstanding security created prior to the execution of the supplemental indenture that is entitled to receive the benefit of this provision; or
- this change or elimination is applicable only to securities issued after the date this change or elimination becomes effective;
- establishing the form of the securities or establishing or reflecting any terms of any security as provided in the Subordinated Indenture;
- evidencing our successor corporation and the assumption by our successor of our covenants in the Subordinated Indenture and in the securities;
- granting to or conferring upon the Subordinated Debt Trustee any additional rights, remedies, powers or authority for the benefit of the holders of the securities;
- permitting the Subordinated Debt Trustee to comply with any duties imposed upon it by law;
- specifying further the duties and responsibilities of the Subordinated Debt Trustee, any authenticating agent and any paying agent and defining further the relationships among the Subordinated Debt Trustee, authenticating agent and paying agent;
- adding to our covenants for the benefit of the holders of the securities, surrendering a right given to us in the Subordinated Indenture or adding any event of default with respect to one or more series of securities;
- facilitating defeasance and discharge of any series of the securities, provided that such action shall not adversely affect the interest of any holder;

- adding security for the securities; or
- making any other change that is not prejudicial to the Subordinated Debt Trustee or the holders of the securities.

(Section 12.1 of the Subordinated Indenture).

We will need the consent of the holders of each outstanding security affected by a proposed amendment if the amendment would cause any of the following to occur:

- a change in the maturity date, reduction of the interest rate, or extension of the time of payment of interest, of any security;
- a reduction in the principal amount of any security or the premium payable on any security;
- a change in the currency of any payment of principal, premium or interest on any security;
- a change in date on which any security may be redeemed or repaid at the option of the holder;
- an impairment of the right of a holder to institute suit for the enforcement of any payment relating to any security;
- a reduction in the percentage of outstanding securities necessary to consent to the modification or amendment of the Subordinated Indenture;
- a modification of these requirements or a reduction to less than a majority of the percentage of outstanding securities necessary to waive events of default; or
- a modification of the subordination provisions in a manner adverse to such holders.

(Section 12.2 of the Subordinated Indenture).

Amendments other than those described in the above two paragraphs will require the approval of a majority in principal amount of the outstanding securities of all series, provided that if there are securities of more than one series outstanding and if a proposed amendment would directly affect the rights of holders of securities of one or more, but less than all, of such series, then the approval of a majority in principal amount of the outstanding securities of all series so directly affected, considered as one class, will be required.

Consolidation, Merger and Sale of Assets; No Financial Covenants

We will not consolidate with or merge into any other corporation or sell, or otherwise dispose all or substantially all of our assets unless the successor or transferee corporation assumes by supplemental indenture our obligations to pay the principal, interest and premium on all the securities and our obligation to perform every covenant of the Subordinated Indenture that we are to perform or observe, and we or the successor or transferee corporation, as applicable, are not immediately following such consolidation or merger, or sale, or disposition in default in the performance of any such covenant. Upon any consolidation or merger, or any sale, transfer or other disposition of all or substantially all of our assets, the successor or transferee corporation will succeed to, and be substituted for, and may exercise all of our rights and powers under the Subordinated Indenture with the same effect as if the successor corporation had been named as us in the Subordinated Indenture and we will be released from all obligations under the Subordinated Indenture. Regardless of whether a sale or transfer of assets might otherwise be considered a sale of all or substantially all of our assets, the Subordinated Indenture also specifically permits any sale, transfer or conveyance of our non-utility subsidiaries if, following such sale or transfer, the securities are rated by Standard & Poor's Ratings Group and Moody's Investors Service, Inc. at least as high as the ratings accorded the securities immediately prior to the sale, transfer or disposition. (Sections 11.1 and 11.2 of the Subordinated Indenture).

The Subordinated Indenture does not contain any financial or other similar restrictive covenants.

Resignation or Removal of Subordinated Debt Trustee

The Subordinated Debt Trustee may resign with respect to securities of any series at any time by notifying us in writing and specifying the day that the resignation is to take effect. The resignation will not take effect, however, until the later of the appointment of a successor trustee and the day the resignation is to take effect. (Section 8.10 of the Subordinated Indenture).

The holders of a majority in principal amount of the outstanding securities of any series may remove the Subordinated Debt Trustee as trustee of that series of securities at any time. In addition, so long as no event of default or event which, with the giving of notice or lapse of time or both, would become an event of default has occurred and is continuing with respect to securities of any series, we may remove the Subordinated Debt Trustee with respect to securities of that series upon notice to the holder of each security of that series outstanding and written notice to the Subordinated Debt Trustee. (Section 8.10 of the Subordinated Indenture).

Governing Law

The Subordinated Indenture and the subordinated debt securities will be governed by, and will be construed in accordance with, the laws of the State of Minnesota. (Section 15.4 of the Subordinated Indenture).

The Subordinated Debt Trustee

The Subordinated Indenture requires that the Subordinated Trustee be a corporation organized and doing business under the laws of the United States or any State thereof or of the District of Columbia (or a corporation or other person permitted to act as trustee by the Commission), subject to supervision or examination by such bodies and authorized under such laws to exercise corporate trust powers and having a combined capital and surplus of at least \$150,000,000. If at any time the Subordinated Trustee shall cease to be eligible to serve as trustee under the Subordinated Indenture, the Subordinated Trustee shall resign immediately and a new trustee will be appointed as provided in the Subordinated Indenture.

DESCRIPTION OF JUNIOR SUBORDINATED DEBT SECURITIES

The description below contains summaries of selected provisions of the indenture, including supplemental indentures, under which the junior subordinated debt securities may be issued (referred to herein as “junior subordinated indenture”). These summaries are not complete. The junior subordinated indenture and the form of the supplemental indenture applicable to the junior subordinated debt securities have been filed as exhibits to the registration statement. You should read them for provisions that may be important to you. In the summaries below, we have included references to section numbers of the junior subordinated indenture so that you can easily locate these provisions.

We are not required to issue future issues of junior subordinated indebtedness under the junior subordinated indenture described in this prospectus. We are free to use other indentures or documentation, containing provisions different from those described in this prospectus, in connection with future issues of other junior subordinated indebtedness not under this registration statement.

The junior subordinated debt securities will be represented either by global junior subordinated debt securities registered in the name of the Depository or its nominee, or by securities in certificated form issued to the registered owners, as set forth in the applicable prospectus supplement. See the information under the heading “Book-Entry System” in this prospectus.

General

The junior subordinated debt securities will be issued in one or more new series under an indenture dated as of January 1, 2008 between us and Wells Fargo Bank, National Association, as trustee (the “Junior Subordinated Debt Trustee”). This junior subordinated indenture, as it may be supplemented by a supplemental indenture for each series of junior subordinated debt securities, is referred to in this prospectus as the “Junior Subordinated Indenture.” As of December 31, 2017, we have no junior subordinated debt outstanding under the Junior Subordinated Indenture.

The junior subordinated debt securities will be our unsecured obligations and will rank on a parity in right of payment with all of our future junior subordinated indebtedness and junior in right of payment to our Senior Ranking Indebtedness, as described under the caption “—Subordination”. As of December 31, 2017, our outstanding Senior Ranking Indebtedness (as defined below) was approximately \$2.9 billion.

In addition, the junior subordinated debt securities will be effectively subordinated to all existing and future liabilities of our subsidiaries, including trade creditors, debtholders, secured creditors, taxing authorities, guarantee holders and any preferred stockholders. We are a holding company and conduct business through our various subsidiaries. As a result, our cash flow and consequent ability to meet our debt obligations primarily depend on the earnings of our subsidiaries, and on dividends and other payments from our subsidiaries. Under certain circumstances, contractual and legal restrictions, as well as the financial condition and operating requirements of our subsidiaries, could limit our ability to obtain cash from our subsidiaries for the purpose of meeting debt service obligations, including the payment of principal and interest on the junior subordinated debt securities. Any rights to receive assets of any subsidiary upon its liquidation or reorganization and the consequent right of the holders of the junior subordinated debt securities to participate in those assets will be subject to the claims of that subsidiary’s creditors, including trade creditors, except to the extent that we are recognized as a creditor of that subsidiary, in which case our claims would still be subordinate to any security interests in the assets of that subsidiary. As of December 31, 2017, our subsidiaries had approximately \$27.7 billion of indebtedness and other liabilities outstanding.

Unless the supplemental indenture that describes a particular series of junior subordinated debt securities provides otherwise with respect to that series, the holders of any junior subordinated debt securities offered by this prospectus will not have the right to require us to repurchase the junior subordinated debt securities if we

become involved in a highly leveraged or change in control transaction. The Junior Subordinated Indenture does not have any provision that is designed specifically in response to highly leveraged or change in control transactions.

The amount of junior subordinated debt securities that we may issue under the Junior Subordinated Indenture is not limited. We are not required to issue all junior subordinated debt securities of one series at the same time and, unless we indicate otherwise in the applicable prospectus supplement, we may reopen a series for issuances of additional junior subordinated debt securities of that series without the consent of the holders of the junior subordinated debt securities of that series.

We may also sell hybrid or novel securities now existing or developed in the future that combine certain features of the junior subordinated debt securities and other securities described in this prospectus.

When we offer to sell a particular series of junior subordinated debt securities, we will describe the specific terms of that series in a prospectus supplement relating to that series, including the following terms:

- the title, aggregate principal amount and offering price of that series of junior subordinated debt securities;
- the interest rate or rates, or method of calculation of such rate or rates, on that series, and the date from which the interest will accrue;
- the dates on which interest will be payable;
- any rights that would allow us to defer or extend an interest payment date;
- the record dates for payments of interest;
- the date on which the junior subordinated debt securities of that series will mature;
- any redemption terms;
- the period or periods within which, the price or prices at which and the terms and conditions upon which the junior subordinated debt securities of that series may be repaid, in whole or in part, at the option of the holder thereof;
- any changes to events of default or covenants;
- any changes to subordination provisions; and
- other specific terms applicable to the junior subordinated debt securities of that series.

Any special U.S. federal income tax considerations applicable to junior subordinated debt securities sold at an original issue discount and any special U.S. federal income tax or other considerations applicable to any junior subordinated debt securities which are denominated in currencies other than U.S. dollars will be described in the prospectus supplement relating to that series of junior subordinated debt securities.

Unless we indicate otherwise in the applicable prospectus supplement, the junior subordinated debt securities will be denominated in U.S. dollars in minimum denominations of \$1,000 and integral multiples thereof.

Subordination

Each series of junior subordinated debt securities will be subordinate and junior in right of payment, to the extent set forth in the Junior Subordinated Indenture, to all Senior Ranking Indebtedness (as defined below). If:

- we make a payment or distribution of any of our assets to creditors upon our dissolution, winding-up, liquidation or reorganization, whether in bankruptcy, insolvency or otherwise;
- a default in the payment of principal or interest on any Senior Ranking Indebtedness has occurred and is continuing; or

- the maturity of any Senior Ranking Indebtedness has been accelerated because of a default on that Senior Ranking Indebtedness,

then the holders of Senior Ranking Indebtedness generally will have the right to receive payment, in the case of the first instance above, of all amounts due or to become due upon that Senior Ranking Indebtedness, and, in the case of the second and third instances, of all amounts due on that Senior Ranking Indebtedness, or we will make provision for those payments, before the holders of any junior subordinated debt securities have the right to receive any payments of principal or interest on their securities. (Sections 14.1 and 14.9 of the Junior Subordinated Indenture).

“Senior Ranking Indebtedness” means, with respect to any series of junior subordinated debt securities, the principal, premium, interest and any other payment in respect of any of the following, whether outstanding on the date of execution of the Junior Subordinated Indenture or thereafter incurred, other than obligations expressly on a parity with or junior to the junior subordinated debt securities:

- all of our current and future indebtedness for borrowed or purchase money whether or not evidenced by bonds, debentures, notes or other similar written instruments, including indebtedness issued under our Senior Indenture or Subordinated Indenture described above;
- our obligations under synthetic leases, finance leases and capitalized leases;
- our obligations for reimbursement under letters of credit, banker’s acceptances, security purchase facilities or similar facilities issued for our account;
- any of our other indebtedness or obligations with respect to derivative contracts, including commodity contracts, interest rate, commodity and currency swap agreements, forward contracts and other similar agreements or arrangements designed to protect against fluctuations in commodity prices, currency exchange or interest rates; and
- all indebtedness of others of the kinds described in the preceding categories which we have assumed or guaranteed.

Senior Ranking Indebtedness will not include trade accounts payable, accrued liabilities arising in the ordinary course of business, indebtedness to our subsidiaries or any indebtedness which is by its terms junior to or on parity with the junior subordinated debt securities. (Section 1.3 of the Junior Subordinated Indenture.)

Senior Ranking Indebtedness will be entitled to the benefits of the subordination provisions in the Junior Subordinated Indenture irrespective of the amendment, modification or waiver of any term of the Senior Ranking Indebtedness. We may not amend the Junior Subordinated Indenture to change the subordination of any outstanding junior subordinated debt securities without the consent of each holder of junior subordinated debt securities that such amendment would adversely affect. (Sections 12.2 and 14.7 of the Junior Subordinated Indenture.)

The Junior Subordinated Indenture does not limit the amount of junior subordinated debt securities that we may issue.

Registration, Transfer and Exchange

Junior subordinated debt securities of any series may be exchanged for other junior subordinated debt securities of the same series of any authorized denominations and of a like aggregate principal amount, series and stated maturity and having the same terms and original issue date or dates. (Section 2.6 of the Junior Subordinated Indenture).

Unless we indicate otherwise in the applicable prospectus supplement, junior subordinated debt securities may be presented for registration of transfer (duly endorsed or accompanied by a duly executed written instrument of transfer), at the office of the Junior Subordinated Debt Trustee maintained for that purpose with

respect to any series of junior subordinated debt securities and referred to in the applicable prospectus supplement, without service charge and upon payment of any taxes and other governmental charges as described in the Junior Subordinated Indenture. Any transfer or exchange will be effected if the junior subordinated debt securities are duly endorsed by, or accompanied by a written instrument or instruments of transfer in a form satisfactory to the Company and the Junior Subordinated Debt Trustee and duly executed by the holder of the junior subordinated debt security as described in the Junior Subordinated Indenture. (Section 2.6 of the Junior Subordinated Indenture).

The Junior Subordinated Debt Trustee will not be required to exchange or register a transfer of any junior subordinated debt securities of a series selected, called or being called for redemption except, in the case of any junior subordinated debt security to be redeemed in part, the portion thereof not to be so redeemed. (Section 2.6 of the Junior Subordinated Indenture). See the information under the heading “Book-Entry System” in this prospectus.

Payment and Paying Agents

Principal, interest and premium, if any, on junior subordinated debt securities issued in the form of global junior subordinated debt securities will be paid in the manner described below under the heading “Book-Entry System.” Unless we indicate otherwise in the applicable prospectus supplement, interest on junior subordinated debt securities that are in the form of certificated junior subordinated debt securities will be paid by check mailed to the holder at that person’s address as it appears in the register for the junior subordinated debt securities maintained by the Junior Subordinated Debt Trustee; however, a holder of \$10,000,000 or more junior subordinated debt securities having the same interest payment dates will be entitled to receive payments of interest by wire transfer to a bank within the continental United States if appropriate wire transfer instructions have been received by the Junior Subordinated Debt Trustee on or prior to the applicable record date. (Section 2.12 of the Junior Subordinated Indenture). Unless we indicate otherwise in the applicable prospectus supplement, the principal, interest at maturity and premium, if any, on junior subordinated debt securities in the form of certificated junior subordinated debt securities will be payable in immediately available funds at the office of the Junior Subordinated Debt Trustee. (Section 2.12 of the Junior Subordinated Indenture).

All monies paid by us to a paying agent for the payment of principal, interest or premium, if any, on any junior subordinated debt security which remain unclaimed at the end of two years after that principal, interest or premium has become due and payable will be repaid to us and the holder of that junior subordinated debt security will thereafter look only to us for payment of that principal, interest or premium. (Section 4.4 of the Junior Subordinated Indenture).

Events of Default and Remedies

Unless we provide otherwise in a prospectus supplement, the following will constitute events of default under the Junior Subordinated Indenture with respect to the junior subordinated debt securities of any series:

- default in the payment of principal and premium, if any, on any security of such series when due and payable and continuance of that default for 5 days;
- default in the payment of interest on any security of such series when due and continuance of that default for 30 days (subject, if applicable, to the right to optionally defer interest payments);
- default in the performance or breach of our other covenants or warranties in the securities of such series or in the Junior Subordinated Indenture (other than a covenant or agreement that has been expressly included in the Junior Subordinated Indenture for the benefit of one or more series of junior subordinated debt securities other than such series) and the continuation of that default or breach for 90 days after written notice to us as provided in the Junior Subordinated Indenture; and
- specified events of bankruptcy, insolvency or reorganization of our company.

(Section 7.1 of the Junior Subordinated Indenture).

Acceleration of Maturity. If an event of default occurs and is continuing with respect to a series of junior subordinated debt securities, either the Junior Subordinated Debt Trustee or the holders of at least 25% in principal amount of the outstanding securities of that series may declare the principal amount of all securities of that series to be due and payable immediately. At any time after an acceleration of a series of securities has been declared, but before a judgment or decree of the immediate payment of the principal amount of those securities has been obtained, if:

- holders of a majority in aggregate principal amount of the securities of that series rescind in writing the acceleration; and
- we pay or deposit with the Junior Subordinated Debt Trustee a sum sufficient to pay all matured installments of interest with respect to that series of securities and the principal and any premium which has become due with respect to that series of securities otherwise than by acceleration and all defaults with respect to that series of securities have been cured or waived,

then that holders' rescission and the payment or deposit will cause an automatic rescission and annulment of the acceleration of the securities of that series. (Section 7.1 of the Junior Subordinated Indenture).

Indemnification of Junior Subordinated Debt Trustee. The Junior Subordinated Debt Trustee generally will be under no obligation to exercise any of its rights or powers under the Junior Subordinated Indenture at the request or direction of any of the holders unless such holders have offered reasonable security or indemnity to the Junior Subordinated Debt Trustee. (Section 8.2 of the Junior Subordinated Indenture).

Right to Direct Proceedings. The holders of a majority in principal amount of the outstanding securities of a series generally will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Junior Subordinated Debt Trustee, or of exercising any trust or power conferred on the Junior Subordinated Debt Trustee, relating to the securities of that series. Notwithstanding, the Junior Subordinated Debt Trustee may refuse to follow any direction that conflicts with law or the Junior Subordinated Indenture or would expose the Junior Subordinated Debt Trustee to personal liability or be unduly prejudicial to holders not joining in such proceeding. (Section 7.7 of the Junior Subordinated Indenture).

Limitation on Rights to Institute Proceedings. No holder of the junior subordinated debt securities of a series will have any right to pursue a remedy under the Junior Subordinated Indenture, unless:

- the holder has previously given the Junior Subordinated Debt Trustee written notice of a continuing event of default on the series;
- the holders of at least a majority in principal amount of the outstanding securities of all series affected by such event of default, considered as one class, have made written request, and the holder or holders have offered indemnity satisfactory to the Junior Subordinated Debt Trustee to pursue the remedy; and
- the Junior Subordinated Debt Trustee has failed to comply with the request within 60 days after the request and offer.

(Section 7.4 of the Junior Subordinated Indenture).

No Impairment of Right to Receive Payment. Notwithstanding any other provision of the Junior Subordinated Indenture, the holder of any junior subordinated debt security will have the absolute and unconditional right to receive payment of the principal, premium, if any, and interest on that junior subordinated debt security when due and payable, and to institute suit for enforcement of that payment. This right may not be impaired without the consent of the holder. (Section 7.4 of the Junior Subordinated Indenture).

Notice of Default. The Junior Subordinated Debt Trustee is required to give the holders of a series of securities notice of the occurrence of a default within 90 days of the default with respect to that series, unless the default is cured or waived. Except in the case of a payment default on the junior subordinated debt securities, or a default in the payment of any sinking or purchase fund installments, the Junior Subordinated Debt Trustee may withhold the notice if its board of directors or trustees, executive committee, or a trust committee of directors or trustees or responsible officers determines in good faith that it is in the interest of holders of the series of affected securities to do so. (Section 7.8 of the Junior Subordinated Indenture). We are required to deliver to the Junior Subordinated Debt Trustee each year a certificate as to whether or not we are in compliance with the conditions and covenants under the Junior Subordinated Indenture. (Section 5.5 of the Junior Subordinated Indenture).

Conversion Rights

Any supplemental indenture establishing a series of junior subordinated debt securities may provide for conversion rights. We will describe in the applicable prospectus supplement the particular terms and conditions, if any, on which junior subordinated debt securities may be convertible into other securities. These terms will include the conversion rate, the conversion period, provisions as to whether conversion will be mandatory or at our option or the option of the holder, events requiring an adjustment of the conversion rate and provisions affecting conversion in the event of the redemption of the debt securities. If we issue convertible debt securities, we will need to supplement the indenture to add applicable provisions regarding conversion.

Defeasance and Discharge

We may be discharged from all obligations relating to the junior subordinated debt securities and the Junior Subordinated Indenture (except for specified obligations such as obligations to register the transfer or exchange of securities, replace stolen, lost or mutilated securities and maintain paying agencies) if we irrevocably deposit with the Junior Subordinated Debt Trustee, in trust for the benefit of holders of securities, money or U.S. government obligations (or any combination thereof) sufficient to make all payments of principal, premium and interest on the securities on the dates those payments are due. To discharge these obligations, we must deliver to the Junior Subordinated Debt Trustee an opinion of counsel to the effect that we have received from, or there has been published by, the Internal Revenue Service a ruling or similar pronouncement by the Internal Revenue Service or that there has been a change in law, in either case to the effect that the holders of the securities will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance or discharge of the Junior Subordinated Indenture, and holders will be subject to tax in the same manner, in the same amounts and same time as would have been the case absent such defeasance. Upon any discharge of our obligations as described above, we will be deemed to have paid and discharged our entire indebtedness represented by the junior subordinated debt securities and our obligations under the junior subordinated debt securities. (Section 4.1 of the Junior Subordinated Indenture).

Modification

Unless we indicate otherwise in the applicable prospectus supplement, we and the Junior Subordinated Debt Trustee may modify and amend the Junior Subordinated Indenture from time to time.

We will not need the consent of the holders for the following types of amendments:

- curing any ambiguity, or curing, correcting or supplementing any defective or inconsistent provision or supplying an omission arising under the Junior Subordinated Indenture;
- changing or eliminating any of the provisions of the Junior Subordinated Indenture, provided that any such change or elimination is to become effective only when:
- there is no outstanding security created prior to the execution of the supplemental indenture that is entitled to receive the benefit of this provision; or

- this change or elimination is applicable only to securities issued after the date this change or elimination becomes effective;
- establishing the form of the securities or establishing or reflecting any terms of any security as provided in the Junior Subordinated Indenture;
- evidencing our successor corporation and the assumption by our successor of our covenants in the Junior Subordinated Indenture and in the securities;
- granting to or conferring upon the Junior Subordinated Debt Trustee any additional rights, remedies, powers or authority for the benefit of the holders of the securities;
- permitting the Junior Subordinated Debt Trustee to comply with any duties imposed upon it by law;
- specifying further the duties and responsibilities of the Junior Subordinated Debt Trustee, any authenticating agent and any paying agent and defining further the relationships among the Junior Subordinated Debt Trustee, authenticating agent and paying agent;
- adding to our covenants for the benefit of the holders of the securities, surrendering a right given to us in the Junior Subordinated Indenture or adding any event of default with respect to one or more series of securities;
- facilitating defeasance and discharge of any series of the securities, provided that such action shall not adversely affect the interest of any holder;
- adding security for the securities; or
- making any other change that is not prejudicial to the Junior Subordinated Debt Trustee or the holders of the securities.

(Section 12.1 of the Junior Subordinated Indenture).

We will need the consent of the holders of each outstanding security affected by a proposed amendment if the amendment would cause any of the following to occur:

- a change in the maturity date, reduction of the interest rate, or extension of the time of payment of interest, of any security;
- a reduction in the principal amount of any security or the premium payable on any security;
- a change in the currency of any payment of principal, premium or interest on any security;
- a change in date on which any security may be redeemed or repaid at the option of the holder;
- an impairment of the right of a holder to institute suit for the enforcement of any payment relating to any security;
- a reduction in the percentage of outstanding securities necessary to consent to the modification or amendment of the Junior Subordinated Indenture;
- a modification of these requirements or a reduction to less than a majority of the percentage of outstanding securities necessary to waive events of default; or
- a modification of the subordination provisions in a manner adverse to such holders.

(Section 12.2 of the Junior Subordinated Indenture).

Amendments other than those described in the above two paragraphs will require the approval of a majority in principal amount of the outstanding securities of all series, provided that if there are securities of more than one series outstanding and if a proposed amendment would directly affect the rights of holders of securities of one or more, but less than all, of such series, then the approval of a majority in principal amount of the outstanding securities of all series so directly affected, considered as one class, will be required.

Consolidation, Merger and Sale of Assets; No Financial Covenants

We will not consolidate with or merge into any other corporation or sell, or otherwise dispose all or substantially all of our assets unless the successor or transferee corporation assumes by supplemental indenture our obligations to pay the principal, interest and premium on all the securities and our obligation to perform every covenant of the Junior Subordinated Indenture that we are to perform or observe, and we or the successor or transferee corporation, as applicable, are not immediately following such consolidation or merger, or sale, or disposition in default in the performance of any such covenant. Upon any consolidation or merger, or any sale, transfer or other disposition of all or substantially all of our assets, the successor or transferee corporation will succeed to, and be substituted for, and may exercise all of our rights and powers under the Junior Subordinated Indenture with the same effect as if the successor corporation had been named as us in the Junior Subordinated Indenture and we will be released from all obligations under the Junior Subordinated Indenture. Regardless of whether a sale or transfer of assets might otherwise be considered a sale of all or substantially all of our assets, the Junior Subordinated Indenture also specifically permits any sale, transfer or conveyance of our non-utility subsidiaries if, following such sale or transfer, the securities are rated by Standard & Poor's Ratings Group and Moody's Investors Service, Inc. at least as high as the ratings accorded the securities immediately prior to the sale, transfer or disposition. (Sections 11.1 and 11.2 of the Junior Subordinated Indenture).

The Junior Subordinated Indenture does not contain any financial or other similar restrictive covenants.

Resignation or Removal of Junior Subordinated Debt Trustee

The Junior Subordinated Debt Trustee may resign with respect to securities of any series at any time by notifying us in writing and specifying the day that the resignation is to take effect. The resignation will not take effect, however, until the later of the appointment of a successor trustee and the day the resignation is to take effect. (Section 8.10 of the Junior Subordinated Indenture).

The holders of a majority in principal amount of the outstanding securities of any series may remove the Junior Subordinated Debt Trustee as trustee of that series of securities at any time. In addition, so long as no event of default or event which, with the giving of notice or lapse of time or both, would become an event of default has occurred and is continuing with respect to securities of any series, we may remove the Junior Subordinated Debt Trustee with respect to securities of that series upon notice to the holder of each security of that series outstanding and written notice to the Junior Subordinated Debt Trustee. (Section 8.10 of the Junior Subordinated Indenture).

Governing Law

The Junior Subordinated Indenture and the junior subordinated debt securities will be governed by, and will be construed in accordance with, the laws of the State of Minnesota. (Section 15.4 of the Junior Subordinated Indenture).

Concerning the Junior Subordinated Debt Trustee

Wells Fargo Bank, National Association is the Junior Subordinated Debt Trustee. We maintain banking relationships with the Junior Subordinated Debt Trustee in the ordinary course of business. The Junior Subordinated Debt Trustee also acts as trustee for our senior debt securities and certain debt securities of our subsidiaries.

DESCRIPTION OF COMMON STOCK

The following summary description sets forth some of the general terms and provisions of the common stock. This summary is not complete. For a more detailed description of the common stock, you should refer to the provisions of our Amended and Restated Articles of Incorporation (“Articles”) and Bylaws. The Articles and the Bylaws have been filed as exhibits to the registration statement. You should read them for provisions that may be important to you.

General

Our capital stock consists of two classes: common stock, par value \$2.50 per share (1,000,000,000 shares currently authorized of which 508,064,983 shares were outstanding as of February 19, 2018); and preferred stock, par value \$100 per share (7,000,000 shares authorized, of which no shares were outstanding as of February 19, 2018).

Dividend Rights

Before we can pay any dividends on our common stock, the holders of our preferred stock, if any, are entitled to receive dividends at the respective rates provided for in the terms of the shares of any outstanding series.

Because we are a holding company and conduct all of our operations through our subsidiaries, our cash flow and ability to pay dividends is dependent on the earnings and cash flows of our subsidiaries and the distribution or other payment of those earnings to us in the form of dividends, or in the form of repayments of loans or advances to us. Some of our subsidiaries may have restrictions on their ability to pay dividends including covenants under their borrowing arrangements and mortgage indentures, and possibly also restrictions imposed by their regulators and by statute. See “Management’s Discussion and Analysis of Financial Conditions and Results of Operations — Common Stock Dividends” and Notes to Consolidated Financial Statements in our most recent Annual Report on Form 10-K for a discussion of factors affecting our payment of dividends including limitations imposed by statute.

Voting Rights

The holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of our stockholders.

Preferred Stock

Our board of directors is authorized, to the fullest extent permitted by law, to establish out of our authorized capital stock up to 7,000,000 shares of preferred stock, which may be issued in one or more classes or series, having such dividend rights and times of payment, redemption prices, liquidation prices or preferences as to assets in voluntary liquidation, and other relative rights and preferences as our board of directors shall determine. As of February 19, 2018, no shares of preferred stock were outstanding. The terms of any preferred stock issued by the Company could have the effect of delaying or preventing a change in control without further action by our shareholders. The issuance of shares of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of our common stock.

Change of Control

Our Bylaws and the Minnesota Business Corporation Act, as amended (the “Minnesota BCA”), contain provisions that could discourage, delay, prevent or make more difficult a change of control of our company, including, but not limited to, those summarized below.

Bylaw Provisions. Under our Bylaws, our shareholders must provide us advance notice of the introduction by them of business at annual meetings of our shareholders. For a shareholder to properly bring a proposal before an annual meeting, the shareholder must comply with the shareholder proposal requirements under the federal proxy rules and deliver a written notice to our Corporate Secretary, or mail and be received at our principal executive office, not less than ninety days before the first anniversary date of the preceding year's annual meeting. If, however, the date of the annual meeting is more than thirty days before or after such anniversary date, the notice must be so delivered or so mailed and received not less than ninety days before the annual meeting or, if later, within ten days after the first public announcement of the date of the annual meeting. The required notice from a shareholder must contain a description of the business being introduced, the reasons for introducing such business, the name and address of each shareholder supporting the introduction and such other information as required under our Bylaws and federal proxy rules.

A shareholder, or a group of up to 20 shareholders, owning 3% or more of the Company's outstanding common stock continuously for at least 3 years can nominate and include in the Company's proxy materials director-nominees constituting up to 2 individuals or 20% of the board (whichever is greater), provided that the shareholder(s) and the director-nominee(s) satisfy the requirements specified in the Bylaws. To be timely, the proposal must be delivered to the Secretary, or mailed and received at our principal executive office, not less than 120 days and not more than 150 days prior to the first anniversary of the date that the Company distributed its proxy statement to shareholders for the previous year's annual meeting of shareholders. If, however, the date of the annual meeting of shareholders is more than thirty (30) days before or after such anniversary date, the Notice of Proxy Access Nomination shall be timely if so delivered or so mailed and received not less than ninety (90) days before the annual meeting or, if later, within ten (10) days after the first public announcement of the date of the annual meeting. The required notice from such a shareholder must contain such information as required under our Bylaws and federal proxy rules.

Except to the extent otherwise required by law, the adjournment of an annual meeting of shareholders will not commence a new time period for the giving of a shareholder's notice as required above.

Minnesota BCA. Section 302A.671 of the Minnesota BCA applies to potential acquirers of 20% or more of our voting shares. Section 302A.671 provides in substance that shares acquired by such acquirer will not have any voting rights unless the voting rights are either:

- approved by (i) a majority of the voting power of all of our shares entitled to vote including all shares held by the acquirer and (ii) a majority of the voting power of all of our shares entitled to vote excluding all interested shares; or
- acquired in a transaction that (i) is pursuant to a tender offer or exchange offer for all of our voting shares, (ii) results in the acquirer becoming the owner of at least a majority of our outstanding voting shares, and (iii) has been approved by a committee of disinterested directors.

Section 302A.673 of the Minnesota BCA generally prohibits public Minnesota corporations, including us, from engaging in any business combination with a person or entity owning, directly or indirectly, 10% or more of our voting shares for a period of four years after the date of the transaction in which such person or entity became a 10% shareholder unless the business combination or the acquisition resulting in 10% ownership was approved by a committee of disinterested directors prior to the date such person or entity became a 10% shareholder.

Section 302A.675 of the Minnesota BCA provides in substance that a person or entity making a takeover offer (an "offeror") for us is prohibited from acquiring any additional shares of our company within two years following the last purchase of shares pursuant to the offer with respect to that class unless (i) the acquisition is approved by a committee of disinterested directors before the purchase of any shares by the offeror pursuant to the offer or (ii) our shareholders are afforded, at the time of the acquisition, a reasonable opportunity to dispose of their shares to the offeror upon substantially equivalent terms as those provided in the earlier takeover offer.

Liquidation Rights

If we were to liquidate, subject to the terms of any outstanding series of preferred stock, the holders of our common stock are entitled to receive pro rata our assets legally available for distribution to stockholders.

Preemptive and Subscription Rights

No holder of our capital stock has the preemptive right to purchase or subscribe for any additional shares of our capital stock.

Concerning the Transfer Agent

Our common stock is listed on the Nasdaq Stock Market LLC. EQ Shareowner Services is the Transfer Agent and Registrar for the common stock.

DESCRIPTION OF PREFERRED STOCK

Our board of directors is authorized, to the fullest extent permitted by law, to establish out of our authorized capital stock up to 7,000,000 shares of preferred stock, which may be issued in one or more classes or series, having such dividend rights and times of payment, redemption prices, liquidation prices or preferences, and the other rights and preferences as our board of directors shall determine at the time of issuance. As of February 19, 2018, no shares of preferred stock were outstanding.

The issuance of our preferred stock, while potentially providing us with flexibility in connection with possible acquisitions and other corporate purposes, could have the effect of making it more difficult for a third party to acquire, or delay or deter a third party from attempting to acquire, a majority of our outstanding voting stock.

The rights, preferences, privileges and restrictions of the preferred stock of each series will be fixed by resolution of the board of directors. To the extent appropriate, we will include in a prospectus supplement the terms relating to any series of preferred stock being offered thereby. These terms will include some or all of the following, as applicable:

- the title of the series and the number of shares in the series;
- the price at which the preferred stock will be offered;
- the dividend rate or rates or method of calculating the rates, the dates on which and the place or places where the dividends will be payable, whether the dividends will be cumulative or noncumulative and, if cumulative, the dates from which dividends on the preferred stock being offered will cumulate;
- the voting rights, if any, of the holders of shares of the preferred stock being offered;
- the provisions for a sinking fund, if any, and the provisions for redemption, if applicable, of the preferred stock being offered;
- the liquidation preference per share;
- the terms and conditions, if applicable, upon which the preferred stock being offered will be convertible into our common stock, including the conversion price, or the manner of calculating the conversion price, and the conversion period;
- any date of maturity of the preferred stock;
- any listing of the preferred stock being offered on any securities exchange;
- whether interests in the shares of the series will be represented by depositary shares;
- a discussion of any material U.S. federal income tax considerations applicable to the preferred stock being offered;
- the relative ranking and preferences of the preferred stock being offered as to dividend rights and rights upon liquidation, dissolution, or the winding up of our affairs;
- any limitations on the issuance of any class or series of preferred stock ranking senior or equal to the series of preferred stock being offered as to dividend rights and rights upon liquidation, dissolution or the winding up of our affairs; and
- any or all other preferences and relative, participating, operational or other special rights or qualifications, limitations or restrictions of the series.

The Minnesota BCA provides that the holders of preferred stock have the right to vote separately as a class on any proposal involving changes in the rights or preferences of holders of such preferred stock. This right is in addition to any voting rights that may be provided for in the applicable resolution creating such preferred stock.

DESCRIPTION OF DEPOSITARY SHARES

We may offer depositary shares (either separately or together with other securities) representing fractional interests in our preferred stock of any series. The following description sets forth certain general terms and provisions of the depositary shares to which any prospectus supplement may relate. The particular terms of the depositary shares to which any prospectus supplement may relate and the extent, if any, to which the general terms and provisions may apply to the depositary shares so offered will be described in the applicable prospectus supplement. To the extent that any particular terms of the depositary shares, deposit agreements and depositary receipts described in a prospectus supplement differ from any of the terms described below, then the terms described below will be deemed to have been superseded by that prospectus supplement. We encourage you to read the applicable deposit agreement and depositary receipts for additional information before you decide whether to purchase any of our depositary shares.

In connection with the issuance of any depositary shares, we will enter into a deposit agreement with a bank or trust company, as depositary, which will be named in the applicable prospectus supplement. Depositary shares will be evidenced by depositary receipts issued pursuant to the related deposit agreement. Immediately following our issuance of the security related to the depositary shares, we will deposit the shares of our preferred stock with the relevant depositary and will cause the depositary to issue, on our behalf, the related depositary receipts. Subject to the terms of the deposit agreement, each owner of a depositary receipt will be entitled, in proportion to the fractional interest in the share of preferred stock represented by the related depositary share, to all the rights, preferences and privileges of, and will be subject to all of the limitations and restrictions on, the preferred stock represented by the depositary receipt (including, if applicable, dividend, voting, conversion, exchange, redemption, sinking fund, subscription and liquidation rights). To the extent appropriate, the applicable prospectus supplement will describe the specific terms of the depositary shares offered thereby. The terms of any offered depositary shares will be described in a supplement to this prospectus.

DESCRIPTION OF WARRANTS

We may issue warrants to purchase debt securities, common stock, preferred stock, depositary shares, or any combination thereof, with or without the payment of separate consideration therefor (including by means of a dividend or similar distribution to holders of our outstanding securities). We may issue warrants independently or together with any other securities offered by a prospectus supplement. Warrants may be attached to or separate from such securities and may or may not be transferable. Each series of warrants will be issued under a separate warrant agreement we will enter into with a warrant agent specified in the applicable prospectus supplement. The warrant agent will act solely as our agent in connection with the warrants of a particular series and will not assume any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants. In connection with any warrants, we may enter into a standby underwriting agreement with one or more underwriters pursuant to which the underwriters will agree to purchase any securities underlying such warrants that remain unpurchased upon the expiration of such warrants. To the extent appropriate, the applicable prospectus supplement will describe the specific terms of the warrants offered thereby.

DESCRIPTION OF RIGHTS

We may issue subscription rights to purchase shares of our common stock or preferred stock. These subscription rights may be issued independently or together with any other security offered hereby and may or may not be transferable by the stockholder receiving the subscription rights in such offering. In connection with any offering of subscription rights, we may enter into a standby arrangement with one or more underwriters or other investors pursuant to which the underwriters or other investors may be required to purchase any securities remaining unsubscribed for after such offering. To the extent appropriate, the applicable prospectus supplement will describe the specific terms of the rights offered thereby.

DESCRIPTION OF PURCHASE CONTRACTS

We may issue purchase contracts, including contracts obligating holders to purchase from us, and for us to sell to holders, a specific or varying number of debt securities, shares of our common stock or preferred stock, depositary shares, warrants, rights or other property or any combination of the above, at a future date or dates. Alternatively, the purchase contracts may obligate us to purchase from holders, and obligate holders to sell to us, a specific or varying number of debt securities, shares of our common stock or preferred stock, depositary shares, warrants, rights or other property. The price of such debt securities, shares of our common stock or preferred stock, depositary shares, warrants, rights or other property may be fixed at the time the purchase contracts are issued or may be determined by reference to a specific formula described in the purchase contracts. We may issue purchase contracts separately or as a part of units each consisting of a purchase contract and one or more of our other securities described in this prospectus or debt obligations of third parties, such as U.S. Treasury securities, securing the holder's obligations under the purchase contract. The purchase contracts may require us to make periodic payments to holders or vice versa and the payments may be unsecured or pre-funded on some basis. The purchase contracts may require holders to secure the holder's obligations in a specified manner that we will file with the SEC in connection with a public offering relating to the purchase contracts. To the extent appropriate, the applicable prospectus supplement will describe the specific terms of the purchase contracts offered thereby.

DESCRIPTION OF UNITS

We may issue units comprising one or more securities described in this prospectus in any combination. Units may also include debt obligations of third parties, such as U.S. Treasury securities. Each unit may be issued so that the holder of the unit also is the holder of each security included in the unit. Thus, the unit may have the rights and obligations of a holder of each included security. The unit agreement under which a unit is issued may provide that the securities included in the unit may not be held or transferred separately at any time or at any time before a specified date. To the extent appropriate, the applicable prospectus supplement will describe the specific terms of the units offered thereby.

BOOK-ENTRY SYSTEM

Unless otherwise specified in the applicable prospectus supplement, each series of securities offered by this prospectus will be issued as fully-registered global securities representing all or part of that series of securities. This means that we will not issue certificates for that series of securities to the holders. Instead, a global security representing that series of securities will be deposited with, or on behalf of, DTC or its successor, as the depository. The global securities will be registered at the request of DTC in the name of Cede & Co., DTC's nominee, or such other name as may be requested by an authorized representative of DTC.

DTC will keep an electronic record of its participants (for example, your broker) whose clients have purchased securities represented by a global security. Unless a global security is exchanged in whole or in part for a certificated security, a global security may not be transferred, except that DTC, its nominees and successors may transfer a global security as a whole to one another.

Beneficial interests in global securities will be shown on, and transfers of interests will be made only through, records maintained by DTC and its participants. The laws of some jurisdictions require that some purchasers take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in a global security.

We will make payments of principal, interest, if any, and premium, if any, to DTC or its nominee. We, the applicable trustee and any paying agent will treat DTC or its nominee as the owner of the global security for all purposes, including any notices and voting. Accordingly, neither we nor any trustee nor any paying agent will have any direct responsibility or liability to pay amounts due on a global security to owners of beneficial interests in a global security.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants, or "direct participants," deposit with DTC. DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation, or "DTCC." DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a direct participant either directly or indirectly, an "indirect participant." Direct participants and indirect participants are referred to collectively as "participants." The DTC Rules applicable to its participants are on file with the SEC.

Purchases of global securities under the DTC system must be made by or through direct participants, which will receive a credit for the securities on DTC's records. The ownership interest of each actual purchaser of each security, or "beneficial owner," is in turn to be recorded on the direct and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the global securities are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the global securities, except in the event that use of the book-entry system for the global securities is discontinued.

To facilitate subsequent transfers, all securities deposited by direct participants with DTC are registered in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities. DTC's records reflect only the identity of the direct participants to whose accounts such securities are credited, which may or may not be the beneficial owners. The direct and indirect participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

If a particular series of securities is redeemable at our option or at the option of the holder, redemption notices will be sent to DTC. If less than all of the securities of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such series to be redeemed. Redemption proceeds and distributions on global securities will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. Upon DTC's receipt of funds and corresponding detail information from us, any trustee or any paying agent, DTC's practice is to credit direct participants' accounts in accordance with the holdings information shown on DTC's records on the payment date. Payments by participants to beneficial owners of securities will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name." Payments will be the responsibility of such participant and not of DTC nor its nominee, any trustee, any paying agent or us, subject to any statutory or regulatory requirements. Payment of redemption proceeds and distributions to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC is the responsibility of us, the applicable trustee or the applicable paying agent, disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

Neither DTC nor Cede & Co. or any other DTC nominee will consent or vote with respect to global securities unless authorized by a direct participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the securities are credited on the record date as identified in a listing attached to the omnibus proxy.

Global securities will be exchangeable for corresponding certificated securities registered in the name of persons other than DTC or its nominee if (1) DTC (a) notifies us that it is unwilling or unable to continue as depository for any of the global securities or (b) at any time ceases to be a clearing agency registered under the Exchange Act, (2) an event of default occurs and is continuing with respect to the applicable series of securities or (3) we execute and deliver to the applicable trustee an order that the global securities will be so exchangeable.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and we and any underwriters, dealers or agents are not responsible for the accuracy of the information or for the performance by DTC of its obligations under the rules and procedures governing its operations or otherwise.

Any underwriters, dealers or agents of any securities may be direct participants of DTC.

PLAN OF DISTRIBUTION

We may sell the offered securities (a) through agents; (b) through underwriters or dealers; (c) directly to one or more purchasers; or (d) through a combination of any of these methods of sale. We will identify the specific plan of distribution, including any underwriters, dealers, agents or direct purchasers and their compensation in a prospectus supplement.

LEGAL OPINIONS

Unless otherwise indicated in the applicable prospectus supplement, legal opinions relating to the validity of the securities being offered by this prospectus will be rendered by our counsel, Scott M. Wilensky, Minneapolis, Minnesota. Unless otherwise indicated in the applicable prospectus supplement, certain other legal matters will be passed upon for us by Jones Day, Chicago, Illinois. Unless otherwise indicated in the applicable supplement, certain legal matters will be passed upon for the underwriters, dealers or agents named in the prospectus supplement by Hunton Andrews Kurth LLP, New York, New York. Scott M. Wilensky is our Executive Vice President and General Counsel and is the beneficial owner of less than 1% of our common stock.

EXPERTS

The consolidated financial statements, and the related financial statement schedules, incorporated in this prospectus by reference from Xcel Energy Inc.'s Annual Report on Form 10-K, and the effectiveness of the Company's internal control over financial reporting have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements and financial statement schedules have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

PROSPECTUS

NORTHERN STATES POWER COMPANY

414 Nicollet Mall
Minneapolis, Minnesota 55401
(612) 330-5500

FIRST MORTGAGE BONDS SENIOR UNSECURED DEBT SECURITIES

We may offer and sell from time to time, in one or more offerings, together or separately, any combination of the securities listed above and described in this prospectus. We may offer and sell these securities to or through one or more underwriters, dealers and/or agents, or directly to purchasers, on a continuous or delayed basis.

This prospectus describes some of the general terms that may apply to the securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be described in a supplement to this prospectus. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

You should carefully consider the risk factors set forth in the applicable prospectus supplement and certain of our filings with the Securities and Exchange Commission before making any decision to invest in any of the securities described in this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 18, 2018.

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ABOUT THIS PROSPECTUS

This document is called a “prospectus” and it provides you with a general description of the securities we may offer. Each time we sell securities under this prospectus, we will provide a prospectus supplement containing specific information about the terms of the securities being offered. That prospectus supplement may include a discussion of any risk factors or other special considerations that apply to those securities. The prospectus supplement may also add, update or change the information in this prospectus. If there is any inconsistency between the information in this prospectus and in the prospectus supplement, you should rely on the information in the prospectus supplement. You should read this prospectus and the applicable prospectus supplement together with the additional information described under the caption “Where You Can Find More Information.” We may also prepare free writing prospectuses that describe particular securities. Any free writing prospectus should also be read in connection with this prospectus and with the prospectus supplement referred to therein. For purposes of this prospectus, any reference to an applicable prospectus supplement may also refer to a free writing prospectus, unless the context otherwise requires.

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the “SEC,” using a shelf registration process. As permitted by SEC rules, this prospectus does not contain all of the information included in the registration statement and the accompanying exhibits and schedules we filed with the SEC. You should read the registration statement and the related exhibits and schedules for more information about us and our securities. The registration statement and the related exhibits and schedules can be read at the SEC’s website or at the SEC’s offices. The SEC’s website and street addresses are provided under the caption “Where You Can Find More Information.”

The distribution of this prospectus and the applicable prospectus supplement and the offering of the securities in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus and the applicable prospectus supplement come should inform themselves about and observe any such restrictions. This prospectus and the applicable prospectus supplement do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offering or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

This prospectus, the applicable prospectus supplement and any free writing prospectus that we prepare or authorize contain and incorporate by reference information that you should consider when making your investment decision. No one is authorized to provide you with information different from that which is contained, or deemed to be contained, in this prospectus and applicable prospectus supplement. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or the documents incorporated by reference is accurate as of any date other than the date on the front of those documents.

Unless otherwise specified or unless the context requires otherwise, all references in this prospectus to “NSP,” “we,” “us,” “our,” “the Company,” or similar terms refer to Northern States Power Company.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the SEC. Our SEC filings are available to the public on the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room.

The SEC allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference our Annual Report on Form 10-K for the year ended December 31, 2017, including information specifically incorporated by reference into our Form 10-K from Xcel Energy Inc.'s definitive Proxy Statement for its 2018 Annual Meeting of Shareholders, and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, from the date of the prospectus until we sell all of the securities (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules).

We will provide, without charge, to each person, including any beneficial owner of our securities to whom this prospectus is delivered, upon written or oral request, a copy of any or all documents referred to above that have been incorporated by reference into this prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may request these documents from:

Attn: Corporate Secretary
Northern States Power Company
c/o Xcel Energy Inc.
414 Nicollet Mall
Minneapolis, Minnesota 55401
(612) 330-5500

OUR COMPANY

We were incorporated in 2000 under the laws of the State of Minnesota. We are an operating utility engaged primarily in the generation, purchase, transmission, distribution and sale of electricity in Minnesota, North Dakota and South Dakota. We also purchase, transport, distribute and sell natural gas to retail customers and transport customer-owned natural gas in Minnesota and North Dakota. As of December 31, 2017, we provided electric utility service to approximately 1.5 million customers and natural gas utility service to approximately 0.5 million customers.

Our electric production and transmission system is managed as an integrated system with that of Northern States Power Company, a Wisconsin corporation (“NSP-Wisconsin”), jointly referred to as the NSP System. The electric production and transmission costs of the entire NSP System are shared by us and NSP-Wisconsin. A Federal Energy Regulatory Commission-approved agreement between the two companies, called the Interchange Agreement, provides for the sharing of all generation and transmission costs of the NSP System. Such costs include our current and potential obligations related to our nuclear generating facilities.

We own the following direct subsidiary: United Power and Land Company, which holds real estate.

Our principal executive offices are located at 414 Nicollet Mall, Minneapolis, Minnesota 55401, and our telephone number is (612) 330-5500.

RISK FACTORS

Investing in our securities involves certain risks. You are urged to carefully read and consider the risk factors relating to an investment in our securities described in our annual, quarterly and current reports filed with the SEC under the Securities Exchange Act of 1934, as amended, which are incorporated by reference into this prospectus. Before making an investment decision, you should carefully consider these risks, as well as any other information that we include or incorporate by reference in this prospectus or any prospectus supplement. The prospectus supplement applicable to each type or series of securities we offer may contain a discussion of additional risks applicable to an investment in our securities and the particular type of securities we are offering under that prospectus supplement.

USE OF PROCEEDS

Unless otherwise indicated in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities offered by this prospectus for general corporate purposes, including meeting our working capital requirements, funding capital expenditures and acquisitions, repaying short-term debt and refunding long-term debt at maturity or otherwise. Until the net proceeds from the sale of the offered securities have been used, we may invest them temporarily in interest-bearing obligations.

**RATIO OF CONSOLIDATED EARNINGS TO
CONSOLIDATED FIXED CHARGES**

	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Ratio of consolidated earnings to consolidated fixed charges	3.7	3.8	3.2	3.6	3.5

For purposes of computing the ratio of consolidated earnings to consolidated fixed charges, (1) earnings consist of pre-tax income from continuing operations plus fixed charges; and (2) fixed charges consist of interest on long-term debt, other interest charges, the interest component on leases and amortization of debt discount, premium and expense.

DESCRIPTION OF THE FIRST MORTGAGE BONDS

The description below contains a summary of selected provisions of the indenture, including supplemental indentures, under which the first mortgage bonds will be issued. This summary is not complete. The indenture and the form of supplemental indenture applicable to the first mortgage bonds have been filed as exhibits to the registration statement of which this prospectus constitutes a part. You should read them for provisions that may be important to you. In the summary below, we have included references to section numbers of the indenture so that you can easily locate these provisions.

We are not required to issue future issues of indebtedness under the indenture described below. We are free to use other indentures or documentation, containing provisions different from those described in this prospectus, in connection with future issues of other indebtedness not issued under this prospectus.

The first mortgage bonds will be represented either by global securities registered in the name of The Depository Trust Company, or DTC, as depository, or Depository, or its nominee, or by securities in certificated form issued to the registered owners, as set forth in the applicable prospectus supplement. See the information under the caption “Book-Entry System” in this prospectus.

General

We may issue the first mortgage bonds from time to time in one or more new series under the Supplemental and Restated Trust Indenture dated May 1, 1988, which we refer to as the Restated Indenture, as previously supplemented by 29 supplemental trust indentures and as to be supplemented by one or more new supplemental indentures for the first mortgage bonds, which we collectively refer to as the Mortgage Indenture, all from us to The Bank of New York Mellon Trust Company, N.A., as successor trustee, which we refer to as the Mortgage Trustee. The Mortgage Indenture will govern the first mortgage bonds offered by this prospectus. As of December 31, 2017, there were 15 series of first mortgage bonds in an aggregate principal amount of approximately \$5.0 billion outstanding under the Mortgage Indenture.

The holders of the outstanding first mortgage bonds do not, and, unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise with respect to that series, the holders of any first mortgage bonds offered by this prospectus will not, have the right to require us to repurchase the first mortgage bonds if we become involved in a highly leveraged or change in control transaction. The Mortgage Indenture does not have any provision that is designed specifically in response to highly leveraged or change in control transactions.

When we offer to sell a particular series of first mortgage bonds, we will describe the specific terms of that series in a prospectus supplement relating to that series, including the following terms:

- the title of the series;
- any limit on the aggregate principal amount of the series;
- the price at which the series will be issued;
- the date of maturity of that series;
- the date or dates on which we will pay the principal of that series;
- the rate or rates at which that series will bear interest or the method of calculating the rate or rates;
- the date or dates from which interest will accrue;
- the dates on which we will pay interest and the regular record dates for the interest payment dates and the persons to whom we will pay interest if different from the person in whose name the first mortgage bonds of that series are registered on the regular record date;

- any redemption terms, including mandatory redemption through a sinking fund or otherwise, redemption at our option and redemption at the option of the holder;
- the denominations in which we will issue that series, if other than \$1,000 and integral multiples of \$1,000;
- whether we will issue that series in whole or in part in book-entry form; and
- any other terms of that series of first mortgage bonds.

Unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise, we may from time to time, without the consent of the holders of that series of first mortgage bonds, reopen such series of first mortgage bonds and issue additional first mortgage bonds with the same terms (including maturity and interest payment terms) as such series of first mortgage bonds.

Redemption

The prospectus supplement that describes a particular series of first mortgage bonds will set forth any terms for the optional or mandatory redemption of that particular series.

Security for the First Mortgage Bonds

The first mortgage bonds being issued pursuant to this prospectus will be secured equally and ratably with all of our other outstanding first mortgage bonds by a valid and direct first mortgage lien on all of the real and fixed properties, leasehold rights, franchises and permits then owned by us subject only to permitted encumbrances (as discussed below).

The Mortgage Indenture subjects to the lien of the Mortgage Indenture all of our property, rights and franchises, except as otherwise expressly provided. These provisions might not be effective as to property acquired within 90 days prior and subsequent to the filing of a case by us under the United States Bankruptcy Code.

The Mortgage Indenture provides that no liens prior or equal to the lien of the Mortgage Indenture, other than permitted encumbrances, may be created or permitted to exist on the mortgaged and pledged property whether now owned or acquired in the future. (Section 8.04 of the Restated Indenture.)

Permitted encumbrances include, among others, the following:

- liens for taxes not yet delinquent or being contested in good faith, mechanics', workers' and other similar liens not yet delinquent or being contested in good faith and have not proceeded to judgment, and easements and rights of way that do not materially impair the use of the property in the operation of our business;
- rights of parties to agreements with us relating to property owned or used jointly with that party, provided the rights:
 - do not materially impair the use of the property in the normal course of our business;
 - do not materially affect the security provided by the Mortgage Indenture; and
 - are not inconsistent with the remedies of the Mortgage Trustee upon a completed default;
- leases existing on the effective date of the Mortgage Indenture affecting property owned by us on the effective date;
- leases that do not interfere in any material respect with the use by us of the property for its intended purpose and that will not have a material adverse impact on the security provided by the Mortgage Indenture;

- other leases relating to 5% or less of the sum of our depreciable property and land; and
- any mortgage, lien, charge or other encumbrance prior or equal to the lien of the Mortgage Indenture, other than a prepaid lien, existing on the date we acquire the property, provided that on the acquisition date:
 - no default has occurred and is continuing;
 - the principal amount secured by that mortgage, lien, charge or encumbrance does not exceed 66 2/3% of the lesser of the cost or fair value of the property; and
 - the mortgage, lien, charge or encumbrance will apply only to the property originally subject to that mortgage, lien, charge or encumbrance, we will close the mortgage, lien, charge or encumbrance and we will not issue additional indebtedness under that mortgage, lien, charge or encumbrance.

(Section 1.03 of the Restated Indenture.)

The holders of 66 2/3% of the principal amount of first mortgage bonds outstanding may (1) consent to the creation or existence of a prior lien with respect to up to 50% of the sum of our depreciable property and land, after giving effect to the prior lien or (2) terminate the lien of the Mortgage Indenture with respect to up to 50% of the sum of our depreciable property and land. (Section 18.02(e) of the Restated Indenture.)

Sinking Fund Provisions

We currently do not have any outstanding first mortgage bonds that are, and, unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise with respect to that series, the first mortgage bonds offered by this prospectus will not be, subject to a sinking fund.

Maintenance Provisions

As a maintenance fund for the first mortgage bonds, we have agreed to pay to the Mortgage Trustee on each May 1 an amount equal to 2.50% of our completed depreciable property as of the end of the preceding calendar year, after deducting credits at our option for the following:

- maintenance;
- renewals or replacements;
- property retirements offset by permanent additions;
- retirements of first mortgage bonds; and
- amounts of established permanent additions.

(Section 9.01 of the Restated Indenture.)

We may withdraw moneys from the maintenance fund in amounts equal to retirements of first mortgage bonds and permanent additions. Cash on deposit in the maintenance fund may be used for the purchase or redemption of first mortgage bonds. Any redemption of this nature would be at the applicable regular redemption price of the first mortgage bonds to be redeemed and subject to any restrictions on the redemption of that first mortgage bond. (Sections 9.03 and 9.04 of the Restated Indenture.)

To the extent that maintenance fund credits exceed 2.50% of completed depreciable property for any year after 1987, such excess credits may be applied in future years (1) to offset any maintenance fund deficiency or (2) to increase the amount of established permanent additions available for use under the Mortgage Indenture. (Section 9.05 of the Restated Indenture.)

We have agreed to maintain our properties in adequate repair, working order and condition. (Section 8.06 of the Restated Indenture.)

Issuance of Additional First Mortgage Bonds

The maximum principal amount of first mortgage bonds that we may issue under the Mortgage Indenture is not limited, except as described below. We may issue additional first mortgage bonds in amounts equal to (1) 66 2/3% of the cost or fair value, whichever is less, of permanent additions after deducting retirements (Article V of the Restated Indenture); (2) retired first mortgage bonds, which have not been otherwise used under the Mortgage Indenture (Article VI of the Restated Indenture); or (3) the amount of cash deposited with the Mortgage Trustee, which cash may be withdrawn on the same basis as additional first mortgage bonds may be issued under clauses (1) and (2) above. (Article VII of the Restated Indenture.)

The first mortgage bonds issued pursuant to this prospectus will be issued under clause (1) or (2) above. At December 31, 2017, the amount of net permanent additions available for the issuance of first mortgage bonds was approximately \$9.957 billion, which could be used to authenticate up to approximately \$6.638 billion principal amount of the first mortgage bonds. As of December 31, 2017, \$564.995 million of retired first mortgage bonds were available to authenticate up to \$564.995 million of first mortgage bonds.

We may not issue any additional first mortgage bonds on the basis of clause (1), clause (2) under specified conditions or clause (3), unless the earnings applicable to bond interest for a specified 12-month period are equal to twice the annual interest requirements on the first mortgage bonds, including those about to be issued, and any obligations secured by prior liens and any indebtedness secured by permitted encumbrances. (Sections 5.04, 6.02 and 7.01 of the Restated Indenture.) The calculation of earnings applicable to bond interest includes all of our nonutility revenues. (Section 1.03 of the Restated Indenture.)

Permanent additions include the following:

- our electric and steam generating, transmission and distribution properties;
- our gas storage and distribution properties;
- construction work-in-progress;
- our fractional and undivided property interests;
- property used for providing telephone or other communication services; and
- engineering, financial, economic, environmental, geological and legal or other studies, surveys or reports associated with the acquisition or construction of any depreciable property.

(Section 1.03 of the Restated Indenture.)

Earnings applicable to bond interest for the 12 months ended December 31, 2017 would be 4.07 times the annual interest requirements on our first mortgage bonds and any obligations secured by prior liens and any indebtedness secured by permitted encumbrances. Additional first mortgage bonds may vary as to maturity, interest rate, redemption prices and sinking fund, among other things. (Article II of the Restated Indenture.)

Provisions Limiting Dividends on Common Stock

We have agreed that the sum of:

- all dividends and distributions on our common stock after the effective date of the Restated Indenture (other than in common stock); and

- the amount, if any, by which the considerations given by us for the purchase or other acquisition of our common stock after the effective date exceeds the considerations received by us after the effective date from the sale of common stock will not exceed the sum of:
 - our retained earnings at the effective date; and
 - an amount equal to our net income earned after the effective date, after deducting all dividends accruing after the effective date on all classes and series of our preferred stock and after taking into consideration all proper charges and credits to earned surplus made after the effective date.

In computing net income for the purpose of this covenant, we will deduct the amount, if any, by which, after the date commencing 365 days prior to the effective date, the actual expenditures or charges for ordinary repairs and maintenance and the charges for reserves, renewals, replacements, retirements, depreciation and depletion are less than 2.50% of our completed depreciable property. (Section 8.07 of the Restated Indenture.)

Release Provisions

The Mortgage Indenture permits the release from its lien of any property upon depositing or pledging cash or certain other property of comparable fair value. The Mortgage Indenture also permits the following, in each case without any release or consent by the Mortgage Trustee or accountability to the Mortgage Trustee for any consideration received by us:

- the sale or other disposal of (i) any machinery, equipment, tools, implements or similar property subject to the lien of the Mortgage Indenture that has become obsolete or unfit for use or no longer useful, necessary or profitable in our business, upon replacement or substitution of with property of equal value, (ii) securities not pledged under the Mortgage Indenture, (iii) contracts, bills or accounts, (iv) motor vehicles and (v) certain equipment and supplies;
- the cancellation, change or alteration of contracts, leases, rights-of-way and easements;
- the surrender and modification of any franchise or governmental consent subject to certain restrictions;
- the sale or other disposal of all motor vehicles, vessels and marine equipment, railroad engines, cars and related equipment, airplanes, airplane engines and other flight equipment, office furniture and leasehold interests in property owned by third parties for office purposes; and
- the leasing of the property subject to the lien of the Indenture if it does not interfere in any material respect with the use of the property for the purpose for which it is held by us and will not have a material adverse impact on the security afforded by the Mortgage Indenture.

(Article XI of the Restated Indenture.)

Any of the mortgaged and pledged property may be released from the lien of the Mortgage Indenture if, after the release, the fair value of the remaining mortgaged and pledged property equals or exceeds a sum equal to 150% of the aggregate principal amount of first mortgage bonds outstanding. (Section 11.03(k) of the Restated Indenture.) Upon satisfaction of the requirements set forth in the Mortgage Indenture, this provision would permit us to spin off or otherwise dispose of a substantial amount of assets or a line of business without depositing cash or property with the Mortgage Trustee or obtaining the consent of the holders of the first mortgage bonds.

Modification of the Mortgage Indenture

We and the Mortgage Trustee may modify and amend the Mortgage Indenture from time to time. We will not need the consent of the holders of the first mortgage bonds for the following types of amendments, among others:

- to subject additional property to the lien of the Mortgage Indenture;

- to add to our covenants for the benefit of the holders; or
- to cure ambiguities or correct inconsistent provisions.

(Section 18.01 of the Restated Indenture.)

With the consent of the holders of 66 2/3% in principal amount of the first mortgage bonds outstanding so affected, other provisions of the Mortgage Indenture may be changed except that, among other things, the following may not be done without the consent of the holders of each first mortgage bond so affected:

- the maturity of a first mortgage bond may not be changed;
- the interest rate may not be reduced;
- the right to institute suit for the enforcement of any principal or interest payment may not be impaired;
- no lien ranking prior to or on parity with the lien of the Mortgage Indenture with respect to any of the property mortgaged or pledged under the Mortgage Indenture may be created with respect to more than 50% of the sum of land and depreciable property;
- the security of the lien upon the mortgaged and pledged property for the security of such holder's bond may not be deprived; and
- the required percentage of the holders of first mortgage bonds relating to actions that require their consent may not be changed.

(Section 18.02 of the Restated Indenture.)

Defaults

The following is a summary of events defined in the Mortgage Indenture as completed defaults:

- default in payment of principal of any first mortgage bond;
- default continued for 90 days in payment of interest on any first mortgage bond;
- default in the covenant contained in Section 8.11 of the Restated Indenture regarding bankruptcy, insolvency, assignment or receivership; and
- default continued for 90 days after notice in the performance of any other covenant, agreement or condition.

(Section 13.01 of the Restated Indenture.)

Notice of Default. The Mortgage Trustee is required to give notice to bondholders within 90 days after the occurrence of a default, unless the default has been cured or waived before giving its notice; provided that, except in the case of a default resulting from the failure to make any payment of principal or interest on any first mortgage bonds or to make any sinking fund payment, the Mortgage Trustee may withhold the notice if its board of directors, executive committee or a trust committee of directors or responsible officers determines in good faith that withholding the notice is in the interest of the bondholders. (Section 16.02 of the Restated Indenture.)

Acceleration of Maturity. In case of a completed default, the Mortgage Trustee may, and upon request of the holders of 25% in principal amount of the first mortgage bonds outstanding will, declare the first mortgage bonds due and payable, subject to the right of the holders of a majority of the first mortgage bonds then-outstanding to rescind or annul such action. Further, the Mortgage Trustee is obligated to take the actions provided in the Mortgage Indenture to enforce payment of the first mortgage bonds and the lien of the Mortgage Indenture upon being requested to do so by the holders of a majority in principal amount of the first mortgage

bonds. However, the holders of a majority in principal amount of the first mortgage bonds may direct the taking of any of these actions or the refraining from these actions as is not in violation of the law or the Mortgage Indenture. Before taking these actions, the Mortgage Trustee may require adequate indemnity against the costs, expenses and liabilities to be incurred in connection with these actions. (Article XIII of the Restated Indenture.)

Compliance Certificate. We are required to file with the Mortgage Trustee information, documents and reports regarding our compliance with the conditions and covenants of the Mortgage Indenture as may be required by the rules and regulations of the SEC, including a certificate, furnished at least annually, as to whether, in the opinion of the officer signing such certificate, we are in compliance with the conditions and covenants under the Mortgage Indenture. (Section 8.18 of the Restated Indenture.)

Other Provisions

Whenever all indebtedness secured by the Mortgage Indenture has been paid, or adequate provision for payment has been made, the Mortgage Trustee will cancel and discharge the Mortgage Indenture. (Article XVII of the Restated Indenture.) We may deposit with the Mortgage Trustee any combination of cash or government obligations in order to provide for the payment of any series or all of the first mortgage bonds outstanding. The Mortgage Indenture also provides that we must furnish to the Mortgage Trustee officers' certificates, certificates of an engineer, appraiser or other expert and, in some cases, accountants' certificates in connection with the authentication of first mortgage bonds, the release or release and substitution of property and some other matters, and opinions of counsel as to the lien of the Mortgage Indenture and some other matters. (Articles IV, V, VI, VII, XI and XVII and Section 20.08 of the Restated Indenture.)

Concerning the Trustee

The Bank of New York Mellon Trust Company, N.A., is the Mortgage Trustee under the Mortgage Indenture. We maintain banking relationships with the Mortgage Trustee in the ordinary course of business.

Governing Law

The Mortgage Indenture and first mortgage bonds being issued pursuant to this prospectus are governed by, and construed in accordance with, the laws of the State of Minnesota.

DESCRIPTION OF THE SENIOR UNSECURED DEBT SECURITIES

The description below contains a summary of selected provisions of the indenture, including supplemental indentures, under which the senior unsecured debt securities, which we refer to as debt securities, will be issued. This summary is not complete. The indenture and the form of supplemental indenture applicable to the debt securities have been filed as exhibits to the registration statement of which this prospectus is a part. You should read them for provisions that may be important to you. In the summary below, we have included references to section numbers of the indenture so that you can easily locate these provisions.

We are not required to issue future issues of indebtedness under the indenture described below. We are free to use other indentures or documentation, containing provisions different from those described in this prospectus, in connection with future issues of other indebtedness not issued under this prospectus.

The debt securities will be represented either by global securities registered in the name of DTC, as Depository, or its nominee, or by securities in certificated form issued to the registered owners, as set forth in the applicable prospectus supplement. See the information under the caption "Book-Entry System" in this prospectus.

General

The debt securities will be issued in one or more new series under the Indenture dated July 1, 1999, as supplemented, between us and Wells Fargo Bank, N.A., (as successor by merger to Norwest Bank Minnesota, National Association) as trustee, which we refer to as the Senior Trustee. This indenture, as previously supplemented by supplemental indentures and as to be supplemented by one or more new supplemental indentures for the debt securities, is referred to in this prospectus as the Senior Indenture. As of December 31, 2017, there were no debt securities outstanding under the Senior Indenture.

Unless the supplemental indenture that describes a particular series of debt securities provides otherwise with respect to that series, the holders of any debt securities offered by this prospectus will not, have the right to require us to repurchase the debt securities if we become involved in a highly leveraged or change in control transaction. The Senior Indenture does not have any provision that is designed specifically in response to highly leveraged or change in control transactions.

The debt securities will be our senior unsecured obligations and will rank on a parity with our other senior unsecured indebtedness. In this "Description of the Senior Unsecured Debt Securities," we refer to securities issued under the Senior Indenture as the securities. Our secured debt will have a prior claim on the assets pledged to secure such debt and, therefore, our securities will be effectively subordinated to all of our current and future secured debt, including our first mortgage bonds to the extent of the value of the properties securing them. As of December 31, 2017, we had \$5.0 billion of secured debt outstanding.

The amount of securities that we may issue under the Senior Indenture is not limited.

When we offer to sell a particular series of debt securities, we will describe the specific terms of that series in a prospectus supplement relating to that series, including the following terms:

- the title of the series;
- any limit on the aggregate principal amount of the series;
- the price at which the series will be issued;
- the date of maturity of that series;
- the date or dates on which we will pay the principal of that series;
- the rate or rates at which that series will bear interest or the method of calculating the rate or rates;
- the date or dates from which the interest will accrue;

- the dates on which we will pay interest and the regular record dates for the interest payment dates and the persons to whom we will pay interest if different from the person in whose name the debt securities of that series are registered on the regular record date;
- any redemption terms, including mandatory redemption through a sinking fund or otherwise, redemption at our option and redemption at the option of the holder;
- the denominations in which we will issue that series, if other than \$1,000 and integral multiples of \$1,000;
- whether we will issue that series in whole or in part in book-entry form; and
- any other terms of that series of debt securities.

Unless the prospectus supplement that describes a particular series of debt securities provides otherwise, we may from time to time, without the consent of the holders of that series of debt securities, reopen such series of debt securities and issue additional debt securities with the same terms (including maturity and interest payment terms) as such series of debt securities.

Registration, Transfer and Exchange

Debt securities of any series may be exchanged for other debt securities of the same series of any authorized denominations and of a like aggregate principal amount and kind. (Section 2.6 of the Senior Indenture.)

Unless the prospectus supplement that describes a particular series of debt securities provides otherwise with respect to that series, debt securities may be presented for registration of transfer (duly endorsed or accompanied by a duly executed written instrument of transfer) at the office of the Senior Trustee maintained for that purpose and referred to in the applicable prospectus supplement, without service charge and upon payment of any taxes and other governmental charges as described in the Senior Indenture. Any transfer or exchange will be effected upon the Senior Trustee's satisfaction with the documents of title and indemnity of the person making the request. (Sections 2.6 and 2.7 of the Senior Indenture.)

The Senior Trustee will not be required to exchange or register a transfer of any debt securities of a series selected, called or being called for redemption except, in the case of any debt security to be redeemed in part, the portion of that debt security not to be so redeemed. (Section 2.6 of the Senior Indenture.) See the information under the caption "Book-Entry System."

Payment and Paying Agents

Principal, interest and premium, if any, on debt securities issued in the form of global securities will be paid in the manner described below under the caption "Book-Entry System." Unless the prospectus supplement that describes a particular series of debt securities provides otherwise with respect to that series, interest on debt securities that are in the form of certificated securities will be paid by check mailed to the holder at that person's address as it appears in the register for the debt securities maintained by the Senior Trustee; however, a holder of \$10,000,000 or more of the debt securities having the same interest payment dates will be entitled to receive payments of interest by wire transfer, if appropriate wire transfer instructions have been received by the Senior Trustee on or prior to the applicable record date. (Section 2.12 of the Senior Indenture.) Unless the prospectus supplement that describes a particular series of debt securities provides otherwise with respect to that series, the principal, interest at maturity and premium, if any, on debt securities in the form of certificated securities will be payable in immediately available funds at the office of the Senior Trustee. (Section 2.12 of the Senior Indenture.)

All monies paid by us to a paying agent for the payment of principal, interest or premium on any debt security that remain unclaimed at the end of two years after that principal, interest or premium has become due and payable will be repaid to us, and the holder of that debt security will thereafter look only to us for payment of that principal, interest or premium. (Section 4.4 of the Senior Indenture.)

Events of Default

The following constitute events of default under the Senior Indenture:

- default in the payment of principal and premium, if any, on any security issued under the Senior Indenture when due and payable and continuance of that default for five days;
- default in the payment of interest on any security issued under the Senior Indenture when due and continuance of that default for 30 days;
- default in the performance or breach of any of our other covenants or warranties in the securities or in the Senior Indenture and the continuation of that default or breach for 90 days after written notice to us as provided in the Senior Indenture; and
- specified events of bankruptcy, insolvency or reorganization of our company.

(Section 7.1 of the Senior Indenture.)

If an event of default occurs and is continuing, either the Senior Trustee or the holders of a majority in principal amount of the outstanding securities may declare the principal amount of all securities to be due and payable immediately. At any time after an acceleration of the securities has been declared, but before a judgment or decree of the immediate payment of the principal amount of the securities has been obtained, if we pay or deposit with the Senior Trustee a sum sufficient to pay all matured installments of interest and the principal and any premium that has become due otherwise than by acceleration and all defaults have been cured or waived, then that payment or deposit will cause an automatic rescission and annulment of the acceleration of the securities. (Section 7.1 of the Senior Indenture.)

The Senior Trustee generally will be under no obligation to exercise any of its rights or powers under the Senior Indenture at the request or direction of any of the holders unless such holders have offered acceptable indemnity to the Senior Trustee. (Section 8.2 of the Senior Indenture.) The holders of a majority in principal amount of the outstanding securities generally will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Senior Trustee, or of exercising any trust or power conferred on the Senior Trustee, relating to the securities. (Section 7.7 of the Senior Indenture.) Each holder has the right to institute a proceeding relating to the Senior Indenture, but this right is subject to conditions precedent specified in the Senior Indenture. (Sections 7.4 and 7.7 of the Senior Indenture.) The Senior Trustee is required to give the holders of the securities notice of the occurrence of a default within 90 days of the default, unless the default is cured or waived. Except in the case of a payment default on any securities, however, the Senior Trustee may withhold notice if it determines in good faith that it is in the interest of holders to do so. (Section 7.8 of the Senior Indenture.) We are required to deliver to the Senior Trustee each year a certificate as to whether or not we are in compliance with the conditions and covenants under the Senior Indenture. (Section 5.5 of the Senior Indenture.)

Modification

We and the Senior Trustee may modify and amend the Senior Indenture from time to time.

We will not need the consent of the holders of the securities for the following types of amendments:

- adding to our covenants for the benefit of the holders of the securities or surrendering a right given to us in the Senior Indenture;
- adding security for the securities; or
- making various other modifications, generally of a ministerial or immaterial nature.

(Section 12.1 of the Senior Indenture.)

We will need the consent of the holders of each outstanding security affected by a proposed amendment if the amendment would cause any of the following to occur:

- a change in the maturity date of any security;
- a reduction in the interest rate or extension of the time of payment of interest;
- a reduction in the principal amount of any security, the premium payable on any security;
- a change in the currency of any payment of principal, premium or interest on any security;
- a change in the date on which any security may be redeemed or repaid at the option of the holder; or
- an impairment of the right of a holder to institute suit for the enforcement of any payment relating to any security.

Additionally, we may not modify these requirements or reduce the percentage of outstanding securities necessary to consent to the modification or amendment of the Senior Indenture or to waive past defaults without the consent of the holders of all of the outstanding debt securities.

Amendments requiring holders' consent, other than those described in the above paragraph will require the approval of the holders of a majority in aggregate principal amount of the outstanding securities.

(Section 12.2 of the Senior Indenture.)

Defeasance and Discharge

We may be discharged from all obligations relating to the debt securities and the Senior Indenture (except for specified obligations such as obligations to register the transfer or exchange of securities, replace stolen, lost or mutilated securities and maintain paying agencies) if we irrevocably deposit with the Senior Trustee, in trust for the benefit of holders of securities, money or United States government obligations (or any combination thereof) sufficient to make all payments of principal, premium and interest on the securities on the dates those payments are due. To discharge these obligations, we must deliver to the Senior Trustee an opinion of counsel that the holders of the securities will not recognize income, gain or loss for federal income tax purposes as a result of the defeasance or discharge of the Senior Indenture. If we discharge our obligations as described above, the holders of securities must look only to the funds deposited with the Senior Trustee, and not us, for payments on the securities. (Section 4.1 of the Senior Indenture.)

Consolidation, Merger and Sale of Assets

We will not merge into any other corporation or sell or otherwise transfer all or substantially all our assets unless the successor or transferee corporation assumes by supplemental indenture our obligations to pay the principal, interest and premium on all of the securities and our obligation to perform every covenant of the Senior Indenture that we are to perform or observe and we or the successor or transferee corporation, as applicable, are not, immediately following such merger, sale or transfer, in default in the performance of any of those covenants. Upon any merger, sale or transfer of all or substantially all of our assets, the successor or transferee corporation will succeed to, and be substituted for, and may exercise all of our rights and powers under the Senior Indenture with the same effect as if the successor corporation had been named as us in the Senior Indenture, and we will be released from all obligations under the Senior Indenture. Unless the prospectus supplement that describes a particular series of debt securities provides otherwise with respect to that series, the Senior Indenture will define all or substantially all of our assets as being 50% or more of our total assets as shown on our balance sheet as of the end of the prior year and specifically will permit any sale, transfer or conveyance during a calendar year of less than 50% of our total assets without the consent of the holders of the securities. (Sections 11.1 and 11.2 of the Senior Indenture.)

Resignation or Removal of Senior Trustee

The Senior Trustee may resign at any time by notifying us in writing and specifying the day upon which the resignation is to take effect. The resignation will not take effect, however, until a successor trustee has been appointed. (Section 8.10 of the Senior Indenture.)

The holders of a majority in principal amount of the outstanding securities may remove the Senior Trustee at any time. In addition, so long as no event of default or event that, with the giving of notice or lapse of time or both, would become an event of default has occurred and is continuing, we may remove the Senior Trustee upon notice to the holder of each security outstanding and appointment of a successor Senior Trustee. (Section 8.10 of the Senior Indenture.)

Concerning the Senior Trustee

Wells Fargo Bank, National Association is the Senior Trustee. We maintain banking relationships with the Senior Trustee in the ordinary course of business. The Senior Trustee also acts as trustee for securities of some of our affiliates.

BOOK-ENTRY SYSTEM

Unless otherwise specified in the applicable prospectus supplement, each series of securities offered by this prospectus will be issued as fully-registered global securities representing all or part of that series of securities. This means that we will not issue certificates for that series of securities to the holders. Instead, a global security representing that series of securities will be deposited with, or on behalf of, DTC or its successor, as the depository. The global securities will be registered at the request of DTC in the name of Cede & Co., DTC's nominee, or such other name as may be requested by an authorized representative of DTC.

DTC will keep an electronic record of its participants (for example, your broker) whose clients have purchased securities represented by a global security. Unless a global security is exchanged in whole or in part for a certificated security, a global security may not be transferred, except that DTC, its nominees and successors may transfer a global security as a whole to one another.

Beneficial interests in global securities will be shown on, and transfers of interests will be made only through, records maintained by DTC and its participants. The laws of some jurisdictions require that some purchasers take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in a global security.

We will make payments of principal, interest, if any, and premium, if any, to DTC or its nominee. We, the applicable trustee and any paying agent will treat DTC or its nominee as the owner of the global security for all purposes, including any notices and voting. Accordingly, neither we nor any trustee nor any paying agent will have any direct responsibility or liability to pay amounts due on a global security to owners of beneficial interests in a global security.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants, or "direct participants," deposit with DTC. DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation, or "DTCC." DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a direct participant either directly or indirectly, an "indirect participant." Direct participants and indirect participants are referred to collectively as "participants." The DTC Rules applicable to its participants are on file with the SEC.

Purchases of global securities under the DTC system must be made by or through direct participants, which will receive a credit for the securities on DTC's records. The ownership interest of each actual purchaser of each security, or "beneficial owner," is in turn to be recorded on the direct and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the global securities are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the global securities, except in the event that use of the book-entry system for the global securities is discontinued.

To facilitate subsequent transfers, all securities deposited by direct participants with DTC are registered in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities. DTC's records reflect only the identity of the direct participants to whose accounts such securities are credited, which may or may not be the beneficial owners. The direct and indirect participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

If a particular series of securities is redeemable at our option or at the option of the holder, redemption notices will be sent to DTC. If less than all of the securities of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such series to be redeemed. Redemption proceeds and distributions on global securities will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. Upon DTC's receipt of funds and corresponding detail information from us, any trustee or any paying agent, DTC's practice is to credit direct participants' accounts in accordance with the holdings information shown on DTC's records on the payment date. Payments by participants to beneficial owners of securities will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name." Payments will be the responsibility of such participant and not of DTC nor its nominee, any trustee, any paying agent or us, subject to any statutory or regulatory requirements. Payment of redemption proceeds and distributions to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC is the responsibility of us, the applicable trustee or the applicable paying agent, disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

Neither DTC nor Cede & Co. or any other DTC nominee will consent or vote with respect to global securities unless authorized by a direct participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the securities are credited on the record date as identified in a listing attached to the omnibus proxy.

Global securities will be exchangeable for corresponding certificated securities registered in the name of persons other than DTC or its nominee if (1) DTC (a) notifies us that it is unwilling or unable to continue as depository for any of the global securities or (b) at any time ceases to be a clearing agency registered under the Exchange Act, (2) an event of default occurs and is continuing with respect to the applicable series of securities or (3) we execute and deliver to the applicable trustee an order that the global securities will be so exchangeable.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and we and any underwriters, dealers or agents are not responsible for the accuracy of the information or for the performance by DTC of its obligations under the rules and procedures governing its operations or otherwise.

Any underwriters, dealers or agents of any securities may be direct participants of DTC.

PLAN OF DISTRIBUTION

We may sell the securities offered under this prospectus through underwriters or dealers, through agents or directly to one or more purchasers. The terms under which the securities are offered and the method of distribution will be set forth in the applicable prospectus supplement.

Underwriters, dealers and agents that participate in the distribution of the securities offered under this prospectus may be underwriters as defined in the Securities Act of 1933, as amended, the “Securities Act,” and any discounts or commissions received by them from us and any profit on the resale of the offered securities by them may be treated as underwriting discounts and commissions under the Securities Act. Any underwriters or agents will be identified and their compensation, including any underwriting discount or commission, will be described in the applicable prospectus supplement. The applicable prospectus supplement will also describe other terms of the offering, including the initial public offering price and any discounts or concessions allowed or reallocated to dealers.

The distribution of the securities described in this prospectus may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at negotiated prices.

We may determine the price or other terms of the securities offered under this prospectus by use of an electronic auction. We will describe in the applicable prospectus supplement how any auction will be conducted to determine the price or any other terms of the securities, how potential investors may participate in the auction and, where applicable, the nature of the underwriters’ obligations with respect to the auction.

Each series of securities will be a new issue of securities and will have no established trading market. Any underwriters to whom securities are sold for public offering and sale may make a market in such securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. The securities may or may not be listed on a national securities exchange.

Under agreements into which we may enter in connection with the sale of the securities, underwriters, dealers and agents who participate in the distribution of the securities may be entitled to indemnification by us against specified liabilities, including liabilities under the Securities Act.

LEGAL OPINIONS

Unless otherwise indicated in the applicable prospectus supplement, legal opinions relating to the validity of the securities being offered by this prospectus and certain other matters will be rendered by our counsel, Scott M. Wilensky, 414 Nicollet Mall, Minneapolis, Minnesota, and Jones Day, Chicago, Illinois, counsel for our company. Unless otherwise indicated in the prospectus supplement relating to a particular series of securities, certain legal matters will be passed upon for the underwriters, dealers or agents named in a prospectus supplement by Hunton Andrews Kurth LLP, New York, New York. Scott M. Wilensky is our Executive Vice President and General Counsel and is the beneficial owner of less than 1% of the common stock of our parent company, Xcel Energy Inc.

EXPERTS

The consolidated financial statements, and the related financial statement schedule, incorporated in this prospectus by reference from Northern States Power Company's, a Minnesota corporation, Annual Report on Form 10-K have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference. Such consolidated financial statements and financial statement schedule have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

PROSPECTUS

NORTHERN STATES POWER COMPANY

1414 W. Hamilton Avenue
Eau Claire, Wisconsin 54701
(715) 737-2625

FIRST MORTGAGE BONDS SENIOR UNSECURED DEBT SECURITIES

We may offer and sell from time to time, in one or more offerings, together or separately, any combination of the securities listed above and described in this prospectus. We may offer and sell these securities to or through one or more underwriters, dealers and/or agents, or directly to purchasers, on a continuous or delayed basis.

This prospectus describes some of the general terms that may apply to the securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be described in a supplement to this prospectus. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

You should carefully consider the risk factors set forth in the applicable prospectus supplement and certain of our filings with the Securities and Exchange Commission before making any decision to invest in any of the securities described in this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 18, 2018.

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ABOUT THIS PROSPECTUS

This document is called a “prospectus” and it provides you with a general description of the securities we may offer. Each time we sell securities under this prospectus, we will provide a prospectus supplement containing specific information about the terms of the securities being offered. That prospectus supplement may include a discussion of any risk factors or other special considerations that apply to those securities. The prospectus supplement may also add, update or change the information in this prospectus. If there is any inconsistency between the information in this prospectus and in the prospectus supplement, you should rely on the information in the prospectus supplement. You should read this prospectus and the applicable prospectus supplement together with the additional information described under the caption “Where You Can Find More Information.” We may also prepare free writing prospectuses that describe particular securities. Any free writing prospectus should also be read in connection with this prospectus and with the prospectus supplement referred to therein. For purposes of this prospectus, any reference to an applicable prospectus supplement may also refer to a free writing prospectus, unless the context otherwise requires.

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the “SEC,” using a shelf registration process. As permitted by SEC rules, this prospectus does not contain all of the information included in the registration statement and the accompanying exhibits and schedules we filed with the SEC. You should read the registration statement and the related exhibits and schedules for more information about us and our securities. The registration statement and the related exhibits and schedules can be read at the SEC’s website or at the SEC’s offices. The SEC’s website and street addresses are provided under the caption “Where You Can Find More Information.”

The distribution of this prospectus and the applicable prospectus supplement and the offering of the securities in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus and the applicable prospectus supplement come should inform themselves about and observe any such restrictions. This prospectus and the applicable prospectus supplement do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offering or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

This prospectus, the applicable prospectus supplement and any free writing prospectus that we prepare or authorize contain and incorporate by reference information that you should consider when making your investment decision. No one is authorized to provide you with information different from that which is contained, or deemed to be contained, in this prospectus and applicable prospectus supplement. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or the documents incorporated by reference is accurate as of any date other than the date on the front of those documents.

Unless otherwise specified or unless the context requires otherwise, all references in this prospectus to “Northern States Power Company,” “NSP,” “we,” “us,” “our,” “the Company,” or similar terms refer to Northern States Power Company.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the SEC. Our SEC filings are available to the public on the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room.

The SEC allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference our Annual Report on Form 10-K for the year ended December 31, 2017, including information specifically incorporated by reference into our Form 10-K from Xcel Energy Inc.'s definitive Proxy Statement for its 2018 Annual Meeting of Shareholders, and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, from the date of the prospectus until we sell all of the securities (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules).

We will provide, without charge, to each person, including any beneficial owner of our securities to whom this prospectus is delivered, upon written or oral request, a copy of any or all documents referred to above that have been incorporated by reference into this prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may request these documents from:

Attn: Corporate Secretary
Northern States Power Company
c/o Xcel Energy Inc.
414 Nicollet Mall
Minneapolis, Minnesota 55401
(612) 330-5500

OUR COMPANY

We were incorporated in 1901 under the laws of the State of Wisconsin. We are a utility primarily engaged in the generation, transmission, distribution and sale of electricity in portions of northwestern Wisconsin and in the western portion of the Upper Peninsula of Michigan. We also purchase, transport, distribute and sell natural gas to retail customers and transport customer-owned natural gas in the same service territory. As of December 31, 2017, we provided electric utility service to approximately 259,000 customers and natural gas utility service to approximately 114,000 customers.

Our electric production and transmission system is managed as an integrated system with that of Northern States Power Company, a Minnesota corporation, or “NSP-Minnesota”, jointly referred to as the NSP System. The electric production and transmission costs of the entire NSP System are shared by us and NSP-Minnesota. A Federal Energy Regulatory Commission-approved agreement between the two companies, called the Interchange Agreement, provides for the sharing of all generation and transmission costs of the NSP System. Such costs include current and potential obligations of NSP-Minnesota related to its nuclear generating facilities.

We own the following direct subsidiaries: Chippewa and Flambeau Improvement Co., which operates hydro reservoirs; Clearwater Investments Inc., which owns interests in affordable housing; and NSP Lands, Inc., which holds real estate.

Our principal executive offices are located at 1414 W. Hamilton Avenue, Eau Claire, Wisconsin 54701, and our telephone number is (715) 839-2625.

RISK FACTORS

Investing in our securities involves certain risks. You are urged to carefully read and consider the risk factors relating to an investment in our securities described in our annual, quarterly and current reports filed with the SEC under the Securities Exchange Act of 1934, as amended, which are incorporated by reference into this prospectus. Before making an investment decision, you should carefully consider these risks, as well as any other information that we include or incorporate by reference in this prospectus or any prospectus supplement. The prospectus supplement applicable to each type or series of securities we offer may contain a discussion of additional risks applicable to an investment in our securities and the particular type of securities we are offering under that prospectus supplement.

USE OF PROCEEDS

Unless otherwise indicated in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities offered by this prospectus for general corporate purposes, including meeting our working capital requirements, funding capital expenditures and acquisitions, repaying short-term debt and refunding long-term debt at maturity or otherwise. Until the net proceeds from the sale of the offered securities have been used, we may invest them temporarily in interest-bearing obligations.

**RATIO OF CONSOLIDATED EARNINGS TO
CONSOLIDATED FIXED CHARGES**

	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Ratio of consolidated earnings to consolidated fixed charges	4.5	4.2	4.6	4.8	4.4

For purposes of computing the ratio of consolidated earnings to consolidated fixed charges, (1) earnings consist of pre-tax income from continuing operations plus fixed charges; and (2) fixed charges consist of interest on long-term debt, other interest charges, the interest component on leases and amortization of debt discount, premium and expense.

DESCRIPTION OF THE FIRST MORTGAGE BONDS

The description below contains a summary of selected provisions of the indenture, including supplemental indentures, under which the first mortgage bonds will be issued. This summary is not complete. The indenture and the form of supplemental indenture applicable to the first mortgage bonds have been filed as exhibits to the registration statement of which this prospectus constitutes a part. You should read them for provisions that may be important to you. In the summary below, we have included references to section numbers of the indenture so that you can easily locate these provisions.

We are not required to issue future issues of indebtedness under the indenture described below. We are free to use other indentures or documentation, containing provisions different from those described in this prospectus, in connection with future issues of other indebtedness not issued under this prospectus.

The first mortgage bonds will be represented either by global securities registered in the name of The Depository Trust Company, or DTC, as depository, or Depository, or its nominee, or by securities in certificated form issued to the registered owners, as set forth in the applicable prospectus supplement. See the information under the caption “Book-Entry System” in this prospectus.

General

We may issue the first mortgage bonds from time to time in one or more new series under the Supplemental and Restated Trust Indenture dated March 1, 1991, which we refer to as the Restated Indenture, as previously supplemented by nine supplemental trust indentures and as to be supplemented by one or more new supplemental indentures for the first mortgage bonds, which we collectively refer to as the Mortgage Indenture, all from us to U.S. Bank National Association, as successor trustee, which we refer to as the Mortgage Trustee. The Mortgage Indenture will govern the first mortgage bonds offered by this prospectus. As of December 31, 2017, there were five series of first mortgage bonds in an aggregate principal amount of \$750 million outstanding under the Mortgage Indenture.

The holders of the outstanding first mortgage bonds do not, and, unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise with respect to that series, the holders of any first mortgage bonds offered by this prospectus will not, have the right to require us to repurchase the first mortgage bonds if we become involved in a highly leveraged or change in control transaction. The Mortgage Indenture does not have any provision that is designed specifically in response to highly leveraged or change in control transactions.

When we offer to sell a particular series of first mortgage bonds, we will describe the specific terms of that series in a prospectus supplement relating to that series, including the following terms:

- the title of the series;
- any limit on the aggregate principal amount of the series;
- the price at which the series will be issued;
- the date or dates of maturity of that series;
- the date or dates on which we will pay the principal of that series;
- the rate or rates at which that series will bear interest or the method of calculating the rate or rates;
- the date or dates from which interest will accrue;
- the dates on which we will pay interest and the regular record dates for the interest payment dates and the persons to whom we will pay interest if different from the person in whose name the first mortgage bonds of that series are registered on the regular record dates;

- any redemption terms, including mandatory redemption through a sinking fund or otherwise, redemption at our option and redemption at the option of the holder;
- the denominations in which we will issue that series, if other than \$1,000 and integral multiples of \$1,000;
- whether we will issue that series in whole or in part in book-entry form; and
- any other terms of that series of first mortgage bonds.

Unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise, we may from time to time, without the consent of the holders of that series of first mortgage bonds, reopen such series of first mortgage bonds and issue additional first mortgage bonds with the same terms (including maturity and interest payment terms) as such series of first mortgage bonds.

Interest Payments

Unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise, the amount of interest payable will be computed on the basis of a 360-day year of twelve 30-day months. In the event that any date on which such interest is payable on the first mortgage bonds is not a business day, then payment of the interest payable on such date will be made on the next succeeding day which is a business day (and without any interest or other payment in respect of any such delay), with the same force and effect as if made on such date.

Redemption

The prospectus supplement that describes a particular series of first mortgage bonds will set forth any terms for the optional or mandatory redemption of that particular series.

Security for the First Mortgage Bonds

The first mortgage bonds being issued pursuant to this prospectus will be secured equally and ratably with all of our other outstanding first mortgage bonds, subject to the provisions relating to any sinking fund for any particular series of first mortgage bonds, by a valid and direct first mortgage lien on all of the real and fixed properties, leasehold rights, franchises and permits then owned by us subject only to permitted encumbrances (as discussed below). The lien of the Mortgage Indenture does not cover securities, cash, contracts, receivables, motor vehicles, merchandise, equipment and supplies and specified non-utility property.

The Mortgage Indenture subjects to the lien of the Mortgage Indenture all of our property, rights and franchises, except as otherwise expressly provided. These provisions might not be effective as to property acquired within 90 days prior and subsequent to the filing of a case by us under the U.S. Bankruptcy Code.

We have not made any appraisal of the properties subject to the lien of the Mortgage Indenture. The value of the properties in the event of liquidation will depend on market and economic conditions, the availability of buyers and other factors.

The Mortgage Indenture provides that no liens prior or equal to the lien of the Mortgage Indenture, other than permitted encumbrances, may be created or permitted to exist on the mortgaged and pledged property whether now owned or acquired in the future. (Section 8.04 of the Restated Indenture.)

Permitted encumbrances include, among others, the following:

- permitted liens (liens for taxes not yet delinquent or being contested in good faith, mechanics', workers' and other similar liens not yet delinquent or being contested in good faith and easements and rights of way that do not materially impair the use of the property in the operation of our business);

- rights of parties to agreements with us relating to property owned or used jointly with that party, provided the rights:
 - do not materially impair the use of the property in the normal operation of our business;
 - do not materially affect the security provided by the Mortgage Indenture; and
 - are not inconsistent with the remedies of the Mortgage Trustee upon a completed default;
- leases existing on the effective date of the Restated Indenture affecting property owned by us on the effective date;
- leases that do not interfere in any material respect with the use by us of the property for its intended purpose and that will not have a material adverse impact on the security provided by the Mortgage Indenture;
- other leases relating to 5% or less of the sum of our depreciable property and land; and
- any mortgage, lien, charge or other encumbrance prior or equal to the lien of the Mortgage Indenture, other than a prepaid lien, existing on the date we acquire the property, provided that on the acquisition date:
 - no default has occurred and is continuing;
 - the principal amount secured by that mortgage, lien, charge or encumbrance does not exceed 66 2/3% of the lesser of the cost or fair value of the property; and
 - that mortgage, lien, charge or encumbrance will apply only to the property originally subject to that mortgage, lien, charge or encumbrance, we will close that mortgage, lien, charge or encumbrance and we will not issue additional indebtedness under that mortgage, lien, charge or encumbrance.

(Section 1.03 of the Restated Indenture.)

With the consent of the holders of 66 2/3% of the principal amount of first mortgage bonds outstanding, the Company may (1) permit the creation or existence of a prior lien with respect to up to 50% of the sum of our depreciable property and land, after giving effect to the prior lien and the acquisition of the property subject to the prior lien or (2) terminate the lien of the Mortgage Indenture with respect to up to 50% of the sum of our depreciable property and land. (Section 19.02(e) of the Restated Indenture.)

Sinking Fund Provisions

We currently do not have any outstanding first mortgage bonds that are, and, unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise with respect to that series, the first mortgage bonds offered by this prospectus will not be, subject to a sinking fund.

Maintenance Provisions

As a maintenance fund for the first mortgage bonds, we have agreed to pay to the Mortgage Trustee on each May 1 an amount equal to 2.50% of our completed depreciable property as of the end of the preceding calendar year, after deducting credits at our option for the following:

- maintenance;
- renewals or replacements;
- property retirements offset by permanent additions;
- retirements or redemptions of first mortgage bonds; and
- amounts of established permanent additions.

(Section 9.01 of the Restated Indenture.)

We may withdraw moneys from the maintenance fund in amounts equal to retirements of first mortgage bonds and permanent additions. Cash on deposit in the maintenance fund may be used for the purchase or redemption of first mortgage bonds. Any redemption of this nature would be at the applicable regular redemption price of the first mortgage bonds to be redeemed and subject to any restrictions on the redemption of the first mortgage bonds. (Sections 9.03 and 9.04 of the Restated Indenture).

The Restated Indenture further provides that to the extent that maintenance fund credits exceed 2.50% of our completed depreciable property for any year after 1990, such excess credits may be applied in future years (1) to offset any maintenance fund deficiency or (2) to increase the amount of established permanent additions available for use under the Mortgage Indenture in an aggregate amount equal to the lesser of such excess credits or the amount of permanent additions used after 1990 for the maintenance fund. (Section 9.05 of the Restated Indenture.)

We have agreed to maintain our properties in adequate repair, working order and condition. (Section 8.06 of the Restated Indenture.)

Issuance of Additional First Mortgage Bonds

The maximum principal amount of first mortgage bonds that we may issue under the Mortgage Indenture is not limited, except as described below. We may issue additional first mortgage bonds in an aggregate principal amount not exceeding (1) 66 2/3% of the cost or fair value, whichever is less, of permanent additions after deducting retirements (Article V of the Restated Indenture); (2) the aggregate principal amount of retired first mortgage bonds, which have not been otherwise used under the Mortgage Indenture (Article VI of the Restated Indenture); or (3) the amount of cash deposited with the Mortgage Trustee, which cash may be withdrawn on the same basis as additional first mortgage bonds may be issued under clauses (1) and (2) above (Article VII of the Restated Indenture).

At December 31, 2017, the amount of net permanent additions available for the issuance of first mortgage bonds was approximately \$1.767 billion, which could be used to authenticate up to approximately \$1.178 billion principal amount of the first mortgage bonds. As of December 31, 2017, \$11.000 million of retired first mortgage bonds were available to authenticate up to \$11.000 million of first mortgage bonds.

We may not issue any additional first mortgage bonds on the basis of clause (1), clause (2) under specified conditions or clause (3) above, unless the earnings applicable to bond interest for a specified 12-month period are equal to at least twice the annual interest requirements on the first mortgage bonds, including those about to be issued, any permitted indebtedness and any obligations secured by prior liens. (Sections 1.03, 5.03, 5.06, 6.02 and 7.01 of the Restated Indenture.) The calculation of earnings applicable to bond interest includes all of our gross revenue, including our nonutility revenues. (Section 1.03 of the Restated Indenture.)

Permanent additions generally include, among other things, the following:

- our electric and steam generating, transmission and distribution properties;
- our gas storage and distribution properties;
- construction work-in-progress;
- our fractional and undivided property interests;
- property used for providing telephone or other communication services; and
- engineering, financial, economic, environmental, geological and legal or other studies, surveys or reports preliminary to or associated with the acquisition or construction of any depreciable property.

(Section 1.03 of the Restated Indenture.)

Earnings applicable to bond interest for the 12 months ended December 31, 2017 would be 4.30 times the annual interest requirements on our first mortgage bonds and any obligations secured by prior liens and any permitted indebtedness secured by permitted encumbrances. Additional first mortgage bonds may vary as to maturity, interest rate, redemption prices and sinking fund provisions, among other things. (Article II of the Restated Indenture.)

Provisions Limiting Dividends on Common Stock

The Mortgage Indenture does not restrict our ability to pay dividends on our common stock.

Release Provisions

The Mortgage Indenture permits the release from its lien of any property upon depositing or pledging cash or certain other property of comparable fair value. The Mortgage Indenture also permits the following, in each case without any release or consent by the Mortgage Trustee or accountability to the Mortgage Trustee for any consideration received by us:

- the sale or other disposal of any machinery, equipment, tools, implements or similar property subject to the lien of the Mortgage Indenture that has become obsolete or unfit for use or no longer useful, necessary or profitable in our business, upon replacement or substitution of with property of equal value;
- the cancellation, change or alteration of contracts, leases, rights-of-way and easements;
- the surrender and modification of any franchise, license, governmental consent or permit subject to certain restrictions;
- the sale or other disposal of all vessels and marine equipment, railroad engines, cars and related equipment, airplanes, airplane engines and other flight equipment, office furniture and leasehold interests in property owned by third parties for office purposes; and
- the leasing of the property subject to the lien of the Mortgage Indenture if it does not interfere in any material respect with the use of the property for the purpose for which it is held by us and will not have a material adverse impact on the security afforded by the Mortgage Indenture.

(Article XI of the Restated Indenture.)

Any of the mortgaged and pledged property may be released from the lien of the Mortgage Indenture if, after the release, the fair value of the remaining mortgaged and pledged property of the character of permanent additions equals or exceeds a sum equal to 150% of the aggregate principal amount of first mortgage bonds outstanding. (Section 11.03(k) of the Restated Indenture.) Upon satisfaction of the requirements set forth in the Mortgage Indenture, this provision would permit us to spin off or otherwise dispose of a substantial amount of assets or a line of business, including all or a portion of our electric generation, transmission or distribution assets, or our gas storage and distribution assets, without depositing cash or property with the Mortgage Trustee or obtaining the consent of the holders of the first mortgage bonds.

Modification of the Mortgage Indenture

We and the Mortgage Trustee may modify and amend the Mortgage Indenture from time to time. We will not need the consent of the holders of the first mortgage bonds for the following types of amendments, among others:

- to subject additional property to the lien of the Mortgage Indenture;

- to add to our covenants for the benefit of the holders; or
- to cure ambiguities or correct inconsistent provisions.

(Section 19.01 of the Restated Indenture.)

With our consent, other provisions of the Mortgage Indenture may be changed by the affirmative vote of the holders of 66 2/3% in principal amount of the first mortgage bonds outstanding except that, among other things, the following may not be done without the consent of the holder of each first mortgage bond so affected:

- the maturity of a first mortgage bond may not be changed;
- the interest rate may not be reduced;
- the right to institute suit for the enforcement of any principal or interest payment may not be impaired;
- no prior lien with respect to any of the property mortgaged or pledged under the Mortgage Indenture may be created with respect to more than 50% of the sum of land and depreciable property; or
- the required percentage of the holders of first mortgage bonds relating to actions that require their consent may not be changed.

(Section 19.02 of the Restated Indenture.)

Defaults

The following is a summary of events defined in the Mortgage Indenture as completed defaults:

- default in payment of principal of any first mortgage bond;
- default continued for 30 days in payment of interest on any first mortgage bond;
- default continued for 60 days in any sinking fund payment;
- default in the covenants contained in Section 8.11 of the Restated Indenture regarding bankruptcy, insolvency, assignment or receivership; and
- default continued for 60 days after notice to us from the Mortgage Trustee in the performance of any other covenant, agreement or condition in the Mortgage Indenture.

(Section 14.01 of the Restated Indenture.)

Notice of Default. The Mortgage Trustee is required to give notice to bondholders within 90 days after the occurrence of a default, unless the default has been cured or waived before giving its notice; provided that, except in the case of a default in payment of principal or interest on any first mortgage bond or to make any sinking fund payment, the Mortgage Trustee may withhold the notice if it determines in good faith that withholding the notice is in the interest of the bondholders. Any notice of default of the covenants contained in Section 8.11 of the Restated Indenture regarding bankruptcy, insolvency, assignment or receivership may not be given until at least 90 days after the occurrence of the default. (Section 17.02 of the Restated Indenture.)

Acceleration of Maturity. In case of a completed default, the Mortgage Trustee may, and upon request of the holders of 25% in principal amount of the first mortgage bonds outstanding will, declare the first mortgage bonds due and payable, subject to the right of the holders of a majority of the first mortgage bonds then-outstanding to rescind or annul such action. Further, the Mortgage Trustee is obligated to take the actions provided in the Mortgage Indenture to enforce payment of the first mortgage bonds and the lien of the Mortgage Indenture upon being requested to do so by the holders of a majority in principal amount of the first mortgage bonds. However, the holders of a majority in principal amount of the first mortgage bonds may direct the taking

of any of these actions or the refraining from these actions as is not in violation of the law or the Mortgage Indenture. Before taking these actions, the Mortgage Trustee may require adequate indemnity against the costs, expenses and liabilities to be incurred in connection with these actions. (Article XIV of the Restated Indenture.)

Compliance Certificate. We are required to furnish with the Mortgage Trustee information, documents and reports regarding our compliance with the conditions and covenants of the Mortgage Indenture as may be required by the rules and regulations of the SEC, including a certificate, furnished at least annually, as to whether, to the knowledge of the officer signing such certificate, we are in compliance with the conditions and covenants under the Mortgage Indenture. (Section 8.18 of the Restated Indenture.)

Other Provisions

Whenever all indebtedness secured by the Mortgage Indenture has been paid, or adequate provision for payment has been made, the Mortgage Trustee will cancel and discharge the Mortgage Indenture. (Article XVIII of the Restated Indenture.) We may deposit with the Mortgage Trustee any combination of cash or government obligations in order to provide for the payment of any series or all of the first mortgage bonds outstanding. This deposit could constitute a taxable event as to holders of those first mortgage bonds, creating possible adverse tax consequences. The Mortgage Indenture also provides that we must furnish to the Mortgage Trustee officers' certificates, certificates of an engineer, appraiser or other expert and, in some cases, accountants' certificates in connection with the authentication of first mortgage bonds, the release or release and substitution of property and some other matters, and opinions of counsel as to the lien of the Mortgage Indenture and some other matters. (Articles IV, V, VI, VII, XI and XVIII and Section 21.08 of the Restated Indenture.)

Concerning the Trustee

U.S. Bank National Association is the Mortgage Trustee under the Mortgage Indenture. We maintain banking relationships with the Mortgage Trustee in the ordinary course of business. The Mortgage Trustee also acts as trustee for our senior unsecured debt securities discussed below under "Description of the Senior Unsecured Debt Securities."

Governing Law

The Mortgage Indenture and first mortgage bonds to be issued pursuant to this prospectus are governed by, and construed in accordance with, the laws of the State of Wisconsin.

DESCRIPTION OF THE SENIOR UNSECURED DEBT SECURITIES

The description below contains a summary of selected provisions of the indenture, including supplemental indentures, under which the senior unsecured debt securities, which we refer to as debt securities, will be issued. This summary is not complete. The indenture and the form of supplemental indenture applicable to the debt securities have been filed as exhibits to the registration statement of which this prospectus is a part. You should read them for provisions that may be important to you. In the summary below, we have included references to section numbers of the indenture so that you can easily locate these provisions.

We are not required to issue future issues of indebtedness under the indenture described below. We are free to use other indentures or documentation, containing provisions different from those described in this prospectus, in connection with future issues of other indebtedness not issued under this prospectus.

The debt securities will be represented either by global securities registered in the name of DTC, as Depository, or its nominee, or by securities in certificated form issued to the registered owners, as set forth in the applicable prospectus supplement. See the information under the caption "Book-Entry System" in this prospectus.

General

We may issue the debt securities from time to time in one or more new series under the Indenture dated September 1, 2000, as previously supplemented by one supplemental indenture and as to be supplemented by one or more new supplemental indentures for the debt securities, which we collectively refer to as the Senior Indenture, all from us to U.S. Bank National Association, as successor trustee, which we refer to as the Senior Trustee. The Senior Indenture will govern the debt securities offered by this prospectus. As of December 31, 2017, there were no debt securities outstanding under the Senior Indenture.

The holders of the outstanding debt securities do not, and, unless the supplemental indenture that describes a particular series of debt securities provides otherwise with respect to that series, the holders of any debt securities offered by this prospectus will not, have the right to require us to repurchase the debt securities if we become involved in a highly leveraged or change in control transaction. The Senior Indenture does not have any provision that is designed specifically in response to highly leveraged or change in control transactions.

The debt securities will be our senior unsecured obligations and will rank on a parity with our other existing and future senior unsecured indebtedness. Our secured debt will have a prior claim on the assets pledged to secure such debt and, therefore, our debt securities will be effectively subordinated to all of our current and future secured debt, including our first mortgage bonds to the extent of the value of the properties securing them. As of December 31, 2017, we had \$750 million of secured debt outstanding. The amount of debt securities that we may issue under the Senior Indenture is not limited.

When we offer to sell a particular series of debt securities, we will describe the specific terms of that series in a prospectus supplement relating to that series, including the following terms:

- the title of the series;
- any limit on the aggregate principal amount of the series;
- the price at which the series will be issued;
- the date or dates of maturity of that series;
- the date or dates on which we will pay the principal of that series;
- the rate or rates at which that series will bear interest or the method of calculating the rate or rates;
- the date or dates from which interest will accrue;
- the dates on which we will pay interest and the regular record dates for the interest payment dates and the persons to whom we will pay interest if different from the person in whose name the debt securities of that series are registered on the regular record dates;
- any redemption terms, including mandatory redemption through a sinking fund or otherwise, redemption at our option and redemption at the option of the holder;
- the denominations in which we will issue that series, if other than \$1,000 and integral multiples of \$1,000;
- whether we will issue that series in whole or in part in book-entry form; and
- any other terms of that series of debt securities.

Unless the prospectus supplement that describes a particular series of debt securities provides otherwise, we may from time to time, without the consent of the holders of that series of debt securities, reopen such series and issue additional debt securities with the same terms (including maturity and interest payment terms) as such series of debt securities.

Interest Payments

Unless the prospectus supplement that describes a particular series of debt securities provides otherwise, the amount of interest payable will be computed on the basis of a 360-day year of twelve 30-day months. In the event that any date on which such interest is payable on the debt securities is not a business day, then payment of the interest payable on such date will be made on the next succeeding day which is a business day (and without any interest or other payment in respect of any such delay), with the same force and effect as if made on such date.

Registration, Transfer and Exchange

Debt securities of any series may be exchanged for one or more new securities of any authorized denomination and of like aggregate principal amount, series and stated maturity and having the same terms and issue date or dates. (Section 2.6 of the Senior Indenture).

Unless the prospectus supplement that describes a particular series of debt securities provides otherwise with respect to that series, debt securities may be presented for registration of transfer (duly endorsed or accompanied by a duly executed written instrument of transfer) at the office of the Senior Trustee maintained for that purpose and referred to in the applicable prospectus supplement, without service charge and upon payment of any taxes and other governmental charges as described in the Senior Indenture. Any transfer or exchange will be effected upon the Senior Trustee's satisfaction with the documents of title and indemnity of the person making the request. (Sections 2.6 and 2.7 of the Senior Indenture.)

The Senior Trustee will not be required to exchange or register a transfer of any debt securities of a series selected, called or being called for redemption except, in the case of any debt security to be redeemed in part, the portion of that debt security not to be so redeemed. (Section 2.6 of the Senior Indenture.) See the information under the caption "Book-Entry System."

Payment and Paying Agents

Principal, interest and premium, if any, on debt securities issued in the form of global securities will be paid in the manner described below under the caption "Book-Entry System." Unless the prospectus supplement that describes a particular series of debt securities provides otherwise with respect to that series, principal, interest and premium, if any, on debt securities that are in the form of certificated securities will be paid by check mailed to the holder at that person's address as it appears in the register for the debt securities maintained by the Senior Trustee; however, a holder of \$10,000,000 or more of the debt securities having the same interest payment dates will be entitled to receive payments of interest by wire transfer, if appropriate wire transfer instructions have been received by the Senior Trustee on or prior to the applicable record date. Unless the prospectus supplement that describes a particular series of debt securities provides otherwise with respect to that series, the principal, interest at maturity and premium, if any, on debt securities in the form of certificated securities will be payable in immediately available funds at the office of the Senior Trustee. (Section 2.12 of the Senior Indenture.)

All monies paid by us to a paying agent for the payment of principal, interest or premium, if any, on any debt securities that remain unclaimed at the end of two years after that principal, interest or premium has become due and payable will be repaid to us, and the holder of those debt securities will thereafter look only to us for payment of that principal, interest or premium. (Section 4.4 of the Senior Indenture.)

Events of Default

The following is a summary of events that constitute events of default under the Senior Indenture:

- default in the payment of interest on any debt security issued under the Senior Indenture when due and continuance of that default for 30 days;

- default in the payment of principal and premium, if any, on any debt security issued under the Senior Indenture when due and payable and continuance of that default for five days;
- failure to perform or breach of any of our other covenants or agreements in the debt securities or in the Senior Indenture and the continuation of that failure or breach for 90 days after we have been given written notice of that failure or breach as provided in the Senior Indenture; and
- specified events of bankruptcy, insolvency or reorganization of our company.

(Section 7.1 of the Senior Indenture.)

If an event of default occurs and is continuing, either the Senior Trustee or the holders of a majority in principal amount of the outstanding debt securities may declare the principal amount of all debt securities to be due and payable immediately. At any time after an acceleration of the debt securities has been declared, but before a judgment or decree of the immediate payment of the principal amount of the debt securities has been obtained, if we pay or deposit with the Senior Trustee a sum sufficient to pay all matured installments of interest and the principal and any premium that has become due otherwise than by acceleration and all defaults have been cured or waived, then that payment or deposit will cause an automatic rescission and annulment of the acceleration of the debt securities. (Section 7.1 of the Senior Indenture.)

The Senior Trustee generally will be under no obligation to exercise any of its rights or powers under the Senior Indenture at the request or direction of any of the holders of debt securities unless such holders have offered reasonable indemnity to the Senior Trustee. (Section 8.2 of the Senior Indenture.) The holders of a majority in principal amount of the outstanding debt securities generally will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Senior Trustee, or of exercising any trust or power conferred on the Senior Trustee, relating to the debt securities. (Section 7.7 of the Senior Indenture.) Each holder of a debt security has the right to institute a proceeding relating to the Senior Indenture, but this right is subject to conditions precedent specified in the Senior Indenture. (Section 7.4 and 7.7 of the Senior Indenture.) The Senior Trustee is required to give the holders of the debt securities notice of the occurrence of a default within 90 days of the occurrence of the default, unless the default is cured. Except in the case of a payment default on any debt securities, however, the Senior Trustee may withhold notice if it determines in good faith that it is in the interest of such holders to do so. (Section 7.8 of the Senior Indenture.) We are required to deliver to the Senior Trustee each year a certificate as to whether, to the knowledge of the officers signing such certificate, we are in compliance with the conditions and covenants under the Senior Indenture. (Section 5.5 of the Senior Indenture.)

Modification

We and the Senior Trustee may modify and amend the Senior Indenture from time to time.

We will not need the consent of the holders of debt securities for the following types of amendments, among others:

- to add to our covenants for the benefit of the holders of the securities or surrendering a right given to us in the Senior Indenture;
- to add security for the securities; or
- to make various other modifications, generally of a ministerial or immaterial nature.

(Section 12.1 of the Senior Indenture.)

We will need the consent of the holders of each debt security so affected to do any of the following, among others:

- change the maturity date of any debt security;

- reduce the interest rate or extend the time of payment of interest;
- reduce the principal amount of any debt security, the premium payable on any debt security;
- change the date on which any security may be redeemed or repaid;
- change the currency of any payment of principal, premium or interest on any debt security; or
- impair the right of a holder of any debt security to institute suit for the enforcement of any payment relating to that debt security.

Additionally, we may not modify these requirements or reduce the percentage of outstanding securities necessary to consent to the modification or amendment of the Senior Indenture or to waive past defaults without the consent of the holders of all of the outstanding debt securities.

(Section 12.2 of the Senior Indenture.)

Amendments requiring holders' consent, other than those described in the above paragraph, will require the approval of the holders of a majority in aggregate principal amount of the outstanding securities. (Section 12.2 of the Senior Indenture.)

Defeasance and Discharge

We may be discharged from all obligations relating to the debt securities and the Senior Indenture (except for specified obligations such as obligations to register the transfer or exchange of debt securities, replace stolen, lost or mutilated debt securities and maintain paying agencies) if we irrevocably deposit with the Senior Trustee, in trust for the benefit of holders of debt securities, cash or U.S. government obligations (or any combination thereof) sufficient to make all payments of principal, premium, if any, and interest on all outstanding debt securities on the dates those payments are due. To discharge these obligations, we must deliver to the Senior Trustee an opinion of counsel that the holders of the debt securities will not recognize income, gain or loss for federal income tax purposes as a result of the defeasance or discharge of the Senior Indenture. If we discharge our obligations as described above, the holders of debt securities must look only to the funds deposited with the Senior Trustee, and not us, for payments on the debt securities. (Section 4.1 of the Senior Indenture.)

Consolidation, Merger and Sale of Assets; No Financial Covenants

We will not merge into any other corporation or sell or otherwise transfer all or substantially all of our assets unless (1) the successor or transferee corporation assumes by supplemental indenture our obligations to pay the principal, interest and premium, if any, on all of the debt securities and our obligation to perform every covenant of the Senior Indenture that we are to perform or observe and (2) we or the successor or transferee corporation, as applicable, are not, immediately following such merger, sale or transfer, in default in the performance of any of those covenants. Upon any merger, sale or transfer of all or substantially all of our assets, the successor or transferee corporation will succeed to, and be substituted for, and may exercise all of our rights and powers under the Senior Indenture with the same effect as if the successor corporation had been named as us in the Senior Indenture, and we will be released from all obligations under the Senior Indenture. Unless the prospectus supplement that describes a particular series of debt securities provides otherwise with respect to that series, the Senior Indenture will define all or substantially all of our assets as being 50% or more of our total assets as shown on our balance sheet as of the end of the prior calendar year and specifically will permit any sale, transfer or disposition during a calendar year of less than 50% of our total assets without the consent of the holders of the securities. (Sections 11.1 and 11.2 of the Senior Indenture.)

Unless the prospectus supplement that describes a particular series of debt securities provides otherwise with respect to that series, the Senior Indenture will not contain any financial or other similar restrictive covenants.

Resignation or Removal of Senior Trustee

The Senior Trustee may resign at any time by notifying us in writing and specifying the day upon which the resignation is to take effect. The resignation will not take effect, however, until a successor trustee has been appointed. (Section 8.10 of the Senior Indenture.)

The holders of a majority in principal amount of the outstanding securities may remove the Senior Trustee at any time. In addition, so long as no event of default or event that, with the giving of notice or lapse of time or both, would become an event of default has occurred and is continuing, we may remove the Senior Trustee upon notice to the holder of each debt security outstanding and appointment of a successor Senior Trustee. (Section 8.10 of the Senior Indenture.)

Concerning the Senior Trustee

U.S. Bank National Association is the Senior Trustee. We maintain banking relationships with the Senior Trustee in the ordinary course of business. The Senior Trustee also acts as trustee for our first mortgage bonds discussed above under “Description of the First Mortgage Bonds.”

BOOK-ENTRY SYSTEM

Unless otherwise specified in the applicable prospectus supplement, each series of securities offered by this prospectus will be issued as fully-registered global securities representing all or part of that series of securities. This means that we will not issue certificates for that series of securities to the holders. Instead, a global security representing that series of securities will be deposited with, or on behalf of, DTC or its successor, as the depository. The global securities will be registered at the request of DTC in the name of Cede & Co., DTC's nominee, or such other name as may be requested by an authorized representative of DTC.

DTC will keep an electronic record of its participants (for example, your broker) whose clients have purchased securities represented by a global security. Unless a global security is exchanged in whole or in part for a certificated security, a global security may not be transferred, except that DTC, its nominees and successors may transfer a global security as a whole to one another.

Beneficial interests in global securities will be shown on, and transfers of interests will be made only through, records maintained by DTC and its participants. The laws of some jurisdictions require that some purchasers take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in a global security.

We will make payments of principal, interest, if any, and premium, if any, to DTC or its nominee. We, the applicable trustee and any paying agent will treat DTC or its nominee as the owner of the global security for all purposes, including any notices and voting. Accordingly, neither we nor any trustee nor any paying agent will have any direct responsibility or liability to pay amounts due on a global security to owners of beneficial interests in a global security.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants, or "direct participants," deposit with DTC. DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation, or "DTCC." DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a direct participant either directly or indirectly, an "indirect participant." Direct participants and indirect participants are referred to collectively as "participants." The DTC Rules applicable to its participants are on file with the SEC.

Purchases of global securities under the DTC system must be made by or through direct participants, which will receive a credit for the securities on DTC's records. The ownership interest of each actual purchaser of each security, or "beneficial owner," is in turn to be recorded on the direct and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the global securities are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the global securities, except in the event that use of the book-entry system for the global securities is discontinued.

To facilitate subsequent transfers, all securities deposited by direct participants with DTC are registered in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities. DTC's records reflect only the identity of the direct participants to whose accounts such securities are credited, which may or may not be the beneficial owners. The direct and indirect participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

If a particular series of securities is redeemable at our option or at the option of the holder, redemption notices will be sent to DTC. If less than all of the securities of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such series to be redeemed. Redemption proceeds and distributions on global securities will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. Upon DTC's receipt of funds and corresponding detail information from us, any trustee or any paying agent, DTC's practice is to credit direct participants' accounts in accordance with the holdings information shown on DTC's records on the payment date. Payments by participants to beneficial owners of securities will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name." Payments will be the responsibility of such participant and not of DTC nor its nominee, any trustee, any paying agent or us, subject to any statutory or regulatory requirements. Payment of redemption proceeds and distributions to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC is the responsibility of us, the applicable trustee or the applicable paying agent, disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

Neither DTC nor Cede & Co. or any other DTC nominee will consent or vote with respect to global securities unless authorized by a direct participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the securities are credited on the record date as identified in a listing attached to the omnibus proxy.

Global securities will be exchangeable for corresponding certificated securities registered in the name of persons other than DTC or its nominee if (1) DTC (a) notifies us that it is unwilling or unable to continue as depository for any of the global securities or (b) at any time ceases to be a clearing agency registered under the Exchange Act, (2) an event of default occurs and is continuing with respect to the applicable series of securities or (3) we execute and deliver to the applicable trustee an order that the global securities will be so exchangeable.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and we and any underwriters, dealers or agents are not responsible for the accuracy of the information or for the performance by DTC of its obligations under the rules and procedures governing its operations or otherwise.

Any underwriters, dealers or agents of any securities may be direct participants of DTC.

PLAN OF DISTRIBUTION

We may sell the securities offered under this prospectus through underwriters or dealers, through agents or directly to one or more purchasers. The terms under which the securities are offered and the method of distribution will be set forth in the applicable prospectus supplement.

Underwriters, dealers and agents that participate in the distribution of the securities offered under this prospectus may be underwriters as defined in the Securities Act of 1933, as amended, the “Securities Act,” and any discounts or commissions received by them from us and any profit on the resale of the offered securities by them may be treated as underwriting discounts and commissions under the Securities Act. Any underwriters or agents will be identified and their compensation, including any underwriting discount or commission, will be described in the applicable prospectus supplement. The applicable prospectus supplement will also describe other terms of the offering, including the initial public offering price and any discounts or concessions allowed or reallocated to dealers.

The distribution of the securities described in this prospectus may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at negotiated prices.

We may determine the price or other terms of the securities offered under this prospectus by use of an electronic auction. We will describe in the applicable prospectus supplement how any auction will be conducted to determine the price or any other terms of the securities, how potential investors may participate in the auction and, where applicable, the nature of the underwriters’ obligations with respect to the auction.

Each series of securities will be a new issue of securities and will have no established trading market. Any underwriters to whom securities are sold for public offering and sale may make a market in such securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. The securities may or may not be listed on a national securities exchange.

Under agreements into which we may enter in connection with the sale of the securities, underwriters, dealers and agents who participate in the distribution of the securities may be entitled to indemnification by us against specified liabilities, including liabilities under the Securities Act.

LEGAL OPINIONS

Unless otherwise indicated in the applicable prospectus supplement, legal opinions relating to the validity of the securities being offered by this prospectus will be rendered by our counsel, James L. Altman, Minneapolis, Minnesota. Unless otherwise indicated in the prospectus supplement relating to a particular series of securities, certain legal matters will be passed upon for the underwriters, dealers or agents named in a prospectus supplement by Hunton Andrews Kurth LLP, New York, New York. James L. Altman is the Vice President and Deputy General Counsel of Xcel Energy Services Inc., and is the beneficial owner of less than 1% of the common stock of our parent company, Xcel Energy Inc.

EXPERTS

The consolidated financial statements, and the related financial statement schedule, incorporated in this prospectus by reference from Northern States Power Company's, a Wisconsin corporation, Annual Report on Form 10-K have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference. Such consolidated financial statements and financial statement schedule have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

PROSPECTUS

PUBLIC SERVICE COMPANY OF COLORADO

**1800 Larimer Street, Suite 1100
Denver, Colorado 80202
(303) 571-7511**

FIRST MORTGAGE BONDS SENIOR DEBT SECURITIES

We may offer and sell from time to time, in one or more offerings, together or separately, any combination of the securities listed above and described in this prospectus. We may offer and sell these securities to or through one or more underwriters, dealers and/or agents, or directly to purchasers, on a continuous or delayed basis.

This prospectus describes some of the general terms that may apply to the securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be described in a supplement to this prospectus. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

You should carefully consider the risk factors set forth in the applicable prospectus supplement and certain of our filings with the Securities and Exchange Commission before making any decision to invest in any of the securities described in this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 18, 2018.

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ABOUT THIS PROSPECTUS

This document is called a “prospectus” and it provides you with a general description of the securities we may offer. Each time we sell securities under this prospectus, we will provide a prospectus supplement containing specific information about the terms of the securities being offered. That prospectus supplement may include a discussion of any risk factors or other special considerations that apply to those securities. The prospectus supplement may also add, update or change the information in this prospectus. If there is any inconsistency between the information in this prospectus and in the prospectus supplement, you should rely on the information in the prospectus supplement. You should read this prospectus and the applicable prospectus supplement together with the additional information described under the caption “Where You Can Find More Information.” We may also prepare free writing prospectuses that describe particular securities. Any free writing prospectus should also be read in connection with this prospectus and with the prospectus supplement referred to therein. For purposes of this prospectus, any reference to an applicable prospectus supplement may also refer to a free writing prospectus, unless the context otherwise requires.

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the “SEC,” using a shelf registration process. As permitted by SEC rules, this prospectus does not contain all of the information included in the registration statement and the accompanying exhibits and schedules we filed with the SEC. You should read the registration statement and the related exhibits and schedules for more information about us and our securities. The registration statement and the related exhibits and schedules can be read at the SEC’s website or at the SEC’s offices. The SEC’s website and street addresses are provided under the caption “Where You Can Find More Information.”

The distribution of this prospectus and the applicable prospectus supplement and the offering of the securities in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus and the applicable prospectus supplement come should inform themselves about and observe any such restrictions. This prospectus and the applicable prospectus supplement do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offering or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

This prospectus, the applicable prospectus supplement and any free writing prospectus that we prepare or authorize contain and incorporate by reference information that you should consider when making your investment decision. No one is authorized to provide you with information different from that which is contained, or deemed to be contained, in this prospectus and applicable prospectus supplement. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or the documents incorporated by reference is accurate as of any date other than the date on the front of those documents.

Unless otherwise specified or unless the context requires otherwise, all references in this prospectus “PSCo,” “we,” “us,” “our,” and “the Company” or similar terms refer to Public Service Company of Colorado.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the SEC. Our SEC filings are available to the public on the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room.

The SEC allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference our Annual Report on Form 10-K for the year ended December 31, 2017, including information specifically incorporated by reference into our Form 10-K from Xcel Energy Inc.'s definitive Proxy Statement for its 2018 Annual Meeting of Shareholders, and any future filings made with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, from the date of the prospectus until we sell all of the securities (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules).

We will provide, without charge, to each person, including any beneficial owner of our securities to whom this prospectus is delivered, upon written or oral request, a copy of any or all documents referred to above that have been incorporated by reference into this prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may request these documents from:

Attn: Corporate Secretary
Public Service Company of Colorado
c/o Xcel Energy Inc.
414 Nicollet Mall
Minneapolis, Minnesota 55401
(612) 330-5500

OUR COMPANY

We were incorporated in 1924 under the laws of the State of Colorado. We are an operating utility engaged primarily in the generation, purchase, transmission, distribution and sale of electricity in Colorado. We also purchase, transport, distribute and sell natural gas to retail customers and transport customer-owned natural gas. At December 31, 2017, we provided electric utility service to approximately 1.5 million customers and natural gas utility service to approximately 1.4 million customers.

We own the following direct subsidiaries: 1480 Welton, Inc. and United Water Company, both of which own certain real estate interests; and Green and Clear Lakes Company, which owns water rights and certain real estate interests. We also hold controlling interests in several other relatively small ditch and water companies.

Our principal executive offices are located at 1800 Larimer Street, Suite 1100, Denver, Colorado 80202 and our telephone number is (303) 571-7511.

RISK FACTORS

Investing in our securities involves certain risks. You are urged to carefully read and consider the risk factors relating to an investment in our securities described in our annual, quarterly and current reports filed with the SEC under the Securities Exchange Act of 1934, as amended, which are incorporated by reference into this prospectus. Before making an investment decision, you should carefully consider these risks, as well as any other information that we include or incorporate by reference in this prospectus or any prospectus supplement. The prospectus supplement applicable to each type or series of securities we offer may contain a discussion of additional risks applicable to an investment in our securities and the particular type of securities we are offering under that prospectus supplement.

USE OF PROCEEDS

Unless otherwise indicated in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities offered by this prospectus for general corporate purposes, including meeting our working capital requirements, funding capital expenditures and acquisitions, repaying short-term debt and refunding long-term debt at maturity or otherwise. Until the net proceeds from the sale of the offered securities have been used, we may invest them temporarily in interest-bearing obligations.

RATIO OF CONSOLIDATED EARNINGS TO CONSOLIDATED FIXED CHARGES

	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Ratio of consolidated earnings to consolidated fixed charges	4.1	4.1	4.2	4.0	4.0

For purposes of computing the ratio of consolidated earnings to consolidated fixed charges, (1) earnings consist of pre-tax income from continuing operations plus fixed charges; and (2) fixed charges consist of interest on long-term debt, other interest charges, the interest component on leases and amortization of debt discount, premium and expense.

DESCRIPTION OF THE FIRST MORTGAGE BONDS

The description below contains summaries of selected provisions of the mortgage indenture, including supplemental indentures, under which the first mortgage bonds will be issued. These summaries are not complete. The mortgage indenture and the form of supplemental indenture, including the form of first mortgage bond, applicable to the first mortgage bonds have been filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part. You should read them for provisions that may be important to you. In the summaries below, we have included references to section numbers of the mortgage indenture so that you can easily locate these provisions. Capitalized terms used in the following summary have the meaning specified in the mortgage indenture unless otherwise defined below.

We are not required to issue future issues of indebtedness under the mortgage indenture described below. We are free to use other indentures or documentation, containing provisions different from those described in this prospectus, in connection with future issues of other indebtedness not issued under this prospectus.

The first mortgage bonds will be represented either by global securities registered in the name of The Depository Trust Company, or DTC, as depository, or the Depository, or its nominee, or by securities in certificated form issued to the registered owners, as set forth in the applicable prospectus supplement. See the information under the caption “Book-Entry System” in this prospectus.

General

We may issue the first mortgage bonds from time to time in one or more series under an Indenture, dated as of October 1, 1993, as previously supplemented and to be supplemented by one or more new supplemental indentures relating to the first mortgage bonds being offered by this prospectus, all from us to U.S. Bank National Association (formerly First Trust of New York, National Association) as successor trustee, which we collectively refer to as the Mortgage Indenture. We refer to the first mortgage bonds being offered by this prospectus and all other debt securities issued under the Mortgage Indenture as the first mortgage bonds, mortgage securities or mortgage bonds. References to business day(s) in this description of the first mortgage bonds means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in New York, New York (or any other city in which an office or agency is maintained for the purpose of payment of the first mortgage bonds) are generally authorized or required by law, regulation or executive order to remain closed.

The Mortgage Indenture does not limit the amount of mortgage securities that we may issue under it. However, we may issue mortgage securities under the Mortgage Indenture only on the basis of property additions, retired mortgage securities, cash or Class A Bonds (as discussed below). See “—Issuance of Additional Mortgage Securities” for more information about the limitations on the issuance of mortgage securities. At December 31, 2017, we had approximately \$4.5 billion of our first mortgage bonds outstanding.

Prior to October 2005, we issued mortgage securities on the basis of Class A Bonds issued under our Indenture dated as of December 1, 1939 and supplemental indentures thereto, which we collectively refer to as the 1939 Indenture. Effective October 14, 2005, we discharged the 1939 Indenture in accordance with its terms. As a result, there are no Class A Mortgages (as discussed below) currently in effect and there are no Class A Bonds currently outstanding and the Mortgage Indenture has become the first lien on our electric properties, subject to certain permitted liens, and as described in more detail below.

The holders of outstanding first mortgage bonds do not, and, unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise with respect to that series, the holders of any first mortgage bonds offered by this prospectus will not, have the right to require us to repurchase the first mortgage bonds if we become involved in a highly leveraged or change of control transaction. The Mortgage Indenture does not have any provision that is designed specifically in response to highly leveraged or change of

control transactions. However, holders of first mortgage bonds would have the security afforded as described below under the caption “—Security.” In addition, any change in control transaction and any incurrence of substantial additional indebtedness, as first mortgage bonds or otherwise, by us in a transaction of that nature would require approval of state utility regulatory authorities and, possibly, of federal utility regulatory authorities. Management believes that these approvals would be unlikely in any transaction that would result in us, or our successor, having a highly leveraged capital structure.

When we offer to sell a particular series of first mortgage bonds, we will describe the specific terms of that series in a prospectus supplement relating to that series, including the following terms:

- the title of the series;
- any limit on the aggregate principal amount of the series;
- the date or dates on which we will pay the principal of that series;
- the rate or rates at which that series will bear interest or the method of calculating the rate or rates;
- the date or dates from which interest will accrue;
- the dates on which we will pay interest and the regular record dates for the interest payment dates and the persons to whom we will pay interest if different from the person in whose name the first mortgage bonds of that series are registered on the regular record date;
- any redemption terms, including mandatory redemption through a sinking fund or otherwise, redemption at our option and redemption at the option of the holder;
- the denominations in which we will issue that series, if other than \$1,000 and multiples of \$1,000 in excess thereof;
- whether we will issue that series in whole or in part in book-entry form; and
- any other terms of that series of first mortgage bonds, including, if applicable, any consents to modifications or waivers of covenants contained in the Mortgage Indenture or any Class A Mortgage (as discussed below).

(Section 301 of the Mortgage Indenture)

Unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise, we may from time to time, without the consent of the holders of that series of first mortgage bonds, reopen that series of first mortgage bonds and issue additional first mortgage bonds with the same terms (including maturity and interest payment terms) as that series of first mortgage bonds.

Payment of First Mortgage Bonds; Transfers; Exchanges

Unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise with respect to that series, we will pay interest, if any, on each first mortgage bond payable on each interest payment date to the person in whose name the first mortgage bond is registered as of the close of business on the regular record date relating to that interest payment date. We will pay interest payable at maturity (whether at stated maturity, upon redemption or otherwise) to the person to whom principal is paid at maturity. If we fail to pay interest on any first mortgage bond when due, we will pay the defaulted interest to the holder of the first mortgage bond as of the close of business on a date selected by the Mortgage Indenture trustee which is not more than 30 days and not less than 10 days prior to the date we propose for payment or in any other lawful manner not inconsistent with the requirements of any securities exchange on which the first mortgage bond may be listed, if the Mortgage Indenture trustee deems the manner of payment practicable. (See Section 307 of the Mortgage Indenture)

Unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise with respect to that series, we will pay the principal of and premium, if any, and interest at maturity upon presentation of the first mortgage bonds at the corporate trust office of U.S. Bank National Association (formerly First Trust of New York, National Association) in New York, New York, as our paying agent. We may change the place of payment on the bonds. We may appoint one or more additional paying agents (including us) and may remove any paying agent, all at our discretion. (See Section 602 of the Mortgage Indenture and Article One of the Supplemental Indenture(s) relating to the first mortgage bonds)

Unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise with respect to that series, you may register the transfer of first mortgage bonds, and exchange your first mortgage bonds for other first mortgage bonds of the same series and tranche, of authorized denominations and of like tenor and aggregate principal amount, at the corporate trust office of U.S. Bank National Association (formerly First Trust of New York, National Association), in New York, New York, as security registrar. We may change the place for registration of transfer and exchange of first mortgage bonds, and we may designate one or more additional places for the registration of transfer and exchange of first mortgage bonds, all at our discretion. (See Sections 305 and 602 of the Mortgage Indenture)

Unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise with respect to that series, no service charge will be made for any transfer or exchange of the first mortgage bonds, but we may require payment of a sum sufficient to cover any tax or other governmental charge imposed in connection with any registration of transfer or exchange of the first mortgage bonds. We are not required to execute or to provide for the registration of transfer or exchange of (1) any first mortgage bonds during a period of 15 days prior to giving any notice of redemption or (2) any first mortgage bonds selected for redemption in whole or in part, except the unredeemed portion of any first mortgage bonds being redeemed in part. (See Section 305 of the Mortgage Indenture)

Redemption

The prospectus supplement that describes a particular series of first mortgage bonds will set forth any terms for the optional or mandatory redemption of that particular series. Unless the prospectus supplement that describes a particular series of first mortgage bonds provides that such series of first mortgage bonds are redeemable at the option of a holder, the first mortgage bonds will be redeemable only at our option. To exercise our option to redeem any first mortgage bonds that are redeemable at our option, we will mail you a notice of redemption at least 30 days but not more than 60 days prior to the date fixed for redemption. If we elect to redeem fewer than all the first mortgage bonds of a series or any tranche of first mortgage bonds, the security registrar will select the particular first mortgage bonds to be redeemed by the method provided for any particular series, or if there is no such provision, by a method of random selection that the security registrar deems fair and appropriate. (See Sections 503 and 504 of the Mortgage Indenture)

Any notice of redemption at our option may state that the redemption will be conditional upon receipt by the paying agent or agents, on or prior to the date fixed for the redemption, of money sufficient to pay the principal, premium, if any, and interest, if any, on the first mortgage bonds and that if the money has not been so received, the notice will be of no force and effect and we will not be required to redeem the first mortgage bonds. (See Section 504 of the Mortgage Indenture)

While the original Mortgage Indenture contains provisions for the maintenance of the mortgaged property, it does not contain any provisions for a maintenance or sinking fund and, except as the prospectus supplement may provide, there will be no provisions for any maintenance or sinking funds for the first mortgage bonds.

Security

General. Except as discussed under this caption and under the caption “—Issuance of Additional Mortgage Securities” below, all mortgage securities now or hereafter issued under the Mortgage Indenture will be secured,

equally and ratably, primarily by the lien of the Mortgage Indenture on substantially all of our properties used or to be used in or in connection with the business of generating, purchasing, transmitting, distributing and/or selling electric energy, which lien constitutes, subject to specified exceptions, a first mortgage lien on such properties.

As discussed below under the caption “—Issuance of Additional Mortgage Securities—Class A Bonds,” if we acquire property subject to an existing mortgage and we assume all the obligations of the mortgagor under that mortgage, we could deliver to the Mortgage Indenture trustee bonds issued under that mortgage. We refer to all such pre-existing mortgages collectively as Class A Mortgages. If we were to deliver to the Mortgage Indenture trustee bonds issued under a Class A Mortgage, the mortgage securities would be secured by those bonds and, indirectly, by the lien of that Class A Mortgage on the properties subject to that Class A Mortgage in addition to the lien of the Mortgage Indenture on those properties and the other properties of the Company as discussed above. The lien of the Mortgage Indenture on the properties subject to that Class A Mortgage would be junior to the liens of the Class A Mortgage on those properties. We refer to all bonds that may be issued under the Class A Mortgages collectively as Class A Bonds.

So long as no Class A Mortgages are in effect, the Mortgage Indenture will constitute a first mortgage lien on all of our property subject to such lien, subject to specified permitted liens (as discussed below under the caption “—Lien of the Mortgage Indenture”). As discussed below under the caption “—Issuance of Additional Mortgage Securities—Class A Bonds,” at the date of this prospectus, there are no Class A Mortgages in effect.

Lien of the Mortgage Indenture. The Mortgage Indenture constitutes a first mortgage lien on the property specifically or generally described or referred to in the Mortgage Indenture as subject to the lien of the Mortgage Indenture, except any property that has been disposed of or released from the lien of the Mortgage Indenture in accordance with the terms of the Mortgage Indenture, subject to no liens prior to the lien of the Mortgage Indenture other than the liens of any other Class A Mortgages and permitted liens.

Subject to recordation of appropriate supplements in the proper offices, the Mortgage Indenture effectively subjects to the lien of the Mortgage Indenture property used or to be used in the electric utility business (other than excepted property) that we acquired after the date of the execution and delivery of the Mortgage Indenture to the extent, and subject to the qualifications, described below. In addition, the mortgage securities will have the benefit of the prior lien of any Class A Mortgage on any property subject to such additional Class A Mortgage, to the extent of the aggregate principal amount of Class A Bonds issued under the respective Class A Mortgages and held by the Mortgage Indenture trustee for the benefit of holders of mortgage securities.

The properties subject to the lien of the Mortgage Indenture, whether currently owned or subsequently acquired, are our properties used or to be used in or in connection with the electric utility business (whether or not this is the sole use of the properties). Properties relating exclusively to our gas and steam businesses are not subject to the lien of the Mortgage Indenture.

The lien of the Mortgage Indenture is subject to permitted liens, which include:

- tax liens and other governmental charges that are not delinquent or that are being contested in good faith;
- specified workmen’s, materialmen’s and other similar liens;
- specified judgment liens and attachments;
- specified easements, leases, reservations or other rights of others (including governmental entities) in, on, over and/or across, and laws, regulations and restrictions affecting, and defects, irregularities, exceptions and limitations in title to, some of our property;
- specified leasehold interests;

- specified rights and interests of others that relate to common ownership or joint use of property and liens on the interests of others in the property;
- specified non-exclusive rights and interests that we retain with respect to property used or to be used in or in connection with both the businesses in which the mortgaged property is used and any other businesses; and
- specified other liens and encumbrances.

(See Granting Clauses and Section 101 of the Mortgage Indenture)

There are excepted from the lien of the Mortgage Indenture, among other things:

- cash and securities not paid or delivered to, deposited with or held by the Mortgage Indenture trustee under the Mortgage Indenture;
- all contracts, leases and other agreements of any kind, contract rights, bills, notes and other instruments, accounts receivable, claims, governmental and other permits, allowances and franchises, specified intellectual property rights and other intangibles;
- automobiles, other vehicles, movable equipment, railcars and aircraft;
- goods, stock in trade, wares and merchandise held for sale or lease in the ordinary course of business;
- materials, supplies and other personal property consumable in the operation of the mortgaged property;
- fuel, including nuclear fuel, whether or not consumable in the operation of the mortgaged property;
- furniture and furnishings;
- computers, machinery and telecommunication and other equipment used exclusively for corporate administrative or clerical purposes;
- coal, ore, gas, oil and other minerals and timber, and rights and interests in any such minerals or timber, whether or not the minerals or timber have been mined or extracted or otherwise separated from the land;
- electric energy, gas (natural or artificial), steam, water and other products that we generated, produced, manufactured, purchased or otherwise acquired;
- leasehold interests that we hold as lessee; and
- any of our property that is located outside of the State of Colorado.

(See “Excepted Property” in Granting Clauses of the Mortgage Indenture)

Without the consent of the holders, we and the Mortgage Indenture trustee may enter into supplemental indentures in order to subject to the lien of the Mortgage Indenture additional property, whether or not used or to be used in or in connection with the electric utility business (including property which would otherwise be excepted from the lien). (See Section 1401 of the Mortgage Indenture) Any such additional property would then constitute property additions (so long as it would otherwise qualify as “property additions” as described below) and be available as a basis for the issuance of mortgage securities. See “—Issuance of Additional Mortgage Securities.”

As discussed above, the Mortgage Indenture subjects after-acquired property used or to be used in the electric utility business to its lien. These provisions are limited in the case of consolidation or merger (whether or not we are the surviving corporation) or transfer of the mortgaged property as, or substantially as, an entirety. In the event of consolidation or merger or the transfer of the mortgaged property as or substantially as an entirety, the Mortgage Indenture will not be required to be a lien upon any of the properties then owned or subsequently

acquired by the successor corporation except properties acquired from us in or as a result of the transaction and improvements, extensions and additions to the properties and renewals, replacements and substitutions of or for any part or parts of the properties. (See Article 13 of the Mortgage Indenture and “—Consolidation, Merger, etc.” below) In addition, after-acquired property may be subject to liens existing or placed on the after-acquired property at the time of acquisition of the property, including, but not limited to, purchase money liens and the lien of any Class A Mortgage.

The Mortgage Indenture trustee has a lien, prior to the lien on behalf of the holders of mortgage securities, upon the mortgaged property for the payment of its reasonable compensation and expenses and for indemnity against specified liabilities. (See Section 1107 of the Mortgage Indenture)

Issuance of Additional Mortgage Securities

General. Except as described below, the aggregate principal amount of mortgage securities that we can issue under the Mortgage Indenture is unlimited. (See Section 301 of the Mortgage Indenture) We can issue mortgage securities of any series from time to time on the basis, and in an aggregate principal amount not exceeding the sum, of:

- 70% of the cost or fair value to us (whichever is less) of property additions that do not constitute funded property after specified deductions and additions, primarily including adjustments to offset property retirements. Property additions generally include any property that we own and is subject to the lien of the Mortgage Indenture except goodwill, going concern value rights or intangible property, or any property the cost of acquisition or construction of which is properly chargeable to one of our operating expense accounts. (See Section 104 of the Mortgage Indenture) Funded property is generally property additions that have been:
 - made the basis of the authentication and delivery of mortgage securities, the release of mortgaged property or cash withdrawals;
 - substituted for retired property; or
 - used as the basis of a credit against, or otherwise in satisfaction of, any sinking, improvement, maintenance, replacement or similar fund, provided that mortgage securities of the series or tranche to which the fund relates remain outstanding;
- the aggregate principal amount of retired mortgage securities (which consist of mortgage securities no longer outstanding under the Mortgage Indenture that have not been used for specified other purposes under the Mortgage Indenture and that have not been paid, redeemed or otherwise retired by the application of funded cash), but if Class A Bonds had been made the basis for the authentication and delivery of the retired mortgage securities, only if the retired mortgage securities became retired securities after the discharge of the related Class A Mortgage;
- an amount of cash deposited with the Mortgage Indenture trustee; and
- the aggregate principal amount of any Class A Bonds issued and delivered to the Mortgage Indenture trustee.

(See Article Four of the Mortgage Indenture)

As of December 31, 2017, the approximate amount of property additions and the amount of retired bonds available for use as the basis for the issuance of mortgage securities were \$6.8 billion and \$263 million, respectively.

Net Earnings Test. In general, we cannot issue any mortgage securities unless at that time our adjusted net earnings for 12 consecutive months within the preceding 18 months is at least twice the annual interest requirements on the sum of:

- all mortgage securities at the time outstanding;

- new mortgage securities then being applied for;
- all outstanding Class A Bonds other than Class A Bonds held by the Mortgage Indenture trustee under the Mortgage Indenture; and
- all other indebtedness (with certain exceptions) secured by a lien prior to the lien of the Mortgage Indenture.

For purposes of calculating our interest requirements, any variable rate debt will be computed based on the rates in effect at the time we make the interest requirements calculation.

Adjusted net earnings are calculated before, among other things, provisions for income taxes; depreciation or amortization of property; interest and amortization of debt discount and expense; any non-recurring charge to income or retained earnings; and any refund of revenues that we previously collected or accrued subject to possible refund. In addition, profits or losses from the sale or other disposition of property, or non-recurring items of revenue, income or expense, are not included for purposes of calculating adjusted net earnings. (See Sections 103 and 401 of the Mortgage Indenture)

We do not have to satisfy the net earnings requirement if the additional mortgage securities to be issued will not have a stated interest rate prior to maturity. In addition, we are not required to satisfy the net earnings requirement prior to the issuance of mortgage securities:

- issued on the basis of the delivery of Class A Bonds if the Class A Bonds have been authenticated and delivered under the related Class A Mortgage on the basis of retired Class A Bonds; or
- issued on the basis of retired mortgage securities as described above.

For mortgage securities of a series subject to a periodic offering (such as a medium-term note program), the Mortgage Indenture trustee will be entitled to receive a certificate evidencing compliance with the net earnings requirements only once, at or prior to the time of the first authentication and delivery of the mortgage securities of the series. (See Article Four of the Mortgage Indenture)

At December 31, 2017, our adjusted net earnings would be 4.74 times the annual interest requirements on our mortgage securities.

Class A Bonds. To the extent that we issue the first mortgage bonds on the basis of Class A Bonds, the Mortgage Indenture trustee will own and hold these Class A Bonds, subject to the provisions of the Mortgage Indenture, for the benefit of the holders of all mortgage securities outstanding from time to time, and we will have no interest in the Class A Bonds. Class A Bonds issued as the basis of authentication and delivery of a series of mortgage securities:

- will mature or be subject to mandatory redemption on the same dates, and in the same principal amounts, as the mortgage securities of that series; and
- will contain, in addition to any mandatory redemption provisions applicable to all Class A Bonds outstanding under the related Class A Mortgage, mandatory redemption provisions correlative to provisions for mandatory redemption of the mortgage securities (pursuant to a sinking fund or otherwise) of that series, or for redemption at the option of the holder of the mortgage securities of that series.

Class A Bonds issued as the basis for the authentication and delivery of mortgage securities are not required to bear interest. To the extent that any such Class A Bonds do not bear interest, holders of mortgage securities will not have the benefit of the lien of the Class A Mortgage in respect of an amount equal to accrued interest, if any, on the first mortgage bonds; however, those holders will have the benefit of the lien of the Mortgage Indenture in respect of that amount.

The Mortgage Indenture trustee will apply any of our payments of principal, premium or interest on the Class A Bonds held by the Mortgage Indenture trustee to the payment of any principal, premium or interest, as the case may be, in respect of the mortgage securities that is then due. Our obligation under the Mortgage Indenture to make the payment in respect of the mortgage securities will at that time be deemed satisfied and discharged. If, at the time of any payment of principal of Class A Bonds, no principal is then due in respect of the mortgage securities, the payment in respect of the Class A Bonds will be deemed to constitute funded cash and will be held by the Mortgage Indenture trustee as part of the mortgaged property, to be withdrawn, used or applied as provided in the Mortgage Indenture. Any payment by us of principal, premium or interest on the mortgage securities authenticated and delivered on the basis of the issuance and delivery to the Mortgage Indenture trustee of Class A Bonds (other than by application of the proceeds of a payment in respect of the Class A Bonds) will be deemed to satisfy and discharge our obligation to make a payment of principal, premium or interest, in respect of the Class A Bonds that is then due. (See Section 702 of the Mortgage Indenture)

The Mortgage Indenture trustee may not sell, assign or otherwise transfer any Class A Bonds except to a successor trustee under the Mortgage Indenture. (See Section 704 of the Mortgage Indenture) At the time any mortgage securities of any series or tranche that have been authenticated and delivered upon the basis of the issuance and delivery to the Mortgage Indenture trustee of Class A Bonds cease to be outstanding (other than as a result of the application of the proceeds of the payment or redemption of the Class A Bonds), the Mortgage Indenture trustee will surrender to us an equal principal amount of those Class A Bonds. (See Section 703 of the Mortgage Indenture)

Under the terms of the Mortgage Indenture, if a corporation that was a mortgagor under a mortgage has merged into or consolidated with us, or has conveyed or otherwise transferred property to us subject to the lien of such a mortgage and we have assumed all the obligations of the mortgagor under such existing mortgage, and in either case such existing mortgage constitutes a lien on properties of such other corporation or on the transferred properties, as the case may be, prior to the lien of the Mortgage Indenture, we may designate the existing mortgage as a Class A Mortgage. Bonds subsequently issued under an additional mortgage would be Class A Bonds and could provide the basis for the authentication and delivery of mortgage securities. (See Section 706 of the Mortgage Indenture) When no Class A Bonds are outstanding under a Class A Mortgage except for Class A Bonds held by the Mortgage Indenture trustee, then, at our request and subject to satisfaction of specified conditions, the Mortgage Indenture trustee will surrender the Class A Bonds for cancellation and the related Class A Mortgage will be satisfied and discharged, the lien of the Class A Mortgage on our property will cease to exist and the priority of the lien of the Mortgage Indenture will be increased accordingly. (See Section 707 of the Mortgage Indenture)

The Mortgage Indenture contains no restrictions on the issuance of Class A Bonds in addition to Class A Bonds issued to the Mortgage Indenture trustee as the basis for the authentication and delivery of the mortgage securities.

Release of Property

Unless an event of default under the Mortgage Indenture has occurred and is continuing, we may obtain the release from the lien of the Mortgage Indenture of any funded property, except for cash held by the Mortgage Indenture trustee, by delivering to the Mortgage Indenture trustee cash equal to the cost of the property to be released (or, if less, the fair value to us of the property at the time it became funded property) less the aggregate of:

- the aggregate principal amount of obligations delivered to the Mortgage Indenture trustee that are secured by purchase money liens upon the property to be released;
- the cost or fair value to us (whichever is less) of certified property additions not constituting funded property after specified deductions and additions, primarily including adjustments to offset property retirements (except that the adjustments need not be made if the property additions were acquired or made within the 90-day period preceding the release);

- an amount equal to 10/7ths of the principal amount of mortgage securities we would be entitled to issue on the basis of retired securities (with our right to issue a corresponding principal amount of mortgage securities being waived);
- an amount equal to 10/7ths of the principal amount of outstanding mortgage securities delivered to the Mortgage Indenture trustee (with the mortgage securities to be cancelled by the Mortgage Indenture trustee);
- an amount of cash and/or the aggregate principal amount of obligations secured by purchase money liens upon the property to be released, which in either case is evidenced to the Mortgage Indenture trustee by a certificate of the trustee or other holder of a lien prior to the lien of the Mortgage Indenture to have been received by the trustee or other holder in consideration for the release of the property or any part of the property from the lien, subject in either case to specified limitations on the aggregate credit which may be used; and
- any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released.

Property that is not funded property may generally be released from the lien of the Mortgage Indenture without depositing any cash or property with the Mortgage Indenture trustee as long as:

- the aggregate amount of cost or fair value to us (whichever is less) of all property additions that do not constitute funded property (excluding the property to be released) after specified deductions and additions, primarily including adjustments to offset property retirements, is greater than zero; or
- the cost or fair value (whichever is less) of property to be released does not exceed the aggregate amount of the cost or fair value to us (whichever is less) of property additions acquired or made within the 90-day period preceding the release.

The Mortgage Indenture provides simplified procedures for the release of property that has been released from the lien of a Class A Mortgage, minor properties and property taken by eminent domain. Also, under the Mortgage Indenture, we can dispose of obsolete property and grant or surrender specified rights without any release or consent by the Mortgage Indenture trustee.

If we continue to own any property released from the lien of the Mortgage Indenture, the Mortgage Indenture will not become a lien on any improvement, extension, renewal, replacement or substitution of or for any part or parts of such property. (See Article Eight of the Mortgage Indenture)

Withdrawal of Cash

Unless an event of default under the Mortgage Indenture has occurred and is continuing and subject to specified limitations, cash held by the Mortgage Indenture trustee may:

- be withdrawn by us:
 - to the extent of the cost or fair value to us (whichever is less) of property additions not constituting funded property, after specified deductions and additions, primarily including adjustments to offset retirements (except that the adjustments need not be made if the property additions were acquired or made within the 90-day period preceding the release);
 - in an amount equal to 10/7ths of the aggregate principal amount of mortgage securities that we would be entitled to issue on the basis of retired securities (with the entitlement to the issuance being waived); or
 - in an amount equal to 10/7ths of the aggregate principal amount of any outstanding mortgage securities delivered to the Mortgage Indenture trustee; or

- upon our request, be applied to:
 - the purchase of mortgage securities (at prices not exceeding 10/7ths of the principal amount of the purchased mortgage securities); or
 - the payment at stated maturity of any mortgage securities (or provision for the satisfaction and discharge of any mortgage securities) or the redemption (or similar provision for redemption) of any mortgage securities that are redeemable (with any mortgage securities received by the Mortgage Indenture trustee pursuant to these provisions being canceled by the Mortgage Indenture trustee); (see Section 806 of the Mortgage Indenture)

provided, however, that we may withdraw cash deposited with the Mortgage Indenture trustee as the basis for the authentication and delivery of mortgage securities, as well as cash representing a payment of principal of Class A Bonds, only in an amount equal to the aggregate principal amount of mortgage securities we would be entitled to issue on any basis (with the entitlement to the issuance being waived by operation of the withdrawal), or we may, at our request, apply this cash to the purchase, redemption or payment of mortgage securities at prices not exceeding, in the aggregate, the principal amount of the mortgage securities. (See Sections 405 and 702 of the Mortgage Indenture)

Consolidation, Merger, Etc.

We may not consolidate with or merge into any other corporation or convey, otherwise transfer or lease the mortgaged property as or substantially as an entirety to any person unless:

- the transaction is on terms that will fully preserve in all material respects the lien and security of the Mortgage Indenture and the rights and powers of the Mortgage Indenture trustee and the holders of the mortgage securities;
- the corporation formed by any consolidation or into which we are merged or the person that acquires by conveyance or other transfer, or that leases, the mortgaged property as, or substantially as, an entirety is a corporation organized and existing under the laws of the United States of America or any state or territory of the United States of America or the District of Columbia, and that corporation assumes our obligations under the Mortgage Indenture; and
- in the case of a lease, the lease is made expressly subject to termination by us or by the Mortgage Indenture trustee at any time during the continuance of an event of default.

(See Section 1301 of the Mortgage Indenture)

Modification of Mortgage Indenture

Without the consent of any holders of mortgage securities, we and the Mortgage Indenture trustee may enter into one or more supplemental indentures for any of the following purposes:

- to evidence our successor and our successor's assumption of our covenants in the Mortgage Indenture and in the mortgage securities;
- to add one or more of our covenants or other provisions for the benefit of all holders of mortgage securities or for the benefit of the holders of the mortgage securities of one or more specified series, or to surrender any right or power conferred upon us by the Mortgage Indenture;
- to correct or amplify the description of any property at any time subject to the lien of the Mortgage Indenture; to better assure, convey and confirm to the Mortgage Indenture trustee any property subject or required to be subjected to the lien of the Mortgage Indenture; or to subject to the lien of the Mortgage Indenture additional property (including property of others), to specify any additional permitted liens with respect to the additional property and to modify the provisions in the Mortgage Indenture for dispositions of specified types of property without release in order to specify any additional items with respect to the additional property;

- to change or eliminate any provision of the Mortgage Indenture or to add any new provision to the Mortgage Indenture, provided that if the change, elimination or addition adversely affects the interests of the holders of the mortgage securities of any series or tranche in any material respect, the change, elimination or addition will become effective with respect to the series or tranche only when no mortgage security of that series or tranche remains outstanding under the Mortgage Indenture;
- to establish the form or terms of the mortgage securities of any series or tranche as permitted by the Mortgage Indenture;
- to provide for the authentication and delivery of bearer securities and coupons representing interest, if any, on the bearer securities and for the procedures for the registration, exchange and replacement of bearer securities and for the giving of notice to, and the solicitation of the vote or consent of, the holders, and for any and all other incidental matters;
- to evidence and provide for the acceptance of appointment by a successor trustee or by a co-trustee or separate trustee;
- to establish procedures necessary to permit us to use a non-certificated system of registration for all, or any series or tranche of, the mortgage securities;
- to change any place or places for payment, registration of transfer or exchange or where notices may be given; or
- to cure any ambiguity, to correct or supplement any provision in the Mortgage Indenture that may be defective or inconsistent with any other provision in the Mortgage Indenture or to make any other changes to the provisions of the Mortgage Indenture or to add other provisions with respect to matters and questions arising under the Mortgage Indenture, so long as the other changes or additions do not adversely affect the interests of the holders of mortgage securities of any series or tranche in any material respect.

(See Section 1401 of the Mortgage Indenture)

In addition, if the Trust Indenture Act of 1939, as amended, referred to as the Trust Indenture Act, is amended after the date of the original Mortgage Indenture in such a way as to require changes to the Mortgage Indenture or the incorporation into the Mortgage Indenture of additional provisions or so as to permit changes to, or the elimination of, provisions that, at the date of the original Mortgage Indenture or at any subsequent time, were required by the Trust Indenture Act to be contained in the Mortgage Indenture, the Mortgage Indenture will be deemed to have been amended so as to conform to the amendment or to effect the changes or elimination, and we and the Mortgage Indenture trustee may, without the consent of any holders, enter into one or more supplemental indentures to evidence or effect the amendment. (See Section 1401 of the Mortgage Indenture)

Except as provided above, the consent of the holders of not less than a majority in aggregate principal amount of the mortgage securities of all series then outstanding, considered as one class, is required for the purpose of adding any provisions to, or changing in any manner, or eliminating any of the provisions of, the Mortgage Indenture pursuant to one or more supplemental indentures. However, if less than all of the series of the mortgage securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the holders of a majority in aggregate principal amount of the outstanding mortgage securities of all of these series that are directly affected, considered as one class, will be required. If the mortgage securities of any series have been issued in more than one tranche and if the proposed supplemental indenture directly affects the rights of the holders of one or more, but less than all, of the tranches, then the consent only of the holders of a majority in aggregate principal amount of the outstanding mortgage securities of all of these tranches that are directly affected, considered as one class, will be required. Notwithstanding the above, no such amendment or modification may:

- change the stated maturity of the principal of, or any installment of principal of or interest on, any mortgage security, or reduce the principal amount of any mortgage security or the rate of interest on

any mortgage security (or the amount of any installment of interest on any mortgage security), or change the method of calculating the rate, or reduce any premium payable upon the redemption of any mortgage security, or reduce the amount of the principal of any discount security that would be due and payable upon a declaration of acceleration of maturity, or change the coin or currency (or other property) in which any mortgage security or any premium or the interest on any mortgage security is payable, or impair the right to institute suit for the enforcement of any payment on or after the stated maturity of any mortgage security (or, in the case of redemption, on or after the date fixed for redemption) without, in any such case, the consent of the holder of such mortgage security;

- permit the creation of any lien not otherwise permitted by the Mortgage Indenture ranking prior to the lien of the Mortgage Indenture with respect to all or substantially all of the mortgaged property or terminate the lien of the Mortgage Indenture on all or substantially all of the mortgaged property, or deprive the holders of the benefit of the lien of the Mortgage Indenture, without, in any such case, the consent of the holders of all mortgage securities then outstanding;
- reduce the percentage of the principal amount of the outstanding mortgage securities of any series, or any tranche, needed to consent to any supplemental indenture, any waiver of compliance with any provision of the Mortgage Indenture or of any default under the Mortgage Indenture and its consequences, or reduce the requirements for quorum or voting, without, in any such case, the consent of the holder of each outstanding mortgage security of the series or tranche; or
- modify specified provisions of the Mortgage Indenture relating to supplemental indentures, waivers of specified covenants and waivers of past defaults with respect to the mortgage securities of any series, or any tranche of the mortgage securities, without the consent of the holder of each outstanding mortgage security of the series or tranche.

A supplemental indenture that changes or eliminates any covenant or other provision of the Mortgage Indenture that has expressly been included solely for the benefit of the holders of, or that is to remain in effect only so long as there will be outstanding mortgage securities of one or more specified series, or one or more tranches of the outstanding mortgage securities, or modifies the rights of the holders of mortgage securities of the series or tranches with respect to such covenant or other provision, will be deemed not to affect the rights under the Mortgage Indenture of the holders of the mortgage securities of any other series or tranche. (See Section 1402 of the Mortgage Indenture)

Voting of Class A Bonds

The Mortgage Indenture trustee will, as holder of any Class A Bonds issued as the basis for the issuance of the mortgage securities, attend the meetings of bondholders under the related Class A Mortgage, or deliver its proxy in connection with the meetings, for matters for which it is entitled to vote or consent. So long as no event of default as defined in the Mortgage Indenture has occurred and is continuing, the Mortgage Indenture trustee will, as holder of the Class A Bonds with respect to any amendments or modifications to any Class A Mortgage, vote all Class A Bonds outstanding under the Class A Mortgage then held by it, or consent with respect to the amendments or modifications, proportionately with the vote or consent of holders of all other Class A Bonds outstanding under the Class A Mortgage the holders of which are eligible to vote or consent, except that the Mortgage Indenture trustee will not vote in favor of, or consent to, any amendment or modification of a Class A Mortgage that, if it were an amendment or modification of the Mortgage Indenture, would require the consent of holders of the mortgage securities as described under the caption “—Modification of the Mortgage Indenture,” without the prior consent of holders of mortgage securities that would be required for the amendment or modification of the Mortgage Indenture. (See Section 705 of the Mortgage Indenture)

Waiver

The holders of at least a majority in aggregate principal amount of all mortgage securities of all affected series or tranches, considered as one class, may waive our obligations to comply with specified covenants,

including the covenants to maintain our corporate existence and properties, pay taxes and discharge liens, maintain insurance and make the recordings and filings as are necessary to protect the security of the holders and the rights of the Mortgage Indenture trustee and the covenant described above with respect to merger, consolidation or the transfer or lease of the mortgaged property as, or substantially as, an entirety, provided that the waiver occurs before the time that compliance is required. (See Section 609 of the Mortgage Indenture)

Events of Default

Each of the following events will be an event of default under the Mortgage Indenture:

- our failure to pay interest on any mortgage security within 60 days after the same becomes due;
- our failure to pay principal of or premium, if any, on any mortgage security within 3 business days after maturity;
- our failure to perform, or our breach of, any covenant or warranty contained in the Mortgage Indenture (other than a covenant or warranty a default in the performance of which or breach of which is dealt with elsewhere under this caption) for a period of 90 days after we have received a written notice from the Mortgage Indenture trustee or the holders of at least 33% in principal amount of outstanding mortgage securities, or unless the Mortgage Indenture trustee, or the Mortgage Indenture trustee and the holders of a principal amount of mortgage securities not less than the principal amount of mortgage securities the holders of that gave the notice, as the case may be, agree in writing to an extension of the period prior to its expiration. The Mortgage Indenture trustee, or the Mortgage Indenture trustee and the holders, as the case may be, will be deemed to have agreed to an extension of the period if we have initiated corrective action within the period and we are diligently pursuing such corrective action;
- specified events relating to reorganization, bankruptcy and insolvency or appointment of a receiver or trustee for our property; and
- the occurrence of a matured event of default under any Class A Mortgage (other than any such matured event of default that is of similar kind or character to the event of default described in the third bullet above and that has not resulted in the acceleration of the Class A Bonds outstanding under the Class A Mortgage); provided that the waiver or cure of any such event of default and the rescission and annulment of the consequences of a matured event of default will constitute a waiver of the corresponding event of default under the Mortgage Indenture and a rescission and annulment of the consequences of a matured event of default.

(See Section 1001 of the Mortgage Indenture)

Remedies

Acceleration of Maturity. If an event of default under the Mortgage Indenture occurs and is continuing, then the Mortgage Indenture trustee or the holders of not less than 33% in principal amount of mortgage securities then outstanding may declare the principal amount (or if the mortgage securities are discount securities, the portion of the principal amount of the discount securities as may be provided for pursuant to the terms of the Mortgage Indenture) of all of the mortgage securities then outstanding, together with premium, if any, and accrued interest, if any, on the mortgage securities to be immediately due and payable. At any time after the declaration of acceleration of the mortgage securities then outstanding, but before the sale of any of the mortgaged property and before a judgment or decree for payment of money has been obtained by the Mortgage Indenture trustee, the event or events of default giving rise to the declaration of acceleration will, without further act, be deemed to have been waived, and the declaration and its consequences will, without further act, be deemed to have been rescinded and annulled, if:

- we have paid or deposited with the Mortgage Indenture trustee a sum sufficient to pay:
 - all overdue interest, if any, on all mortgage securities then outstanding;

- the principal of and premium, if any, on any mortgage securities then outstanding that have become due otherwise than by the declaration of acceleration and interest on such amounts at the rate or rates prescribed in the mortgage securities; and
- all amounts due to the Mortgage Indenture trustee; and
- any other event or events of default under the Mortgage Indenture, other than the non-payment of the principal of the mortgage securities that has become due solely by the declaration of acceleration, has been cured or waived in accordance with the provisions of the Mortgage Indenture.

(See Sections 1002 and 1017 of the Mortgage Indenture)

Possession of Mortgaged Property. Under certain circumstances and to the extent permitted by law, if an event of default occurs and is continuing, the Mortgage Indenture trustee may take possession of, and hold, operate and manage, the mortgaged property or, with or without entry, sell the mortgaged property. If the mortgaged property is sold, whether by the Mortgage Indenture trustee or pursuant to judicial proceedings, the principal of the outstanding mortgage securities, if not previously due, will become immediately due, together with premium, if any, and any accrued interest. (See Sections 1003, 1004 and 1005 of the Mortgage Indenture)

Right to Direct Proceedings. If an event of default under the Mortgage Indenture occurs and is continuing, the holders of a majority in principal amount of the mortgage securities then outstanding will have the right to direct the time, method and place of conducting any proceedings for any remedy available to the Mortgage Indenture trustee or exercising any trust or power conferred on the Mortgage Indenture trustee, provided that (1) the direction does not conflict with any rule of law or with the Mortgage Indenture, and could not involve the Mortgage Indenture trustee in personal liability in circumstances where indemnity would not, in the Mortgage Indenture trustee's sole discretion, be adequate and (2) the Mortgage Indenture trustee may take any other action deemed proper by the Mortgage Indenture trustee that is not inconsistent with the direction. (See Section 1016 of the Mortgage Indenture)

Limitation on Right to Institute Proceedings. No holder of any mortgage security may institute any proceeding, judicial or otherwise, with respect to the Mortgage Indenture or for the appointment of a receiver or for any other remedy under the Mortgage Indenture unless:

- the holder has previously given to the Mortgage Indenture trustee written notice of a continuing event of default;
- the holders of not less than a majority in aggregate principal amount of the mortgage securities then outstanding have made written request to the Mortgage Indenture trustee to institute proceedings in respect of the event of default and have offered the Mortgage Indenture trustee reasonable indemnity against costs and liabilities to be incurred in complying with the request; and
- for 60 days after receipt of the notice, the Mortgage Indenture trustee has failed to institute any such proceeding and no direction inconsistent with the request has been given to the Mortgage Indenture trustee during the 60-day period by the holders of a majority in aggregate principal amount of the mortgage securities then outstanding.

Furthermore, no holder may institute any such action if and to the extent that the action would disturb or prejudice the rights of other holders. (See Section 1011 of the Mortgage Indenture)

No Impairment of Right to Receive Payment. Notwithstanding that the right of a holder to institute a proceeding with respect to the Mortgage Indenture is subject to specified conditions precedent, each holder of a mortgage security has the right, which is absolute and unconditional, to receive payment of the principal of and premium, if any, and interest, if any, on the mortgage security when due and to institute suit for the enforcement of any such payment, and the rights may not be impaired without the consent of the holder. (See Section 1012 of the Mortgage Indenture)

Notice of Default. The Mortgage Indenture trustee must give the holders notice of any default under the Mortgage Indenture to the extent required by the Trust Indenture Act, unless the default has been cured or waived, except that the Mortgage Indenture trustee does not have to give notice of a default of the character described in the third bullet under the caption “—Events of Default” until at least 75 days after the occurrence of such an event. For purposes of the preceding sentence, the term “default” means any event that is, or after notice or lapse of time, or both, would become, an event of default. (See Section 1102 of the Mortgage Indenture) The Trust Indenture Act currently permits the Mortgage Indenture trustee to withhold notices of default (except for specified payment defaults) if the Mortgage Indenture trustee in good faith determines the withholding of the notice to be in the interests of the holders.

Indemnification of Trustee. Before taking specified actions to enforce the lien of the Mortgage Indenture and institute proceedings on the mortgage securities, the Mortgage Indenture trustee may require adequate indemnity from the holders of the mortgage securities against costs, expenses and liabilities to be incurred in connection with the enforcement of the lien. (See Sections 1011 and 1101 of the Mortgage Indenture)

Additional Remedies. In addition to every other right and remedy provided in the Mortgage Indenture, the Mortgage Indenture trustee may exercise any right or remedy available to the Mortgage Indenture trustee in its capacity as owner and holder of any Class A Bonds that arises as a result of a default or matured event of default under any Class A Mortgage, whether or not an event of default under the Mortgage Indenture has occurred and is continuing. (See Section 1020 of the Mortgage Indenture)

Remedies Limited by State Law. The laws of the state or states in which the mortgaged property is located may limit or deny the ability of the Mortgage Indenture trustee or security holders to enforce certain rights and remedies provided in the Mortgage Indenture in accordance with its terms. (See Section 1014 of the Mortgage Indenture)

Defeasance

Any mortgage security or securities, or any portion of the principal amount of the mortgage security or securities, will be deemed to have been paid for purposes of the Mortgage Indenture, and, at our election, our entire indebtedness in respect of the Mortgage Indenture will be deemed to have been satisfied and discharged, if we have irrevocably deposited with the Mortgage Indenture trustee or any paying agent (other than us), in trust:

- money (including funded cash not otherwise applied pursuant to the Mortgage Indenture);
- in the case of a deposit made prior to the maturity of the applicable mortgage securities, eligible obligations (generally direct or indirect obligations of the U.S. government), which do not contain provisions permitting the redemption or other prepayment at the option of the issuer, the principal of and the interest on which when due, without any regard to reinvestment of the eligible obligations, will provide moneys that, together with the money, if any, deposited with or held by the Mortgage Indenture trustee or the paying agent; or
- a combination of the first two bullets,

which will be sufficient to pay when due the principal of and premium, if any, and interest, if any, due and to become due on the mortgage security or securities or portions of the mortgage security or securities. (See Section 901 of the Mortgage Indenture)

Under current U.S. federal income tax law, a defeasance described in the preceding paragraph would be treated as a taxable exchange of the mortgage securities defeased for a series of non-recourse debt instruments secured by the assets in the defeasance trust. As a consequence, a holder might recognize gain or loss equal to the difference between the holder’s cost or other tax basis for the mortgage securities and the value of the new debt instruments deemed to have been received in exchange. Holders should consult their own tax advisors as to the specific consequences to them of defeasance under the Mortgage Indenture.

Resignation or Removal of the Mortgage Indenture Trustee

The Mortgage Indenture trustee may resign at any time by giving written notice of resignation to us. The Mortgage Indenture trustee may be removed at any time by act of the holders of a majority in principal amount of mortgage securities then outstanding delivered to the Mortgage Indenture trustee and us. No resignation or removal of the Mortgage Indenture trustee and no appointment of a successor Mortgage Indenture trustee will become effective until a successor Mortgage Indenture trustee has accepted its appointment in accordance with the requirements of the Mortgage Indenture. So long as no event of default or event that, after notice or lapse of time, or both, would become an event of default has occurred and is continuing, if we have delivered to the Mortgage Indenture trustee a resolution of our Board of Directors appointing a successor Mortgage Indenture trustee and the successor has accepted the appointment in accordance with the terms of the Mortgage Indenture, the Mortgage Indenture trustee will be deemed to have resigned and the successor will be deemed to have been appointed as Mortgage Indenture trustee in accordance with the Mortgage Indenture. (See Section 1110)

Evidence to be Furnished to the Mortgage Indenture Trustee

When we are required to document our compliance with Mortgage Indenture provisions, we will provide the Mortgage Indenture trustee with written statements of our officers or other persons that we select or pay. In some cases, we will be required to furnish opinions of counsel and certification of an engineer, accountant, appraiser or other expert (who in some cases must be independent). In addition, the Mortgage Indenture requires that we give the Mortgage Indenture trustee, at least annually, a brief statement as to our compliance with the conditions and covenants under the Mortgage Indenture.

Concerning the Mortgage Indenture Trustee

U.S. Bank National Association is the Mortgage Indenture trustee. We and our affiliates conduct banking transactions with affiliates of the Mortgage Indenture trustee in the normal course of our business and may use the Mortgage Indenture trustee or its affiliates as trustee for various debt issues.

Governing Law

The Mortgage Indenture is governed by and construed in accordance with the laws of the State of New York, except to the extent the Trust Indenture Act is applicable and except to the extent the law of any jurisdiction where property subject to the Mortgage Indenture is located mandatorily governs the perfection, priority or enforcement of the lien of the Mortgage Indenture with respect to that property.

DESCRIPTION OF THE SENIOR DEBT SECURITIES

The description below contains summaries of selected provisions of the indenture, including supplemental indentures, under which the unsecured senior debt securities, which we refer to as debt securities or senior debt securities, will be issued. These summaries are not complete. The indenture and the form of supplemental indenture, including the form of senior debt security, applicable to the senior debt securities have been filed or incorporated by reference as exhibits to the registration statement of which this prospectus is a part. You should read them for provisions that may be important to you. In the summaries below, we have included references to section numbers of the indenture so that you can easily locate these provisions. Capitalized terms used in the following summary have the meaning specified in the indenture unless otherwise defined below.

We are not required to issue future issues of indebtedness under the indenture described below. We are free to use other indentures or documentation, containing provisions different from those described in this prospectus, in connection with future issues of other indebtedness not issued under this prospectus.

The senior debt securities will be represented either by global securities registered in the name of DTC, as the Depository, or its nominee, or by securities in certificated form issued to the registered owners, as set forth in the applicable prospectus supplement. See the information under the caption “Book-Entry System” in this prospectus.

General

We may issue senior debt securities from time to time in one or more series under an Indenture, dated as of July 1, 1999, as previously supplemented and to be supplemented by one or more supplemental indentures relating to the senior debt securities being offered by this prospectus, all from us to The Bank of New York Mellon Trust Company, N.A., as trustee, which we collectively refer to as the Indenture. The Indenture does not contain any debt covenants or provisions that would afford holders of the senior debt securities protection in the event of a highly leveraged transaction.

The senior debt securities will be our unsecured obligations. The Indenture does not limit the aggregate principal amount of senior debt securities that we may issue under the Indenture and does not limit the incurrence or issuance of other secured or unsecured debt by us. (See Section 301 of the Indenture) As of December 31, 2017, there were no senior debt securities outstanding under the Indenture. As of December 31, 2017, there was approximately \$4.5 billion aggregate principal amount of our first mortgage bonds outstanding under our Mortgage Indenture. The Mortgage Indenture constitutes, subject to specified exceptions, a first mortgage lien on substantially all of our properties used or to be used in or in connection with the business of generating, purchasing, transmitting, distributing and/or selling electric energy (See “Description of the First Mortgage Bonds”).

The senior debt securities will rank as equal in right of payment to our other unsecured indebtedness, except for any indebtedness that, by its terms, is subordinate to the senior debt securities.

When we offer to sell a particular series of senior debt securities, we will describe the specific terms of that series in a prospectus supplement relating to that series, including the following terms:

- the title of the series;
- any limit on the aggregate principal amount of the series;
- whether any of the senior debt securities of that series will be issued in global form and, if so, the identity of the depository and the specific terms of the depository arrangements;
- the date or dates on which the principal is payable;

- the rate or rates at which the senior debt securities of that series will bear interest or the method of determining the rate or rates;
- the date or dates from which interest will accrue;
- the dates on which the interest will be payable and the regular record dates for the interest payment dates;
- the place or places where the principal of, premium, if any, and interest will be payable;
- any redemption terms, including mandatory redemption through a sinking fund or otherwise, redemption at our option and redemption at the option of the holder;
- the denominations in which the senior debt securities will be issuable, if other than denominations of \$1,000 and multiples \$1,000 in excess thereof;
- additional events of default if other than those set forth in the Indenture;
- whether the provisions of the Indenture relating to defeasance and covenant defeasance will be applicable to the senior debt securities of that series, provided that the provisions will apply unless the covenants are expressly stated to be inapplicable to the senior debt securities of that series; and
- any other terms of the senior debt securities of that series.

(See Section 301 of the Indenture)

Unless the prospectus supplement that describes a particular series of senior debt securities provides otherwise, we may from time to time, without the consent of the holders of that series of senior debt securities, reopen that series of senior debt securities and issue additional senior debt securities with the same terms (including maturity and interest payment terms) as that series of senior debt securities.

Periodic Offering

We may offer senior debt securities of any series in a periodic offering in which any or all of the specific terms of each security of the series may vary from other securities of that series, including with respect to rate or rates of interest on the securities, if any, the stated maturity of each security, the redemption provisions, if any, and such other terms as may be permitted by the Indenture and determined by us from time to time as provided in the Indenture and described in the applicable prospectus supplement.

Discount Security

A senior debt security may provide that an amount less than the principal amount of the senior debt security would be due and payable if it were to be accelerated because of an event of default. Senior debt securities containing such a provision would be offered and sold at a substantial discount below their principal amount. Special federal income tax, accounting and other considerations relating to those securities will be described in the applicable prospectus supplement.

Payment of Senior Debt Securities; Transfers; Exchanges

Unless the prospectus supplement that describes a particular series of senior debt securities says otherwise with respect to that series, we will pay interest, if any, on each senior debt security payable on each interest payment date to the person in whose name the senior debt security is registered as of the close of business on the regular record date relating to that interest payment date. We will pay interest payable at maturity to the person to whom principal is paid at maturity. If there has been a default in the payment of interest on any senior debt security, the defaulted interest may be paid to the holder of the senior debt security as of the close of business on a date selected by the senior debt security trustee. The date selected must not be more than 15 days and not less

than 10 days prior to the date we propose for payment of the defaulted interest. Defaulted interest may also be paid in any other lawful manner permitted by requirements of any securities exchange on which the senior debt security may be listed, if the Indenture trustee deems the manner of payment practicable. (See Section 307 of the Indenture)

Unless the prospectus supplement that describes a particular series of senior debt securities says otherwise with respect to that series, the principal of and premium, if any, and interest at maturity will be payable upon presentation of the senior debt securities at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., as our Paying Agent. We may change the place of payment. We may appoint one or more additional paying agents and may remove any paying agent, all at our discretion. (See Section 1002 of the Indenture)

Unless the prospectus supplement that describes a particular series of senior debt securities says otherwise with respect to that series, the transfer of senior debt securities may be registered, and senior debt securities may be exchanged for other senior debt securities of the same series and tranche, of authorized denominations and of like tenor and aggregate principal amount, at the corporate trust office of The Bank of New York Mellon Trust Company, N.A., as security registrar. We may change the place for registration of transfer and exchange of senior debt securities, and we may designate one or more additional places for the registration of transfer and exchange of senior debt securities, all at our discretion. (See Sections 305 and 1002 of the Indenture)

Unless the prospectus supplement that describes a particular series of senior debt securities says otherwise with respect to that series, no fee for service will be charged for any transfer or exchange of the senior debt securities, but we may require payment of a sum sufficient to cover any tax or other governmental charge imposed in connection with any registration of transfer or exchange of the senior debt securities. We are not required to execute or to provide for the registration of transfer or exchange of (1) any senior debt security during a period of 15 days prior to giving any notice of redemption or (2) any senior debt security selected for redemption in whole or in part, except the unredeemed portion of any senior debt security being redeemed in part. (See Section 305 of the Indenture)

Redemption

The prospectus supplement that describes a series of senior debt securities will set forth any terms for the optional or mandatory redemption of that particular series. Unless the prospectus supplement says that senior debt securities are redeemable at the option of a holder, senior debt securities that are redeemable will be redeemable only at our option upon notice by mail at least 30 days prior to the date fixed for redemption. If fewer than all the senior debt securities of a series are to be redeemed, the particular senior debt securities to be redeemed will be selected by the trustee by the method provided for that series or, if no method is provided, substantially pro rata, by lot or by any other method as the trustee considers fair and appropriate and which complies with the requirement of the principal national securities exchange, if any, on which the senior debt securities are listed. If senior debt securities of a series or tranche have different terms and different maturities, we may select the particular senior debt securities to be redeemed. (See Sections 1103 and 1104 of the Indenture)

If redemption is at our option, the notice of redemption may state that the redemption will be conditional upon receipt by the paying agent or agents, on or prior to the date fixed for the redemption, of money sufficient to redeem all of the senior debt securities called for redemption, including accrued interest, if any. If no money has been received, the notice will not be effective and we will not be required to redeem the senior debt securities. (See Section 1104 of the Indenture)

Consolidation, Merger or Sale

The Indenture provides that we will not consolidate with or merge with or into any other corporation, whether or not we are the surviving corporation, or sell, assign, transfer or lease all or substantially all of our

properties and assets as an entirety or substantially as an entirety to any person or group of affiliated persons, in one transaction or a series of related transactions, unless:

- either we are the continuing person or the person, if other than us, formed by the consolidation or with which or into which we are merged or the person, or group of affiliated persons, to which all or substantially all of our properties and assets as an entirety or substantially as an entirety are sold, assigned, transferred or leased is a corporation, or constitute corporations, organized under the laws of the United States or any State of the United States or the District of Columbia and expressly assumes, by an indenture supplemental to the Indenture, executed and delivered to the Indenture trustee in a form satisfactory to the Indenture trustee, all of our obligations under the senior debt securities issued under the Indenture and all of our obligations under the Indenture;
- immediately before and after giving effect to the transaction or series of transactions, no event of default, and no default, has occurred and is continuing; and
- we deliver to the Indenture trustee an officer's certificate and an opinion of counsel stating that the consolidation, merger or transfer and the supplemental indenture comply with the Indenture.

(See Article Eight of the Indenture)

Events of Default

The following are events of default under the Indenture with respect to senior debt securities of any series issued under the Indenture:

- our failure to pay interest on any senior debt security of that series when due and the failure continues for 30 days and the time for payment has not been extended or deferred;
- our failure to pay the principal of, or premium, if any, on, any senior debt security of that series when due and payable at maturity, and upon redemption but excluding any failure by us to deposit money in connection with any redemption at our option, and the time for payment has not been extended or deferred;
- our failure to observe or perform any other covenant, warranty or agreement contained in the senior debt securities of that series or in the Indenture, other than a covenant, agreement or warranty included in the Indenture solely for the benefit of senior debt securities other than that series, and the failure continues for 60 days after we have received written notice from the Indenture trustee or holders of at least 25% in aggregate principal amount of the outstanding senior debt securities of that series;
- specified events of bankruptcy, insolvency or reorganization relating to us;
- our failure to pay any installment of interest when due on any other series of senior debt securities issued pursuant to the Indenture and the failure continues for 30 days, or our failure to pay the principal of, or premium, if any, on any such other series of senior debt securities when due and payable at maturity, including upon redemption but excluding any failure by us to deposit money in connection with any redemption at our option, and the time for payment of that interest or principal (or premium, if any) has not been extended or deferred; and
- any other event of default with respect to senior debt securities of that series specified in the applicable prospectus supplement.

(See Section 501 of the Indenture)

Remedies

Acceleration of Maturity. If an event of default with respect to senior debt securities of any series, other than due to events of bankruptcy, insolvency or reorganization, occurs and is continuing, the Indenture trustee or

the holders of at least 25% in aggregate principal amount of the outstanding senior debt securities of that series, by notice in writing to us, and to the Indenture trustee if given by the holders of at least 25% in aggregate principal amount of the senior debt securities of that series, may declare the unpaid principal of and accrued interest to the date of acceleration, or, if the senior debt securities are original issue discount securities, the portion of that principal as may be specified in the terms of the Indenture, on all the outstanding senior debt securities of that series to be due and payable immediately and, upon any such declaration, the senior debt securities of that series, or specified principal amount, will become immediately due and payable. (See Section 502 of the Indenture)

If an event of default occurs due to bankruptcy, insolvency or reorganization, all unpaid principal of and accrued interest on the outstanding senior debt securities of all series will become immediately due and payable without any declaration or other act on the part of the Indenture trustee or any holder of any senior debt security. (See Section 502 of the Indenture)

The holders of a majority of the principal amount of the outstanding senior debt securities of that series, upon the conditions provided in the Indenture, may rescind an acceleration and its consequences. (See Section 502 of the Indenture)

Right to Direct Proceedings. The holders of a majority in principal amount of the outstanding senior debt securities of any series will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Indenture trustee, or exercising any trust or power conferred on the Indenture trustee, with respect to the senior debt securities of that series; provided that (1) the direction is not in conflict with any law or the Indenture; (2) the Indenture trustee may take any other action deemed proper by the Indenture trustee that is not inconsistent with the direction; and (3) subject to its duties under the Trust Indenture Act, the Indenture trustee need not take any action that might involve the Indenture trustee in personal liability or might be unduly prejudicial to the holders not joining in the action. (See Section 512 of the Indenture)

Limitation on Rights to Institute Proceedings. No holder of the senior debt securities of any series will have any right to institute any proceeding with respect to the Indenture, or for the appointment of a receiver or a trustee, or for any other remedy under the Indenture, unless:

- the holder has previously given to the Indenture trustee written notice of a continuing event of default with respect to the senior debt securities of that series;
- the holders of at least 25% in aggregate principal amount of the outstanding senior debt securities of that series have made written request to the Indenture trustee, and the holder or holders have offered to the Indenture trustee reasonable indemnity, to institute the proceeding as trustee; and
- the Indenture trustee has failed to institute the proceeding, and has not received from the holders of a majority in aggregate principal amount of the outstanding senior debt securities of that series a direction inconsistent with the request, within 60 days after the notice, request and offer.

(See Section 507 of the Indenture)

No Impairment of Right to Receive Payment. Notwithstanding any other provision of the Indenture, the holder of any senior debt security will have the absolute and unconditional right to receive payment of the principal of (and premium, if any) and interest on that senior debt security when due, and to institute suit for enforcement of that payment. This right may not be impaired without the consent of the holder. (See Section 508 of the Indenture)

Notice of Default. The Indenture provides that the Indenture trustee must, within 30 days after the occurrence of any default or event of default with respect to senior debt securities of any series issued under the Indenture, give the holders of senior debt securities of that series notice of all uncured defaults or events of

default known to it (the term “default” includes any event that after notice or passage of time or both would be an event of default); provided, however, that, except in the case of an event of default or a default in payment on any senior debt securities of any series, the Indenture trustee will be protected in withholding the notice if and so long as the board of directors, the executive committee or directors or responsible officers of the Indenture trustee in good faith determine that the withholding of the notice is in the interest of the holders of senior debt securities of the affected series. (See Section 602 of the Indenture)

Indemnification of Trustee. Subject to the provisions of the Indenture relating to the duties of the Indenture trustee if an event of default occurs and is continuing, the Indenture trustee will be under no obligation to exercise any of its rights or powers under the Indenture at the request or direction of any of the holders, unless the holders have offered to the Indenture trustee reasonable indemnity. (See Section 603 of the Indenture)

Waiver. The holders of not less than a majority in aggregate principal amount of the outstanding senior debt securities of any series may on behalf of the holders of all senior debt securities of that series waive any default or event of default with respect to that series, except a default or event of default in the payment of the principal of, or premium, if any, or any interest, if any, on any senior debt securities of that series or in respect of a provision that under the Indenture cannot be modified or amended without the consent of the holder of each outstanding senior debt securities of that series affected. (See Section 513 of the Indenture)

Modification of Indenture

We and the Indenture trustee may modify the Indenture, without notice to or the consent of any holders of senior debt securities, with respect to specified matters, including:

- to add one or more covenants or other provisions for the benefit of holders of senior debt securities of one or more series or to surrender any of our rights or powers under the Indenture;
- to cure any ambiguity, defect or inconsistency or to correct or supplement any provision that may be inconsistent with any other provision of the Indenture; or
- to make any change that does not materially adversely affect the interests of any holder of senior debt securities of any series.

If the Trust Indenture Act is amended after the date of the original Indenture in such a way as to require or permit changes to the Indenture, or the elimination of provisions that, at the date of the original Indenture or at any time subsequently were required by the Trust Indenture Act, the Indenture will be automatically amended to conform to the amendment or to make the changes or elimination. The Indenture trustee will, at our request, enter into one or more supplemental indentures with us to evidence or effect the amendment. (See Section 901 of the Indenture)

In addition, we, together with the Indenture trustee, may modify some of our rights and obligations and the rights of holders of the senior debt securities with the consent of the holders of at least a majority in aggregate principal amount of the outstanding senior debt securities of each series affected thereby.

No amendment or modification may, without the consent of each holder of any outstanding senior debt security affected:

- change the stated maturity of the principal of, or any installment of principal of or interest on, any such senior debt security;
- reduce the principal amount of, or the rate of interest on, or any premium payable upon the redemption of, or extend the time for payment of, any such senior debt security, or extend the time for payment of those amounts or reduce the amount of principal of an original issue discount security that would be due and payable upon declaration of acceleration of the maturity of the senior debt security;

- change the place of payment, or the coin or currency, for payment of principal of, or premium, if any, or interest on any senior debt security;
- impair the right to institute suit for the enforcement of any payment on or with respect to any such senior debt security;
- reduce the percentage in principal amount of outstanding senior debt securities of any series necessary to modify or amend the Indenture, or to waive compliance with specified provisions of the Indenture or defaults or events of default under the Indenture and their consequences;
- change the redemption provisions in a manner adverse to any such holder of senior debt securities of that series; or
- modify any of the foregoing provisions or any of the provisions relating to the waiver of specified past defaults or specified covenants except to increase the percentage of holders required to consent or waive or to provide that specified other provisions may not be modified or waived without the consent of each holder affected thereby.

(See Article Nine of the Indenture)

Defeasance

When we use the term defeasance, we mean discharge from some or all of our obligations under the Indenture. If we deposit with the trustee funds or U.S. government obligations the scheduled payments of principal and interest in respect of which is sufficient to make payments of principal of (and premium, if any) and interest on the senior debt securities of a series or tranche thereof on the dates those payments are due and payable, then, at our option, either of the following will occur:

- “covenant defeasance,” which means that we will no longer have any obligation to comply with the restrictive covenants under the Indenture and any other restrictive covenants that apply to that series or tranche of the senior debt securities, and the related events of default will no longer apply to us; or
- “legal defeasance,” which means that we will be discharged from our payment obligations, in addition to the obligations referred to above, with respect to the senior debt securities of that series or tranche.

So long as no default or event of default with respect to the senior debt securities of any series has occurred and is continuing, we may affect either a legal defeasance or a covenant defeasance in respect of senior debt securities of that series or tranche by:

- depositing with the Indenture trustee, under the terms of an irrevocable trust agreement, money or U.S. government obligations or a combination sufficient to pay, when due, all remaining indebtedness on the senior debt securities of that series;
- delivering to the Indenture trustee either an opinion of counsel or a ruling directed to the Indenture trustee from the Internal Revenue Service to the effect, among other things, that the holders of the senior debt securities of that series will not recognize income, gain or loss for federal income tax purposes as a result of the deposit and termination of obligations; and
- complying with specified other requirements set forth in the Indenture.

(See Section 1304 of the Indenture)

Evidence to be Furnished to the Indenture Trustee

The Indenture provides that we must periodically file statements with the Indenture trustee regarding our compliance with all conditions and covenants of the Indenture. (See Section 704 of the Indenture)

Concerning the Indenture Trustee

The Bank of New York Mellon Trust Company, N.A., is the Indenture Trustee. We and our affiliates conduct banking transactions with the Indenture trustee in the normal course of business.

Governing Law

The Indenture is governed by and construed in accordance with the laws of the State of New York, without regard to conflict of laws principles, except to the extent that the Trust Indenture Act is applicable.

BOOK-ENTRY SYSTEM

Unless otherwise specified in the applicable prospectus supplement, each series of securities offered by this prospectus will be issued as fully-registered global securities representing all or part of that series of securities. This means that we will not issue certificates for that series of securities to the holders. Instead, a global security representing that series of securities will be deposited with, or on behalf of, DTC or its successor, as the depository. The global securities will be registered at the request of DTC in the name of Cede & Co., DTC's nominee, or such other name as may be requested by an authorized representative of DTC.

DTC will keep an electronic record of its participants (for example, your broker) whose clients have purchased securities represented by a global security. Unless a global security is exchanged in whole or in part for a certificated security, a global security may not be transferred, except that DTC, its nominees and successors may transfer a global security as a whole to one another.

Beneficial interests in global securities will be shown on, and transfers of interests will be made only through, records maintained by DTC and its participants. The laws of some jurisdictions require that some purchasers take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in a global security.

We will make payments of principal, interest, if any, and premium, if any, to DTC or its nominee. We, the applicable trustee and any paying agent will treat DTC or its nominee as the owner of the global security for all purposes, including any notices and voting. Accordingly, neither we nor any trustee nor any paying agent will have any direct responsibility or liability to pay amounts due on a global security to owners of beneficial interests in a global security.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants, or "direct participants," deposit with DTC. DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation, or "DTCC." DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a direct participant either directly or indirectly, an "indirect participant." Direct participants and indirect participants are referred to collectively as "participants." The DTC Rules applicable to its participants are on file with the SEC.

Purchases of global securities under the DTC system must be made by or through direct participants, which will receive a credit for the securities on DTC's records. The ownership interest of each actual purchaser of each security, or "beneficial owner," is in turn to be recorded on the direct and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the global securities are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the global securities, except in the event that use of the book-entry system for the global securities is discontinued.

To facilitate subsequent transfers, all securities deposited by direct participants with DTC are registered in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities. DTC's records reflect only the identity of the direct participants to whose accounts such securities are credited, which may or may not be the beneficial owners. The direct and indirect participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

If a particular series of securities is redeemable at our option or at the option of the holder, redemption notices will be sent to DTC. If less than all of the securities of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such series to be redeemed. Redemption proceeds and distributions on global securities will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. Upon DTC's receipt of funds and corresponding detail information from us, any trustee or any paying agent, DTC's practice is to credit direct participants' accounts in accordance with the holdings information shown on DTC's records on the payment date. Payments by participants to beneficial owners of securities will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name." Payments will be the responsibility of such participant and not of DTC nor its nominee, any trustee, any paying agent or us, subject to any statutory or regulatory requirements. Payment of redemption proceeds and distributions to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC is the responsibility of us, the applicable trustee or the applicable paying agent, disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

Neither DTC nor Cede & Co. or any other DTC nominee will consent or vote with respect to global securities unless authorized by a direct participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the securities are credited on the record date as identified in a listing attached to the omnibus proxy.

Global securities will be exchangeable for corresponding certificated securities registered in the name of persons other than DTC or its nominee if (1) DTC (a) notifies us that it is unwilling or unable to continue as depository for any of the global securities or (b) at any time ceases to be a clearing agency registered under the Exchange Act, (2) an event of default occurs and is continuing with respect to the applicable series of securities or (3) we execute and deliver to the applicable trustee an order that the global securities will be so exchangeable.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and we and any underwriters, dealers or agents are not responsible for the accuracy of the information or for the performance by DTC of its obligations under the rules and procedures governing its operations or otherwise.

Any underwriters, dealers or agents of any securities may be direct participants of DTC.

PLAN OF DISTRIBUTION

We may sell the securities offered under this prospectus through underwriters or dealers, through agents or directly to one or more purchasers. The terms under which the securities are offered and the method of distribution will be set forth in the applicable prospectus supplement.

Underwriters, dealers and agents that participate in the distribution of the securities offered under this prospectus may be underwriters as defined in the Securities Act of 1933, as amended, the “Securities Act,” and any discounts or commissions received by them from us and any profit on the resale of the offered securities by them may be treated as underwriting discounts and commissions under the Securities Act. Any underwriters or agents will be identified and their compensation, including any underwriting discount or commission, will be described in the applicable prospectus supplement. The applicable prospectus supplement will also describe other terms of the offering, including the initial public offering price and any discounts or concessions allowed or reallocated to dealers.

The distribution of the securities described in this prospectus may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at negotiated prices.

We may determine the price or other terms of the securities offered under this prospectus by use of an electronic auction. We will describe in the applicable prospectus supplement how any auction will be conducted to determine the price or any other terms of the securities, how potential investors may participate in the auction and, where applicable, the nature of the underwriters’ obligations with respect to the auction.

Each series of securities will be a new issue of securities and will have no established trading market. Any underwriters to whom securities are sold for public offering and sale may make a market in such securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. The securities may or may not be listed on a national securities exchange.

Under agreements into which we may enter in connection with the sale of the securities, underwriters, dealers and agents who participate in the distribution of the securities may be entitled to indemnification by us against specified liabilities, including liabilities under the Securities Act.

LEGAL OPINIONS

Unless otherwise indicated in the applicable prospectus supplement, legal opinions relating to the validity of the securities being offered by this prospectus and certain other matters will be rendered by Faegre Baker Daniels LLP, Denver, Colorado, counsel for our company. Unless otherwise indicated in the prospectus supplement relating to a particular series of securities, certain legal matters will be passed upon for the underwriters, dealers or agents named in a prospectus supplement by Hunton Andrews Kurth LLP, New York, New York.

EXPERTS

The consolidated financial statements, and the related financial statement schedule, incorporated in this prospectus by reference from Public Service Company of Colorado's Annual Report on Form 10-K have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference. Such consolidated financial statements and financial statement schedule have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

PROSPECTUS

SOUTHWESTERN PUBLIC SERVICE COMPANY

(a New Mexico corporation)

**790 South Buchanan Street
Amarillo, Texas 79101
(303) 571-7511**

FIRST MORTGAGE BONDS SENIOR UNSECURED DEBT SECURITIES

We may offer and sell from time to time, in one or more offerings, together or separately, any combination of the securities listed above and described in this prospectus. We may offer and sell these securities to or through one or more underwriters, dealers and/or agents, or directly to purchasers, on a continuous or delayed basis.

This prospectus describes some of the general terms that may apply to the securities and the general manner in which they may be offered. The specific terms of any securities to be offered, and the specific manner in which they may be offered, will be described in a supplement to this prospectus. This prospectus may not be used to sell securities unless accompanied by a prospectus supplement.

You should carefully consider the risk factors set forth in the applicable prospectus supplement and certain of our filings with the Securities and Exchange Commission before making any decision to invest in any of the securities described in this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is April 18, 2018.

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ABOUT THIS PROSPECTUS

This document is called a “prospectus” and it provides you with a general description of the securities we may offer. Each time we sell securities under this prospectus, we will provide a prospectus supplement containing specific information about the terms of the securities being offered. That prospectus supplement may include a discussion of any risk factors or other special considerations that apply to those securities. The prospectus supplement may also add, update or change the information in this prospectus. If there is any inconsistency between the information in this prospectus and in the prospectus supplement, you should rely on the information in the prospectus supplement. You should read this prospectus and the applicable prospectus supplement together with the additional information described under the caption “Where You Can Find More Information.” We may also prepare free writing prospectuses that describe particular securities. Any free writing prospectus should also be read in connection with this prospectus and with the prospectus supplement referred to therein. For purposes of this prospectus, any reference to an applicable prospectus supplement may also refer to a free writing prospectus, unless the context otherwise requires.

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the “SEC,” using a shelf registration process. As permitted by SEC rules, this prospectus does not contain all of the information included in the registration statement and the accompanying exhibits and schedules we filed with the SEC. You should read the registration statement and the related exhibits and schedules for more information about us and our securities. The registration statement and the related exhibits and schedules can be read at the SEC’s website or at the SEC’s offices. The SEC’s website and street addresses are provided under the caption “Where You Can Find More Information.”

The distribution of this prospectus and the applicable prospectus supplement and the offering of the securities in certain jurisdictions may be restricted by law. Persons into whose possession this prospectus and the applicable prospectus supplement come should inform themselves about and observe any such restrictions. This prospectus and the applicable prospectus supplement do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offering or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

This prospectus, the applicable prospectus supplement and any free writing prospectus that we prepare or authorize contain and incorporate by reference information that you should consider when making your investment decision. No one is authorized to provide you with information different from that which is contained, or deemed to be contained, in this prospectus and applicable prospectus supplement. We are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information in this prospectus or the documents incorporated by reference is accurate as of any date other than the date on the front of those documents.

Unless otherwise specified or unless the context requires otherwise, all references in this prospectus to “Southwestern Public Service Company,” “SPS,” “our company,” “we,” “us,” or similar terms refers to Southwestern Public Service Company.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and current reports and other information with the SEC. Our SEC filings are available to the public on the SEC's website at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at the SEC's Public Reference Room located at 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the Public Reference Room.

The SEC allows us to "incorporate by reference" the information we file with it, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus, and information that we file later with the SEC will automatically update and supersede this information. We incorporate by reference our Annual Report on Form 10-K for the year ended December 31, 2017, including information specifically incorporated by reference into our Form 10-K from Xcel Energy Inc.'s definitive Proxy Statement for its 2018 Annual Meeting of Shareholders, and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the "Exchange Act," (other than information deemed to have been "furnished" rather than "filed" in accordance with SEC rules) from the date of this prospectus until we sell all of the securities offered by this prospectus (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules).

We will provide, without charge, to each person, including any beneficial owner of our securities to whom this prospectus is delivered, upon written or oral request, a copy of any or all documents referred to above that have been incorporated by reference into this prospectus, excluding exhibits to those documents unless they are specifically incorporated by reference into those documents. You may request these documents from:

Attn: Corporate Secretary
Southwestern Public Service Company
c/o Xcel Energy Inc.
414 Nicollet Mall
Minneapolis, Minnesota 55401
(612) 330-5500

OUR COMPANY

We were incorporated in 1921 under the laws of the State of New Mexico. We are a utility engaged primarily in the generation, purchase, transmission, distribution and sale of electricity in portions of Texas and New Mexico. At December 31, 2017, we provided electric utility service to approximately 390,000 retail customers in Texas and New Mexico.

Our principal executive offices are located at 790 South Buchanan Street, Amarillo, Texas 79101 and our telephone number is (303) 571-7511.

RISK FACTORS

Investing in our securities involves certain risks. You are urged to carefully read and consider the risk factors relating to an investment in our securities described in our annual, quarterly and current reports filed with the SEC under the Securities Exchange Act of 1934, as amended, which are incorporated by reference into this prospectus. Before making an investment decision, you should carefully consider these risks, as well as any other information that we include or incorporate by reference in this prospectus or any prospectus supplement. The prospectus supplement applicable to each type or series of securities we offer may contain a discussion of additional risks applicable to an investment in our securities and the particular type of securities we are offering under that prospectus supplement.

USE OF PROCEEDS

Unless otherwise indicated in the applicable prospectus supplement, we intend to use the net proceeds from the sale of the securities offered by this prospectus for general corporate purposes, including meeting our working capital requirements, funding capital expenditures and acquisitions, repaying short-term debt and refunding long-term debt at maturity or otherwise. Until the net proceeds from the sale of the offered securities have been used, we may invest them temporarily in interest-bearing obligations.

RATIO OF EARNINGS TO FIXED CHARGES

	<u>Year Ended December 31,</u>				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Ratio of earnings to fixed charges	3.4	3.1	2.9	2.9	2.4

For purposes of computing the ratio of earnings to fixed charges, (1) earnings consist of pre-tax income plus fixed charges; and (2) fixed charges consist of interest on long-term debt, other interest charges, the interest component on leases and amortization of debt discount, premium and expense.

DESCRIPTION OF THE FIRST MORTGAGE BONDS

The description below contains summaries of selected provisions of the mortgage indenture, including supplemental indentures, under which the first mortgage bonds, which we sometimes refer to as “first mortgage bonds,” “mortgage securities,” or “mortgage bonds,” will be issued. These summaries are not complete. The mortgage indenture and the form of supplemental indenture, including the form of first mortgage bond, applicable to the first mortgage bonds have been filed as exhibits to the registration statement of which this prospectus is a part. You should read them for provisions that may be important to you. In the summaries below, we have included references to section numbers of the mortgage indenture so that you can easily locate these provisions. Certain terms used but not defined in the following summary have the meaning specified in the mortgage indenture.

This section describes the general terms and provisions of our first mortgage bonds. The prospectus supplement will describe the specific terms of the first mortgage bonds offered through that prospectus supplement and any general terms outlined in this section that will not apply to those first mortgage bonds.

General

We may issue the first mortgage bonds from time to time in one or more series under the Indenture dated as of August 1, 2011, as supplemented from time to time by supplemental indentures relating to the first mortgage bonds being offered by this prospectus, which we collectively refer to as the “mortgage indenture,” between us and U.S. Bank National Association, as trustee, which we refer to as the “mortgage trustee.” The mortgage indenture will govern the first mortgage bonds offered by this prospectus.

The amount of mortgage securities that we may issue under the mortgage indenture is unlimited. The mortgage securities may be issued in series up to the aggregate principal amount that may be authorized by us from time to time. Although the mortgage indenture does not limit the amount of mortgage securities that we may issue under it, we may only issue mortgage securities under the mortgage indenture on the basis of property additions, retired mortgage securities or cash (as discussed below). See “—Issuance of Additional Mortgage Securities” for more information about the limitations on the issuance of mortgage securities.

The holders of outstanding first mortgage bonds do not, and, unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise with respect to that series, the holders of any first mortgage bonds offered by this prospectus will not, have the right to require us to repurchase the first mortgage bonds if we become involved in a highly leveraged or change of control transaction. The mortgage indenture does not have any provision that is designed specifically in response to highly leveraged or change of control transactions. However, holders of first mortgage bonds would have the security afforded as described below under the caption “—Security.”

When we offer to sell a particular series of first mortgage bonds, we will describe the specific terms of that series in a prospectus supplement relating to that series, including the following terms:

- the title of that series;
- any limit on the aggregate principal amount of that series;
- the currency or composite currency and denomination of that series;
- the price or prices (or method for determining price or prices) at which that series will be issued and, if an index formula or other method is used, the method for determining amounts of principal and interest;
- the date of maturity of that series and the right, if any, to extend the maturity of that series, and the duration of any such extension;

- the dates (or method of determining such dates) when principal and interest are payable, and the record dates for the payment of interest and the right, if any, to extend the interest payment periods and the duration of any such extension;
- the rate or rates (which may be fixed or variable) at which that series will bear interest or the method of calculating the rate or rates;
- the date or dates from which the interest will accrue;
- the manner of paying principal or interest;
- the place or places where principal and interest will be payable;
- any redemption terms, including mandatory redemption through a sinking fund or otherwise, redemption at our option and redemption at the option of the holder;
- whether the first mortgage bonds of that series are to be issuable as registered first mortgage bonds, bearer first mortgage bonds, or both;
- whether the first mortgage bonds of that series are to be represented in whole or in part by a first mortgage bond in global form and, if so, the identity of the depository for any global first mortgage bond;
- if the first mortgage bonds of that series provide that payments of principal or interest may be made in a currency other than that in which first mortgage bonds are denominated, the manner for determining those payments;
- the denominations in which we will issue that series, if other than \$1,000 and multiples of \$1,000 in excess thereof;
- the portion of principal payable upon acceleration of a first mortgage bond of that series where the amount of principal due upon acceleration is less than the stated principal amount, or a “discounted security”;
- whether and upon what terms first mortgage bonds of that series may be defeased;
- any events of default or restrictive covenants in addition to or in lieu of those set forth in the mortgage indenture; and
- any other terms or provisions of that series of first mortgage bonds not inconsistent with the provisions of the mortgage indenture, including any terms that may be required or advisable under U.S. laws or regulations, or advisable in connection with the marketing of the first mortgage bonds.

Unless the applicable prospectus supplement provides otherwise, we may from time to time, without the consent of the holders of a series of first mortgage bonds, reopen that series and issue additional first mortgage bonds with the same terms (except for the price to public and the issue date) as such series of first mortgage bonds.

We expect the first mortgage bonds of any series to be issued in whole or in part in the form of one or more global securities that will be deposited with, or on behalf of, The Depository Trust Company, or “DTC,” as depository, or “Depository.” See the information under “Book-Entry System” in this prospectus. We will describe any additional or different terms of the depository arrangements in the applicable prospectus supplement relating to a particular series of first mortgage bonds issued in the form of global securities.

First mortgage bonds of any series may be issued as registered first mortgage bonds or bearer first mortgage bonds, as specified in the terms of the series. Unless otherwise indicated in the prospectus supplement relating to a particular series of first mortgage bonds, registered first mortgage bonds will be issued in denominations of \$1,000 and integral multiples of \$1,000. One or more global first mortgage bonds will be issued in a denomination or aggregate denominations equal to the aggregate principal amount of outstanding first mortgage bonds of the series to be represented by such global first mortgage bonds.

Registration of transfer of registered first mortgage bonds may be requested upon surrender of the first mortgage bonds at any of our agencies maintained for the purpose and upon fulfillment of all other requirements of the security registrar.

First mortgage bonds may be issued under the mortgage indenture as discounted first mortgage bonds to be offered and sold at a substantial discount from the principal amount of those first mortgage bonds. Special U.S. federal income tax and other applicable considerations will be described in the prospectus supplement relating to the discounted first mortgage bonds.

If we ever issue bearer first mortgage bonds, the applicable prospectus supplement will describe all of the specific terms and provisions of first mortgage bonds in bearer form, and the extent to which those special terms and provisions are different from the terms and provisions which are described in this prospectus, which generally apply to first mortgage bonds in registered form, and will summarize provisions of the mortgage indenture that relate specifically to bearer first mortgage bonds.

Except as otherwise provided herein, when we use the term “holder” in this prospectus with respect to a registered first mortgage bond, we mean the person in whose name such first mortgage bond is registered.

Payment of First Mortgage Bonds; Transfers; Exchanges

Unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise with respect to that series, we will pay interest, if any, on each first mortgage bond payable on each interest payment date to the person in whose name the first mortgage bond is registered as of the close of business on the regular record date relating to that interest payment date. We will pay interest payable at maturity (whether at stated maturity, upon redemption or otherwise) to the person to whom principal is paid at maturity. If we fail to pay interest on any first mortgage bond when due, we will pay the defaulted interest to the holder of the first mortgage bond as of the close of business on a date selected by the mortgage trustee which is not more than 30 days and not less than 10 days prior to the date we propose for payment or in any other lawful manner not inconsistent with the requirements of any securities exchange on which the first mortgage bond may be listed, if the mortgage trustee deems the manner of payment practicable. (See Section 307 of the mortgage indenture)

Unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise with respect to that series, we will pay the principal of and premium, if any, and interest at maturity upon presentation of the first mortgage bonds at the corporate trust office of the mortgage trustee in New York, New York, as our paying agent. We may change the place of payment on the first mortgage bonds. We may appoint one or more additional paying agents (including us) and may remove any paying agent, all at our discretion. (See Section 602 of the mortgage indenture and Article One of the supplemental indenture(s) relating to the first mortgage bonds)

Unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise with respect to that series, you may register the transfer of first mortgage bonds, and exchange your first mortgage bonds for other first mortgage bonds of the same series and tranche, of authorized denominations and of like tenor and aggregate principal amount, at the corporate trust office of the mortgage trustee in New York, New York, as security registrar. We may change the place for registration of transfer and exchange of first mortgage bonds, and we may designate one or more additional places for the registration of transfer and exchange of first mortgage bonds, all at our discretion. (See Sections 305 and 602 of the mortgage indenture)

Unless the prospectus supplement that describes a particular series of first mortgage bonds provides otherwise with respect to that series, no service charge will be made for any transfer or exchange of the first mortgage bonds, but we may require payment of a sum sufficient to cover any tax or other governmental charge imposed in connection with any registration of transfer or exchange of the first mortgage bonds. We are not required to execute or to provide for the registration of transfer or exchange of (1) any first mortgage bonds

during a period of 15 days prior to giving any notice of redemption or (2) any first mortgage bonds selected for redemption in whole or in part, except the unredeemed portion of any first mortgage bonds being redeemed in part. (See Section 305 of the mortgage indenture)

Redemption

The prospectus supplement that describes a particular series of first mortgage bonds will set forth any terms for the optional or mandatory redemption of that particular series. Unless the prospectus supplement that describes a particular series of first mortgage bonds provides that such series of first mortgage bonds are redeemable at the option of a holder, the first mortgage bonds will be redeemable only at our option. To exercise our option to redeem any first mortgage bonds that are redeemable at our option, we will mail you a notice of redemption at least 30 days but not more than 60 days prior to the date fixed for redemption. If we elect to redeem fewer than all the first mortgage bonds of a series or any tranche of first mortgage bonds, the security registrar will select the particular first mortgage bonds to be redeemed by the method provided for any particular series, or if there is no such provision, by a method of random selection that the security registrar deems fair and appropriate. (See Sections 503 and 504 of the mortgage indenture)

Any notice of redemption at our option may state that the redemption will be conditional upon receipt by the paying agent or agents, on or prior to the date fixed for the redemption, of money sufficient to pay the principal, premium, if any, and interest, if any, on the first mortgage bonds and that if the money has not been so received, the notice will be of no force and effect and we will not be required to redeem the first mortgage bonds. (See Section 504 of the mortgage indenture)

While the original mortgage indenture contains provisions for the maintenance of the mortgaged property, it does not contain any provisions for a maintenance or sinking fund and, except as the prospectus supplement may provide, there will be no provisions for any maintenance or sinking funds for the first mortgage bonds.

Security

General. All mortgage securities now or hereafter issued under the mortgage indenture will be secured, equally and ratably, by the lien of the mortgage indenture on substantially all of our properties (other than those excepted from the lien of the mortgage indenture as described below) used or intended to be used in or in connection with the business of generating, purchasing, transmitting, distributing and/or selling electric energy and located in the State of Texas or the State of New Mexico, which lien constitutes, subject to specified exceptions, a first mortgage lien on such properties.

Lien of the Mortgage Indenture. The mortgage indenture constitutes a first mortgage lien on the property described in the mortgage indenture as subject to the lien of the mortgage indenture, except any property that has been disposed of or released from the lien of the mortgage indenture in accordance with the terms of the mortgage indenture, subject to no liens prior to the lien of the mortgage indenture other than the permitted liens.

Subject to recordation of appropriate supplements in the proper offices, the mortgage indenture effectively subjects to the lien of the mortgage indenture property used or intended to be used in the electric utility business (other than excepted property) that we acquire after the date of the execution and delivery of the mortgage indenture to the extent, and subject to the qualifications, described below.

The properties subject to the lien of the mortgage indenture, whether currently owned or subsequently acquired, are our properties used or intended to be used in or in connection with the electric utility business (whether or not this is the sole use of the properties). Properties relating exclusively to our gas and steam businesses are not subject to the lien of the mortgage indenture.

The lien of the mortgage indenture is subject to permitted liens, which include:

- liens for taxes, assessments and other governmental charges
 - which are not delinquent or are being contested in good faith; or
 - which are delinquent and are not being contested in good faith if adequate security for the payment of such taxes, assessments or other governmental charges is given to the mortgage trustee;
- specified workmen's, materialmen's and other similar liens, liens of employees for salaries or wages, and other liens arising in the ordinary course of business for charges which are not delinquent or are being contested in good faith;
- specified judgment liens and attachments;
- specified easements, encumbrances, leases, reservations or other rights of others (including governmental entities) in, on, over and/or across, and laws, regulations and restrictions affecting, and defects, irregularities, deficiencies, exceptions and limitations in title to, our property;
- specified leasehold interests;
- specified landlords' and other similar liens;
- liens to secure, or to serve in lieu of, surety, stay or appeal bonds;
- specified rights and interests of others that relate to common ownership or joint use of property and liens on the interests of others in the property;
- specified non-exclusive rights and interests that we retain with respect to property used or to be used in or in connection with both the electric utility business and any other businesses;
- liens existing on the date the mortgage indenture is executed, and renewals, extensions or replacements thereof;
- liens on after acquired property existing or placed on such property when acquired by us (including purchase money liens, and renewals, extensions or replacements thereof);
- liens in connection with the issuance of pollution control revenue bonds; and
- specified other liens and encumbrances.

(See Granting Clauses and Section 101 of the mortgage indenture)

There are excepted from the lien of the mortgage indenture, among other things:

- cash, investment property and securities not paid or delivered to, deposited with or held by the mortgage trustee under the mortgage indenture;
- all accounts, chattel paper, general intangibles, documents, letter-of-credit rights, letters of credit, contracts, leases and other agreements of any kind, contract rights, bills, notes and other instruments, revenues, earnings, accounts receivable, claims, governmental and other licenses, permits, allowances and franchises, intellectual property rights and other intangible property;
- automobiles, other vehicles, movable equipment, railcars, vessels and aircraft;
- goods, stock in trade, wares, merchandise and inventory held for sale or lease in the ordinary course of business;
- materials, supplies and other personal property consumable in the operation of the mortgaged property;
- fuel, including nuclear fuel, whether or not consumable in the operation of the mortgaged property;
- furniture and furnishings;
- computers, machinery and telecommunication and other equipment used exclusively for corporate administrative or clerical purposes;

- personal property if a security interest in such personal property cannot be perfected under the Uniform Commercial Code;
- coal, lignite, ore, gas, oil and other minerals and mineral materials and timber, and rights and interests in any such minerals, mineral materials or timber, whether or not the minerals, mineral materials or timber have been mined or extracted or otherwise separated from the land;
- electric energy and capacity, gas (natural or artificial), steam, water and other products that we generated, produced, manufactured, purchased or otherwise acquired;
- all property which is the subject of a lease agreement designating us as a lessee;
- all proceeds of the foregoing;
- all property not used by us in the electric utility business; and
- any of our property that is located outside of the States of Texas or New Mexico.

(See “Excepted Property” in Granting Clauses of the mortgage indenture)

Without the consent of the holders, we and the mortgage trustee may enter into supplemental indentures in order to subject to the lien of the mortgage indenture additional property, whether or not used or to be used in or in connection with the electric utility business (including property which would otherwise be excepted from the lien). (See Section 1301 of the mortgage indenture) Such additional property could include property that would otherwise be excepted from the lien of the mortgage indenture, such as equity interests owned by us in an entity engaged in the electric utility business or in activities that are related, ancillary or complimentary to the electric utility business. Any such additional property would then constitute property additions (so long as it would otherwise qualify as “property additions” as described below) and be available as a basis for the issuance of mortgage securities. See “—Issuance of Additional Mortgage Securities.”

As discussed above, the mortgage indenture subjects after-acquired property used or intended to be used in the electric utility business (other than excepted property) in the States of Texas or New Mexico to its lien. These provisions are limited in the case of consolidation or merger (whether or not we are the surviving corporation) or transfer of the mortgaged property as, or substantially as, an entirety. In the event of consolidation or merger or the transfer of the mortgaged property as or substantially as an entirety, the mortgage indenture will not be required to be a lien upon any of the properties then owned or subsequently acquired by the successor corporation except properties acquired from us in or as a result of the consolidation, merger or transfer and improvements, extensions and additions to such properties and renewals, replacements and substitutions of or for any part or parts of such properties. (See Article Twelve of the mortgage indenture and “—Consolidation, Merger, etc.” below) In addition, after-acquired property may be subject to liens existing or placed on the after-acquired property at the time of acquisition of the property, including, but not limited to, purchase money liens.

The mortgage trustee has a lien, prior to the lien on behalf of the holders of mortgage securities, upon the mortgaged property for the payment of its reasonable compensation and expenses and for indemnity against specified liabilities. (See Section 1007 of the mortgage indenture)

Issuance of Additional Mortgage Securities

General. Except as described below, the aggregate principal amount of mortgage securities that we can issue under the mortgage indenture is unlimited. (See Section 301 of the mortgage indenture) We can issue mortgage securities of any series from time to time on the basis, and in an aggregate principal amount not exceeding the sum, of:

- 70% of the cost or fair value to us (whichever is less) of property additions that do not constitute funded property after specified deductions and additions, primarily including adjustments to offset

property retirements. Property additions generally include any property that we own and is subject to the lien of the mortgage indenture except goodwill, going concern value rights or intangible property (other than property additions consisting of any equity interests that we subject to the lien of the mortgage indenture by a supplemental indenture), or any property the cost of acquisition or construction of which is properly chargeable to one of our operating expense accounts. (See Section 104 of the mortgage indenture) Funded property is generally property additions that have been:

- made the basis of the authentication and delivery of mortgage securities, the release of mortgaged property or cash withdrawals; or
- used as the basis of a credit against, or otherwise in satisfaction of, any sinking, improvement, maintenance, replacement or similar fund, provided that mortgage securities of the series or tranche to which the fund relates remain outstanding;
- the aggregate principal amount of retired mortgage securities (which consist of mortgage securities no longer outstanding under the mortgage indenture that have not been used for specified other purposes under the mortgage indenture and that have not been paid, redeemed or otherwise retired by the application of funded cash); and
- an amount of cash deposited with the mortgage trustee.

(See Article Four of the mortgage indenture)

Net Earnings Test. In general, we cannot issue any mortgage securities unless at that time our adjusted net earnings for 12 consecutive months within the preceding 18 months is at least twice the annual interest requirements on the sum of:

- all mortgage securities at the time outstanding;
- new mortgage securities then being applied for; and
- all other indebtedness (with certain exceptions) secured by a lien prior to the lien of the mortgage indenture.

For purposes of calculating our interest requirements, any variable rate debt will be computed based on the rates in effect at the time we make the interest requirements calculation.

Adjusted net earnings are calculated before, among other things, provisions for income taxes; depreciation or amortization of property; interest and amortization of debt discount and expense; any non-recurring charge to income or retained earnings; and any refund of revenues that we previously collected or accrued subject to possible refund. In addition, profits or losses from the sale or other disposition of property (other than property held for the purpose of sale or lease in the ordinary course of business), or non-recurring items of revenue, income or expense, are not included for purposes of calculating adjusted net earnings. (See Sections 103 and 401 of the mortgage indenture)

We do not have to satisfy the net earnings requirement if the additional mortgage securities to be issued will not have a stated interest rate prior to maturity. In addition, we are not required to satisfy the net earnings requirement prior to the issuance of mortgage securities issued on the basis of retired mortgage securities as described above.

For mortgage securities of a series subject to a periodic offering (such as a medium-term note program), the mortgage trustee will be entitled to receive a certificate evidencing compliance with the net earnings requirements only once, at or prior to the time of the first authentication and delivery of the mortgage securities of the series. (See Article Four of the mortgage indenture)

Release of Property

Unless an event of default under the mortgage indenture has occurred and is continuing, we may obtain the release from the lien of the mortgage indenture of any funded property, except for cash held by the mortgage

trustee, by delivering to the mortgage trustee cash equal to the cost of the property to be released (or, if less, the fair value to us of the property at the time it became funded property) less the aggregate of:

- the aggregate principal amount of obligations delivered to the mortgage trustee that are secured by purchase money liens upon the property to be released;
- the cost or fair value to us (whichever is less) of certified property additions not constituting funded property after specified deductions and additions, primarily including adjustments to offset property retirements (except that the adjustments need not be made if the property additions were acquired or made within the 90-day period preceding the release);
- an amount equal to 10/7ths of the principal amount of mortgage securities we would be entitled to issue on the basis of retired securities (with our right to issue a corresponding principal amount of mortgage securities being waived);
- an amount equal to 10/7ths of the principal amount of outstanding mortgage securities delivered to the mortgage trustee (with the mortgage securities to be cancelled by the mortgage trustee);
- an amount of cash and/or the aggregate principal amount of obligations secured by purchase money liens upon the property to be released, which in either case is evidenced to the mortgage trustee by a certificate of the trustee or other holder of a lien prior to the lien of the mortgage indenture to have been received by the trustee or other holder in consideration for the release of the property or any part of the property from the lien, subject in either case to specified limitations on the aggregate credit which may be used; and
- any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released.

Property that is not funded property may generally be released from the lien of the mortgage indenture without depositing any cash or property with the mortgage trustee as long as:

- the aggregate amount of cost or fair value to us (whichever is less) of all property additions that do not constitute funded property (excluding the property to be released) after specified deductions and additions, primarily including adjustments to offset property retirements, is not less than zero; or
- the cost or fair value (whichever is less) of property to be released does not exceed the aggregate amount of the cost or fair value to us (whichever is less) of property additions acquired or made within the 90-day period preceding the release.

The mortgage indenture provides simplified procedures for the release of minor properties and property taken by eminent domain. Also, under the mortgage indenture, we can dispose of obsolete property and grant or surrender specified rights without any release or consent by the mortgage trustee.

If we continue to own any property released from the lien of the mortgage indenture, the mortgage indenture will not become a lien on any improvement, extension, renewal, replacement or substitution of or for any part or parts of such property. (See Article Seven of the mortgage indenture)

Withdrawal of Cash

Unless an event of default under the mortgage indenture has occurred and is continuing and subject to specified limitations, cash held by the mortgage trustee may:

- be withdrawn by us:
 - to the extent of the cost or fair value to us (whichever is less) of property additions not constituting funded property, after specified deductions and additions, primarily including adjustments to offset retirements (except that the adjustments need not be made if the property additions were acquired or made within the 90-day period preceding the release);

- in an amount equal to 10/7ths of the aggregate principal amount of mortgage securities that we would be entitled to issue on the basis of retired securities (with the entitlement to the issuance being waived); or
- in an amount equal to 10/7ths of the aggregate principal amount of any outstanding mortgage securities delivered to the mortgage trustee; or
- upon our request, be applied to:
 - the purchase of mortgage securities (at prices not exceeding 10/7ths of the principal amount of the purchased mortgage securities); or
 - the payment at stated maturity of any mortgage securities (or provision for the satisfaction and discharge of any mortgage securities) or the redemption (or similar provision for redemption) of any mortgage securities that are redeemable (with any mortgage securities received by the mortgage trustee pursuant to these provisions being canceled by the mortgage trustee); (see Section 706 of the mortgage indenture)

provided, however, that we may withdraw cash deposited with the mortgage trustee as the basis for the authentication and delivery of mortgage securities, only in an amount equal to the aggregate principal amount of mortgage securities we would be entitled to issue on any basis (with the entitlement to the issuance being waived by operation of the withdrawal), or we may, at our request, apply this cash to the purchase, redemption or payment of mortgage securities at prices not exceeding, in the aggregate, the principal amount of the mortgage securities. (See Section 404 of the mortgage indenture)

Subordination to Certain Purchase Money Liens

The mortgage trustee will at our request subordinate the lien of the mortgage indenture to any lien on after acquired property, existing or placed on such property when acquired by us, including any purchase money lien, so long as such lien does not encumber funded property and certain other conditions are satisfied. (See Section 710(a) of the mortgage indenture)

In addition, if any property is subject to such a lien and the instruments or agreements evidencing or governing such lien or the obligations secured thereby prohibit the grant of other liens in such property without the consent of the holder of such obligations, then such property shall be excepted property, not subject to the lien of the mortgage indenture until such consent has been obtained or such instrument or agreement has terminated. (See Section 710(b) of the mortgage indenture)

Consolidation, Merger, Etc.

We may not consolidate with or merge into any other corporation or convey, otherwise transfer or lease the mortgaged property as or substantially as an entirety to any person unless:

- the transaction is on terms that will fully preserve in all material respects the lien and security of the mortgage indenture and the rights and powers of the mortgage trustee and the holders of the mortgage securities;
- the corporation formed by any consolidation or into which we are merged or the person that acquires by conveyance or other transfer, or that leases, the mortgaged property as, or substantially as, an entirety is a corporation organized and existing under the laws of the United States of America or any state or territory of the United States of America or the District of Columbia, and that corporation assumes our obligations under the mortgage indenture; and
- in the case of a lease, the lease is made expressly subject to termination by us or by the mortgage trustee at any time during the continuance of an event of default.

(See Section 1201 of the mortgage indenture)

Modification of Mortgage Indenture

Without the consent of any holders of mortgage securities, we and the mortgage trustee may enter into one or more supplemental indentures for any of the following purposes:

- to evidence our successor and our successor's assumption of our covenants in the mortgage indenture and in the mortgage securities;
- to add one or more of our covenants or other provisions for the benefit of all holders of mortgage securities or for the benefit of the holders of the mortgage securities of one or more specified series, or to surrender any right or power conferred upon us by the mortgage indenture;
- to correct or amplify the description of any property at any time subject to the lien of the mortgage indenture; to better assure, convey and confirm to the mortgage trustee any property subject or required to be subjected to the lien of the mortgage indenture; or to subject to the lien of the mortgage indenture additional property (including property of others), to specify any additional permitted liens with respect to the additional property and to modify the provisions in the mortgage indenture for dispositions of specified types of property without release in order to specify any additional items with respect to the additional property;
- to change or eliminate any provision of the mortgage indenture or to add any new provision to the mortgage indenture, provided that if the change, elimination or addition adversely affects the interests of the holders of the mortgage securities of any series or tranche in any material respect, the change, elimination or addition will become effective with respect to the series or tranche only when no mortgage security of that series or tranche remains outstanding under the mortgage indenture;
- to establish the form or terms of the mortgage securities of any series or tranche as permitted by the mortgage indenture;
- to provide for the authentication and delivery of bearer securities and coupons representing interest, if any, on the bearer securities and for the procedures for the registration, exchange and replacement of bearer securities and for the giving of notice to, and the solicitation of the vote or consent of, the holders, and for any and all other incidental matters;
- to evidence and provide for the acceptance of appointment by a successor trustee or by a co-trustee or separate trustee;
- to establish procedures necessary to permit us to use a non-certificated system of registration for all, or any series or tranche of, the mortgage securities;
- to change any place or places for payment, registration of transfer or exchange or where notices may be given;
- to amend and restate the mortgage indenture, as originally executed and delivered and as subsequently amended, in its entirety, but with such additions, deletions and other changes as shall not adversely affect the interests of the holders of the mortgage securities in any material respect;
- to cure any ambiguity, to correct or supplement any provision in the mortgage indenture that may be defective or inconsistent with any other provision in the mortgage indenture or to make any other additions to, deletions from and other changes to the provisions of the mortgage indenture, so long as the additions, deletions and/or changes do not adversely affect the interests of the holders of mortgage securities of any series or tranche in any material respect;
- to modify, eliminate or add to the provisions of the mortgage indenture to the extent as shall be necessary to effect qualification of the mortgage indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act");

- to supplement any provisions of the mortgage indenture to permit or facilitate the discharge of any series of the mortgage securities, so long such action does not adversely affect the interests of the holders of the mortgage securities of such series or any other series in any material respect; or
- to comply with the rules or regulations of any securities exchange or quotation system on which the mortgage securities may be listed.

(See Section 1301 of the mortgage indenture)

In addition, if the Trust Indenture Act is amended after the date of the original mortgage indenture in such a way as to require changes to the mortgage indenture or the incorporation into the mortgage indenture of additional provisions or so as to permit changes which are not adverse to us to, or the elimination of, provisions imposing restrictions on us or imposing obligations on us that, at the date of the original mortgage indenture or at any subsequent time, were required by the Trust Indenture Act to be contained in the mortgage indenture, the mortgage indenture will be deemed to have been amended so as to conform to the amendment or to effect the changes or elimination, and we and the mortgage trustee may, without the consent of any holders, enter into one or more supplemental indentures to evidence or effect the amendment. (See Section 1301 of the mortgage indenture)

Except as provided above, the consent of the holders of not less than a majority in aggregate principal amount of the mortgage securities of all series then outstanding, considered as one class, is required for the purpose of adding any provisions to, or changing in any manner, or eliminating any of the provisions of, the mortgage indenture pursuant to one or more supplemental indentures. However, if less than all of the series of the mortgage securities outstanding are directly affected by a proposed supplemental indenture, then the consent only of the holders of a majority in aggregate principal amount of the outstanding mortgage securities of all of these series that are directly affected, considered as one class, will be required. If the mortgage securities of any series have been issued in more than one tranche and if the proposed supplemental indenture directly affects the rights of the holders of one or more, but less than all, of the tranches, then the consent only of the holders of a majority in aggregate principal amount of the outstanding mortgage securities of all of these tranches that are directly affected, considered as one class, will be required. Notwithstanding the above, no such amendment or modification may:

- change the stated maturity of the principal of, or any installment of principal of or interest on, any mortgage security, or reduce the principal amount of any mortgage security or the rate of interest on any mortgage security (or the amount of any installment of interest on any mortgage security), or change the method of calculating the rate, or reduce any premium payable upon the redemption of any mortgage security, or reduce the amount of the principal of any discount security that would be due and payable upon a declaration of acceleration of maturity, or change the coin or currency (or other property) in which any mortgage security or any premium or the interest on any mortgage security is payable, or impair the right to institute suit for the enforcement of any payment on or after the stated maturity of any mortgage security (or, in the case of redemption, on or after the date fixed for redemption) without, in any such case, the consent of the holder of such mortgage security;
- permit the creation of any lien not otherwise permitted by the mortgage indenture ranking prior to the lien of the mortgage indenture with respect to all or substantially all of the mortgaged property or terminate the lien of the mortgage indenture on all or substantially all of the mortgaged property, or deprive the holders of the benefit of the lien of the mortgage indenture, without, in any such case, the consent of the holders of all mortgage securities then outstanding;
- reduce the percentage of the principal amount of the outstanding mortgage securities of any series, or any tranche, needed to consent to any supplemental indenture, any waiver of compliance with any provision of the mortgage indenture or of any default under the mortgage indenture and its consequences, or reduce the requirements for quorum or voting, without, in any such case, the consent of the holder of each outstanding mortgage security of the series or tranche; or

- modify specified provisions of the mortgage indenture relating to supplemental indentures, waivers of specified covenants and waivers of past defaults with respect to the mortgage securities of any series, or any tranche of the mortgage securities, without the consent of the holder of each outstanding mortgage security of the series or tranche.

A supplemental indenture that changes or eliminates any covenant or other provision of the mortgage indenture that has expressly been included solely for the benefit of the holders of, or that is to remain in effect only so long as there will be outstanding, mortgage securities of one or more specified series, or one or more tranches of the outstanding mortgage securities, or modifies the rights of the holders of mortgage securities of the series or tranches with respect to such covenant or other provision, will be deemed not to affect the rights under the mortgage indenture of the holders of the mortgage securities of any other series or tranche. (See Section 1302 of the mortgage indenture)

Waiver

The holders of at least a majority in aggregate principal amount of all mortgage securities of all affected series or tranches, considered as one class, may waive our obligations to comply with specified covenants, including the covenants to maintain our corporate existence and properties, pay taxes and discharge liens, maintain insurance and make the recordings and filings as are necessary to protect the security of the holders and the rights of the mortgage trustee and the covenant described above with respect to merger, consolidation or the transfer or lease of the mortgaged property as, or substantially as, an entirety, provided that the waiver occurs before the time that compliance is required. (See Section 609 of the mortgage indenture)

Events of Default

Each of the following events will be an event of default under the mortgage indenture:

- our failure to pay interest on any mortgage security within 60 days after the same becomes due;
- our failure to pay principal of or premium, if any, on any mortgage security within 3 business days after maturity;
- our failure to perform, or our breach of, any covenant or warranty contained in the mortgage indenture (other than a covenant or warranty a default in the performance of which or breach of which is dealt with elsewhere under this caption) for a period of 90 days after we have received a written notice from the mortgage trustee or the holders of at least 33% in principal amount of outstanding mortgage securities, unless the mortgage trustee, or the mortgage trustee and the holders of a principal amount of mortgage securities not less than the principal amount of mortgage securities the holders of that gave the notice, as the case may be, agree in writing to an extension of the period prior to its expiration. The mortgage trustee, or the mortgage trustee and the holders, as the case may be, will be deemed to have agreed to an extension of the period if we have initiated corrective action within the period and we are diligently pursuing such corrective action; and
- specified events relating to reorganization, bankruptcy and insolvency or appointment of a receiver or trustee for our property.

(See Section 901 of the mortgage indenture)

Remedies

Acceleration of Maturity. If an event of default under the mortgage indenture occurs and is continuing, then the mortgage trustee or the holders of not less than 33% in principal amount of mortgage securities then outstanding may declare the principal amount (or if the mortgage securities are discount securities, the portion of the principal amount of the discount securities as may be provided for pursuant to the terms of the mortgage

indenture) of all of the mortgage securities then outstanding, together with premium, if any, and accrued interest, if any, on the mortgage securities to be immediately due and payable. At any time after the declaration of acceleration of the mortgage securities then outstanding, but before the sale of any of the mortgaged property and before a judgment or decree for payment of money has been obtained by the mortgage trustee, the event or events of default giving rise to the declaration of acceleration will, without further act, be deemed to have been waived, and the declaration and its consequences will, without further act, be deemed to have been rescinded and annulled, if:

- we have paid or deposited with the mortgage trustee a sum sufficient to pay:
 - all overdue interest, if any, on all mortgage securities then outstanding;
 - the principal of and premium, if any, on any mortgage securities then outstanding that have become due otherwise than by the declaration of acceleration and interest on such amounts at the rate or rates prescribed in the mortgage securities;
 - to the extent that payment of such interest is provided for in the terms of the mortgage securities and is lawful, interest upon overdue interest at the rate prescribed therefore in such mortgage securities; and
 - all amounts due to the mortgage trustee; and
- any other event or events of default under the mortgage indenture, other than the non-payment of the principal of the mortgage securities that has become due solely by the declaration of acceleration, has been cured or waived in accordance with the provisions of the mortgage indenture.

(See Sections 902 and 917 of the mortgage indenture)

Possession of Mortgaged Property. Under certain circumstances and to the extent permitted by law, if an event of default occurs and is continuing, the mortgage trustee may take possession of, and hold, operate and manage, the mortgaged property or, with or without entry, sell the mortgaged property. If the mortgaged property is sold, whether by the mortgage trustee or pursuant to judicial proceedings, the principal of the outstanding mortgage securities, if not previously due, will become immediately due, together with premium, if any, and any accrued interest. (See Sections 903, 904 and 905 of the mortgage indenture)

Right to Direct Proceedings. If an event of default under the mortgage indenture occurs and is continuing, the holders of a majority in principal amount of the mortgage securities then outstanding will have the right to direct the time, method and place of conducting any proceedings for any remedy available to the mortgage trustee or exercising any trust or power conferred on the mortgage trustee, provided that (1) the direction does not conflict with any rule of law or with the mortgage indenture, and could not involve the mortgage trustee in personal liability in circumstances where indemnity would not, in the mortgage trustee's sole discretion, be adequate and (2) the mortgage trustee may take any other action deemed proper by the mortgage trustee that is not inconsistent with the direction. (See Section 916 of the mortgage indenture)

Limitation on Right to Institute Proceedings. No holder of any mortgage security may institute any proceeding, judicial or otherwise, with respect to the mortgage indenture or for the appointment of a receiver or for any other remedy under the mortgage indenture unless:

- the holder has previously given to the mortgage trustee written notice of a continuing event of default;
- the holders of not less than a majority in aggregate principal amount of the mortgage securities then outstanding have made written request to the mortgage trustee to institute proceedings in respect of the event of default and have offered the mortgage trustee reasonable indemnity against costs and liabilities to be incurred in complying with the request; and

- for 60 days after receipt of the notice, the mortgage trustee has failed to institute any such proceeding and no direction inconsistent with the request has been given to the mortgage trustee during the 60-day period by the holders of a majority in aggregate principal amount of the mortgage securities then outstanding.

Furthermore, no holder may institute any such action if and to the extent that the action would disturb or prejudice the rights of other holders. (See Section 911 of the mortgage indenture)

No Impairment of Right to Receive Payment. Notwithstanding that the right of a holder to institute a proceeding with respect to the mortgage indenture is subject to specified conditions precedent, each holder of a mortgage security has the right, which is absolute and unconditional, to receive payment of the principal of and premium, if any, and interest, if any, on the mortgage security when due and to institute suit for the enforcement of any such payment, and the rights may not be impaired without the consent of the holder. (See Section 912 of the mortgage indenture)

Notice of Default. The mortgage trustee must give the holders notice of any default under the mortgage indenture to the extent required by the Trust Indenture Act, unless the default has been cured or waived, except that the mortgage trustee does not have to give notice of a default of the character described in the third bullet under the caption “—Events of Default” until at least 75 days after the occurrence of such an event. For purposes of the preceding sentence, the term “default” means any event that is, or after notice or lapse of time, or both, would become, an event of default. (See Section 1002 of the mortgage indenture) The Trust Indenture Act currently permits the mortgage trustee to withhold notices of default (except for specified payment defaults) if the mortgage trustee in good faith determines the withholding of the notice to be in the interests of the holders.

Indemnification of Trustee. Before taking specified actions to enforce the lien of the mortgage indenture and institute proceedings on the mortgage securities, the mortgage trustee may require adequate indemnity from the holders of the mortgage securities against costs, expenses and liabilities to be incurred in connection with the enforcement of the lien. (See Sections 911 and 1001 of the mortgage indenture)

Remedies Limited by State Law. The laws of the state or states in which the mortgaged property is located may limit or deny the ability of the mortgage trustee or security holders to enforce certain rights and remedies provided in the mortgage indenture in accordance with its terms. (See Section 914 of the mortgage indenture)

Defeasance

Any mortgage security or securities, or any portion of the principal amount of the mortgage security or securities, will be deemed to have been paid for purposes of the mortgage indenture, and, at our election, our entire indebtedness in respect thereof will be deemed to have been satisfied and discharged, if we have irrevocably deposited with the mortgage trustee or any paying agent (other than us), in trust:

- money (including funded cash not otherwise applied pursuant to the mortgage indenture);
- in the case of a deposit made prior to the maturity of the applicable mortgage securities, eligible obligations (generally direct or indirect obligations of the U.S. government), which do not contain provisions permitting the redemption or other prepayment at the option of the issuer, the principal of and the interest on which when due, without any regard to reinvestment of the eligible obligations, will provide moneys that, together with the money, if any, deposited with or held by the mortgage trustee or the paying agent; or
- a combination of the first two bullets,

which will be sufficient to pay when due the principal of and premium, if any, and interest, if any, due and to become due on the mortgage security or securities or portions of the mortgage security or securities. (See Section 801 of the mortgage indenture)

Under current U.S. federal income tax law, a defeasance described in the preceding paragraph would be treated as a taxable exchange of the mortgage securities defeased for a series of non-recourse debt instruments secured by the assets in the defeasance trust. As a consequence, a holder might recognize gain or loss equal to the difference between the holder's cost or other tax basis for the mortgage securities and the value of the new debt instruments deemed to have been received in exchange. Holders should consult their own tax advisors as to the specific consequences to them of defeasance under the mortgage indenture.

Resignation or Removal of the Mortgage Trustee

The mortgage trustee may resign at any time by giving written notice of resignation to us. The mortgage trustee may be removed at any time by act of the holders of a majority in principal amount of mortgage securities then outstanding delivered to the mortgage trustee and us. No resignation or removal of the mortgage trustee and no appointment of a successor mortgage trustee will become effective until a successor mortgage trustee has accepted its appointment in accordance with the requirements of the mortgage indenture. So long as no event of default or event that, after notice or lapse of time, or both, would become an event of default has occurred and is continuing, if we have delivered to the mortgage trustee a resolution of our Board of Directors appointing a successor mortgage trustee and the successor has accepted the appointment in accordance with the terms of the mortgage indenture, the mortgage trustee will be deemed to have resigned and the successor will be deemed to have been appointed as mortgage trustee in accordance with the mortgage indenture. (See Section 1010)

Evidence to be Furnished to the Mortgage Trustee

When we are required to document our compliance with mortgage indenture provisions, we will provide the mortgage trustee with written statements of our officers or other persons that we select or pay. In some cases, we will be required to furnish opinions of counsel and certification of an engineer, accountant, appraiser or other expert (who in some cases must be independent). In addition, the mortgage indenture requires that we give the mortgage trustee, at least annually, a brief statement as to our compliance with the conditions and covenants under the mortgage indenture.

Governing Law

The mortgage indenture and the first mortgage bonds will be governed by, and will be construed in accordance with, the laws of the State of New York, except to the extent that the Trust Indenture Act shall be applicable and except to the extent that the law of any jurisdiction where property subject to the mortgage indenture is located mandatorily governs the attachment, perfection, priority or enforcement of the lien of the mortgage indenture with respect to that property.

Concerning the Trustee

U.S. Bank National Association is the mortgage trustee. We and our affiliates maintain banking relationships with the mortgage trustee and its affiliates in the ordinary course of business. The mortgage trustee, or its affiliates, also act as trustee for debt securities of some of our affiliates.

DESCRIPTION OF THE SENIOR UNSECURED DEBT SECURITIES

The description below contains summaries of selected provisions of the indenture, including supplemental indentures, under which the senior unsecured debt securities, which we sometimes refer to as “debt securities,” will be issued. These summaries are not complete. The indenture and the form of supplemental indenture, including the form of senior unsecured debt security, applicable to the debt securities have been filed as exhibits to the registration statement of which this prospectus is a part. You should read them for provisions that may be important to you. In the summaries below, we have included references to section numbers of the indenture so that you can easily locate these provisions. Certain terms used but not defined in the following summary have the meaning specified in the indenture.

This section describes the general terms and provisions of our debt securities. The prospectus supplement will describe the specific terms of the debt securities offered through that prospectus supplement and any general terms outlined in this section that will not apply to those debt securities.

General

We may issue the debt securities from time to time in one or more new series under the Indenture dated February 1, 1999, as supplemented from time to time by supplemental indentures relating to the debt securities being offered by this prospectus, which we collectively refer to as the “indenture,” between us and The Bank of New York Mellon Trust Company, N.A., as successor trustee, which we refer to as the “trustee.” The indenture will govern the debt securities offered by this prospectus.

The amount of debt securities that we may issue under the indenture is unlimited. The debt securities may be issued in series up to the aggregate principal amount that may be authorized by us from time to time.

The holders of outstanding debt securities do not, and, unless the prospectus supplement that describes a particular series of debt securities provides otherwise with respect to that series, the holders of any debt securities offered by this prospectus will not, have the right to require us to repurchase the debt securities if we become involved in a highly leveraged or change of control transaction. The indenture does not have any provision that is designed specifically in response to highly leveraged or change of control transactions.

The debt securities will be our senior unsecured obligations and will rank on a parity with our other existing and future unsecured and unsubordinated indebtedness. Our secured debt will have a prior claim on the assets pledged to secure such debt and, therefore, our debt securities will be effectively subordinated to all of our current and future secured debt, including our first mortgage bonds to the extent of the value of the properties securing such secured debt. As of December 31, 2017, we had \$1.5 billion of secured debt outstanding. When we offer to sell a particular series of debt securities, we will describe the specific terms of that series in a prospectus supplement relating to that series, including the following terms:

- the title of that series;
- any limit on the aggregate principal amount of that series;
- the currency or composite currency and denomination of that series;
- the price or prices (or method for determining price or prices) at which that series will be issued and, if an index formula or other method is used, the method for determining amounts of principal or interest;
- the date of maturity of that series;
- the dates (or method of determining such dates) when principal and interest are payable, and the record dates for the payment of interest;
- the rate or rates (which may be fixed or variable) at which that series will bear interest or the method of calculating the rate or rates;

- the date or dates from which the interest will accrue;
- the manner of paying principal or interest;
- the place or places where principal and interest will be payable;
- any redemption terms, including mandatory redemption through a sinking fund or otherwise, redemption at our option and redemption at the option of the holder;
- whether the debt securities of that series are to be issuable as registered debt securities, bearer debt securities, or both;
- whether the debt securities of that series are to be represented in whole or in part by a debt security in global form and, if so, the identity of the depository for any global debt security;
- any tax indemnity provisions;
- if the debt securities of that series provide that payments of principal or interest may be made in a currency other than that in which debt securities are denominated, the manner for determining those payments;
- the denominations in which we will issue that series, if other than \$1,000 and multiples of \$1,000 in excess thereof;
- the portion of principal payable upon acceleration of a debt security of that series where the amount of principal due upon acceleration is less than the stated principal amount, or a “discounted security”;
- whether and upon what terms debt securities of that series may be defeased;
- any events of default or restrictive covenants in addition to or in lieu of those set forth in the indenture; and
- any other terms or provisions of that series of debt securities not inconsistent with the provisions of the indenture, including any terms that may be required or advisable under U.S. laws or regulations, or advisable in connection with the marketing of the debt securities.

Unless the applicable prospectus supplement provides otherwise, we may from time to time, without the consent of the holders of that series of debt securities, reopen such series and issue additional debt securities with the same terms (except for the price to public and the issue date) as such series of debt securities.

We expect the debt securities of any series to be issued in whole or in part in the form of one or more global securities that will be deposited with, or on behalf of, DTC as Depository. Global securities may be issued in registered, bearer or uncertificated form and in either temporary or permanent form. Until it is exchanged in whole or in part for debt securities in definitive form, a global security may not be transferred except as a whole by the Depository to a nominee or a successor depository. (Section 2.12 of the indenture) See the information under “Book-Entry System” in this prospectus. We will describe any additional or different terms of the depository arrangements in the applicable prospectus supplement relating to a particular series of debt securities issued in the form of global securities.

Debt securities of any series may be issued as registered debt securities, bearer debt securities or uncertificated debt securities, as specified in the terms of the series. Unless otherwise indicated in the prospectus supplement relating to a particular series of debt securities, registered debt securities will be issued in denominations of \$1,000 and integral multiples of \$1,000. One or more global debt securities will be issued in a denomination or aggregate denominations equal to the aggregate principal amount of outstanding debt securities of the series to be represented by such global debt security or debt securities.

Registration of transfer of registered debt securities may be requested upon surrender of the debt securities at any of our agencies maintained for the purpose and upon fulfillment of all other requirements of the agent.

Debt securities may be issued under the indenture as discounted debt securities to be offered and sold at a substantial discount from the principal amount of those debt securities. Special U.S. federal income tax and other applicable considerations will be described in the prospectus supplement relating to the discounted debt securities.

If we ever issue bearer debt securities, the applicable prospectus supplement will describe all of the specific terms and provisions of debt securities in bearer form, and the extent to which those special terms and provisions are different from the terms and provisions which are described in this prospectus, which generally apply to debt securities in registered form, and will summarize provisions of the indenture that relate specifically to bearer debt securities.

Except as otherwise provided herein, when we use the term “holder” in this prospectus with respect to a registered debt security, we mean the person in whose name such debt security is registered.

Certain Covenants

The debt securities will not be secured by any of our properties or assets and will represent senior unsecured debt. Unless otherwise indicated in the applicable prospectus supplement, the indenture will not limit the amount of secured or unsecured debt that we may issue.

Unless the applicable prospectus supplement provides otherwise, the indenture will not contain any financial or other similar restrictive covenants.

Successor Obligor

Unless otherwise indicated in the applicable prospectus supplement, we will not consolidate with or merge into, or transfer all or substantially all of our assets to, any person, unless:

- the person is organized under the laws of the United States or a state of the United States;
- the person assumes by supplemental indenture all our obligations under the indenture, the debt securities and any coupons;
- all required approvals of any regulatory body having jurisdiction over the transaction have been obtained;
- immediately after the transaction no default (as described below) exists; and
- we deliver to the trustee an officer’s certificate and an opinion of counsel stating that the consolidation, merger, conveyance or transfer and the supplemental indenture comply with the indenture.

If these conditions are satisfied, then the successor will be substituted for us, and thereafter all our obligations under the indenture, the debt securities and any coupons will terminate. (See Section 5.01 of the indenture)

Exchange of Debt Securities

Registered debt securities may be exchanged for an equal aggregate principal amount of registered debt securities of the same series in the authorized denominations as may be requested upon surrender of the registered debt securities at an agency maintained by us for that purpose and upon fulfillment of all other requirements of the agent.

Payment and Paying Agents

Principal, interest and premium, if any, on debt securities issued in the form of global securities will be paid in the manner described below under the caption “Book-Entry System.” Unless we indicate otherwise in the

applicable prospectus supplement, interest on debt securities that are in the form of certificated debt securities will be paid by check mailed to the holder at that person's address as it appears in the register for the debt securities maintained by the trustee. Unless we indicate otherwise in the applicable prospectus supplement, the principal, interest at maturity and premium, if any, on debt securities in the form of certificated debt securities will be payable by check at the office of the trustee.

Defaults and Remedies

Unless otherwise provided in the applicable prospectus supplement, the following constitute "events of default" under the indenture with respect to a series of debt securities:

- default in any payment of interest on any debt securities of that series when due and payable and the default continues for a period of 60 days;
- default in the payment of the principal of any debt securities of that series when due and payable at maturity or upon redemption, acceleration or otherwise;
- default in the payment or satisfaction of any sinking fund obligation with respect to any debt securities of that series and the default continues for a period of 60 days;
- default in the performance of any of our other agreements applicable to that series and the default continues for 90 days after the notice specified below;
- specified events of bankruptcy, insolvency or reorganization of our company; or
- any other event of default provided for in the series.

(See Section 6.01 of the indenture)

A default in the performance of any of our other agreements applicable to that series is not an event of default until the trustee or the holders of at least 25% in principal amount of the debt securities of the series notify us of the default in the manner specified in the indenture and we do not cure the default within the time specified after receipt of the notice. If the holders notify us of a default, they must notify the trustee at the same time. (See Section 6.01 of the indenture)

Acceleration of Maturity. If an event of default occurs and is continuing with respect to a series, either the trustee or the holders of at least 25% in principal amount of outstanding debt securities of that series may declare the principal of and accrued interest on all debt securities of that series to be due and payable immediately. The holders of a majority in principal amount of the outstanding debt securities of that series may rescind an acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing events of default on that series have been cured or waived except the nonpayment of amounts due solely because of the acceleration. (See Section 6.02 of the indenture)

Indemnification of Trustee. The trustee generally will be under no obligation to exercise any of its rights or powers under the indenture unless the trustee, upon a reasonable belief that exercising such rights or powers would expose it to any loss, liability or expense, receives indemnity satisfactory to it against such loss, liability or expense. (See Section 7.01 of the indenture)

Right to Direct Proceedings. The holders of a majority in principal amount of a series of debt securities generally will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the trustee, or of exercising any trust or power conferred on the trustee, relating to that series. However, the trustee may refuse to follow any direction that conflicts with law or the indenture or would expose the trustee to personal liability or be unduly prejudicial to holders not joining in such proceeding, and the trustee may take any other action deemed proper by the trustee which is not provided for in such notice. (See Section 6.05 of the indenture)

Limitation on Rights to Institute Proceedings. No holder of the debt securities of a series will have any right to pursue a remedy under the indenture, unless:

- the holder has previously given the trustee written notice of a continuing event of default on that series;
- the holders of at least 25% in principal amount of the outstanding debt securities of that series have made written request, and the holder or holders have offered indemnity satisfactory to the trustee, to pursue the remedy;
- the trustee has failed to comply with the request within 60 days after the request and offer; and
- during such 60-day period, the holders of a majority in principal amount of the outstanding debt securities of that series do not give the trustee any inconsistent directions.

(See Section 6.06 of the indenture)

Notice of Default. The trustee is required to give the holders notice of the occurrence of a default within 90 days of the default. Except in the case of a non-payment on the debt securities, the trustee may withhold the notice if its committee of officers determines in good faith that it is in the interest of holders to do so. (See Section 7.04 of the indenture) We are required to deliver to the trustee each year a certificate as to whether or not we are in compliance with the conditions and covenants under the indenture. (See Section 4.05 of the indenture)

Waiver. The holders of not less than a majority in aggregate principal amount of a series of debt securities by notice to the trustee may waive any default on that series, except a default in the payment of the principal, premium, if any, or interest on that series or in respect of a provision which under the indenture cannot be modified or amended without the consent of the holder of each outstanding debt security of that series affected. (See Section 6.04 of the indenture)

The indenture does not have a cross-default provision. Therefore, unless otherwise indicated in the applicable prospectus supplement, a default by us on any other debt (including any other series of debt securities issued under the indenture) would not constitute an event of default.

Amendments and Waivers

Unless otherwise indicated in the applicable prospectus supplement, we and the trustee may modify and amend the indenture and the debt securities from time to time as described below. Depending upon the type of amendment, we may not need the consent or approval of any of the holders of the debt securities, or we may need either the consent or approval of the holders of a majority in principal amount of all outstanding debt securities affected by the proposed amendment or the consent or approval of each holder affected by the proposed amendment.

We will not need the consent of any holder for the following types of amendments:

- to cure any ambiguity, omission, defect or inconsistency;
- to provide for assumption of our obligations under the indenture and the debt securities in the event of a merger or consolidation requiring such assumption;
- to provide that specific provisions of the indenture not apply to a series of debt securities not previously issued;
- to create a series and establish its terms;
- to provide for a separate trustee for one or more series; or
- to make any change that does not materially adversely affect the rights of any holder of debt securities.

(See Article 10 of the indenture)

We will need the consent of the holders of each outstanding debt security affected, if the proposed amendment would do any of the following:

- reduce the amount of debt securities whose holders must consent to an amendment or waiver;
- reduce the interest rate or change the time for payment of interest;
- change the fixed maturity;
- reduce the principal of any non-discounted security or reduce the amount of principal of any discounted security that would be due on acceleration;
- change the currency in which principal or interest is payable;
- make any change that materially adversely affects the right to convert any security; or
- with certain exceptions, modify the provisions of the indenture governing modifications of the indenture or governing waiver of past defaults.

(See Section 10.02 of the indenture)

Amendments other than those described in the above two paragraphs will require the approval of the holders of a majority in principal amount of the debt securities of all series affected voting as one class. A default on a series may be waived with the consent of the holders of a majority in principal amount of the debt securities of that series.

Legal Defeasance and Covenant Defeasance

Debt securities of a series may be defeased in accordance with their terms and, unless otherwise indicated in the applicable prospectus supplement, as described below. At any time, we may terminate as to a series of debt securities all of our obligations (except for specified obligations regarding the defeasance trust (as defined below) and obligations to register the transfer or exchange of a debt security, to replace destroyed, lost or stolen debt securities and coupons and to maintain paying and other agencies for the debt securities) with respect to the debt securities of that series and any related coupons and the indenture, which we refer to as “legal defeasance.”

At any time, we may terminate as to a series of debt securities our obligations under any restrictive covenants which may be applicable to that particular series, which we refer to as “covenant defeasance.” We may exercise our legal defeasance option notwithstanding our prior exercise of our covenant defeasance option. If we exercise our legal defeasance option, a series may not be accelerated because of an event of default. If we exercise our covenant defeasance option, a series may not be accelerated by reference to any restrictive covenant which may be applicable to a particular series so defeased under the terms of the series.

To exercise either defeasance option as to a series, we must deposit in trust, which we refer to as the “defeasance trust,” with the trustee money or direct obligations of the United States of America that have the full faith and credit of the United States of America pledged for payment and that are not callable at the issuer’s option, or certificates representing an ownership interest in those obligations for the payment of principal, premium, if any, and interest on the debt securities of the series to redemption or maturity and must comply with specified other conditions. In particular, we must obtain an opinion of tax counsel that the defeasance will not result in recognition of any gain or loss to holders for federal income tax purposes. (See Article 8 of the indenture)

Resignation or Removal of Trustee

The trustee may resign at any time by notifying us in writing and specifying the day upon which the resignation is to take effect. The resignation will not take effect, however, until a successor trustee has been appointed. (See Section 7.07 of the indenture)

The holders of a majority in principal amount of the outstanding debt securities may remove the trustee at any time. (See Section 7.07 of the indenture) We may remove the trustee if the trustee fails to comply with specific provisions of the Trust Indenture Act or fails to comply with the capital and surplus requirements as set forth in its most recent published report of condition. (See Sections 7.07 and 7.09 of the indenture)

We may also remove the trustee if one of the following occurs:

- the trustee is adjudged a bankrupt or an insolvent;
- a custodian or other public officer takes charge of the trustee or its property;
- the trustee becomes incapable of acting; or
- specified events of bankruptcy, insolvency or reorganization of our company occur.

(See Section 7.07 of the indenture)

Governing Law

The indenture and the debt securities will be governed by, and will be construed in accordance with, the laws of the State of New York.

Concerning the Trustee

The Bank of New York Mellon Trust Company, N.A. is the trustee. We and our affiliates maintain banking relationships with the trustee and its affiliates in the ordinary course of business. The trustee, or its affiliates, also act as trustee for some of our other debt securities as well as debt securities of some of our affiliates.

BOOK-ENTRY SYSTEM

Unless otherwise specified in the applicable prospectus supplement, each series of securities offered by this prospectus will be issued as fully-registered global securities representing all or part of that series of securities. This means that we will not issue certificates for that series of securities to the holders. Instead, a global security representing that series of securities will be deposited with, or on behalf of, DTC or its successor, as the depository. The global securities will be registered at the request of DTC in the name of Cede & Co., DTC's nominee, or such other name as may be requested by an authorized representative of DTC.

DTC will keep an electronic record of its participants (for example, your broker) whose clients have purchased securities represented by a global security. Unless a global security is exchanged in whole or in part for a certificated security, a global security may not be transferred, except that DTC, its nominees and successors may transfer a global security as a whole to one another.

Beneficial interests in global securities will be shown on, and transfers of interests will be made only through, records maintained by DTC and its participants. The laws of some jurisdictions require that some purchasers take physical delivery of securities in definitive form. These laws may impair the ability to transfer beneficial interests in a global security.

We will make payments of principal, interest, if any, and premium, if any, to DTC or its nominee. We, the applicable trustee and any paying agent will treat DTC or its nominee as the owner of the global security for all purposes, including any notices and voting. Accordingly, neither we nor any trustee nor any paying agent will have any direct responsibility or liability to pay amounts due on a global security to owners of beneficial interests in a global security.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds securities that its participants, or "direct participants," deposit with DTC. DTC also facilitates the post-trade settlement among direct participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between direct participants' accounts. This eliminates the need for physical movement of securities certificates. Direct participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations. DTC is a wholly owned subsidiary of The Depository Trust & Clearing Corporation, or "DTCC." DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a direct participant either directly or indirectly, an "indirect participant." Direct participants and indirect participants are referred to collectively as "participants." The DTC Rules applicable to its participants are on file with the SEC.

Purchases of global securities under the DTC system must be made by or through direct participants, which will receive a credit for the securities on DTC's records. The ownership interest of each actual purchaser of each security, or "beneficial owner," is in turn to be recorded on the direct and indirect participants' records. Beneficial owners will not receive written confirmation from DTC of their purchase. Beneficial owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the direct or indirect participant through which the beneficial owner entered into the transaction. Transfers of ownership interests in the global securities are to be accomplished by entries made on the books of direct and indirect participants acting on behalf of beneficial owners. Beneficial owners will not receive certificates representing their ownership interests in the global securities, except in the event that use of the book-entry system for the global securities is discontinued.

To facilitate subsequent transfers, all securities deposited by direct participants with DTC are registered in the name of Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of securities with DTC and their registration in the name of Cede & Co. or such other nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual beneficial owners of the securities. DTC's records reflect only the identity of the direct participants to whose accounts such securities are credited, which may or may not be the beneficial owners. The direct and indirect participants remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to direct participants, by direct participants to indirect participants and by direct participants and indirect participants to beneficial owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

If a particular series of securities is redeemable at our option or at the option of the holder, redemption notices will be sent to DTC. If less than all of the securities of a series are being redeemed, DTC's practice is to determine by lot the amount of the interest of each direct participant in such series to be redeemed. Redemption proceeds and distributions on global securities will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. Upon DTC's receipt of funds and corresponding detail information from us, any trustee or any paying agent, DTC's practice is to credit direct participants' accounts in accordance with the holdings information shown on DTC's records on the payment date. Payments by participants to beneficial owners of securities will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name." Payments will be the responsibility of such participant and not of DTC nor its nominee, any trustee, any paying agent or us, subject to any statutory or regulatory requirements. Payment of redemption proceeds and distributions to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC is the responsibility of us, the applicable trustee or the applicable paying agent, disbursement of such payments to direct participants will be the responsibility of DTC, and disbursement of such payments to the beneficial owners will be the responsibility of direct and indirect participants.

Neither DTC nor Cede & Co. or any other DTC nominee will consent or vote with respect to global securities unless authorized by a direct participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an omnibus proxy to us as soon as possible after the record date. The omnibus proxy assigns Cede & Co.'s consenting or voting rights to those direct participants to whose accounts the securities are credited on the record date as identified in a listing attached to the omnibus proxy.

Global securities will be exchangeable for corresponding certificated securities registered in the name of persons other than DTC or its nominee if (1) DTC (a) notifies us that it is unwilling or unable to continue as depository for any of the global securities or (b) at any time ceases to be a clearing agency registered under the Exchange Act, (2) an event of default occurs and is continuing with respect to the applicable series of securities or (3) we execute and deliver to the applicable trustee an order that the global securities will be so exchangeable.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and we and any underwriters, dealers or agents are not responsible for the accuracy of the information or for the performance by DTC of its obligations under the rules and procedures governing its operations or otherwise.

Any underwriters, dealers or agents of any securities may be direct participants of DTC.

PLAN OF DISTRIBUTION

We may sell the securities offered under this prospectus through underwriters or dealers, through agents or directly to one or more purchasers. The terms under which the securities are offered and the method of distribution will be set forth in the applicable prospectus supplement.

Underwriters, dealers and agents that participate in the distribution of the securities offered under this prospectus may be underwriters as defined in the Securities Act of 1933, as amended, the “Securities Act,” and any discounts or commissions received by them from us and any profit on the resale of the offered securities by them may be treated as underwriting discounts and commissions under the Securities Act. Any underwriters or agents will be identified and their compensation, including any underwriting discount or commission, will be described in the applicable prospectus supplement. The applicable prospectus supplement will also describe other terms of the offering, including the initial public offering price and any discounts or concessions allowed or reallocated to dealers.

The distribution of the securities described in this prospectus may be effected from time to time in one or more transactions at a fixed price or prices, which may be changed, at market prices prevailing at the time of sale, at prices related to the prevailing market prices or at negotiated prices.

We may determine the price or other terms of the securities offered under this prospectus by use of an electronic auction. We will describe in the applicable prospectus supplement how any auction will be conducted to determine the price or any other terms of the securities, how potential investors may participate in the auction and, where applicable, the nature of the underwriters’ obligations with respect to the auction.

Each series of securities will be a new issue of securities and will have no established trading market. Any underwriters to whom securities are sold for public offering and sale may make a market in such securities, but such underwriters will not be obligated to do so and may discontinue any market making at any time without notice. The securities may or may not be listed on a national securities exchange.

Under agreements into which we may enter in connection with the sale of the securities, underwriters, dealers and agents who participate in the distribution of the securities may be entitled to indemnification by us against specified liabilities, including liabilities under the Securities Act.

LEGAL OPINIONS

Unless otherwise indicated in the applicable prospectus supplement, legal opinions relating to the validity of the securities offered by this prospectus will be rendered by Brownstein Hyatt Farber Schreck, LLP, Albuquerque, New Mexico, Graves, Dougherty, Hearon & Moody, P.C., Austin, Texas, and Faegre Baker Daniels LLP, Minneapolis, Minnesota, counsel for our company. Unless otherwise indicated in the prospectus supplement relating to a particular series of securities, certain legal matters will be passed upon for the underwriters, dealers or agents named in such prospectus supplement by Hunton Andrews Kurth LLP, New York, New York.

EXPERTS

The financial statements, and the related financial statement schedule, incorporated in this prospectus by reference from Southwestern Public Service Company's Annual Report on Form 10-K have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report, which is incorporated herein by reference. Such financial statements and financial statement schedule have been so incorporated in reliance upon the report of such firm given upon their authority as experts in accounting and auditing.

PART II
INFORMATION NOT REQUIRED IN PROSPECTUS

Item 14. Other Expenses of Issuance and Distribution.

The following table sets forth the costs and expenses, all of which will be paid by the registrants, in connection with the distribution of the securities being registered. All amounts are estimated, except the SEC registration fee:

Securities and Exchange Commission Registration Fee	\$	*
Blue Sky Fees		**
Accountants' Fees and Expenses		**
Counsel's Fees and Expenses		**
Trustees' Fees and Expenses, including Counsel and Authentication Fees		**
Printing and Engraving Costs		**
Rating Agencies' Fees		**
Listing Fees		**
Mortgage Registration		**
Miscellaneous		**
Total	\$	**

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- * Deferred in accordance with Rules 456(b) and 457(r) under the Securities Act.
 - ** Estimated expenses are not presently known. The foregoing sets forth the general categories of expenses (other than underwriting discounts and commissions) that the registrants anticipate they will incur in connection with the offering of securities under the registration statement. An estimate of the aggregate expenses in connection with the issuance and distribution of the securities being offered will be included in the applicable prospectus supplement.

Item 15. Indemnification of Directors and Officers.

Xcel Energy Inc.

Section 302A.521 of the Minnesota Business Corporation Act (the "Minnesota BCA"), requires indemnification of officers and directors of domestic or foreign corporations under certain circumstances and subject to certain limitations. Pursuant to authorization contained in our Amended and Restated Articles of Incorporation, our Bylaws contain provisions for indemnification of its directors and officers consistent with the provisions of Section 302A.521 of the Minnesota BCA.

We have obtained insurance policies indemnifying us and our directors and officers against certain civil liabilities and related expenses

Northern States Power Company (a Minnesota Corporation)

Section 302A.521 of the Minnesota BCA permits indemnification of officers and directors of domestic or foreign corporations under certain circumstances and subject to certain limitations. Pursuant to authorization contained in the registrant's Articles of Incorporation, as amended, Article 6 of the registrant's Bylaws contains provisions for indemnification of its directors and officers consistent with the provisions of Section 302A.521 of the Minnesota Statutes.

The registrant has obtained insurance policies indemnifying it and its directors and officers against certain civil liabilities and related expenses.

Northern States Power Company (a Wisconsin corporation)

Sections 180.0850 through 180.0859 of the Wisconsin Statutes permit indemnification of officers and directors of domestic or foreign corporations under certain circumstances and subject to certain limitations. Pursuant to authorization contained in the registrant's Restated Articles of Incorporation, as amended, Section 5 of Article II of the Bylaws of the registrant contains provisions for indemnification of its directors and officers consistent with the provisions of Section 180.0850 through 180.0859 of the Wisconsin Statutes.

The registrant has obtained insurance policies indemnifying it and its directors and officers against certain civil liabilities and related expenses.

Public Service Company of Colorado

Section 7-108-402 and Title 7, Article 109 of the Colorado Business Corporation Act provide for indemnification of directors, officers, employees, fiduciaries and agents of Colorado corporations such as the registrant, subject to certain limitations, and authorize such corporations to purchase and maintain insurance on behalf of such persons against any liability incurred in any such capacity or arising out of their status as such. The registrant currently has such insurance in effect.

A resolution adopted at a special meeting of stockholders of the registrant held in November 1943 provides: "That each Director and Officer of the Company (or his legal representative) shall be indemnified by the Company against all claims, liabilities, expenses and costs imposed upon or reasonably incurred by him in connection with any action, suit or proceeding, or the settlement or compromise of any such claim, liability, action, suit or proceeding (other than amounts paid to the Company itself), in which he may be involved by reason of his being or having been such Director or Officer of the Company, except in relation to matters as to which he shall be finally adjudged in any such action, suit or proceeding to have been derelict in the performance of his duties as such Director or Officer, provided, however, in respect to any such settlement or compromise that it shall have been determined, by a majority of the Directors of the Company not affected by self interest, that such settlement or compromise should be made, and that such Director or Officer had not been derelict in the performance of his official duties; and provided further that the foregoing indemnity shall not extend to or cover any claims, liabilities, action, suit or proceeding under the Securities Act or any costs or expenses in connection therewith unless the Director or Officer of the Company involved shall be finally adjudged in such action, suit or proceeding to have been subject to no liability under said Act, or in case of settlement or compromise, unless the Company shall have obtained an opinion of independent counsel to the effect that he is not liable under said Act. The foregoing right of indemnification shall not be exclusive of any other right or rights to which such Director or Officer may be entitled as a matter of law."

Paragraph 7 of the registrant's Restated Articles of Incorporation, as amended, provides: "A director of the Corporation shall not be personally liable to the Corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability (i) for any breach of the director's duty of loyalty to the Corporation or to its shareholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for a breach of Colorado Revised Statutes Section 7-108-403 or (iv) for any transaction from which the director directly or indirectly derived an improper personal benefit."

To the maximum extent permitted by law, we will indemnify any person who is or was our director, officer, agent, fiduciary or employee against any claim, liability, loss or expense arising against or incurred by such person as a result of circumstances, events, actions and omissions occurring in such capacity. We further will have the authority to maintain insurance at our expense providing for such indemnification, including insurance with respect to claims, liabilities, losses and expenses against which we would not otherwise have the power to indemnify such persons.

Southwestern Public Service Company

Section 53-11-4.1 of the New Mexico Business Corporation Act empowers a corporation to indemnify any officer or director against judgments, penalties, fines, settlements, and reasonable expenses actually incurred by the person in connection with any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative, if the person acted in good faith and in a manner reasonably believed to be in or not opposed to the best interests of the corporation, and with respect to a criminal proceeding, had no reasonable cause to believe the person's conduct was unlawful. This section empowers a corporation to maintain insurance or furnish similar protection, including, but not limited to, providing a trust fund, a letter of credit, or self-insurance on behalf of any officer or director against any liability asserted against and incurred by the person in such capacity whether or not the corporation would have the power to indemnify the person against such liability under the provisions of this section. The Registrant currently has such insurance in effect.

The indemnification authorized by Section 53-11-4.1 is not exclusive of any other rights to which an officer or director may be entitled under the articles of incorporation, the bylaws, an agreement, a resolution of shareholders or directors or otherwise.

Article Seventh of our Amended and Restated Articles of Incorporation provides that a director shall not be personally liable to us or to the shareholders for monetary damages for a breach of fiduciary duty as a director unless the director has breached or failed to perform the duties of his or her office in accordance with the New Mexico Business Corporation Act, and the breach or failure to perform constitutes negligence, willful misconduct, or recklessness.

Article IV of our Bylaws requires us, to the fullest extent permitted by the New Mexico Business Corporation Act, to pay or reimburse expenses, liabilities, and losses incurred by an officer or director involved in any action, suit, or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that such person is or was serving as an officer or director of Southwestern Public Service Company.

The Bylaws also require us to pay or reimburse all covered expenses to an officer or director promptly upon receipt of a written claim and, where the claimant seeks an advancement of expenses (including attorney's fees) incurred or to be incurred by an officer or director in connection with a proceeding.

Item 16. Exhibits.

XCEL ENERGY INC.

<u>Exhibit No.</u>	<u>Description</u>
*1(a)(1)	Form of Underwriting Agreement relating to senior debt securities, subordinated debt securities or junior subordinated debt securities (Exhibit 1.01 to Registration Statement on Form S-3 (File no. 333-183536) dated August 24, 2012.
*1(a)(2)	Form of Underwriting Agreement relating to common stock (Exhibit 1.02 Registration Statement on Form S-3 (File no. 333-183536) dated August 24, 2012.
+1(a)(3)	Form of Underwriting Agreement or Purchase Agreement for Preferred Stock, Depositary Shares, Warrants, Rights, Purchase Contracts or Units.
*3(a)(1)	Amended and Restated Articles of Incorporation of Xcel Energy as filed on May 17, 2012. (Exhibit 3.01 to Form 8-K dated May 16, 2012 (File No. 001-03034)).
*3(a)(2)	Bylaws of Xcel Energy, as amended on Feb. 17, 2016 (Exhibit 3.01 to Form 8-K dated February 18, 2016 (File No. 001-03034)).

<u>Exhibit No.</u>	<u>Description</u>
*4(a)(1)	Indenture dated December 1, 2000 between Xcel Energy and Wells Fargo Bank, National Association, as Trustee. (Exhibit 4.01 to Form 8-K Report (File No. 001-03034) dated December 18, 2000).
*4(a)(2)	Supplemental Indenture No. 3 dated June 1, 2006 between Xcel Energy Inc. and Wells Fargo Bank, National Association, as Trustee, creating \$300 million principal amount of 6.5 percent Senior Notes, Series due 2036 (Exhibit 4.01 to Form 8-K (File No. 001-03034) dated June 6, 2006).
*4(a)(3)	Supplemental Indenture No. 5 dated as of May 1, 2010 between Xcel Energy Inc. and Wells Fargo Bank, National Association, as Trustee, creating \$550 million principal amount of 4.70 percent Senior Notes, Series due May 15, 2020 (Exhibit 4.01 to Form 8-K (File No. 001-03034) dated May 10, 2010).
*4(a)(4)	Supplemental Indenture No. 6 dated as of Sept. 1, 2011 between Xcel Energy Inc. and Wells Fargo Bank, National Association, as Trustee, creating \$250 million principal amount of 4.80 percent Senior Notes, Series due September 15, 2041. (Exhibit 4.01 to Form 8-K dated Sept. 12, 2011 (File No. 001-03034)).
*4(a)(5)	Supplemental Indenture No. 8 dated as of June 1, 2015 between Xcel Energy Inc. and Wells Fargo Bank, National Association, as Trustee, creating \$250 million aggregate principal amount of 1.20 percent Senior Notes, Series due June 1, 2017 and \$250 million aggregate principal amount of 3.30 percent Senior Notes, Series due June 1, 2025. (Exhibit 4.01 to Form 8-K dated June 1, 2015 (file no. 001-03034)).
*4(a)(6)	Supplemental Indenture No. 9, dated as of March 1, 2016, by and between Xcel Energy Inc. and Wells Fargo Bank, National Association, as Trustee, with respect to \$400 million aggregate principal amount of 2.40 percent Senior Notes, Series due March 15, 2021 (Exhibit 4.02 to Form 8-K dated March 8, 2016 (file no. 001-03034)).
*4(a)(7)	Supplemental Indenture No. 10, dated as of Dec. 1, 2016, by and between Xcel Energy Inc. and Wells Fargo Bank, National Association, as Trustee, creating \$300.0 million in aggregate principal amount of 2.60 percent Senior Notes, Series due March 15, 2022 and \$500.0 million aggregate principal amount of 3.35 percent Senior Notes, Series due Dec. 1, 2026 (Exhibit 4.01 to Form 8-K dated Dec. 1, 2016 (file no. 001-03034)).
*4(a)(8)	Form of Supplemental Indenture for each series of senior debt securities. (Exhibit 4.04 to Registration Statement on Form S-3 (File no. 333-134660) dated June 1, 2006).
*4(a)(9)	Junior Subordinated Indenture, dated as of January 1, 2008, by and between Xcel Energy Inc. and Wells Fargo Bank, National Association, as Trustee (Exhibit 4.01 to Form 8-K (File No. 001-03034) dated January 16, 2008).
*4(a)(10)	Form of Supplemental Indenture for each series of junior subordinated debt securities (Exhibit 4.09 to Registration Statement on Form S-3 (File no. 001-161521) dated August 24, 2009).
*4(a)(11)	Form of Subordinated Indenture (Exhibit 4.13 to Registration Statement on Form S-3 (File no. 333-183536) dated August 24, 2012).
*4(a)(12)	Form of Supplemental Indenture for each series of subordinated debt securities (Exhibit 4.14 to Registration Statement on Form S-3 (File no. 333-183536) dated August 24, 2012).
+4(a)(13)	Form of Preferred Security.
+4(a)(14)	Form of Depositary Agreement.
+4(a)(15)	Form of Purchase Contract.
+4(a)(16)	Form of Warrant.

<u>Exhibit No.</u>	<u>Description</u>
+4(a)(17)	Form of Rights Certificate.
+4(a)(18)	Form of Unit.
5(a)	Opinion of Scott M. Wilensky as to the legality of the securities.
*12(a)	Statement of computation of ratio of earnings to fixed charges (Exhibit 12.01 to Xcel Energy's Annual Report on Form 10-K dated February 23, 2018).
23(a)(1)	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.
23(a)(2)	Consent of Scott M. Wilensky, included in Exhibit 5(a) hereto.
24(a)	Power of Attorney.
25(a)(1)	Form T-1 Statement of Eligibility of Wells Fargo Bank, National Association to act as Trustee under the Senior Indenture and the Junior Subordinated Indenture.
<u>#25(a)(2)</u>	Form T-1 Statement of Eligibility of Trustee under the Subordinated Indenture.

* Indicates incorporation by reference.
+ To be filed by amendment or pursuant to a report to be filed pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, if applicable.
To be filed pursuant to Section 305(b)(2) of the Trust Indenture Act of 1939.

Northern States Power Company (a Minnesota corporation)

- | <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|--|
| *1(b)(1) | Form of Underwriting Agreement with respect to the first mortgage bonds (Exhibit 1(a) to the Registrant's Form S-3 filed with the SEC on January 14, 2011 (No. 333-171732)). |
| *1(b)(2) | Form of Underwriting Agreement with respect to the senior unsecured debt securities (Exhibit 1(b) to the Registrant's Form S-3 filed with the SEC on January 14, 2011 (No. 333-171732)). |
| *4(b)(1) | Articles of Incorporation and Amendments of Northern Power Corp. (renamed Northern States Power Co. (a Minnesota corporation) on Aug. 21, 2000) (Exhibit 3.01 to Form 10-12G (file no. 000-31709) dated Oct. 5, 2000). |
| *4(b)(2) | By-Laws of Northern States Power Co. (a Minnesota corporation) as Amended and Restated on Sept. 26, 2013 (Exhibit 3.02 to Form 10-Q/A for the quarter ended Sept. 30, 2013 (file no. 000-31387)). |
| 4(b)(3) | Supplemental and Restated Trust Indenture, dated May 1, 1988, from Northern States Power Company to Harris Trust and Savings Bank, as Trustee, providing for the issuance of First Mortgage Bonds. |
| *4(b)(4) | Indentures supplemental to the Indenture referenced in Exhibit 4(b)(3) above: |

<u>Dated as of</u>	<u>Previous Filing: Form; Date or File No.</u>	<u>Exhibit No.</u>
June 1, 1995	10-K, February 23, 2018 (001-3034)	4.11
March 1, 1998	10-K, February 23, 2018 (001-3034)	4.12
August 1, 2000	10-12G, Oct. 5, 2000 (000-31709)	4.51
July 1, 2005	8-K, July 14, 2005 (001-31387)	4.01
May 1, 2006	8-K, May 18, 2006 (001-31387)	4.01
June 1, 2007	8-K, June 19, 2007 (001-31387)	4.01
November 1, 2009	8-K, Nov. 16, 2009 (001-31387)	4.01
August 1, 2010	8-K, Aug. 14, 2010 (001-31387)	4.01
August 1, 2012	8-K, Aug. 13, 2012 (001-31387)	4.01
May 1, 2013	8-K, May 20, 2013 (001-31387)	4.01
May 1, 2014	8-K, May 13, 2014 (001-31387)	4.01
August 1, 2015	8-K, Aug. 11, 2015 (001-31387)	4.01
May 1, 2016	8-K, May 31, 2016 (001-31387)	4.01
September 1, 2017	8-K, Sept. 13, 2017 (001-31387)	4.01

- | | |
|----------|---|
| *4(b)(5) | Form of Supplemental Indenture establishing a series of first mortgage bonds under the Trust Indenture referenced in Exhibit 4(b)(3) above, as supplemented (Exhibit 4(a)(3) to the Registrant's Form S-3 filed with the SEC on January 14, 2011 (No. 333-171732)). |
| *4(b)(6) | Form of First Mortgage Bonds (included in the Form of Supplemental Indenture referenced in Exhibit 4(b)(5) above). |
| 4(b)(7) | Indenture, dated July 1, 1999, between Northern States Power Company and Norwest Bank Minnesota, National Association, as Trustee, providing for the issuance of Sr. Debt Securities. |

<u>Exhibit No.</u>	<u>Description</u>						
*4(b)(8)	Indentures supplemental to the Indenture referenced in Exhibit 4(b)(7) above:						
	<table border="0" style="width: 100%;"> <thead> <tr> <th style="text-align: left;"><u>Dated as of</u></th> <th style="text-align: center;"><u>Previous Filing: Form; Date or File No.</u></th> <th style="text-align: right;"><u>Exhibit No.</u></th> </tr> </thead> <tbody> <tr> <td>August 18, 2000</td> <td style="text-align: center;">10-12G, Oct. 5, 2000 (000-31709)</td> <td style="text-align: right;">4.63</td> </tr> </tbody> </table>	<u>Dated as of</u>	<u>Previous Filing: Form; Date or File No.</u>	<u>Exhibit No.</u>	August 18, 2000	10-12G, Oct. 5, 2000 (000-31709)	4.63
<u>Dated as of</u>	<u>Previous Filing: Form; Date or File No.</u>	<u>Exhibit No.</u>					
August 18, 2000	10-12G, Oct. 5, 2000 (000-31709)	4.63					
*4(b)(9)	Form of Supplemental Indenture establishing a series of senior unsecured debt securities under the Trust Indenture referenced in Exhibit 4(b)(7) above, as supplemented (Exhibit 4(b)(3) to the Registrant's Form S-3 filed with the SEC on January 14, 2011 (No. 333-171732)).						
*4(b)(10)	Form of Senior Unsecured Debt Securities (included in the Form of Supplemental Indenture in Exhibit 4(b)(9) above).						
5(b)	Opinion of Scott M. Wilensky regarding the validity of certain securities.						
*12(b)	Statement Regarding Computation of Ratio of Consolidated Earnings to Consolidated Fixed Charges (Exhibit 12.01 to the Registrant's Annual Report on Form 10-K filed with the SEC on February 26, 2018 (No. 001-31387)).						
23(b)(1)	Consent of Scott M. Wilensky (included in Exhibit 5(b)).						
23(b)(2)	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.						
24(b)	Power of Attorney (included on the Registrant's signature page to this Registration Statement).						
25(b)(1)	Form T-1 Statement of Eligibility of The Bank of New York Mellon Trust Company, N.A., as successor Trustee under the Trust Indenture relating to first mortgage bonds referenced in Exhibit 4(b)(3) above, as supplemented.						
25(b)(2)	Form T-1 Statement of Eligibility of Wells Fargo Bank, National Association, as Trustee under the Trust Indenture relating to debt securities referenced in Exhibit 4(b)(7) above, as supplemented.						

* Incorporated by reference.

Northern States Power Company (a Wisconsin corporation)

<u>Exhibit No.</u>	<u>Description</u>
*1(c)(1)	Form of Underwriting Agreement with respect to the first mortgage bonds (Exhibit 1.01 to the Company's Form S-3 (No. 333-182404) filed with the SEC on June 28, 2012).
*1(c)(2)	Form of Underwriting Agreement with respect to the senior unsecured debt securities (Exhibit 1.02 to the Company's Form S-3 (No. 333-182404) filed with the SEC on June 28, 2012).
*4(c)(1)	Amended and restated articles of incorporation of NSP-Wisconsin (Exhibit 3.01 to Form S-4 (file no. 333-112033) Jan. 21, 2004).
*4(c)(2)	By-Laws of Northern States Power Co. (a Wisconsin corporation) as Amended and Restated on Sept. 26, 2013. (Exhibit 3.02 to Form 10-Q/A for the quarter ended Sept. 30, 2013 (file no. 001-03140)).
4(c)(3)	Supplemental and Restated Trust Indenture, dated March 1, 1991, between Northern States Power Company and First Wisconsin Trust Company, providing for the issuance of First Mortgage Bonds.
*4(c)(4)	Supplemental Trust Indenture dated Sept. 1, 2003 between NSP-Wisconsin and US Bank National Association, supplementing indentures dated April 1, 1947 and March 1, 1991 (Exhibit 4.05 to Xcel Energy Form 10-Q (File No. 001-03034) for the quarter ended Sept. 30, 2003).
*4(c)(5)	Supplemental Trust Indenture dated as of Sept. 1, 2008 between NSP-Wisconsin and U.S. Bank National Association, as successor Trustee, creating \$200 million principal amount of 6.375 percent First Mortgage Bonds, Series due Sept. 1, 2038 (Exhibit 4.01 of Form 8-K of NSP-Wisconsin dated Sept. 3, 2008 (File No. 001-03140)).
*4(c)(6)	Supplemental Trust Indenture dated as of Oct. 1, 2012 between NSP-Wisconsin and U.S. Bank National Association, as successor Trustee, creating \$100 million principal amount of 3.700 percent First Mortgage Bonds, Series due Oct. 1, 2042 (Exhibit 4.01 of Form 8-K of NSP-Wisconsin dated Oct. 10, 2012 (File No. 001-03140)).
*4(c)(7)	Supplemental Trust Indenture dated as of June 1, 2014 between NSP-Wisconsin and U.S. Bank National Association, as successor Trustee, creating \$100 million principal amount of 3.30 percent First Mortgage Bonds, Series due June 15, 2024. (Exhibit 4.01 of Form 8-K of NSP-Wisconsin dated June 23, 2014 (File No. 001-03140)).
*4(c)(8)	Supplemental Trust Indenture dated as of Nov. 1, 2017 between NSP-Wisconsin and U.S. Bank National Association, as successor Trustee, creating \$100 million in aggregate principal amount of 3.75 percent First Mortgage Bonds, Series due Dec. 1, 2047 (Exhibit 4.01 of Form 8-K of NSP-Wisconsin dated Dec. 4, 2017 (file no. 001--3140)).
*4(c)(9)	Form of Supplemental Indenture establishing a series of first mortgage bonds under the Trust Indenture referenced in Exhibit 4(c)(3) above, as supplemented (Exhibit 4(a)(7) to the Company's Form S-3 (No. 333-151868) filed with the SEC on June 24, 2008).
*4(c)(10)	Form of First Mortgage Bonds (included in the Form of Supplemental Indenture referenced in Exhibit 4(c)(8) above).
*4(c)(11)	Trust Indenture, dated September 1, 2000, between Northern States Power Company and U.S. Bank National Association, as Successor Trustee, providing for the issuance of Senior Unsecured Debt Securities (Exhibit 4.01 to the Company's Form 8-K filed with the SEC on September 25, 2000 (No. 001-03140)).
*4(c)(12)	Form of Supplemental Indenture establishing a series of senior unsecured debt securities under the Trust Indenture referenced in Exhibit 4(c)(10) above, as supplemented (Exhibit 4(b)(3) to the Company's Form S-3 (No. 333-151868) filed with the SEC on June 24, 2008).

<u>Exhibit No.</u>	<u>Description</u>
*4(c)(13)	Form of Senior Unsecured Debt Securities (included in the Form of Supplemental Indenture in Exhibit 4(c)(11) above).
5(c)	Opinion of James L. Altman regarding the validity of certain securities.
*12(c)	Statement of Computation of Ratio of Earnings to Fixed Charges (Exhibit 12.01 to the Company's Annual Report on Form 10-K filed with the SEC on February 26, 2018 (No. 001-03140)).
23(c)(1)	Consent of James L. Altman (included in Exhibit 5(c)).
23(c)(2)	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.
24(c)	Power of Attorney (included on the Registrant's signature page to this Registration Statement).
25(c)	Form T-1 Statement of Eligibility of U.S. Bank National Association, as Successor Trustee under the Trust Indenture relating to first mortgage bonds referenced in Exhibit 4(c)(3) above and the Trust Indenture relating to the senior unsecured debt securities referenced in Exhibit 4(c)(11) above, each as supplemented.

* Incorporated by reference.

Public Service Company of Colorado

<u>Exhibit No.</u>	<u>Description</u>
*1(d)(1)	Form of Underwriting Agreement with respect to the first mortgage bonds (Exhibit 1(a) to the Registrant's Form S-3 filed with the SEC on October 5, 2010 (No. 333-169772)).
*1(d)(2)	Form of Underwriting Agreement with respect to the senior debt securities (Exhibit 1(b) to the Registrant's Form S-3 filed with the SEC on October 5, 2010 (No. 333-169772)).
*4(d)(1)	Amended and Restated Articles of Incorporation dated July 15, 1998 (Exhibit 3.01 to Form 10-Q for the quarter ended Sept. 30, 2017 (file no. 001-03280)).
*4(d)(2)	By-Laws of PSCo as Amended and Restated on Sept. 26, 2013 (Exhibit 3.02 to Form 10-Q/A for the quarter ended Sept. 30, 2013 (file no. 001-03280)).
4(d)(3)	Indenture, dated as of October 1, 1993, between PSCo and Morgan Guaranty Trust Company of New York, as trustee, providing for the issuance of first mortgage bonds.
*4(d)(4)	Indentures supplemental to the Indenture referenced in Exhibit 4(d)(3) above:

<u>Dated as of</u>	<u>Previous Filing: Form; Date or File No.</u>	<u>Exhibit No.</u>
August 1, 2007	8-K, Aug. 14, 2007 (001-03280)	4.01
August 1, 2008	8-K, Aug. 12, 2008 (001-03280)	4.01
May 1, 2009	8-K, June 4, 2009 (001-03280)	4.01
November 1, 2010	8-K, Nov. 16, 2010 (001-03280)	4.01
August 1, 2011	8-K, Aug. 9, 2011 (001-03280)	4.01
September 1, 2012	8-K, Sept. 11, 2012 (001-03280).	4.01
March 1, 2013	8-K, March 26, 2013 (001-03280)	4.01
March 1, 2014	8-K, March 10, 2014 (001-3280)	4.01
May 1, 2015	8-K, May 12, 2015 (001-3280)	4.01
June 1, 2016	8-K, June 13, 2016 (001-3280)	4.01
June 1, 2017	8-K, June 19, 2017 (001-3280)	4.01

*4(d)(5)	Form of Supplemental Indenture establishing a series of first mortgage bonds under the Indenture referenced in Exhibit 4(d)(3) above (Exhibit 4(a)(3) to the Registrant's Registration Statement on Form S-3 filed with the SEC on October 10, 2010 (No. 333-169772)).
*4(d)(6)	Form of First Mortgage Bonds (included in the Form of Supplemental Indenture referenced in Exhibit 4(d)(5) above).
*4(d)(7)	Indenture, dated July 1, 1999, between PSCo and The Bank of New York, providing for the issuance of Senior Debt Securities and First Supplemental Indenture dated July 15, 1999, between PSCo and The Bank of New York (Exhibits 4.1 and 4.2 to the Registrant's Form 8-K (file no. 001-03280) dated July 13, 1999).
*4(d)(8)	Form of Supplemental Indenture establishing a series of senior debt securities under the Indenture referenced in Exhibit 4(d)(7) above (Exhibit 4(b)(3) to the Registrant's Form S-3 filed with the SEC on October 10, 2010 (No. 333-169772)).
*4(d)(9)	Form of Senior Debt Securities (included in the Form of Supplemental Indenture referenced in Exhibit 4(d)(8) above).
5(d)	Opinion of Faegre Baker Daniels LLP regarding the validity of securities.

<u>Exhibit No.</u>	<u>Description</u>
*12(d)	Statement Regarding Computation of Ratio of Consolidated Earnings to Consolidated Fixed Charges (Exhibit 12.01 to the Registrant's Annual Report on Form 10-K filed with the SEC on February 23, 2018 (No. 001-03280)).
23(d)(1)	Consent of Faegre Baker Daniels LLP is included in its opinion referenced in Exhibit 5(d) above.
23(d)(2)	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.
24(d)	Power of Attorney (included on the Registrant's signature page to this Registration Statement).
25(d)(1)	Form T-1 Statement of Eligibility of U.S. Bank National Association (formerly First Trust of New York, National Association), as Successor Trustee under the Indenture relating to first mortgage bonds referenced in Exhibit 4(d)(3) above.
25(d)(2)	Form T-1 Statement of Eligibility of The Bank of New York Mellon Trust Company, N.A., as Trustee under the Indenture relating to senior debt securities referenced in Exhibit 4(d)(7) above.

* Incorporated by reference.

Southwestern Public Service Company

<u>Exhibit No.</u>	<u>Description</u>
1(e)(1)	Form of Underwriting Agreement with respect to the first mortgage bonds.
+1(e)(2)	Form of Underwriting Agreement with respect to the senior unsecured debt securities.
*4(e)(1)	Amended and Restated Articles of Incorporation dated September 30, 1997 (Exhibit 3.01 to the Registrant's Quarterly Report on Form 10-Q for the quarter ended September 30, 2017 filed with the SEC on October 27, 2017 (File No. 001-03789)).
*4(e)(2)	By-Laws of the Registrant as amended and restated on September 26, 2013 (Exhibit 3.02 to the Registrant's Form 10-Q/A for the quarter ended September 30, 2013 filed with the SEC on November 8, 2013 (File No. 001-03789)).
*4(e)(3)	Indenture dated as of August 1, 2011 between Southwestern Public Service Company and U.S. Bank National Association, as Trustee, providing for the issuance of First Mortgage Bonds (Exhibit 4.01 to the Registrant's Current Report on Form 8-K filed with the SEC on August 10, 2011 (File No. 001-03789)).
*4(e)(4)	Supplemental Indenture No. 1 dated as of August 3, 2011 between Southwestern Public Service Company and U.S. Bank National Association, as Trustee, creating up to \$1.2 billion principal amount of 4.50% First Mortgage Bonds, Series No. 1 due 2041 (Exhibit 4.02 to the Registrant's Current Report on Form 8-K filed with the SEC on August 10, 2011 (File No. 001-03789)).
*4(e)(5)	Supplemental Indenture No. 3 dated as of June 1, 2014 between Southwestern Public Service Company and U.S. Bank National Association, as Trustee, creating up to \$500 million principal amount of 3.30% First Mortgage Bonds, Series No. 3 due 2024. (Exhibit 4.02 to the Registrant's Current Report on Form 8-K filed with the SEC on June 9, 2014 (File No. 001-03789)).
*4(e)(6)	Supplemental Indenture No. 4 dated as of August 1, 2016 between Southwestern Public Service Company and U.S. Bank National Association, as Trustee, creating up to \$800 million principal amount of 3.40% First Mortgage Bonds, Series No. 4 due 2046 (Exhibit 4.02 to the Registrant's Current Report on Form 8-K filed with the SEC on August 12, 2016 (File No. 001-03789)).
*4(e)(7)	Supplemental Indenture No. 5 dated as of August 1, 2017 between Southwestern Public Service Company and U.S. Bank National Association, as Trustee, creating up to \$800 million principal amount of 3.70% First Mortgage Bonds, Series No. 5 due 2047 (Exhibit 4.02 to the Registrant's Current Report on Form 8-K filed with the SEC on August 9, 2017 (File No. 001-03789)).
*4(e)(8)	Form of Supplemental Indenture establishing a series of first mortgage bonds under the Indenture referenced in Exhibit 4(e)(3) above, as supplemented. (Exhibit 4.05 to the Registrant's Registration Statement on Form S-3 filed with the SEC on June 3, 2011 (File No. 333-174693)).
*4(e)(9)	Form of First Mortgage Bonds (included in the Form of Supplemental Indenture referenced in Exhibit 4(e)(8) above).
*4(e)(10)	Indenture dated as of February 1, 1999 between Southwestern Public Service Company and The Bank of New York Mellon Trust Company, N.A., as successor Trustee, providing for the issuance of Debt Securities (Exhibit 4.04 to the Registrant's Registration Statement on Form S-3 filed with the SEC on June 3, 2011 (File No. 333-174693)).
*4(e)(11)	Third Supplemental Indenture dated October 1, 2003 to the indenture dated February 1, 1999 between Southwestern Public Service Company and JPMorgan Chase Bank, as successor Trustee, creating \$100 million principal amount of Series C Notes, 6% due 2033 and \$100 million principal amount of Series D Notes, 6% due 2033 (Exhibit 4.04 to Xcel Energy, Inc.'s Quarterly Report on Form 10-Q for the quarter ended September 30, 2003 filed with the SEC on November 13, 2003 (File No. 001-03034)).

<u>Exhibit No.</u>	<u>Description</u>
*4(e)(12)	Fourth Supplemental Indenture dated October 1, 2006 between Southwestern Public Service Company and The Bank of New York, as successor Trustee, creating \$200 million principal amount of Series E Senior Notes, 5.60% due 2016 and \$250 million principal amount of Series F Senior Notes, 6% due 2036 (Exhibit 4.01 to the Registrant's Current Report on Form 8-K filed with the SEC on October 5, 2006 (File No. 001-03789)).
*4(e)(13)	Form of Supplemental Indenture establishing a series of senior unsecured debt securities under the Indenture referenced in Exhibit 4(e)(10) above, as supplemented (Exhibit 4.06 to the Registrant's Registration Statement on Form S-3 filed with the SEC on June 3, 2011 (File No. 333-174693)).
*4(e)(14)	Form of Senior Unsecured Debt Securities (included in the Form of Supplemental Indenture in Exhibit 4(e)(13) above).
5(e)(1)	Opinion of Faegre Baker Daniels LLP as to the legality of the securities.
5(e)(2)	Opinion of Brownstein Hyatt Farber Schreck, LLP as to the legality of the securities.
5(e)(3)	Opinion of Graves, Dougherty, Hearon & Moody, P.C. as to the legality of the securities.
*12(e)	Statement of Computation of Ratio of Earnings to Fixed Charges. (Exhibit 12.01 to the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 filed with the SEC on February 23, 2018 (File No. 001-03789)).
23(e)(1)	Consent of Faegre Baker Daniels LLP (included in Exhibit 5(e)(1)).
23(e)(2)	Consent of Brownstein Hyatt Farber Schreck, LLP (included in Exhibit 5(e)(2)).
23(e)(3)	Consent of Graves, Dougherty, Hearon & Moody, P.C. (included in Exhibit 5(e)(3)).
23(e)(4)	Consent of Deloitte & Touche LLP, Independent Registered Public Accounting Firm.
24(e)	Power of Attorney (included on the Registrant's signature page to this Registration Statement).
25(e)(1)	Form T-1 Statement of Eligibility of U.S. Bank National Association, as trustee under the Indenture relating to First Mortgage Bonds referenced in Exhibit 4(e)(3) above.
25(e)(2)	Form T-1 Statement of Eligibility of The Bank of New York Mellon Trust Company, N.A., as successor trustee under the Indenture relating to Senior Unsecured Debt Securities referenced in Exhibit 4(e)(10) above.

* Incorporated by reference.

+ To be filed by amendment or pursuant to a report to be filed pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, if applicable.

Item 17. Undertakings.

(a) Each of the undersigned registrants hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from

the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the SEC pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than a 20% change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i), (ii) and (iii) do not apply if the registration statement is on Form S-3 and the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the registrant pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by the registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii) or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof. Provided however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of the registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, each of the undersigned registrants undertakes that in a primary offering of securities of the undersigned registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(i) Any preliminary prospectus or prospectus of the undersigned registrant relating to the offering required to be filed pursuant to Rule 424;

(ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned registrant or used or referred to by the undersigned registrant;

(iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned registrant or its securities provided by or on behalf of the undersigned registrant; and

(iv) Any other communication that is an offer in the offering made by the undersigned registrant to the purchaser.

(b) Each of the undersigned registrants hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

(c) Each of the undersigned registrants hereby undertakes, if applicable, to supplement the prospectus, after the expiration of the subscription period, to set forth the results of the subscription offer, the transactions by the underwriters during the subscription period, the amount of unsubscribed securities to be purchased by the underwriters, and the terms of any subsequent reoffering thereof. If any public offering by the underwriters is to be made on terms differing from those set forth on the cover page of the prospectus, a post-effective amendment will be filed to set forth the terms of such offering.

(d) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.

(e) Each of the undersigned registrants hereby undertakes to file, if applicable, an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act of 1939 in accordance with the rules and regulations prescribed by the SEC under Section 305(b)(2) of the Trust Indenture Act of 1939.

SIGNATURES

Xcel Energy Inc.

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Minneapolis, and State of Minnesota, on April 18, 2018.

XCEL ENERGY INC.

By: /s/ Robert C. Frenzel
Robert C. Frenzel
Executive Vice President, Chief Financial
Officer

Pursuant to the requirements of the Securities Exchange Act of 1933, as amended, this registration statement has been signed below by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>*</u> Ben Fowke	Chairman, President, Chief Executive Officer and Director (Principal Executive Officer)	April 18, 2018
<u>/s/ Robert C. Frenzel</u> Robert C. Frenzel	Executive Vice President, Chief Financial Officer (Principal Financial Officer)	April 18, 2018
<u>/s/ Jeffery S. Savage</u> Jeffery S. Savage	Senior Vice President, Controller (Principal Accounting Officer)	April 18, 2018
<u>*</u> Richard K. Davis	Director	April 18, 2018
<u>*</u> Richard T. O'Brien	Director	April 18, 2018
<u>*</u> David K. Owens	Director	April 18, 2018
<u>*</u> Christopher J. Policinski	Director	April 18, 2018
<u>*</u> James Prokopanko	Director	April 18, 2018
<u>*</u> A. Patricia Sampson	Director	April 18, 2018

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<hr/> * James J. Sheppard	Director	April 18, 2018
<hr/> * David A. Westerlund	Director	April 18, 2018
<hr/> * Kim Williams	Director	April 18, 2018
<hr/> * Timothy V. Wolf	Director	April 18, 2018
<hr/> * Daniel Yohannes	Director	April 18, 2018

*By: /s/ Scott Wilensky
(Attorney-in-Fact)
April 18, 2018

Northern States Power Company (a Minnesota corporation)

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Minneapolis, State of Minnesota, on April 18, 2018.

NORTHERN STATES POWER COMPANY
(a Minnesota corporation)

By: /s/ Robert C. Frenzel
Robert C. Frenzel
Executive Vice President, Chief Financial
Officer and Director

Each person whose signature appears below appoints Ben Fowke, Robert C. Frenzel and Jeffery S. Savage, or any of them, the undersigned's true and lawful attorney with full power to sign in the undersigned's name in the capacity indicated below any and all amendments (including post-effective amendments) to this registration statement on Form S-3 of Northern States Power Company (a Minnesota corporation), and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, and generally to do all such things in the undersigned's name and behalf in the undersigned's capacity as an officer and/or director to enable Northern States Power Company (a Minnesota corporation) to comply with the provisions of the Securities Act of 1933, as amended, and all requirements of the Securities and Exchange Commission, and each of the undersigned does hereby ratify and confirm his or her signature as it may be signed by the undersigned's said attorney.

Pursuant to the requirements of the Securities Act, this registration statement has been signed below by the following persons in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Ben Fowke</u> Ben Fowke	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	April 18, 2018
<u>/s/ Robert C. Frenzel</u> Robert C. Frenzel	Executive Vice President, Chief Financial Officer and Director (Principal Financial Officer)	April 18, 2018
<u>/s/ Jeffery S. Savage</u> Jeffery S. Savage	Senior Vice President, Controller (Principal Accounting Officer)	April 18, 2018
<u>/s/ Christopher B. Clark</u> Christopher B. Clark	President and Director	April 18, 2018
<u>/s/ David L. Eves</u> David L. Eves	Director	April 18, 2018

Northern States Power Company (a Wisconsin corporation)

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Minneapolis, State of Minnesota, on April 18, 2018.

NORTHERN STATES POWER COMPANY
(a Wisconsin corporation)

By: /s/ Robert C. Frenzel
Robert C. Frenzel
Executive Vice President, Chief Financial
Officer and Director

Each person whose signature appears below appoints Ben Fowke, Robert C. Frenzel and Jeffery S. Savage, or any of them, the undersigned's true and lawful attorney with full power to sign in the undersigned's name in the capacity indicated below any and all amendments (including post-effective amendments) to this registration statement on Form S-3 of Northern States Power Company (a Wisconsin corporation), and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, and generally to do all such things in the undersigned's name and behalf in the undersigned's capacity as an officer and/or director to enable Northern States Power Company (a Wisconsin corporation) to comply with the provisions of the Securities Act of 1933, as amended, and all requirements of the Securities and Exchange Commission, and each of the undersigned does hereby ratify and confirm his or her signature as it may be signed by the undersigned's said attorney.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Ben Fowke</u> Ben Fowke	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	April 18, 2018
<u>/s/ Robert C. Frenzel</u> Robert C. Frenzel	Executive Vice President, Chief Financial Officer and Director (Principal Financial Officer)	April 18, 2018
<u>/s/ Jeffery S. Savage</u> Jeffery S. Savage	Senior Vice President, Controller (Principal Accounting Officer)	April 18, 2018
<u>/s/ Mark E. Stoering</u> Mark E. Stoering	President and Director	April 18, 2018
<u>/s/ David L. Eves</u> David L. Eves	Director	April 18, 2018

Public Service Company of Colorado

Pursuant to the requirements of the Securities Act, the registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Minneapolis, State of Minnesota, on April 18, 2018.

**PUBLIC SERVICE COMPANY OF
COLORADO**

By: /s/ Robert C. Frenzel
Robert C. Frenzel
Executive Vice President, Chief Financial
Officer and Director

Each person whose signature appears below appoints Ben Fowke, Robert C. Frenzel and Jeffery S. Savage, or any of them, the undersigned’s true and lawful attorney with full power to sign in the undersigned’s name in the capacity indicated below any and all amendments (including post-effective amendments) to this registration statement on Form S-3 of Public Service Company of Colorado, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, and generally to do all such things in the undersigned’s name and behalf in the undersigned’s capacity as an officer and/or director to enable Public Service Company of Colorado to comply with the provisions of the Securities Act of 1933, as amended, and all requirements of the Securities and Exchange Commission, and each of the undersigned does hereby ratify and confirm his or her signature as it may be signed by the undersigned’s said attorney.

Pursuant to the requirements of the Securities Act, this registration statement has been signed below by the following persons in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Ben Fowke</u> Ben Fowke	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	April 18, 2018
<u>/s/ Robert C. Frenzel</u> Robert C. Frenzel	Executive Vice President, Chief Financial Officer and Director (Principal Financial Officer)	April 18, 2018
<u>/s/ Jeffery S. Savage</u> Jeffery S. Savage	Senior Vice President, Controller (Principal Accounting Officer)	April 18, 2018
<u>/s/ David L. Eves</u> David L. Eves	President and Director	April 18, 2018

Southwestern Public Service Company

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Minneapolis, State of Minnesota, on April 18, 2018.

**SOUTHWESTERN PUBLIC SERVICE
COMPANY**

By: /s/ Robert C. Frenzel
Robert C. Frenzel
Executive Vice President, Chief Financial
Officer and Director

Each person whose signature appears below appoints Ben Fowke, Robert C. Frenzel and Jeffery S. Savage, or any of them, the undersigned's true and lawful attorney with full power to sign in the undersigned's name in the capacity indicated below any and all amendments (including post-effective amendments) to this registration statement on Form S-3 of Southwestern Public Service Company, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, and generally to do all such things in the undersigned's name and behalf in the undersigned's capacity as an officer and/or director to enable Southwestern Public Service Company to comply with the provisions of the Securities Act of 1933, as amended, and all requirements of the Securities and Exchange Commission, and each of the undersigned does hereby ratify and confirm his or her signature as it may be signed by the undersigned's said attorney.

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Ben Fowke</u> Ben Fowke	Chairman, Chief Executive Officer and Director (Principal Executive Officer)	April 18, 2018
<u>/s/ Robert C. Frenzel</u> Robert C. Frenzel	Executive Vice President, Chief Financial Officer and Director (Principal Financial Officer)	April 18, 2018
<u>/s/ Jeffery S. Savage</u> Jeffery S. Savage	Senior Vice President, Controller (Principal Accounting Officer)	April 18, 2018
<u>/s/ David T. Hudson</u> David T. Hudson	President and Director	April 18, 2018
<u>/s/ David L. Eves</u> David L. Eves	Director	April 18, 2018

Exhibit 1(e)(1)

SOUTHWESTERN PUBLIC SERVICE COMPANY
(a New Mexico corporation)

FORM OF UNDERWRITING AGREEMENT
(First Mortgage Bonds)

_____, 20__

[Names and Addresses of Underwriters]

Ladies and Gentleman:

Southwestern Public Service Company, a New Mexico corporation (the "Company"), proposes to sell to the underwriters named in Schedule I hereto (the "Underwriters") an aggregate of \$ _____ principal amount of the Company's % First Mortgage Bonds, Series No. _____ due _____, 20__ (the "Bonds") to be issued under its Indenture, dated as of August 1, 2011, from the Company to U.S. Bank National Association, as trustee (the "Trustee"), as previously amended and supplemented and as to be amended and supplemented by a supplemental indenture relating to the Bonds (such Indenture as so amended and supplemented being hereinafter referred to as the "Indenture").

1. *Representations and Warranties by the Company.* The Company represents and warrants to, and agrees with, each Underwriter that:

(a) The Company meets the requirements for use of Form S-3 under the Securities Act of 1933, as amended (the "Act"), and has filed with the Securities and Exchange Commission (the "Commission") an "automatic shelf registration statement" as defined under Rule 405 under the Act, including a prospectus, for the registration under the Act of the Bonds, which registration statement initially became effective not earlier than three years prior to the date hereof. Such registration statement (File No. _____) and prospectus may have been amended or supplemented from time to time prior to the date of this Agreement. Any such amendment or supplement was filed with the Commission and any such amendment has become effective. As used in this Agreement:

(i) "Applicable Time" means _____ : _____ [a.m.][p.m.], New York City time, on the date of this Agreement;

(ii) "Effective Date" means any date as of which any part of such registration statement relating to the Bonds became, or is deemed to have become, effective under the Act in accordance with the rules and regulations thereunder;

(iii) "Final Term Sheet" means the final term sheet relating to the Bonds and prepared and filed pursuant to Section 4(a) hereof;

(iv) "Issuer Free Writing Prospectus" means each "free writing prospectus" (as defined in Rule 405 under the Act), including the Final Term Sheet, prepared by or on behalf of the Company or used or referred to by the Company in connection with the offering of the Bonds;

(v) “Preliminary Prospectus” means any preliminary form of prospectus supplement relating to the Bonds (together with the base prospectus of the Company in the form in which it appears in the Registration Statement) which has heretofore been or is required to be filed by the Company pursuant to Rule 424 under the Act and used prior to the filing of the Prospectus;

(vi) “Pricing Disclosure Package” means, as of the Applicable Time, the most recent Preliminary Prospectus, together with each Issuer Free Writing Prospectus filed or used by the Company on or before the Applicable Time, plus the pricing terms of the offering of the Bonds and the terms and conditions of the Bonds specified in the Final Term Sheet;

(vii) “Prospectus” means the base prospectus of the Company in the form in which it appears in the Registration Statement together with the final prospectus supplement relating to the Bonds, in the form in which it shall be filed by the Company with the Commission pursuant to Rule 424 under the Act (including the base prospectus as so supplemented); and

(viii) “Registration Statement” means, collectively, the various parts of such registration statement of the Company, each as amended as of the Effective Date for such part, including any Preliminary Prospectus or Prospectus, any prospectus supplement relating to the Bonds that is filed with the Commission and deemed by virtue of Rule 430B to be part of such registration statement, and all exhibits to such registration statement.

Any reference herein to the Registration Statement, the Pricing Disclosure Package, the Preliminary Prospectus or the Prospectus shall be deemed to refer to and include the documents incorporated or deemed incorporated by reference therein pursuant to Item 12 of Form S-3 which were filed under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), on or before the date of this Agreement and, if the Company files any documents pursuant to the Exchange Act after the date of this Agreement and prior to the termination of the offering of the Bonds by the Underwriters, which documents are deemed to be incorporated by reference into the Prospectus, such filing shall constitute an amendment or supplement to the Prospectus and the term “Prospectus” shall refer also to said Prospectus as supplemented by the documents so filed from and after the time said documents are filed with the Commission. Any reference to the “most recent Preliminary Prospectus” shall be deemed to refer to the latest Preliminary Prospectus included in the Registration Statement or filed pursuant to Rule 424(b) under the Act prior to or on the date hereof (including for purposes hereof, any documents incorporated by reference therein prior to or on the date hereof).

(b) As of the determination date applicable to the Registration Statement (and any amendment thereof) and the offering contemplated hereby, the Company is a “well-known seasoned issuer” (as defined in Rule 405 under the Act) eligible to use Form S-3 for the offering of the Bonds, including not having been an “ineligible issuer” (as defined in Rule 405) at any such time or date.

(c) No order preventing or suspending the use of any Preliminary Prospectus, any Issuer Free Writing Prospectus, the Prospectus or the Registration Statement has been issued by the Commission and no proceeding for that purpose has been initiated or threatened by the Commission; and no notice of objection of the Commission to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Act has been received by the Company.

(d) The Registration Statement, on the Effective Date, complied in all material respects with the requirements of the Act, the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and the respective rules and regulations of the Commission thereunder and did not and will not, as of the Effective Date, contain any untrue statement of a material fact or omit any material fact required to be stated therein or necessary in order to make the statements therein not misleading; and, as of the date of the Prospectus and as of the Closing Date (as hereinafter defined), the Prospectus will comply in all material respects with the Act and the rules and regulations of the Commission thereunder and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided that the Company makes no representations or warranties as to (A) that part of the Registration Statement which shall constitute the Statement of Eligibility (Form T-1) under the Trust Indenture Act of the Trustee or (B) the information contained in or omitted from the Registration Statement or the Prospectus in reliance upon and in conformity with information furnished in writing to the Company by any Underwriter specifically for use in the Registration Statement or Prospectus, it being understood and agreed that the only such information so furnished consists of the information described in Section 10(g) hereof. Each Preliminary Prospectus and the prospectus filed as part of the Registration Statement as originally filed or as part of any amendment thereto, or filed pursuant to Rule 424 of the Act, complied when so filed in all material respects with the rules under the Act, and each Preliminary Prospectus and the Prospectus delivered to the Underwriters for use in connection with this offering was identical to the electronically transmitted copies thereof filed with the Commission pursuant to EDGAR, except to the extent permitted by Regulation S-T under the Act.

(e) The documents incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus, when they were filed with the Commission, conformed in all material respects to the requirements of the Act or the Exchange Act and the rules and regulations of the Commission thereunder, and any documents so filed and incorporated by reference subsequent to the date of this Agreement or any further amendment or supplement to the Prospectus will, when they are filed with the Commission, conform in all material respects to the requirements of the Act or the Exchange Act and the rules and regulations of the Commission thereunder; and none of such documents include or will include any untrue statement of a material fact or omit or will omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) The Pricing Disclosure Package, as of the Applicable Time did not, and as of the Closing Date will not, contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided* that the Company makes no representations or warranties as to (A) that part of the Registration Statement which shall constitute the Statement of Eligibility (Form T-1) under the Trust Indenture Act of the Trustee or (B) the information contained in or omitted from the Pricing Disclosure Package in reliance upon and in conformity with information furnished in writing to the Company by any Underwriter specifically for use in the Pricing Disclosure Package, it being understood and agreed that the only such information so furnished consists of the information described in Section 10(g) hereof.

(g) Prior to the execution of this Agreement, the Company has not made and will not make (other than the Final Term Sheet) any offer relating to the Bonds that would constitute an Issuer Free Writing Prospectus without the prior consent of the Underwriters; the Final Term Sheet and any such Issuer Free Writing Prospectus the use of which have been consented to by the Company and the Underwriters are listed on Schedule II hereto; the Company has complied and will comply with the requirements of Rule 433 under the Act with respect to any such Issuer Free Writing Prospectus; any such Issuer Free Writing Prospectus will not, as of its issue date and through the time the Bonds are delivered pursuant to Section 3 hereof, include any information that conflicts with the information contained in the Registration Statement and the Prospectus; and any such Issuer Free Writing Prospectus, when taken together with the information contained in the Registration Statement, any Preliminary Prospectus and the Prospectus, did not, when issued or filed pursuant to Rule 433, and does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading; *provided* that this representation and warranty shall not apply to statements or omissions made therein in reliance upon and in conformity with the information furnished to the Company by any Underwriter expressly for use therein, it being understood and agreed that the only such information so furnished consists of the information described in Section 10(g) hereof.

(h) The financial statements of the Company filed as a part of or incorporated by reference in the Registration Statement, the most recent Preliminary Prospectus or the Prospectus comply in all material respects with the applicable requirements of the Act and the Exchange Act, as applicable, and fairly present the financial position of the Company as of the dates indicated and the results of its operations and changes in financial position for the periods specified, and have been prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods involved, except as disclosed in such financial statements.

(i) The Company has been duly incorporated and is validly existing as a corporation in good standing under the laws of the State of New Mexico; and the Company is qualified to do business as a foreign corporation and is in good standing under the laws of each jurisdiction in which its ownership or lease of property or the conduct of its business requires such qualification and the failure to so qualify might permanently impair the title to property material to its operations or its right to enforce a material contract against others or expose it to substantial liability, except where the failure to be so qualified would not have a material adverse effect on the condition (financial or otherwise) of the Company (a "Material Adverse Effect").

(j) The Company has no subsidiaries that would be deemed "significant subsidiaries" under Regulation S-X under the Exchange Act.

(k) Since the most recent dates as of which information is given in the Pricing Disclosure Package and the Prospectus there has been no material adverse change in the condition of the Company, financial or otherwise, whether or not arising in the ordinary course of business, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus.

(l) The execution and delivery of this Agreement and the Indenture, the issuance and delivery of the Bonds, the consummation of the transactions herein contemplated and the fulfillment of the terms hereof, and compliance with the terms and provisions of this Agreement, the Bonds and the Indenture did not and will not (i) conflict with, or result in the breach of, any of the terms, provisions or conditions of the Amended and Restated Articles of Incorporation or By-Laws of the Company, or (ii) conflict with, or result in the breach or violation of any of the terms or provisions of, or constitute a default under or result in the creation or imposition of any lien, charge or encumbrance (other than the

lien of the Indenture) upon any property or assets of the Company pursuant to, any indenture, mortgage, deed of trust, loan agreement or other contract, agreement or instrument to which the Company is a party or by which the Company is bound or to which its properties are subject or (iii) result in the violation of any law, statute, order, rule or regulation applicable to the Company of any court or of any federal or state regulatory body or administrative agency or other governmental body having jurisdiction over the Company or over its properties except, in the case of clauses (ii) or (iii), any such conflict, breach or violation which, if it did exist, would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(m) The Bonds have been duly authorized for issuance and sale pursuant to this Agreement and, when executed and authenticated in accordance with the Indenture and delivered and paid for as provided herein, will be duly issued and will constitute valid and binding obligations of the Company enforceable in accordance with their terms, except as limited by bankruptcy, insolvency and other laws affecting enforcement of creditors' rights and general equitable principles, and will be entitled to the benefits of the Indenture.

(n) The Indenture has been duly authorized by the Company and has been duly qualified under the Trust Indenture Act and, when duly executed and delivered by the Company, assuming due authorization, execution and delivery thereof by the Trustee, will constitute a valid and binding obligation of the Company, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency or other laws affecting enforcement of creditors' rights and general equitable principles.

(o) This Agreement has been duly authorized, executed and delivered by the Company.

(p) The issuance and sale of the Bonds have been approved by an order of the New Mexico Public Regulation Commission (the "NMPRC") and such order is final and in full force and effect on the date hereof; no other approval of, or any consent, authorization or order of, or filing or registration with, any regulatory public body, state or federal, or any court having jurisdiction over the Company, is, or will be at the Closing Date, necessary in connection with the issuance and sale of the Bonds pursuant to this Agreement or the execution, delivery and performance of this Agreement and the Indenture, other than such approvals that have been obtained under the Act and the Trust Indenture Act and approvals that may be required under state securities laws or regulations of the Financial Industry Regulatory Authority, Inc. ("FINRA").

(q) To the extent it is not Excepted Property (as defined in the Indenture), the Company has good title to all real and fixed property it owns and title to all personal property owned by it (except, in each case, such properties as have been released from the lien thereof in accordance with the terms thereof), subject only to Permitted Liens (as defined in the Indenture), the lien of the Indenture as to parts of the Company's property, certain easements, conditions, restrictions, leases, and similar encumbrances which do not affect the Company's use of such property in the usual course of its business, certain minor defects in titles which are not material, and defects in titles to certain properties which are not essential to the Company's business or which will not have a Material Adverse Effect on the Company.

(r) Other than as set forth or contemplated in the most recent Preliminary Prospectus, there are no legal or governmental proceedings pending to which the Company is a party which would reasonably be expected to have a Material Adverse Effect; and, to the best of the Company's knowledge, there are no proceedings that are threatened or contemplated by governmental authorities or threatened by others that are required to be described in the most recent Preliminary Prospectus which are not described as required.

2. *Purchase and Sale.* Subject to the terms and conditions and in reliance upon the representations and warranties herein set forth, the Company agrees to sell to the Underwriters and each Underwriter agrees, severally and not jointly, to purchase from the Company, at the purchase price of _____ % of the principal amount thereof, plus accrued interest, if any, from _____ to the Closing Date hereunder, the principal amount of the Bonds set forth opposite the name of such Underwriter in Schedule I hereto.

The Company acknowledges and agrees that the Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of the Bonds contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person. Additionally, none of the Underwriters is advising the Company or any other person as to any legal, tax, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and the Underwriters shall have no responsibility or liability to the Company with respect thereto. Any review by the Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company.

3. *Delivery and Payment.* Delivery of and payment for the Bonds shall be made at _____ : _____ [a.m.][p.m.], on _____, at the offices of _____ (the "Closing Location"), which date and time may be postponed by agreement between the Underwriters and the Company (such date and time being herein called the "Closing Date"). Delivery of the Bonds shall be made to _____ for the respective accounts of the several Underwriters against payment by the several Underwriters through _____ of the purchase price thereof to or upon the order of the Company in federal (same day) funds to the account specified by the Company to _____ by causing The Depository Trust Company ("DTC") to credit the Bonds to the account of _____ at DTC. The Bonds will be delivered in definitive registered form except that, if for any reason the Company is unable to deliver the Bonds in definitive form, the Company reserves the right, as provided in the Indenture, to make delivery in temporary form. Any Bonds delivered in temporary form will be exchangeable without charge for Bonds in definitive form. The Bonds will be registered in the name of Cede & Co., as nominee of DTC and will be made available to the Underwriters for checking in New York, New York, not later than _____ : _____ [a.m.][p.m.], New York City time, on the business day preceding the Closing Date.

4. *Agreements of the Company.* The Company agrees with the several Underwriters that:

(a) The Company will cause the Prospectus, in a form approved by the Underwriters, to be filed pursuant to Rule 424(b) under the Act and will notify the Underwriters promptly of such filing. The Company will prepare the Final Term Sheet, containing solely a description of the terms of the Bonds and of the offering, and will file such Final Term Sheet pursuant to Rule 433(d) under the Act, and will notify the Underwriters promptly of such filing. During the period for which a prospectus relating to the Bonds is required to be delivered under the Act (whether physically or through compliance with Rule 172 under

the Act or any similar rule), the Company will promptly advise the Underwriters (i) when any amendment to the Registration Statement has been filed or shall have become effective, (ii) when any subsequent supplement to the Prospectus (including documents deemed to be incorporated by reference into the Prospectus) has been filed and shall furnish the Underwriters with copies thereof, (iii) of any request by the Commission for any amendment or supplement to the Registration Statement or the Prospectus or for any additional information, (iv) of the issuance by the Commission of any stop order or of any order preventing or suspending the use of the Registration Statement, any Preliminary Prospectus, the Prospectus or any Issuer Free Writing Prospectus, (v) of the suspension of the qualification of the Bonds for offering or sale in any jurisdiction, (vi) of the initiation or threatening of any proceeding or examination for any such purpose, and (vii) of any request by the Commission for the amending or supplementing of the Registration Statement, any Preliminary Prospectus, the Prospectus or any Issuer Free Writing Prospectus or for additional information. During the period for which a prospectus relating to the Bonds is required to be delivered under the Act (whether physically or through compliance with Rule 172 under the Act or any similar rule), the Company will not file (i) any amendment to the Registration Statement or supplement to the Prospectus (excluding documents deemed to be incorporated by reference into the Prospectus) unless the Company has furnished to the Underwriters a copy for their review prior to filing and will not file any such proposed amendment or supplement to which the Underwriters reasonably object or (ii) any document that would be deemed to be incorporated by reference into the Prospectus without delivering to the Underwriters a copy of the document proposed to be so filed, such delivery to be made at least 24 hours prior to such filing, and the Company will consult with the Underwriters as to any comments which the Underwriters make in a timely manner with respect to such document. During the period for which a prospectus relating to the Bonds is required to be delivered under the Act (whether physically or through compliance with Rule 172 under the Act or any similar rule), the Company will promptly file all reports and any definitive proxy or information statements required to be filed by the Company with the Commission pursuant to Section 13(a), 13(c), 14 or 15(d) of the Exchange Act subsequent to the date of the Prospectus and for so long as the delivery of a prospectus is required in connection with the offering or sale of the Bonds. Following the Closing Date and, for as long as a prospectus relating to the Bonds is required to be delivered under the Act, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus, the Prospectus or any Issuer Free Writing Prospectus, the Company will promptly use its best efforts to obtain the withdrawal of such order. In the event of the Company's receipt of a notice objecting to the use of the form of the Registration Statement or any post-effective amendment thereto, the Company will promptly take such steps including, without limitation, amending the Registration Statement or filing a new registration statement, at its own expense, as may be necessary to permit offers and sales of the Bonds by the Underwriters (and references herein to the "Registration Statement" shall include any such amendment or new registration statement).

(b) If, at any time when a prospectus relating to the Bonds is required to be delivered under the Act (whether physically or through compliance with Rule 172 under the Act or any similar rule), any event occurs as a result of which the Pricing Disclosure Package or the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or if it shall be necessary at any time to amend or supplement the Prospectus to comply with the Act or the Exchange Act or the respective rules and regulations of the Commission thereunder, the Company promptly, subject to paragraph (a) of this Section 4, will prepare and file an amendment or supplement to the Prospectus with the Commission and furnish to the Underwriters a reasonable number of copies thereof, or will make a filing with the Commission pursuant to Section 13 or 14 of the Exchange Act, which will correct such statement or omission or will effect such compliance.

(c) The Company will make generally available to its security holders and to the Underwriters an earnings statement (which need not be audited) of the Company, for a twelve-month period beginning after the date of the Prospectus filed pursuant to Rule 424(b) under the Act, as soon as is reasonably practicable after the end of such period, but in any event no later than eighteen months after the “effective date of the Registration Statement” (as defined in Rule 158(c) under the Act), which will satisfy the provision of Section 11 (a) of the Act and the rules and regulations of the Commission thereunder (including at the option of the Company, Rule 158).

(d) The Company will deliver to the Underwriters conformed copies of the Registration Statement, the Preliminary Prospectus, the Prospectus and the Issuer Free Writing Prospectus (including all documents incorporated by reference therein) and, so long as delivery of a prospectus by an Underwriter or dealer may be required by the Act (whether physically or through compliance with Rule 172 under the Act or any similar rule), all amendments of and supplements to such documents, in each case as soon as available and in such quantities as the Underwriters may reasonably request.

(e) Other than the Final Term Sheet prepared and filed pursuant to Section 4(a) hereof, without the prior written consent of the Underwriters, the Company has not made and will not make any offer relating to the Bonds that would constitute a “free writing prospectus” as defined in Rule 405 under the Act.

(f) The Company will promptly file all material required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Act and will retain as and to the extent required by Rule 433 under the Act all Issuer Free Writing Prospectuses not required to be filed with the Commission pursuant to the rules and regulations under the Act. If at any time after the date hereof any events shall have occurred as a result of which any Issuer Free Writing Prospectus, as then amended or supplemented, would conflict with the information in the Registration Statement, the Pricing Disclosure Package or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or, if for any other reason it shall be necessary to amend or supplement any Issuer Free Writing Prospectus, the Company will notify the Underwriters and, upon their request, file such document and prepare and furnish without charge to each Underwriter as many copies as the Underwriters may from time to time reasonably request of an amended or supplemented Issuer Free Writing Prospectus that will correct such conflict, statement or omission or effect such compliance.

(g) The Company will furnish such information, execute such instruments and take such action as may be required to qualify the Bonds for sale under the laws of such jurisdictions in the United States as the Underwriters may designate and will maintain such qualifications in effect so long as required for the distribution of the Bonds; *provided* that the Company shall not be required to qualify to do business in any jurisdiction where it is not now so qualified or to take any action which would subject it to general or unlimited service of process in any jurisdiction where it is not now so subject.

(h) So long as the Bonds are outstanding, the Company will furnish (or cause to be furnished) to each of the Underwriters, upon request, copies of all reports and financial statements filed with the Commission or any national securities exchange.

(i) During the period beginning from the date of this Agreement and continuing to the Closing Date, the Company will not offer, sell, or otherwise dispose of any long-term debt securities of the Company (except under prior contractual commitments which have been disclosed to you), without the prior written consent of the Underwriters, which consent shall not be unreasonably withheld.

(j) In connection with the offering of the Bonds, until the Underwriters shall have notified the Company of the completion of the sale of the Bonds, the Company will not, and will use its best efforts to cause its controlled affiliates not to, either alone or with one or more other persons (i) bid for or purchase for any account in which it or any such affiliate has a beneficial interest in any Bonds or attempt to induce any person to purchase any Bonds or (ii) make bids or purchases for the purpose of creating actual, or apparent, active trading in, or of raising the price of, the Bonds.

(k) The Company will not take, directly or indirectly, any action which is designed to stabilize or manipulate, or which constitutes or which might reasonably be expected to cause or result in stabilization or manipulation, of the price of any security of the Company in connection with the offering of the Bonds.

5. *Agreements of the Underwriters.* Each Underwriter hereby severally represents and agrees that:

(a) It has not and will not use, authorize use of, refer to, or participate in the planning for use of, any Issuer Free Writing Prospectus or any “free writing prospectus,” as defined in Rule 405 under the Act (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the Company) required to be filed by the Company with the Commission or retained by the Company pursuant to Rule 433 under the Act, other than (i) a free writing prospectus that contains no “issuer information” (as defined in Rule 433(h)(2) under the Act) that was not included (including through incorporation by reference) in the Preliminary Prospectus or a previously filed Issuer Free Writing Prospectus, (ii) the Final Term Sheet or (iii) any free writing prospectus prepared by such Underwriter and approved by the Company in advance in writing.

(b) It will, pursuant to reasonable procedures developed in good faith, retain, as and to the extent required under Rule 433 under the Act, copies of each free writing prospectus used or referred to by it, in accordance with Rule 433.

(c) It will notify _____ when it has completed the sale of the Bonds and _____, in turn, will notify the Company when the sale of the Bonds has been completed.

6. *Expenses.* Whether or not the transactions contemplated hereunder are consummated or this Agreement is terminated, the Company will pay all costs and expenses incident to the performance of the obligations of the Company hereunder, including, without limiting the generality of the foregoing, all costs, taxes and expenses incident to the issue and delivery of the Bonds to the Underwriters, all fees and expenses of the Company’s counsel and accountants, all costs and expenses incident to the preparation, printing, filing and distribution of the Registration Statement (including all exhibits thereto), any Preliminary Prospectus, the Prospectus (including all documents incorporated by reference therein), any Issuer Free Writing Prospectus and any amendments thereof or supplements thereto, all costs and

expenses incurred in connection with “blue sky” qualifications (including all fees and expenses of underwriters’ counsel not to exceed \$ _____), all costs and expenses incurred in connection with the rating of the Bonds, all costs and expenses of the printing and distribution of all documents in connection with the offering, the fees and expenses of the Trustee and any paying agent (including related fees and expenses of any counsel to such parties) and all expenses and application fees incurred in connection with any filing with, and clearance of any offering by FINRA. Except as provided in this Section 6 and Sections 9 and 10 hereof, the Underwriters will pay all their own costs and expenses, including the fees of their counsel and any advertising expenses in connection with any offer they may make.

7. *Conditions to the Obligations of the Underwriters.* The obligations of the Underwriters to purchase the Bonds shall be subject, in the discretion of the Underwriters, to the accuracy of the representations and warranties on the part of the Company contained herein as of the date hereof and the Closing Date, to the accuracy of the statements of the Company’s officers on and as of the Closing Date made in any certificates given pursuant to the provisions hereof, to the performance by the Company of its obligations hereunder and to the following additional conditions:

(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Act within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 4(a) hereof; all filings (including, without limitation, the Final Term Sheet) required by Rule 433 under the Act shall have been made, and no such filings shall have been made without the consent of the Underwriters; no stop order suspending the effectiveness of the Registration Statement or any part thereof or preventing or suspending the use of the Prospectus or any Issuer Free Writing Prospectus shall have been issued and no proceeding for that purpose shall have been initiated or threatened by the Commission; no notice of objection of the Commission to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Act has been received by the Company; and all requests for additional information on the part of the Commission shall have been complied with to the Underwriters’ reasonable satisfaction.

(b) The Underwriters shall be furnished with opinion letters, dated the Closing Date, of:

- (i) counsel to the Company, that address substantially the matters set forth in Exhibit A;
- (ii) _____, counsel to the Company, that address substantially the matters set forth in Exhibit B;
- (iii) _____, counsel to the Company, that address substantially the matters set forth in Exhibit C; and
- (iv) _____, counsel to the Company, that address substantially the matters set forth in Exhibit D.

(c) The Underwriters shall have received from _____, counsel for the Underwriters, such opinion or opinions dated the Closing Date with respect to such matters as the Underwriters may reasonably require, and the Company shall have furnished to such counsel such documents as they reasonably request for the purpose of enabling them to pass upon such matters.

(d) The Company shall have furnished to the Underwriters a certificate of the President, Executive Vice President, Senior Vice President or any Vice President of the Company, dated the Closing Date, as to the matters set forth in paragraphs (a) and (h) of this Section 7 and to the further effect that the signers of such certificate have examined the Registration Statement, the Prospectus and this Agreement and that, to the best of his or her knowledge:

(i) the representations and warranties of the Company in this Agreement are true and correct on and as of the Closing Date with the same effect as if made on the Closing Date, and the Company has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied at or prior to the Closing Date; and

(ii) there has been no material adverse change in the condition of the Company, financial or otherwise, whether or not arising in the ordinary course of business, from that set forth in or contemplated by the Registration Statement, the most recent Preliminary Prospectus, or the Prospectus.

(e) The Underwriters shall have received letters from _____, independent public accountants for the Company (dated the date of this Agreement and the Closing Date, respectively, and in form and substance satisfactory to the Underwriters) advising that (i) they are an independent registered public accounting firm with respect to the Company as required by the Act and published rules and regulations of the Commission thereunder, (ii) in their opinion, the financial statements and supplemental schedules included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus and covered by their opinion filed with the Commission under Section 13 of the Exchange Act comply as to form in all material respects with the applicable accounting requirements of the Exchange Act and the published rules and regulations of the Commission thereunder, (iii) that they have performed limited procedures, not constituting an audit, including a reading of the latest available interim financial statements of the Company, a reading of the minutes of meetings of the Board of Directors, committees thereof, and of the shareholder of the Company since the date of the most recent audited financial statements included or incorporated by reference in the Pricing Disclosure Package or the Prospectus, inquiries of officials of the Company responsible for financial accounting matters and such other inquiries and procedures as may be specified in such letter, and on the basis of such limited review and procedures nothing came to their attention that caused them to believe that: (A) (1) any material modifications should be made to any unaudited financial statements of the Company included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus for them to be in conformity with generally accepted accounting principles or (2) any unaudited financial statements of the Company included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package or the Prospectus do not comply as to form in all material respects with the applicable accounting requirements of the Exchange Act and the rules and regulations of the Commission applicable to Form 10-Q; and (B) with respect to the period subsequent to the date of the most recent financial statements included or incorporated by reference in the Pricing Disclosure Package or the Prospectus and except as set forth in or contemplated by the Registration Statement, the Pricing Disclosure Package or the Prospectus, there were any adverse changes, at a specified date not more than three business days prior to the date of the letter, in the capital stock of the Company, incurrences of long-term debt of the Company as compared to the amounts shown on the most recent balance sheet included or incorporated by reference in the Pricing Disclosure Package or the Prospectus or, as of a specified date, there were any decreases in stockholder's equity or net current assets of the Company as compared with the amounts shown on the most recent balance sheet included or incorporated by reference in the Pricing

Disclosure Package or the Prospectus, or for the period from the date of the most recent financial statements included or incorporated by reference in the Pricing Disclosure Package or the Prospectus to such specified date there were any decreases, as compared with the corresponding period in the preceding year, in operating revenues, operating income or net income of the Company, except in all instances for changes or decreases set forth in such letter, in which case the letter shall be accompanied by an explanation by the Company as to the significance thereof unless said explanation is not deemed necessary by the Underwriters; and (iv) they have carried out specified procedures performed for the purpose of comparing certain specified financial information and percentages (which is limited to financial information derived from general accounting records of the Company or, to the extent not so derived, from schedules prepared by Company officers responsible for such accounting records) included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus with indicated amounts in the financial statements or accounting records of the Company and (excluding any questions of legal interpretation) have found such information and percentages to be in agreement with the relevant accounting and financial information of the Company referred to in such letter in the description of the procedures performed by them.

(f) Subsequent to the respective dates as of which information is given in the Registration Statement and the Pricing Disclosure Package, there shall not have been any change or decrease specified in the letter or letters referred to in paragraph (e) of this Section 7 which makes it impractical or inadvisable in the judgment of the Underwriters to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated by the Pricing Disclosure Package.

(g) Subsequent to the execution and delivery of this Agreement, (i) no downgrading shall have occurred in the rating accorded the Bonds or any other debt securities or preferred stock of or guaranteed by the Company by any "nationally recognized statistical rating organization," as such term is defined by the Commission for purposes of the Exchange Act (other than downgrades of debt securities issued by or on behalf of governmental entities for the benefit of the Company solely as a result of downgrades of ratings of any third parties insuring such debt securities) and (ii) no such organization shall have publicly announced that it has under surveillance or review, or has changed its outlook with respect to, its rating of the Bonds or of any other debt securities or preferred stock of or guaranteed by the Company (other than an announcement with positive implications of a possible upgrading and other than with respect to debt securities issued by or on behalf of governmental entities for the benefit of the Company solely as a result of any such announcement with respect to any third parties insuring such debt securities).

(h) Since the most recent dates as of which information is given in the Pricing Disclosure Package and the Prospectus there has been no material adverse change in the condition of the Company, financial or otherwise, whether or not arising in the ordinary course of business, otherwise than as set forth or contemplated in the Pricing Disclosure Package and the Prospectus, the effect of which is in the judgment of the Underwriters so material and adverse as to make it impracticable or inadvisable to proceed with the offering, sale or the delivery of the Bonds on the terms and in the manner contemplated by this Agreement and the Prospectus.

(i) No Underwriter shall have advised the Company that the Registration Statement, Pricing Disclosure Package or Prospectus, or any amendment or supplement thereto, contains an untrue statement of fact which in the opinion of counsel for the Underwriters is material or omits to state a fact which in the opinion of counsel for the Underwriters is material and is required to be stated therein or is necessary to make the statements therein not misleading.

(j) No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date, prevent the issuance or sale of the Bonds; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date, prevent the issuance or sale of the Bonds.

(k) All corporate proceedings and other legal matters incident to the authorization, form and validity of the Indenture and this Agreement and the transactions contemplated hereby shall be reasonably satisfactory to counsel to the Underwriters, and prior to the Closing Date, the Company shall have furnished to the Underwriters such other customary information, certificates and documents as they may reasonably request.

(l) The Company and Trustee shall have entered into the supplemental indenture relating to the Bonds, and the Underwriters shall have received counterparts, conformed as executed thereof, and the Bonds shall have been duly executed and delivered by the Company and authenticated by the Trustee.

If any of the conditions specified in this Section 7 shall not have been fulfilled when and as required by this Agreement, or if any of the opinions and certificates mentioned above or elsewhere in this Agreement shall not be satisfactory in form and substance to the Underwriters and their counsel, this Agreement and all obligations of the Underwriters hereunder may be cancelled at, or at any time prior to, the Closing Date by the Underwriters. Notice of such cancellation shall be given to the Company in writing, or by telephone, telegraph or facsimile transmission confirmed in writing, as set forth in Section 14 hereof.

8. *Conditions of Company's Obligations.* The obligations of the Company to sell and deliver the Bonds are subject to the following conditions:

(a) Prior to the Closing Date, no stop order suspending the effectiveness of the Registration Statement shall have been issued and no proceedings for that purpose shall have been instituted or, to the knowledge of the Company or the Underwriters, threatened and no notice of objection of the Commission to the use of the Registration Statement pursuant to Rule 401(g)(2) under the Act has been received by the Company.

(b) The order of the NMPRC referred to in Section 1(p) hereof shall be final and in full force and effect.

If any of the conditions specified in this Section 8 shall not have been fulfilled, this Agreement and all obligations of the Company hereunder may be cancelled on or at any time prior to the Closing Date by the Company. Notice of such cancellation shall be given to the Underwriters in writing or by telephone or facsimile transmission confirmed in writing, as set forth in Section 14 hereof.

9. *Reimbursement of Underwriters' Expenses.* If the sale of the Bonds provided for herein is not consummated because (i) this Agreement is terminated pursuant to Section 12, (ii) any condition to the obligations of the Underwriters set forth in Section 7 hereof is not satisfied or (iii) of any refusal, inability or failure on the part of the Company to perform any agreement herein or comply with any provision hereof, other than by reason of a default by any of the Underwriters, the Company will reimburse the Underwriters severally upon demand for all out-of-pocket expenses that shall have been reasonably incurred by them in connection with the proposed purchase and sale of the Bonds, including the reasonable fees and disbursements of counsel for the Underwriters.

10. *Indemnification.*

(a) The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, legal fees and other expenses reasonably incurred in connection with any suit, action or proceeding or any claim asserted as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Prospectus (or any amendment or supplement thereto), or any Issuer Free Writing Prospectus (or amendment or supplement thereto) or any “issuer information” filed or required to be filed pursuant to Rule 433(d) under the Act or any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein not misleading, except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter expressly for use therein.

(b) Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities (including, without limitation, legal fees and other expenses reasonably incurred in connection with any suit, action or proceeding or any claim asserted as such fees and expenses are incurred) that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Underwriter furnished to the Company in writing by such Underwriter expressly for use in the Registration Statement, the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus or any Issuer Free Writing Prospectus (or any amendment or supplement thereto), it being understood and agreed that the only such information consists of the information identified in Section 10(g) hereof as being provided by the Underwriters.

(c) If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to either paragraph (a) or (b) above, such person (the “Indemnified Person”) shall promptly notify the person against whom such indemnification may be sought (the “Indemnifying Person”) in writing; *provided* that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under this Section 10 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and *provided, further*, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under this Section 10. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the

Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person, which may be counsel to the Indemnifying Person, to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section 10 that the Indemnifying Person may designate in such proceeding and shall pay the reasonable fees and expenses of such counsel related to such proceeding as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such fees and expenses shall be reimbursed as they are incurred. Any such separate firm for any Underwriter, its affiliates, directors and officers and any control persons of such Underwriter shall be designated in writing by the Underwriters and any such separate firm for the Company, its directors, its officers who signed the Registration Statement and any control persons of the Company shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement or judgment. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) If the indemnification provided for in paragraphs (a) and (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Underwriters on the other from the offering of the Bonds or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company on the one hand and the Underwriters on the other in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Underwriters on the other shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Company from the sale of the Bonds and the total underwriting discounts and commissions received by the Underwriters in connection therewith, in each

case as set forth in the table on the cover of the Prospectus, bear to the aggregate offering price of the Bonds. The relative fault of the Company on the one hand and the Underwriters on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by any Underwriter expressly for use therein and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to this Section 10 were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of this Section 10, in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Bonds exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to this Section 10 are several in proportion to their respective purchase obligations hereunder and not joint.

(f) The remedies provided for in this Section 10 are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity.

(g) The Underwriters severally confirm and the Company acknowledges that the statements with respect to the offering of the Bonds by the Underwriters set forth in the paragraphs in the section entitled "[Underwriting]" in the prospectus supplement that is a part of the Preliminary Prospectus and the Prospectus are correct and constitute the only information concerning such Underwriters furnished in writing to the Company by or on behalf of the Underwriters specifically for inclusion in the Registration Statement, the Pricing Disclosure Package or the Prospectus.

11. Default by an Underwriter.

(a) If any Underwriter shall default in its obligation to purchase the Bonds that it has agreed to purchase hereunder (in this Section called the "Unpurchased Bonds"), the non-defaulting Underwriters may in their discretion arrange for themselves or another party or other parties to purchase such Unpurchased Bonds on the terms contained herein. If within 36 hours after such default by any Underwriter the non-defaulting Underwriters do not arrange for the purchase of such Unpurchased Bonds, then the Company shall be entitled to a further period of 36 hours within which to procure another party or other parties satisfactory to the non-defaulting Underwriters to purchase such Unpurchased Bonds on such terms. In the event that, within the respective prescribed period, the non-defaulting Underwriters notify the Company that they have so arranged for the purchase of such Unpurchased Bonds, or the Company notifies such non-defaulting Underwriters that it has so arranged for the purchase of such Unpurchased Bonds, such Underwriters or the Company shall have the right to postpone the Closing Date for such Unpurchased Bonds for a period of not more than seven days, in order to effect whatever

changes may thereby be made necessary in the Registration Statement or the Prospectus as amended or supplemented, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in the opinion of the non-defaulting Underwriters may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Unpurchased Bonds.

(b) If, after giving effect to any arrangements for the purchase of the Unpurchased Bonds of a defaulting Underwriter by the non-defaulting Underwriters and the Company as provided in subsection (a) above, the aggregate principal amount of such Unpurchased Bonds that remains unpurchased does not exceed one-eleventh of the aggregate principal amount of the Bonds, then the Company shall have the right to require each non-defaulting Underwriter to purchase the principal amount of Bonds that such Underwriter agreed to purchase hereunder and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the principal amount of Bonds that such Underwriter agreed to purchase hereunder) of the Unpurchased Bonds of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Unpurchased Bonds of a defaulting Underwriter by the non-defaulting Underwriters and the Company as provided in subsection (a) above, the aggregate principal amount of Unpurchased Bonds that remains unpurchased exceeds one-eleventh of the aggregate principal amount of the Bonds, as referred to in subsection (b) above, or if the Company shall not exercise the right described in subsection (b) above to require the non-defaulting Underwriters to purchase Unpurchased Bonds of the defaulting Underwriter or Underwriters, then this Agreement shall thereupon terminate, without liability on the part of any non-defaulting Underwriter or the Company, except for the expenses to be borne by the Company and the Underwriters as provided in Section 6 hereof and the indemnity and contribution agreements in Section 10 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

12. *Termination.* This Agreement shall be subject to termination in the absolute discretion of the Underwriters, by notice given to the Company prior to delivery of and payment for all Bonds, if prior to such time (i) trading shall have been suspended or materially limited on the New York Stock Exchange or the over-the-counter market, (ii) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market, (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities or a material disruption in commercial banking or securities clearance or settlement services shall have occurred or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Underwriters, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Bonds on the terms and in the manner contemplated by this Agreement and the Prospectus.

13. *Representations and Indemnities to Survive Delivery.* The respective agreements, representations, warranties, indemnities and other statements of the Company or its officers and of the Underwriters set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation made by or on behalf of any Underwriter or the Company or any of their respective officers, directors or controlling persons within the meaning of the Act, and will survive delivery of and payment for the Bonds. The provisions of Sections 6, 9, 10 and 17 hereof shall survive the termination or cancellation of this Agreement.

14. *Notices.* All communications hereunder will be in writing and, (i) if sent to the Underwriters, will be mailed, delivered or transmitted and confirmed to them at _____, or (ii) if sent to the Company, will be mailed, delivered or transmitted and confirmed to it at _____, Attention: _____. All communications shall take effect at the time of receipt thereof.

15. *Patriot Act.* In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

16. *Persons Entitled to Benefit of Agreement.* This Agreement will inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and controlling persons referred to in Section 10 hereof, and the affiliates of each Underwriter referred to in Section 10 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Bonds from any Underwriter shall be deemed to be a successor merely by reason of such purchase.

17. *Applicable Law.* This Agreement will be governed by and construed in accordance with the laws of the State of New York.

18. *Counterparts.* This Agreement may be executed in counterparts, all of which, taken together, shall constitute a single agreement among the parties to such counterparts.

19. *Amendment and Waiver.* No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

20. *Other.* Time shall be of the essence for all purposes of this Agreement. As used herein, "business day" shall mean any day other than a day on which banks are permitted or required to be closed in New York City.

(remainder of page intentionally blank)

If the foregoing is in accordance with your understanding of our agreement, please sign and return to us the enclosed duplicate hereof, whereupon this Agreement and your acceptance shall represent a binding agreement among the Company and the several Underwriters.

Very truly yours,

SOUTHWESTERN PUBLIC SERVICE
COMPANY (a New Mexico corporation)

By: _____
Name:
Title:

The foregoing Agreement is hereby confirmed
and accepted as of the date first above first written.

By: [NAME OF UNDERWRITER[S]]

By: _____
Name:
Title:

As Underwriter[s]

SCHEDULE I

<u>Name</u>	<u>Amount</u>
[Underwriters]	\$
Total	\$

SCHEDULE II

Final Term Sheet / Issuer Free Writing Prospectus

1. Free Writing Prospectus, dated the date of the Underwriting Agreement, relating to the Bonds and filed with the Commission pursuant to Rule 433(d) of the Act.

II-1

EXHIBIT A

Matters to be addressed by opinion letter of Company Counsel

1. Neither the execution, delivery or performance of the Indenture or the Agreement, the issuance and delivery of the Bonds nor the compliance by the Company with all the terms and provisions of the Indenture and the Agreement will result in a breach or violation of any of the terms or provisions of, or constitute a default under, (i) any indenture, mortgage, deed of trust or other agreement or instrument to which the Company is a party or by which it is bound or to which any of its properties or assets are subject and of which I have Actual Knowledge, or (ii) any United States Federal statute, rule or regulation that is part of a regulatory scheme specifically applicable to business organizations engaged in the type of regulated business activities conducted by the Company (“Specified U.S. Federal Law”) or, to my Actual Knowledge, any order of any court or of any Federal or state regulatory body or administrative agency or other governmental body that specifically names the Company and is specifically directed to it or any of its properties, except any such breach, violation or default which, if it did exist, would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the condition (financial or otherwise) of the Company, whether or not arising from transactions in the ordinary course of business (this opinion being limited in that I express no opinion with respect to any violation or default (1) not readily ascertainable from the face of any such order, decree or agreement, (2) arising under or based upon any cross-default provision insofar as it relates to a violation or default under an agreement as of which I do not have Actual Knowledge or (3) arising as a result of any violation of or default under any agreement or covenant by failure to comply with any financial or numerical requirement requiring computation).

2. The issuance and sale of the Bonds have been approved by an order of the New Mexico Public Regulation Commission (the “NMPRC”) and such order is final and in full force and effect, subject to a post-issuance informational filing to be made with the NMPRC. No further approval, authorization, consent, certificate or order of, or filing or registration with, any United States Federal governmental body is required under Specified U.S. Federal Law in connection with the issuance and sale of the Bonds by the Company as provided in the Agreement, the Pricing Disclosure Package and the Prospectus.

3. To my Actual Knowledge, there is no litigation pending against the Company before a court or other adjudicative tribunal required to be described in the Pricing Disclosure Package and the Prospectus that is not described as required.

4. Each of the Exchange Act Documents (as defined below) that was filed with the Commission prior to the date of this letter at the time of filing complied as to form in all material respects with the requirements of the Exchange Act and the rules and regulations thereunder, except that in each case no opinion is expressed with respect to the financial statements, financial schedules and other financial and statistical data included or incorporated by reference therein.

I, or other attorneys in the Company’s Law Department at my request, have participated in the preparation of the Registration Statement, the Pricing Disclosure Package and the Prospectus. Each of the Registration Statement, the Pricing Disclosure Package and the Prospectus includes the documents incorporated in or deemed to be incorporated therein pursuant to Item 12 of Form S-3 under the Act (collectively, such incorporated documents, the “Exchange Act Documents”). From time to time, I, or other attorneys in the Company’s Law Department at my request, have had discussions with certain officers, directors and employees of the Company, with representatives of _____, the

independent registered public accounting firm who examined the financial statements of the Company included in or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, with the Underwriters and with our counsel and with counsel to the Underwriters concerning the information contained in or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus and the responses to various items in Form S-3. I have not independently verified and am not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the information included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus. Based solely on my participation (and the participation of other attorneys in the Company's Law Department at my request) and discussions described above, however, no facts have come to my attention that cause me to believe that the Registration Statement (including all information deemed to be part of and included therein pursuant to Rule 430B under the Act), as of _____ (which is the date you have identified as the earlier of the date the Prospectus was first used or the date of the first contract of sale of any Bonds), contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, that the Pricing Disclosure Package, as of _____ : _____ [a.m.][p.m.], New York City time, on _____ (which is specified in the Agreement as the "Applicable Time"), included any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or that the Prospectus, as of its date or as of the date hereof, included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that in each case I express no view with respect to (a) the financial statements, financial schedules and other financial and statistical data included or incorporated by reference therein, (b) the information referred to under the caption "Experts" as having been included or incorporated by reference therein on the authority of _____, as experts or (c) the Statement of Eligibility of the Trustee on Form T-1 under the Trust Indenture Act.

Insofar as matters in such opinion letter are stated to be to such counsel's "Actual Knowledge" or refer to the state of counsel's knowledge, "Actual Knowledge" means the conscious awareness of such counsel of facts or other information without any other investigation.

EXHIBIT B

Matters to be addressed by opinion letter of Counsel to the Company

1. The Bonds, when authenticated by the Trustee in accordance with the terms of the Indenture and delivered against payment therefor in accordance with the terms of the Agreement, to the extent New York law is applicable thereto, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to (i) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer, fraudulent conveyance, voidable preference, receivership and other laws of general application affecting the enforcement of creditors' rights, (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, whether considered in a proceeding in equity or at law, (iii) public policy considerations that may limit the rights of parties to obtain specific remedies or enforce specific terms, and (iv) governmental authority to limit, delay or prohibit the making of payments outside the United States.

2. To the extent New York law is applicable thereto, the Indenture creates under the Uniform Commercial Code as adopted and in effect in the State of New York (the "New York UCC") a security interest in favor of the Trustee for the benefit of the holders from time to time of Securities (as defined in the Indenture) properly issued under the Indenture, on all personal property described therein as subject to the lien thereof (except such properties as may have been sold, exchanged or otherwise disposed of or released from the lien thereof in accordance with the terms thereof, and except such properties as are excluded from the application of Article 9 of the New York UCC), to the extent of the Company's interest in such personal property and to the extent value has been given on behalf of the secured parties.

3. The Indenture, to the extent New York law is applicable thereto, constitutes a legal, valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, subject to (i) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer, fraudulent conveyance, voidable preference, receivership and other laws of general application affecting the enforcement of creditors' rights, laws affecting the rights of mortgagees and other secured parties generally and state laws affecting the enforcement of certain remedial provisions, provided that such state laws affecting the enforcement of certain remedial provisions will not, in our opinion, render the remedies afforded by the Indenture, to the extent New York law is applicable thereto, inadequate for the practical realization of the benefits of the security afforded thereby, (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, whether considered in a proceeding in equity or at law, (iii) public policy considerations that may limit the rights of parties to obtain specific remedies or enforce specific terms, and (iv) governmental authority to limit, delay or prohibit the making of payments outside the United States.

4. The Bonds, when authenticated by the Trustee in accordance with the terms of the Indenture and delivered against payment therefor in accordance with the terms of the Agreement, to the extent New York law is applicable thereto, will be entitled to the benefits and security of the Indenture and will be secured equally and ratably with all other Securities outstanding under the Indenture.

5. Neither the execution and the delivery of the Agreement, the consummation of the transactions effected by the Agreement and by the Indenture and the fulfillment of the terms thereof, the issuance and delivery of the Bonds nor the compliance by the Company with all the terms and provisions of the Indenture and the Agreement will result in a violation of any Generally Applicable U.S. Federal Law, except any such violation which, if it did exist, would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the condition (financial or otherwise) of the Company, whether or not arising from transactions in the ordinary course of business. As used herein, the term “Generally Applicable U.S. Federal Law” means any United States Federal statute, rule or regulation applicable to the Company other than those that are part of a regulatory scheme specifically applicable to business organizations engaged in the type of regulated business activities conducted by the Company.

6. No approval, authorization, consent, certificate or order of, or filing or registration with, any United States Federal governmental body is required under Generally Applicable U.S. Federal Law in connection with the issuance and sale of the Bonds by the Company as provided in the Agreement, the Pricing Disclosure Package and the Prospectus, except as may be required under the Securities Act of 1933, as amended (the “Securities Act”), the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”).

7. The statements contained in the Pricing Disclosure Package and the Prospectus under the captions “Description of the First Mortgage Bonds,” and “Supplemental Description of the First Mortgage Bonds,” insofar as such statements purport to summarize legal matters or provisions of documents referred to therein, present fair summaries of such legal matters and documents.

8. The statements contained in the Pricing Disclosure Package and the Prospectus under the captions “Material United States Federal Income Tax Considerations,” to the extent they constitute matters of federal income tax law applicable to the Bonds, are an accurate summary of the matters referred to therein in all material respects.

We have participated in the preparation of the Registration Statement, the Pricing Disclosure Package and the Prospectus. Each of the Registration Statement, the Pricing Disclosure Package and the Prospectus includes the documents incorporated in or deemed to be incorporated therein pursuant to Item 12 of Form S-3 under the Securities Act (collectively, the “Exchange Act Documents”). From time to time, we have had discussions with certain officers, directors and employees of the Company, with representatives of _____, the independent registered public accounting firm who examined the financial statements of the Company included in or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus, with the Underwriters and with counsel to the Underwriters concerning the information contained in or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus and the responses to various items in Form S-3. Based upon our participation and discussions described above, we are of the view that the Registration Statement (including all information deemed to be part of and included therein pursuant to Rule 430B under the Securities Act but excluding the Exchange Act Documents), as of _____ which is the date you have identified as the earlier of the date the Prospectus was first used or the date of the first contract of sale of any Bonds (such date, the “Effective Date”), and the Prospectus (excluding the Exchange Act Documents), as of its date, complied as to form in all material respects with the requirements of the Securities Act and the rules and regulations of the Securities and Exchange Commission (the “Commission”) thereunder, except that we express no view with respect to (a) the financial statements, financial schedules and other financial and statistical data included or incorporated by reference therein or (b) the information referred to under the caption “Experts” as having been included or incorporated by reference therein on the authority of _____, as experts.

We have not independently verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness (except as and to the extent set forth in paragraphs 7 and 8 above) of the information included or incorporated by reference in the Registration Statement, the Pricing Disclosure Package and the Prospectus. Based solely on our participation and discussions described above, however, no facts have come to our attention that cause us to believe that the Registration Statement (including all information deemed to be part of and included therein pursuant to Rule 430B under the Securities Act), as of the Effective Date, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary to make the statements therein not misleading, that the Pricing Disclosure Package, as of : [a.m.][p.m.], New York City time, on (which is specified in the Agreement as the “Applicable Time”), included any untrue statement of a material fact or omitted to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or that the Prospectus, as of its date and as of the date hereof, included or includes any untrue statement of a material fact or omitted or omits to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, except that in each case we express no view with respect to (a) the financial statements, financial schedules and other financial and statistical data included or incorporated by reference therein or (b) the information referred to under the caption “Experts” as having been included or incorporated by reference therein on the authority of , as experts.

The Registration Statement has become effective under the Securities Act, and, to our Actual Knowledge (as defined in Annex A attached hereto), no stop order suspending the effectiveness of the Registration Statement has been issued and no proceedings for that purpose are pending or threatened by the Commission. The Indenture has been qualified under the Trust Indenture Act.

EXHIBIT C

Matters to be addressed by opinion letter of Local Counsel to the Company with respect to New Mexico law matters

1. The Company is validly existing as a corporation in good standing under the laws of the state of New Mexico.

2. The Agreement has been duly authorized, executed and delivered by the Company.

3. The Base Indenture and the Supplemental Indenture have been duly authorized, executed and delivered by the Company.

4. The Bonds have been duly authorized, executed and issued by the Company and when authenticated by Trustee in accordance with the terms of the Indenture and delivered against payment therefor in accordance with the terms of the Agreement, to the extent New Mexico law is applicable thereto, will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to (i) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer, fraudulent conveyance, voidable preference, receivership and other laws of general application affecting the enforcement of creditors' rights, (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, regardless of whether considered in a proceeding in equity or at law, (iii) public policy considerations that may limit the rights of parties to obtain specific remedies or enforce specific terms, (iv) governmental authority to limit, delay or prohibit the making of payments outside the United States, and (v) any judicial determination holding that provisions that waive or vary any statutory, constitutional, common law or equitable rights, or which are deemed to be unreasonable or unconscionable, are unenforceable.

5. The Company has title to the Significant Fee Properties (except such thereof as may have been sold, exchanged or otherwise disposed of), subject only to the lien of the Indenture and Permitted Liens.

6. Assuming that the provisions of the Indenture are sufficient to create a valid security interest in favor of Trustee for the benefit of the holders from time to time of Securities properly issued under the Indenture on all Personal Property described therein as subject to the lien thereof and that such security interest has attached, the filings of financing statements under the Uniform Commercial Code as adopted and in effect in the State of New Mexico (the "New Mexico UCC") made in connection with the Indenture will perfect such security interest to the extent perfection can be accomplished by filings under the New Mexico UCC, subject to no security interests prior to the security interest created by the Indenture other than (i) Permitted Liens and (ii) in the case of any Personal Property that has become a fixture, any lien existing on the land to which such Personal Property was affixed at the time of such affixation and also subject to the provisions of Article Twelve of the Indenture and to certain possible claims of a trustee in bankruptcy and possible claims and taxes of the federal government and state and local taxing authorities and the provisions of (a) NMSA 1978, §3-48-7, which grants priority for costs incurred in a municipality's removal of refuse, waste, or other unwholesome materials, and (b) NMSA 1978, §69-25B-8, which grants priority back to the date of expenditures for any remediation costs incurred by the Director of the Mining and Minerals Division of the Energy, Minerals and Natural Resources Department to restore, reclaim, abate, control or prevent adverse effects of past mining practices on privately owned land.

7. The Indenture and the recording of notice thereof in each county in the State of New Mexico identified in the Property Certificate constitute a mortgage lien on all Significant Fee Properties (except such thereof as may have been sold, exchanged or otherwise disposed of) in such county and described in the Indenture as subject to the lien thereof (except such properties as may have been sold, exchanged or otherwise disposed of or released from the lien thereof in accordance with the terms thereof), subject to no liens prior to the lien of the Indenture other than Permitted Liens and also subject to the provisions of Article Twelve of the Indenture and to certain possible claims of a trustee in bankruptcy and possible claims and taxes of the federal government, state and local taxing authorities and the provisions of (i) NMSA 1978, §3-48-7, which grants priority for costs incurred in a municipality's removal of refuse, waste, or other unwholesome materials, and (ii) NMSA 1978, §69-25B-8, which grants priority back to the date of expenditures for any remediation costs incurred by the Director of the Mining and Minerals Division of the Energy, Minerals and Natural Resources Department to restore, reclaim, abate, control or prevent adverse effects of past mining practices on privately owned land.

8. The Indenture, to the extent New Mexico law is applicable thereto, constitutes a legal, valid and binding mortgage of the Company, enforceable against the Company in accordance with its terms, subject to (i) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer, fraudulent conveyance, voidable preference, receivership and other laws of general application affecting the enforcement of creditors' rights, laws affecting the rights of mortgagees and other secured parties generally and state laws affecting the enforcement of certain remedial provisions, provided that such state laws affecting the enforcement of certain remedial provisions, will not, in our opinion, render the remedies afforded by the Indenture, to the extent New Mexico law is applicable thereto, inadequate for the practical realization of the benefits of the security afforded thereby, (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, whether considered in a proceeding in equity or at law, (iii) public policy considerations that may limit the rights of parties to obtain specific remedies or enforce specific terms, and (iv) governmental authority to limit, delay or prohibit the making of payments outside the United States, and (v) any judicial determination holding that provisions that waive or vary any statutory, constitutional, common law or equitable rights, or which are deemed to be unreasonable or unconscionable, are unenforceable.

9. The Bonds, when authenticated by Trustee in accordance with the terms of the Indenture and delivered against payment therefor in accordance with the terms of the Agreement, to the extent New Mexico law is applicable thereto, will be entitled to the benefits and security of the Indenture and will be secured equally and ratably with all other Securities outstanding under the Indenture.

10. Neither the execution and the delivery of the Indenture or the Agreement, the consummation of the transactions effected thereby and the fulfillment of the terms thereof, the issuance and delivery of the Bonds nor the compliance by the Company with all the terms and provisions of the Indenture and the Agreement will result in a violation of (i) the Amended and Restated Articles of Incorporation or By-Laws, or (ii) any statute, rule or regulation of the State of New Mexico applicable to the Company, except, in the case of clause (ii), any such violation which, if it did exist, would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the condition (financial or otherwise) of the Company, whether or not arising from transactions in the ordinary course of business.

11. Assuming the issuance and sale of the Bonds have been approved by an order of the New Mexico Public Regulation Commission and such order is final and in full force and effect, no further approval, authorization, consent, certificate or order of, or filing or registration with, any governmental body of the State of New Mexico is required under the laws of the State of New Mexico in connection with the issuance and sale of the Bonds by the Company as provided in the Agreement, the Pricing Disclosure Package and the Prospectus (as such terms are defined in the Underwriting Agreement), except as may be required under state securities or blue sky laws.

EXHIBIT D

Matters to be addressed by opinion letter of Local Counsel to the Company with respect to Texas law matters

1. The Company is duly qualified to do business as a foreign corporation and is in good standing under the laws of the State of Texas.
2. The Bonds, when authenticated by the Trustee in accordance with the terms of the Indenture and delivered against payment therefor in accordance with the terms of the Agreement, to the extent Texas law is applicable thereto, constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms, subject to (i) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer, fraudulent conveyance, voidable preference, receivership and other laws of general application affecting the enforcement of creditors' rights, (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, whether considered in a proceeding in equity or at law, (iii) public policy considerations that may limit the rights of parties to obtain specific remedies or enforce specific terms, and (iv) governmental authority to limit, delay or prohibit the making of payments outside the United States.
3. The Company has good title to the Texas Significant Fee Properties (except such thereof as has been sold, exchanged or otherwise disposed of), subject only to the lien of the Indenture and Permitted Liens (as defined in the Indenture).
4. The Indenture and the recording thereof with the Texas Secretary of State in the Utility Security Instrument Records maintained by it and the filing of the Notices made in connection therewith with each county identified in the Company's Certificates constitute a mortgage lien on all real property owned of record by the Company in such county and described in the Indenture as subject to the lien thereof (except such properties as may have been sold, exchanged or otherwise disposed of or released from the lien thereof in accordance with the terms thereof), subject to no liens prior to the lien of the Indenture other than Permitted Liens and also subject to the provisions of Article Twelve of the Indenture and to certain possible claims of a trustee in bankruptcy and possible claims and taxes of the federal and state and local taxing authorities.
5. To the extent Texas law is applicable thereto, the Indenture constitutes a legal, valid and binding mortgage of the Company, enforceable against the Company in accordance with its terms, subject to (i) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer, fraudulent conveyance, voidable preference, receivership and other laws of general application affecting the enforcement of creditors' rights, laws affecting the rights of mortgagees and other secured parties generally and state laws affecting the enforcement of certain remedial provisions, provided that such state laws affecting the enforcement of certain remedial provisions, will not, in our opinion, render the remedies afforded by the Indenture, to the extent Texas law is applicable thereto, inadequate for the practical realization of the benefits of the security afforded thereby, (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, whether considered in a proceeding in equity or at law, (iii) public policy considerations that may limit the rights of parties to obtain specific remedies or enforce specific terms, and (iv) governmental authority to limit, delay or prohibit the making of payments outside the United States.

6. The Bonds, when authenticated by the Trustee in accordance with the terms of the Indenture and delivered against payment therefor in accordance with the terms of the Agreement, to the extent Texas law is applicable thereto, will be entitled to the benefits and security of the Indenture and will be secured equally and ratably with all other Securities outstanding under the Indenture.

7. Neither the execution and the delivery of the Indenture or the Agreement, the consummation of the transactions effected thereby and the fulfillment of the terms thereof, the issuance and delivery of the Bonds nor the compliance by the Company with all the terms and provisions of the Indenture and the Agreement will result in a violation of any statute, rule or regulation of the State of Texas applicable to the Company, except any such violation which, if it did exist, would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the condition (financial or otherwise) of the Company, whether or not arising from transactions in the ordinary course of business.

8. No approval, authorization, consent, certificate or order of, or filing or registration with, any governmental body of the State of Texas is required under the laws of the State of Texas in connection with the issuance and sale of the Bonds by the Company as provided in the Agreement, the Pricing Disclosure Package and the Prospectus.

Exhibit 4(b)(3)

**SUPPLEMENTAL AND RESTATED
TRUST INDENTURE**

FROM

NORTHERN STATES POWER COMPANY

TO

HARRIS TRUST AND SAVINGS BANK TRUSTEE

DATED MAY 1, 1988

**(Restating, amending and supplementing the Trust Indenture dated February 1, 1937,
as previously supplemented through September 1, 1985)**

**CROSS-REFERENCE SHEET SHOWING THE LOCATION IN THE SUPPLEMENTAL AND RESTATED
TRUST INDENTURE OF THE PROVISIONS INSERTED PURSUANT TO SECTIONS 310 THROUGH
318(a) INCLUSIVE OF THE
TRUST INDENTURE ACT OF 1939**

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THIS SUPPLEMENTAL AND RESTATED TRUST INDENTURE (the “Restated Indenture”), made as of the first day of May, 1988 by and between **NORTHERN STATES POWER COMPANY**, a corporation duly organized and existing under and by virtue of the laws of the State of Minnesota, having its principal office in the City of Minneapolis, Minnesota (the “Company”), party of the first part, and **HARRIS TRUST AND SAVINGS BANK**, a corporation duly organized and existing under and by virtue of the laws of the State of Illinois, having its principal office in the City of Chicago, Illinois, as Trustee (the “Trustee”), party of the second part;

WITNESSETH:

WHEREAS, the Company has heretofore executed and delivered to the Trustee its Trust Indenture (the “1937 Indenture”), made as of February 1, 1937, whereby the Company granted, bargained, sold, warranted, released, conveyed, assigned, transferred, mortgaged, pledged, set over, and confirmed to the Trustee, and to its respective successors in trust, all property, real, personal, and mixed then owned or thereafter acquired or to be acquired by the Company (except as therein excepted from the lien thereof) and, subject to the rights reserved by the Company under the provisions of the 1937 Indenture, to be held by the Trustee in trust in accordance with provisions of the 1937 Indenture for the equal pro rata benefit and security of each and every bond issued and to be issued thereunder in accordance with the provisions thereof; and

WHEREAS, the Company has executed and delivered to the Trustee a Supplemental Trust Indenture, dated as of June 1, 1942, whereby the Company conveyed, assigned, transferred, mortgaged, pledged, set over, and confirmed to the Trustee, and its respective successors in said trust, additional property acquired by it subsequent to the date of the 1937 Indenture; and

WHEREAS, the Company has executed and delivered to the Trustee the following additional Supplemental Trust Indentures which, in addition to conveying, assigning, transferring, mortgaging, pledging, setting over, and confirming to the Trustee, and its respective successors in said trust, additional property acquired by it subsequent to the preparation of the next preceding Supplemental Trust Indenture and adding to the covenants, conditions, and agreements contained in the 1937 Indenture certain additional covenants, conditions, and agreements to be observed by the Company, created the following series of Bonds:

Date of Supplemental Trust Indenture

February 1, 1944
October 1, 1945
July 1, 1948
August 1, 1949
June 1, 1952
October 1, 1954
September 1, 1956

Designation of Series

Series due February 1, 1974 (retired)
Series due October 1, 1975 (retired)
Series due July 1, 1978 (retired)
Series due August 1, 1979 (retired)
Series due June 1, 1982 (retired)
Series due October 1, 1984 (retired)
Series due 1986 (retired)

August 1, 1957	Series due August 1, 1987 (redeemed)
July 1, 1958	Series due July 1, 1988
December 1, 1960	Series due December 1, 1990
August 1, 1961	Series due August 1, 1991
June 1, 1962	Series due June 1, 1992
September 1, 1963	Series due September 1, 1993
August 1, 1966	Series due August 1, 1996
June 1, 1967	Series due June 1, 1995
October 1, 1967	Series due October 1, 1997
May 1, 1968	Series due May 1, 1998
October 1, 1969	Series due October 1, 1999
February 1, 1971	Series due March 1, 2001
May 1, 1971	Series due June 1, 2001
February 1, 1972	Series due March 1, 2002
January 1, 1973	Series due February 1, 2003
January 1, 1974	Series due January 1, 2004
September 1, 1974	Pollution Control Series A
April 1, 1975	Pollution Control Series B
May 1, 1975	Series due May 1, 2005
March 1, 1976	Pollution Control Series C
June 1, 1981	Pollution Control Series D, E and F (redeemed)
December 1, 1981	Series due December 1, 2011 (redeemed)
May 1, 1983	Series due May 1, 2013
December 1, 1983	Pollution Control Series G
September 1, 1984	Pollution Control Series H
December 1, 1984	Resource Recovery Series I
May 1, 1985	Series due June 1, 2015
September 1, 1985	Pollution Control Series J, K and L; and

The 1937 Indenture and the foregoing Supplemental Trust Indentures are collectively referred to herein as the “Original Indenture.” The Original Indenture, this Restated Indenture, any Subsequent Supplemental Trust Indentures and any Supplemental Trust Indentures executed after the Effective Date are collectively referred to herein as the “Indenture”; and

WHEREAS, the Company has deemed it necessary and desirable to amend, restate and supplement the Original Indenture as provided in Article I of this Restated Indenture; and

WHEREAS, this Restated Indenture shall become and be effective as provided in Article I hereof; and

WHEREAS, each Holder of a Bond of any series not now Outstanding, which series shall be originally authenticated by the Trustee and originally issued by the Company under the Indenture on or subsequent to the date of the Restated Indenture, by the acquisition, holding or ownership of such Bond, thereby consents and agrees to, and shall be bound by, the provisions of this Restated Indenture on and after the Effective Date; and

WHEREAS, the execution and delivery of this Restated Indenture have been duly authorized by the Company; and

WHEREAS, this Restated Indenture is supplemental to the Original Indenture and shall not in any way extinguish or otherwise adversely affect the Lien of the Original Indenture on the mortgaged and pledged property of the Company; and

WHEREAS, capitalized terms previously used in these recitals or hereafter used in the granting clauses (and not otherwise defined herein or therein) shall have the meanings assigned to them by Section 1.03; and

WHEREAS, all things necessary to make this Restated Indenture a valid, binding and legal instrument for the security of the Bonds have been done and performed;

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE WITNESSETH: The Company, in consideration of the premises and of one dollar duly paid to it by the Trustee at or before the ensealing and delivery of these presents, the receipt of which is hereby acknowledged, and in order to secure the payment, of both the principal and interest, of all Bonds at any time Outstanding according to their tenor and effect and the performance of and compliance with the covenants and conditions contained in the Indenture, has granted, bargained, sold, warranted, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed, and by these presents does grant, bargain, sell, warrant, release, convey, assign, transfer, mortgage, pledge, set over and confirm unto the Trustee, and to its successors in said trust forever, all property, real, personal and mixed now owned or hereafter acquired or to be acquired by the Company, and wherever situated (except as hereinafter excepted from the Lien Hereof) subject to the rights reserved by the Company and by other provisions of the Indenture, including in the property subject and to be subject to the Lien of the Indenture (without in any manner limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained in the Indenture) all lands, rights-of-way, other land rights, flowage and other water rights, reservoirs, dams, waterways, docks, roads, and other land improvements; fossil, nuclear, hydro and other electric generating plants, including buildings and other structures, turbines, generators, exciters, boilers, reactors, nuclear fuel, other boiler plant equipment, condensing equipment and all other generating equipment; substations; electric transmission and distribution systems, including structures, poles, towers, fixtures, conduits, insulators, wires, cables, transformers, services and meters; steam heating mains and equipment; gas transmission and distribution systems, including structures, storage facilities, mains, compressor stations, purifier stations, pressure holders, governors, services and meters; telephone plant and related distribution systems; trucks and trailers; office, shop and other buildings and structures, furniture and equipment; apparatus and equipment of all other kinds and descriptions; materials and supplies; all municipal and other franchises, leaseholds, licenses, permits, privileges, patents and patent rights; all shares of stock, bonds, evidences of indebtedness, contracts, claims, accounts receivable, choses in action and other intangibles, all books of account and other corporate records; parts or parcels of such real property and items of other property being more specifically described and mentioned or enumerated in Schedule A annexed hereto, and in schedules marked Schedule A and annexed to the Original Indenture and to all Subsequent Supplemental Trust Indentures, except all Permanent Additions owned by the Company on or after February 1, 1937, which have been removed, sold, abandoned, destroyed or which for any cause have been permanently withdrawn from service or property described in such schedules which has been released by the Trustee from the Lien Hereof (reference to such schedules for a more specific description and enumeration of the property therein described and enumerated being hereby made with the same force and effect as if the same were incorporated herein at length);

Together with all and singular the tenements, hereditaments and appurtenances belonging or in any way appertaining to the aforesaid property or any part thereof with the reversion and reversions, remainder and remainders, tolls, rents and revenues, issues, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

Notwithstanding anything contained herein to the contrary, all merchandise and appliances heretofore or hereafter acquired for the purpose of sale to customers and others is hereby excepted from the Lien of the Indenture.

It is hereby agreed by the Company that, except as aforesaid, all the property, rights and franchises acquired by the Company after the Effective Date shall be as fully embraced within the Lien Hereof as if such property were now owned by the Company and were specifically described herein and conveyed hereby, subject to the Company's rights until the occurrence and continuation of a Completed Default to: retain in its possession all shares of stock, notes, evidences of indebtedness, other securities and cash not expressly required by the provisions hereof to be deposited with the Trustee; retain in its possession all contracts, bills, accounts receivable, motor cars, any stock of goods, wares and merchandise, equipment or supplies acquired for the purpose of consumption in the operation, construction or repair of any of the properties of the Company; and sell, exchange, pledge, hypothecate or otherwise dispose of any or all of such property so retained in its possession free from the Lien Hereof, without permission or hindrance on the part of the Trustee, or any of the Bondholders. No person in any dealings with the Company in respect of any such property shall be charged with any notice or knowledge of any Completed Default while the Company is in possession of such property. Nothing contained herein shall be deemed or construed to require the deposit with, or delivery to, the Trustee of any of such property, except such as is specifically required to be deposited with the Trustee by some express provisions hereof.

The foregoing provisions, as they purport to subject to the Lien Hereof property hereafter acquired by any Successor Corporation, are subject to the provisions of Article XV relating to the effect of a consolidation or merger into another corporation or sale or lease of substantially all of the property of the Company.

TO HAVE AND TO HOLD all said properties, real, personal and mixed, mortgaged, pledged or conveyed by the Company as aforesaid, or intended to be, unto the Trustee and its successors and assigns forever; subject, however, to Permitted Encumbrances.

IN TRUST NEVERTHELESS, for the equal pro rata benefit and security of each and every Bond issued and to be issued in accordance with the provisions of the Indenture, without preference, priority or distinction as to lien over any other by reason of priority in time of the issue, negotiation or maturity thereof; subject however, to the provisions of the Indenture and of any Supplemental Trust Indenture relating to any sinking fund or similar fund for the benefit of the Bonds of any particular series or of any portion of the Bonds of any series; it being intended that the lien and security for all Bonds shall take effect from the execution and delivery of the Indenture, and that the security and Lien of the Indenture shall take effect from the date of execution and delivery thereof as though all of the Bonds of all series were actually authenticated and delivered upon such date.

PROVIDED, HOWEVER, and these presents are upon the condition that if the Company, its successors, or assigns, shall pay or cause to be paid unto the Holders of Bonds the principal and interest to become due in respect thereof, at the times and in the manner stipulated therein and herein, and shall keep, perform and observe each and every covenant and promise expressed in the Bonds and expressed in the Indenture to be maintained, performed and observed by or on the part of the Company, then the Indenture and the estate and rights hereby granted, shall cease and be void, otherwise to be and remain in full force and effect.

IT IS HEREBY COVENANTED, DECLARED AND AGREED by the Company that, after the Effective Date, all Bonds previously or hereafter issued are to be issued, authenticated and delivered in accordance with, and that, after the Effective Date, all property subject or to become subject hereto is to be held subject to, the covenants, conditions, uses and trusts set forth herein. The Company, for itself and its successors and assigns, does hereby declare, covenant and agree to and with the Trustee and its successor or successors in said trust, for the benefit of those who shall hold Bonds after the Effective Date as follows:

ARTICLE I.

Effective Date; Amendment and Restatement of
Original Indenture; Definitions.

SECTION 1.01. The term “Effective Date” as used herein shall mean the date selected by the Company that is no earlier than the date on which a Supplemental Trust Indenture is first recorded and filed in such manner and to such extent as may be required by law and which states that: (a) the Original Indenture Bonds shall have been retired through payment or redemption (including those Original Indenture Bonds “deemed to be paid” within the meaning of that term as used in Article XVII of the Original Indenture) at, before or after the maturity thereof, or (b) the Holders or Registered Holders of the Original Indenture Bonds not so retired through payment or redemption (or deemed to be paid within the meaning of Article XVII of the Original Indenture) in accordance with the requirements of Article XVIII of the Original Indenture, as amended pursuant to Article VI of the Supplemental Trust Indenture dated May 1, 1985, shall have approved and agreed to be bound by Section 1.02, Section 1.03, Article II and Articles IV through XX of this Restated Indenture.

SECTION 1.02. (a) Upon the Effective Date, Articles I through XX of the 1937 Indenture shall be deleted and replaced by Section 1.03, Article II and Articles IV through XX of this Restated Indenture.

(b) Upon the Effective Date, the General Form of Coupon Bond, the General Form of Coupon, the General Form of Registered Bond without Coupons, the Form of Trustee’s Certificate, the Form of Coupon Bonds of 3-1/2% Series due 1967, and the Form of Registered Bonds without Coupons of the 3 1/2% Series due 1967 in the 1937 Indenture are deleted.

(c) Upon the Effective Date, the Articles of the Supplemental Trust Indentures listed below shall be deleted:

<u>Date of Supplemental Trust Indenture</u>	<u>Articles Deleted</u>
February 1, 1944	Art. II Art. III Art. IV Art. V Art. VI
October 1, 1945	Art. II Art. III Art. IV Art. V Art. VI
July 1, 1948	Art. II Art. III Art. IV Art. V

August 1, 1949	Art. II Art. III Art. IV
June 1, 1952	Art. II Art. III Art. IV Art. V
October 1, 1954	Art. II Art. III Art. IV Art. V
September 1, 1956	Art. II Art. III Art. IV
August 1, 1957	Art. II Art. III Art. IV

(d) On the Effective Date, the following clause in the recitals of the Supplemental Trust Indenture dated February 1, 1944, October 1, 1945, July 1, 1948, August 1, 1949, June 1, 1952, October 1, 1954, September 1, 1956, August 1, 1957, July 1, 1958, December 1, 1960, August 1, 1961, June 1, 1962, September 1, 1963, August 1, 1966, June 1, 1967, October 1, 1967, May 1, 1968, October 1, 1969, February 1, 1971, May 1, 1971, February 1, 1972, January 1, 1973, January 1, 1974, September 1, 1974, April 1, 1975, May 1, 1975, March 1, 1976, June 1, 1981, December 1, 1981, May 1, 1983, December 1, 1983, September 1, 1984, December 1, 1984, May 1, 1985 and September 1, 1985 is deleted:

“**WHEREAS**, Section 1 of Article II of the Original Indenture provides that bonds may be issued thereunder in one or more series, each series to have such distinctive designation as the Board of Directors of the Company may select for such series; and”
and is replaced by the following clause:

“**WHEREAS**, the Indenture provides that bonds may be issued thereunder in one or more series, each series to have such distinctive designation as the Board of Directors of the Company may select for such series; and”.

(e) On the Effective Date, the following clause in the recitals of the Supplemental Trust Indentures dated July 1, 1958, December 1, 1960, August 1, 1961, June 1, 1962, September 1, 1963, August 1, 1966, June 1, 1967, October 1, 1967, May 1, 1968, October 1, 1969, February 1, 1971, May 1, 1971, February 1, 1972, January 1, 1973, January 1, 1974, September 1, 1974, April 1, 1975, May 1, 1975, March 1, 1976, June 1, 1981, December 1, 1981, May 1, 1983, December 1, 1983, September 1, 1984, December 1, 1984, May 1, 1985 and September 1, 1985 is deleted:

“**WHEREAS**, the Company has heretofore furnished the Trustee an opinion of counsel, satisfactory to said Trustee and in accordance with the provisions of Section 1 of Article II of the Original Indenture, that bonds thereafter issuable under the Original Indenture may be properly designated “First Mortgage Bonds”; and”.

(f) On the Effective Date, the following clause in the recitals of the Supplemental Trust Indentures dated February 1, 1944, October 1, 1945, July 1, 1948 and August 1, 1949 is deleted:

“WHEREAS, the Company has heretofore furnished the Trustee an opinion of counsel satisfactory to said Trustee and in accord with the provisions of Section 1 of Article II of the Original Indenture, that bonds thereafter issuable under the Original Indenture may be properly designated “First Mortgage Bonds”; and”.

(g) On the Effective Date, the following clause in the recitals of the Supplemental Trust Indentures dated June 1, 1952, October 1, 1954, September 1, 1956 and August 1, 1957 is deleted:

“WHEREAS, the Company has heretofore furnished the Trustee an opinion of counsel satisfactory to said Trustee and in accordance with the provisions of Section 1 of Article II of the Original Indenture, that bonds thereafter issuable under the Original Indenture may be properly designated “First Mortgage Bonds”; and”.

(h) On the Effective Date, the following clause in the recitals of the Supplemental Trust Indenture dated February 1, 1944 is deleted:

“WHEREAS, Section 1 of Article II and Section 1 of Article IV and Section 3 of Article XX of the Original Indenture provide in substance that the Company and the Trustee may enter into indentures supplemental thereto for the purposes, among others, of creating and setting forth the particulars of any new series of bonds and of providing the terms and conditions of the issue of the bonds of any series not expressly provided for in the Original Indenture and of assigning, conveying, mortgaging, pledging and transferring unto the Trustee additional property of the Company, and for any other purpose not inconsistent with the terms of the Original Indenture; and”

and is replaced by the following clause:

“WHEREAS, the Indenture provides in substance that the Company and the Trustee may enter into indentures supplemental thereto for the purposes, among others, of creating and setting forth the particulars of any new series of bonds and of providing the terms and conditions of the issue of the bonds of any series not expressly provided for in the Original Indenture and of conveying, assigning, transferring, mortgaging, pledging, setting over, and confirming to the Trustee additional property of the Company, and for any other purpose not inconsistent with the terms of the Indenture; and”.

(i) On the Effective Date, the following clause in the recitals of the Supplemental Trust Indentures dated October 1, 1945, July 1, 1948 and August 1, 1949 is deleted:

“WHEREAS, Section 1 of Article II and Section 1 of Article IV and Section 3 of Article XX (as amended by Section 11 of Article VI of the Supplemental Trust Indenture dated February 1, 1944) of the Original Indenture provide in substance that the Company and the Trustee may enter into indentures supplemental thereto for the purposes, among others, of creating and setting forth the particulars of any new series of bonds and of providing the terms and conditions of the issue of the bonds of any series not expressly provided for in the Original Indenture and of assigning, conveying, mortgaging, pledging and transferring unto the Trustee additional property of the Company, and for any other purpose not inconsistent with the terms of the Original Indenture; and”

and is replaced by the following clause:

“WHEREAS, the Indenture provides in substance that the Company and the Trustee may enter into indentures supplemental thereto for the purposes, among others, of creating and setting forth the particulars of any new series of bonds and of providing the terms and conditions of the issue of the bonds of any series not expressly provided for in the Original Indenture and of conveying, assigning, transferring, mortgaging, pledging, setting over, and confirming to the Trustee additional property of the Company, and for any other purpose not inconsistent with the terms of the Indenture; and.”

(j) On the Effective Date, the following clause in the recitals of the Supplemental Trust Indentures dated June 1, 1952, October 1, 1954, September 1, 1956 and August 1, 1957 is deleted:

“WHEREAS, Section 1 of Article II and Section 1 of Article IV and Section 3 of Article XX (as amended by Section 11 of Article VI of the Supplemental Trust Indenture dated February 1, 1944) of the Original Indenture provide in substance that the Company and the Trustee may enter into indentures supplemental thereto for the purposes, among others, of creating and setting forth the particulars of any new series of bonds and of providing the terms and conditions of the issues of the bonds of any series not expressly provided for in the Original Indenture and of conveying, assigning, mortgaging, pledging, transferring and setting over unto the Trustee additional property of the Company, and for and any other purpose not inconsistent with the terms of the Original Indenture; and”

and is replaced by the following clause:

“WHEREAS, the Indenture provides in substance that the Company and the Trustee may enter into indentures supplemental thereto for the purposes, among others, of creating and setting forth the particulars of any new series of bonds and of providing the terms and conditions of the issue of the bonds of any series not expressly provided for in the Original Indenture and of conveying, assigning, transferring, mortgaging, pledging, setting over, and confirming to the Trustee additional property of the Company, and for any other purpose not inconsistent with the terms of the Indenture; and”.

(k) On the Effective Date, the following clause in the recitals in the Supplemental Trust Indentures dated July 1, 1958, December 1, 1960, August 1, 1961 and June 1, 1962 is deleted:

“WHEREAS, Section 1 of Article II and Section 1 of Article IV and Section 3 of Article XX (as amended by Section 11 of Article VI of the Supplemental Trust Indenture dated February 1, 1944) of the Original Indenture provide in substance that the Company and the Trustee may enter into indentures supplemental thereto for the purposes, among others, of creating and setting forth the particulars of any new series of bonds and of providing the terms and conditions of the issue of the bonds of any series not expressly provided for in the Original Indenture and of conveying, assigning, transferring, mortgaging, pledging, setting over and confirming to the Trustee additional property of the Company, and for any other purpose not inconsistent with the terms of the Original Indenture; and”

and is replaced by the following clause:

“WHEREAS, the Indenture provides in substance that the Company and the Trustee may enter into indentures supplemental thereto for the purposes, among others, of creating and setting forth the particulars of any new series of bonds and of providing the terms and conditions of the issue of the bonds of any series not expressly provided for in the Original Indenture and of conveying, assigning, transferring, mortgaging, pledging setting over, and confirming to the Trustee additional property of the Company, and for any other purpose not inconsistent with the terms of the Indenture; and”.

(1) On the Effective Date, the following clause in the recitals of the Supplemental Trust Indentures dated September 1, 1963, August 1, 1966, June 1, 1967, October 1, 1967, May 1, 1968, October 1, 1969, February 1, 1971, May 1, 1971, February 1, 1972, January 1, 1973, January 1, 1974, September 1, 1974, April 1, 1975, May 1, 1975, March 1, 1976, June 1, 1981, December 1, 1981, May 1, 1983, December 1, 1983, September 1, 1984, December 1, 1984, May 1, 1985 and September 1, 1985 is deleted:

“WHEREAS, Section 1 of Article II and Section 1 of Article IV and Section 3 of Article XX (as amended by Section 11 of Article VI of the Supplemental Trust Indenture dated February 1, 1944) of the Original Indenture provide in substance that the Company and the Trustee may enter into indentures supplemental thereto for the purposes, among others, of creating and setting forth the particulars of any new series of bonds and of providing the terms and conditions of the issue of the bonds of any series not expressly provided for in the Original Indenture and of conveying, assigning, transferring, mortgaging, pledging, setting over, and confirming to the Trustee additional property of the Company, and for any other purpose not inconsistent with the terms of the Original Indenture; and”

and is replaced by the following clause:

“WHEREAS, the Indenture provides in substance that the Company and the Trustee may enter into indentures supplemental thereto for the purposes, among others, of creating and setting forth the particulars of any new series of bonds and of providing the terms and conditions of the issue of the bonds of any series not expressly provided for in the Original Indenture and of conveying, assigning, transferring, mortgaging, pledging, setting over, and confirming to the Trustee additional property of the Company, and for any other purpose not inconsistent with the terms of the Indenture; and”.

(m) On the Effective Date, the following clause in the recitals of the Supplemental Trust Indenture dated February 1, 1944 is deleted:

“WHEREAS, Section 2 of Article XX of the Original Indenture provides, in substance, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Original Indenture, may be in whole or in part waived or surrendered or subjected to any restriction if at any time unrestricted, or to additional restriction if already restricted, by an instrument in writing executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to record in all states in which any real property at the time subject to the lien of the Original Indenture shall be situated; and that upon the execution, acknowledgment, and delivery to the Trustee of such instrument any modification of the provisions of the Original Indenture authorized by said Section 2 of Article XX shall be binding upon the parties to the Original Indenture, and successors and assigns and the holders of the bonds and coupons secured by the Original Indenture; and”

and is replaced by the following clause:

“WHEREAS, Section 20.02 of the Indenture provides, in substance, that any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Indenture, may be in whole or in part waived or surrendered or subjected to any additional restriction, by a resolution of the Board of Directors of the Company and an instrument in writing, executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to be recorded in all states in which any real property at the time subject to the lien of the Indenture shall be situated; and that upon the execution, acknowledgment and delivery to the Trustee of such resolution of the Board of Directors of the Company and instrument, any modification of the provisions of the Indenture authorized by said Section 20.02 of the Indenture shall be binding upon the parties to the Indenture, and successors and assigns and the holders of the bonds and coupons secured by the Indenture; and”.

(n) On the Effective Date, the phrase “a completed default as defined in Section 1 of Article XIII of the Original Indenture,” referred to in Section 1.01 of the Supplemental Trust Indenture dated August 1, 1966, June 1, 1967, October 1, 1967, May 1, 1968, October 1, 1969, February 1, 1971, May 1, 1971, February 1, 1972, January 1, 1973, January 1, 1974, September 1, 1974, April 1, 1975, May 1, 1975, March 1, 1976, June 1, 1981, December 1, 1981, May 1, 1983, December 1, 1983, September 1, 1984, December 1, 1984, May 1, 1985 and September 1, 1985, is deleted and the following phrase is inserted in lieu thereof:

“a Completed Default as defined in the Indenture.”.

(o) On the Effective Date, the phrase “permitted liens as defined in Section 5 of Article 1 of the Original Indenture” referenced in Section 1 of Article I of the Supplemental Trust Indenture dated February 1, 1944, and in Section 1.01 of the Supplemental Trust Indentures dated October 1, 1945, July 1, 1948, August 1, 1949, June 1, 1952, October 1, 1954, September 1, 1956, August 1, 1957, July 1, 1958, December 1, 1960, August 1, 1961, June 1, 1962, September 1, 1963, August 1, 1966, June 1, 1967, October 1, 1967, May 1, 1968, October 1, 1969, February 1, 1971, May 1, 1971, February 1, 1972, January 1, 1973, January 1, 1974, September 1, 1974, April 1, 1975, May 1, 1975, March 1, 1976, June 1, 1981, December 1, 1981, May 1, 1983, December 1, 1983, September 1, 1984, December 1, 1984, May 1, 1985 and September 1, 1985 is deleted and the following phrase is inserted in lieu thereof:

“Permitted Encumbrances as defined in the Indenture”.

(p) On the Effective Date, the phrase “shall be dated as in Section 9 of Article II of the Original Indenture provided.” referenced in Section 2.01 of the Supplemental Trust Indentures dated July 1, 1958, December 1, 1960, August 1, 1961, June 1, 1962, September 1, 1963, August 1, 1966 and June 1, 1967 is deleted and the following phrase is inserted in lieu thereof:

“shall be dated as of the interest payment date of the Bonds of the series of which it is one, next preceding the date of issue thereof, unless issued on an interest payment date, in which event it shall be dated as of such date and shall bear interest from its date or if issued prior to an interest payment date in which event it shall be dated as of the date of coupon bonds of such series.”

(q) On the Effective Date, the phrase “Section 2 of Article X of the Original Indenture” referenced in Section 2.02 of the Supplemental Trust Indentures dated July 1, 1958, December 1,

1960, August 1, 1961, June 1, 1962, September 1, 1963, August 1, 1966, June 1, 1967, October 1, 1967, May 1, 1968, October 1, 1969, February 1, 1971, May 1, 1971, February 1, 1972, January 1, 1973, January 1, 1974, May 1, 1975, December 1, 1981, May 1, 1983 and May 1, 1985 is deleted wherever it appears and the following phrase is inserted in each instance in lieu thereof:

“Section 10.02 of the Indenture”.

(r) On the Effective Date, the phrase “Section 2 of Article X of the Original Trust Indenture” referenced in Sections 3.01, 3.02, 3.03 and 3.04 of the Supplemental Trust Indenture dated September 1, 1974 is deleted wherever it appears and the following phrase is inserted in each instance in lieu thereof:

“Section 10.02 of the Indenture”.

(s) On the Effective Date, the phrase “bearing interest as provided in Section 9 of Article II of the Original Indenture,” referenced in Section 2.03 of the Supplemental Trust Indentures dated October 1, 1967, May 1, 1968, October 1, 1969, February 1, 1971, May 1, 1971, February 1, 1972, January 1, 1973, January 1, 1974, September 1, 1974, April 1, 1975, May 1, 1975, December 1, 1981, May 1, 1983 and May 1, 1985 is deleted and the following phrase is inserted in lieu thereof:

“bearing interest from its date,”.

(t) On the Effective Date, the phrase “bearing interest as provided in Section 9 of Article II of the Original Indenture,” referenced in Section 2.04 of the Supplemental Trust Indentures dated March 1, 1976, June 1, 1981, December 1, 1983, September 1, 1984 and December 1, 1984 is deleted and the following phrase is inserted in lieu thereof:

“bearing interest from its date,”.

(u) On the Effective Date, the phrase “bearing interest as provided in Section 9 of Article II of the Original Indenture,” referenced in Section 2.06 of the Supplemental Trust Indentures dated August 1, 1966 and June 1, 1967 is deleted and the following phrase is inserted in lieu thereof:

“bearing interest from its date,”.

(v) On the Effective Date, the phrase “bearing interest as provided in Section 9 of Article II of the Original Indenture,” referenced in Section 2.08 of the Supplemental Trust Indenture dated September 1, 1985 is deleted and the following phrase is inserted in lieu thereof:

“bearing interest from its date,”.

(w) On the Effective Date, the phrase “dated and bearing interest as provided in Section 9 of Article II of the Original Indenture, and upon payment, if the Company shall so require, of the charge therefor as provided in Section 11 of Article II of the Original Indenture.” referenced in Section 2.05 of the Supplemental Trust Indentures dated July 1, 1958, December 1, 1960, August 1, 1961, June 1, 1962 and September 1, 1963 is deleted and the following phrase is inserted in lieu thereof:

“dated and bearing interest as provided in Section 2.01 hereof, and upon payment, if the Company shall so require, of a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge required to be paid by the Company by reason of such exchange

and in addition may charge a sum not exceeding five dollars (\$5.00) for each bond issued upon any such exchange, which shall be paid by the party requesting such exchange as a condition precedent to the exercise of the privilege of making such exchange.”

(x) On the Effective Date, the phrase “dated and bearing interest as provided in Section 9 of Article II of the Original Indenture.” referenced in Section 2.05 of the Supplemental Trust Indentures dated August 1, 1966 and June 1, 1967 is deleted and the following phrase is inserted in lieu thereof:

“dated and bearing interest as provided in Section 2.01 hereof.”

(y) On the Effective Date, the phrase “bearing interest as provided in Section 9 of Article II of the Original Indenture, and upon payment, if the Company shall so require, of the charge therefor provided in Section 11 of Article II of the Original Indenture.” referenced in Section 2.06 of the Supplemental Trust Indentures dated July 1, 1958, December 1, 1960, August 1, 1961, June 1, 1962 and September 1, 1963 is deleted and the following phrase is inserted in lieu thereof:

“bearing interest as provided in Section 2.01 hereof, and upon payment, if the Company shall so require, of a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge required to be paid by the Company by reason of such exchange and in addition may charge a sum not exceeding five dollars (\$5.00) for each bond issued upon any such exchange, which shall be paid by the party requesting such exchange as a condition precedent to the exercise of the privilege of making such exchange.”

(z) On the Effective Date, Section 3.01(c) of the Supplemental Trust Indentures dated July 1, 1958, December 1, 1960, August 1, 1961, June 1, 1962, September 1, 1963, August 1, 1966, June 1, 1967, October 1, 1967, May 1, 1968, October 1, 1969, February 1, 1971, May 1, 1971, February 1, 1972, January 1, 1973, January 1, 1974, May 1 1975, December 1, 1981, May 1, 1983 and May 1, 1985 is deleted and the following phrase is inserted in lieu thereof:

“(c) The delivery by the Company to the Trustee of a written application of the Company signed by its President or a Vice President, to apply an Amount of Established Permanent Additions established as provided in Sections 5.05 and 5.06 of the Indenture (which has not previously been applied to any other purpose specified in the Indenture) to the Sinking Fund provided for in this Article III, shall for purposes of said Sinking Fund be deemed equivalent under this Section to the payment of cash equal to the amount required to effect the redemption on the first day of December next following, of a principal amount of Bonds of this Series equal to 66-2/3% of the Amount of Established Permanent Additions so applied.”

(aa) On the Effective Date, the phrase “(subject to the provisions of Section 5 of Article XX, of the Original Indenture)” and the phrase “subject to the provisions of Section 5 of Article XX,” referenced in Section 3.02(c) of the Supplemental Trust Indentures dated July 1, 1958, December 1, 1960, August 1, 1961, June 1, 1962, September 1, 1963, August 1, 1966, June 1, 1967, October 1, 1967, May 1, 1968, October 1, 1969, February 1, 1971, May 1, 1971, February 1, 1972, January 1, 1973, January 1, 1974, May 1, 1975, December 1, 1981, May 1, 1983 and May 1, 1985 are deleted and the following phrase is inserted in lieu thereof:

“subject to the provisions of Section 20.03 of the Indenture”.

(bb) On the Effective Date, Article VI of the Supplemental Trust Indentures dated October 1, 1967 and May 1, 1985 is deleted.

(cc) On the Effective Date, Section 2.12 of the Supplemental Trust Indenture dated September 1, 1985 is deleted.

SECTION 1.03. Definitions.

Certain terms, as used specifically in particular Articles of the Indenture, are defined in those Articles.

For all purposes of the Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(A) The terms defined in this Section have the meanings assigned to them in this Section and include the plural as well as the singular.

(B) If the Indenture is qualified under the Trust Indenture Act, all other terms used herein which are defined in said Act, either directly or by reference therein, have the meanings assigned to them therein.

(C) All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for, shall be made in accordance with generally accepted accounting principles, except that the Company may conform to any order, rule or regulation of any regulatory authority having jurisdiction over the Company.

(D) Unless otherwise indicated, all references in this instrument to designated Articles, Sections, subsections, paragraphs and clauses are to the designated Articles, Sections, subsections, paragraphs and clauses of this instrument as originally executed.

(E) Unless otherwise indicated, all references in this instrument to a particular article and section of the Original Indenture are intended to refer to the specified article and section of the 1937 Indenture, subject to any amendments thereto contained in a Supplemental Trust Indenture.

(F) The words “herein,” “hereof” and “hereunder” and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section, subsection, paragraph or clause unless specifically stated to the contrary.

“Accountant” means a Person engaged in the practice of accounting who (except as otherwise expressly provided in the Indenture) may be employed by or affiliated with the Company.

“Accountant’s Certificate” means a certificate, conforming to the applicable requirements of Sections 20.08 and 20.09, signed and verified by the President or a Vice President of the Company and by an Accountant, who may be such President or Vice President (in which case only one signature shall be required), or who may otherwise be employed by the Company.

“Acquired Facility” means any property which, within six months prior to the date of its acquisition by the Company, has been used or operated by a Person other than the Company in a business similar to that in which such property has been or is to be used or operated by the Company.

“Affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control,” when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“Amount of Established Permanent Additions” means the balance stated in each Engineer’s Certificate delivered pursuant to paragraph (8) of subsection (a) of Section 5.05.

“Application” means an application for the authentication and delivery of Bonds, the release of property or the withdrawal of cash under any provision of the Indenture and shall consist of, and shall not be deemed complete until there shall have been delivered to the Trustee, such cash, Bonds, securities and documents as are required by such provision to establish the right of the Company to the action applied for. The date of a particular Application shall be deemed to be the date of completion of all such deliveries to the Trustee and not the date of any particular document so delivered.

“Authenticating Agent,” when used with respect to any particular series of Bonds, means any Person named as authenticating agent for said series in the provisions of the Indenture relating to said series and any successor authenticating agent.

“Board of Directors” means either the Board of Directors of the Company or any committee of the Company appointed by the Board of Directors of the Company, provided that such committee of the Company has been properly elected or appointed in accordance with law and the by-laws of the Company and has the power requisite to take the action in question.

“Bondholder” means a Registered Holder of a Bond or, when used with respect to a Coupon Bond, means the bearer of such Bond or, when used with respect to any coupon, shall mean the bearer thereof.

“Bond Register” and “Bond Registrar” have the respective meanings stated in Section 2.12.

“Bond” means any bond authenticated and delivered under the Indenture and, if applicable unless the context otherwise requires, any coupons applicable thereto.

“Commission” means the Securities and Exchange Commission, created under the Securities Exchange Act of 1934, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties theretofore assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

“Company” means the party of the first part hereto, Northern States Power Company, a Minnesota corporation, until a Successor Corporation shall have become such pursuant to the Indenture, and thereafter, “Company” shall mean such Successor Corporation.

“Company Consent,” “Company Order” and “Company Request” mean, respectively, a written consent, order or request signed in the name of the Company by the President, a Vice President, the Treasurer, an Assistant Treasurer or the Controller and attested by the Secretary or an Assistant Secretary of the Company, and delivered to the Trustee.

“Completed Default” has the meaning stated in Section 13.01.

“Completed Depreciable Property” means, as of any specified time of computation, an amount, determined in accordance with generally accepted accounting principles, equal to the cost, as shown on the books of the Company, of the portion of the properties subject to the Lien Hereof that are currently depreciable.

“Cost,” as applied to Permanent Additions and used in any certificate herein provided for, shall be computed as of any particular date to be the amounts paid, expended or incurred by the Company for such Permanent Additions and added to the utility plant or fixed capital accounts of the Company according to the pertinent classification of accounts prescribed by any commission or other governmental authority to whose jurisdiction the Company at the time may be subject (or, in the absence of such a system, in accordance with generally accepted accounting principles), and, in the case of an Acquired Facility, shall be deemed to include the cost of any franchises, contracts, operating agreements, other rights or intangible property acquired simultaneously therewith and related thereto, even though no separate or distinct consideration shall have been paid for or apportioned to such franchises, contracts, operating agreements or other rights or property; provided that:

(1) there shall be included in the Cost of Permanent Additions the principal amount of any monetary obligations incurred or assumed by the Company which is directly related to the construction, acquisition or erection thereof or subject to which such Permanent Additions are acquired.

(2) if the Company acquires any Permanent Additions in consideration, in whole or in part, of its own capital stock, the reasonable value of such stock may, at the option of the Company, be included in the Cost of such Permanent Additions. The reasonable value of such stock shall be the value thereof as found or determined by a commission or other governmental authority to whose jurisdiction the Company may be subject or, if no such finding or determination shall have been made, then the reasonable value of such stock shall be ascertained as follows: The Company shall appoint one or more Independent appraisers, approved by the Trustee, to determine the reasonable value of such stock on the date or dates of its delivery, which determination shall be evidenced by a certificate, conforming to the requirements of Sections 20.08 and 20.09, signed by such Person so appointed and filed with the Trustee, stating the reasonable value of such stock in the opinion of such Person. Such certificate shall be conclusive evidence of the reasonable value of such stock for purposes of the Indenture.

(3) if Permanent Additions consist of property owned by a Successor Corporation immediately prior to the time it shall have become such by consolidation, merger or sale, as provided in Section 15.01, the Cost to the Company shall be the ledger value of such property on the books of such Successor Corporation, less applicable reserves for depreciation, retirements and depletion immediately prior to such consolidation, merger or sale.

“Coupon Bond” means any coupon bond of the Series due July 1, 1988, December 1, 1990, August 1, 1991, June 1, 1992, September 1, 1993, June 1, 1995 or August 1, 1996.

“Date Hereof” means May 1, 1988.

“Default” means any event which has occurred and is continuing which, with the lapse of time or giving of notice, or both, would constitute a Completed Default.

“Defaulted Interest” has the meaning stated in Section 2.03.

“Depreciable Property” means, as of any specified time of computation, an amount, determined in accordance with generally accepted accounting principles, equal to the cost, as shown on the books of the Company, of (i) the Completed Depreciable Property and (ii) properties subject to the Lien Hereof that are in the process of being constructed and will be depreciable upon completion.

“Earnings Applicable to Bond Interest” for any applicable period means an amount computed as follows: From Gross Revenues of the Company, plus losses sustained from the disposition, write down or write off of capital assets, subtract (1) all profit realized from the sale of capital assets; (2) deductions (other than taxes measured by income and interest charges) for all operating expenses and other income deductions (including, to the extent not otherwise deducted, all losses sustained from the disposition, write down or write off of capital assets); and (3) any amount by which the actual expenditures or charges of the Company for ordinary repairs and maintenance and charges for reserves, renewals, replacements, retirements, depreciation and depletion are less than 2.50% of Completed Depreciable Property, as of the end of such period.

“Effective Date” means the date defined in Section 1.01.

“Engineer” means a Person who is (1) engaged in the engineering profession, (2) an appraiser or (3) other expert who (except as otherwise expressly provided in the Indenture) may be employed by or affiliated with the Company.

“Engineer’s Certificate” means a certificate, conforming to the applicable requirements of Sections 20.08 and 20.09, signed and verified by the President or a Vice President of the Company and by an Engineer who may be such President or Vice President (in which case only one signature shall be required), or who may otherwise be employed by the Company.

“Fair Value,” when used with respect to any property (including obligations for the payment of money or other securities), means the fair value thereof to the Company in the opinion of the Person making the determination. The Fair Value to the Company of any Permanent Additions consisting of an Acquired Facility (i) shall include an amount for any franchises, contracts, operating agreements or other rights acquired simultaneously therewith and related thereto, even though no separate or distinct consideration shall have been paid for or apportioned to such franchises, contracts, operating agreements or other rights, and (ii) shall include as an element of the value of such Permanent Additions a proper amount for the earnings capability of such Permanent Additions.

If the Fair Value of any property, obligation or securities shall be stated both in an Engineer’s Certificate and in an Independent Engineer’s Certificate, the Fair Value stated in the Independent Engineer’s Certificate shall be deemed to be the Fair Value of such property, obligations or securities for all purposes of the Indenture.

“Government Obligations” means obligations which are full faith and credit obligations of the United States of America or payment of which has been unconditionally guaranteed by the United States of America.

“Gross Revenues” means and includes all operating revenues, other revenues and other income of the Company determined in accordance with generally accepted accounting principles.

“Holder,” when used with respect to any Bond, means a Bondholder.

“Indenture” means the 1937 Indenture, as supplemented: (i) by Supplemental Trust Indentures thereto dated June 1, 1942, February 1, 1944, October 1, 1945, July 1, 1948, August 1, 1949, June 1, 1952, October 1, 1954, September 1, 1956, August 1, 1957, July 1, 1958, December 1, 1960, August 1, 1961, June 1, 1962, September 1, 1963, August 1, 1966, June 1, 1967, October 1, 1967, May 1, 1968, October 1, 1969, February 1, 1971, May 1, 1971, February 1, 1972, January 1, 1973, January 1, 1974, September 1, 1974, April 1, 1975, May 1, 1975, March 1, 1976, June 1, 1981, December 1, 1981, May 1, 1983, December 1, 1983, September 1, 1984, December 1, 1984, May 1, 1985 and September 1, 1985, (ii) by this Supplemental and Restated Trust Indenture dated May 1, 1988, (iii) by any Subsequent Supplemental Trust Indentures, and (iv) by any other Supplemental Trust Indentures or instruments supplemental to the Indenture entered into pursuant to the applicable provisions hereof.

“1937 Indenture” means the Trust Indenture dated February 1, 1937, from the Company to Harris Trust and Savings Bank.

“Independent,” when used with respect to any specified Person, means such a Person who (1) is in fact independent, (2) does not have any direct financial interest or any material indirect financial interest in the Company or in any other obligor upon the Bonds or in any Affiliate of the Company or such other obligor and (3) is not connected with the Company, or such other obligor or any Affiliate of the Company or such obligor as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions. The term “employee” in this definition of Independent shall not include any Person, otherwise independent, by reason of having been employed for any purpose for which an Independent Person is necessary under the provisions of the Indenture. Whenever it is herein provided that any Independent Person’s opinion or certificate shall be furnished to the Trustee, such Person shall be appointed by a Company Order and approved by the Trustee in the exercise of reasonable care. Such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

“Independent Accountant’s Certificate” means a certificate, conforming to the applicable requirements of Sections 20.08 and 20.09, signed by an Independent Accountant or a firm of Independent Accountants who are Independent and are appointed by a Company Order and approved by the Trustee in the exercise of reasonable care.

“Independent Engineer’s Certificate” means a certificate, conforming to the applicable requirements of Sections 20.08 and 20.09, signed by an Independent Engineer appointed by a Company Order and approved by the Trustee in the exercise of reasonable care.

“Interest Payment Date” means the Stated Maturity of an installment of interest on the Bonds.

“Land” means, as of any specified time of computation, an amount, determined in accordance with generally accepted accounting principles, equal to the cost, as shown on the books of the Company, of the portion of the properties subject to the Lien Hereof that consist of any interest in real property and are not currently depreciable.

“Lien Hereof” and “Lien of the Indenture” mean the lien created by the Indenture (including the after acquired property clauses of the Indenture) and the lien created by any concurrent or subsequent conveyance to the Trustee hereunder (whether made by the Company or any other Person), of any property which is a part of the security held by the Trustee pursuant to the terms, trusts and conditions specified in the Indenture.

“Maintenance Fund” means the fund created in Section 9.01.

“Maturity,” when used with respect to any Bond, means the date on which the principal of such Bond becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration or call for redemption or otherwise.

“Net Earnings Certificate” means an Accountant’s Certificate stating the amount of Earnings Applicable to Bond Interest for a specified period, computed as provided herein, and describing, in reasonable detail, how the same has been calculated and, to that end, specifying the amounts deducted from Gross Revenues on account of the items required to be deducted pursuant to the definition of Earnings Applicable to Bond Interest. When applicable the following rules shall be applied:

(1) for purposes of calculating: (i) the interest requirements applicable to any Bonds, Prior Lien Obligations or Permitted Indebtedness bearing interest at adjustable, floating or variable rates and (ii) the interest requirements applicable to any Bonds, Prior Lien Obligations or Permitted Indebtedness on which interest charges attributable to such Bonds, Prior Lien Obligations or Permitted Indebtedness will not become payable until a date more than one year after the date of such calculation, the interest rate used shall be the higher of (x) the interest rate applicable to such Bonds, Prior Lien Obligations or Permitted Indebtedness on the date of such calculation, or (y) the average interest rate payable on all Bonds Outstanding, Prior Lien Obligations and Permitted Indebtedness during the 12-month period immediately preceding the date of such calculation.

(2) if any property is owned by the Company at the time of: (i) the authentication and delivery of any Bonds applied for or (ii) the withdrawal of any cash, either or both of which require a Net Earnings Certificate, then, although not owned during the whole, or any part, of the period for which the computation of Earnings Applicable to Bond Interest is made, the net earnings or income of such property during the whole of such period (computed in the same manner as Earnings Applicable to Bond Interest is computed), may at the option of the Company be included in Earnings Applicable to Bond Interest for all purposes of the Indenture; provided that if any such property has been acquired in exchange or substitution for property released from the Lien Hereof or through the use of cash deposited with the Trustee under any of the provisions hereof (other than cash deposited in accordance with the provisions of Article VII as a basis for the issuance of Bonds) then the earnings from the property released or which is represented by such cash shall be excluded from Earnings Applicable to Bond Interest.

“Officer’s Certificate” means a certificate, conforming to the applicable requirements of Sections 20.08 and 20.09, signed by the President, a Vice President, the Treasurer, or the Controller and attested by the Secretary or an Assistant Secretary of the Company, and delivered to the Trustee. Whenever the Indenture requires that an Officer’s Certificate also be signed by an Engineer or an Accountant or other expert, such Engineer, Accountant or other expert (except as otherwise expressly provided in the Indenture) may be employed by the Company and shall be acceptable to the Trustee.

“Opinion of Counsel” means a written opinion of counsel, conforming to the applicable requirements of Sections 20.08 and 20.09, and who (except as otherwise expressly provided in the Indenture) may be counsel for the Company, and shall be acceptable to the Trustee. Any Opinion of Counsel given as to title to property may be based, in whole or in part, upon the documents and opinions described in Section 20.17.

“Original Indenture” means the 1937 Indenture, as supplemented by Supplemental Trust Indentures thereto dated June 1, 1942, February 1, 1944, October 1, 1945, July 1, 1948, August 1, 1949, June 1, 1952, October 1, 1954, September 1, 1956, August 1, 1957, July 1, 1958, December 1, 1960, August 1, 1961, June 1, 1962, September 1, 1963, August 1, 1966, June 1, 1967, October 1, 1967, May 1, 1968, October 1, 1969, February 1, 1971, May 1, 1971, February 1, 1972, January 1, 1973, January 1, 1974, September 1, 1974, April 1, 1975, May 1, 1975, March 1, 1976, June 1, 1981, December 1, 1981, May 1, 1983, December 1, 1983, September 1, 1984, December 1, 1984, May 1, 1985 and September 1, 1985.

“Original Indenture Bonds” means all the Bonds of each series originally authenticated by the Trustee and originally issued under the Original Indenture prior to the date of this Restated Indenture and the coupons, if any, pertaining to such Bonds.

“Outstanding,” when used with respect to Bonds, means, as of the date of determination, all Bonds theretofore authenticated and delivered under the Indenture, except:

(1) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(2) Bonds for which provisions for payment or redemption shall have been made in accordance with Section 6.03 or for whose payment or redemption money, in the necessary amount, has been deposited with the Trustee or any Paying Agent in trust for the Holders of such Bonds, provided that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor, satisfactory to the Trustee, has been made; and

(3) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Indenture;

provided that, in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the Company or any other obligor upon the Bonds or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee’s right so to act independently with respect to such Bonds and that the pledgee is not the Company or any other obligor upon the Bonds or any Affiliate of the Company or of such other obligor.

“Paying Agent” means any Person meeting the requirements established by Section 16.20 who is authorized by the Company to pay the principal of, premium, if any, or interest on any Bonds on behalf of the Company.

“Permanent Additions” means all interests (fractional or otherwise) in property, real, personal or mixed (including therein, without in any way limiting or impairing, by the enumeration of the same, the scope and intent of the foregoing except as hereinafter specifically limited, all lands, buildings, plants, power houses, dams, facilities that process raw materials or waste materials into fuel for the purpose of producing energy, nuclear fuel, reservoirs, stations, lines, pipes, mains, conduits, cables, machinery, pumps, transmission lines, pipelines, rights-of-way, distribution systems, storage facilities, sub-stations, transformers, service systems, supply systems, wires, poles, cross-arms,

apparatus of all kinds and descriptions, improvements, extensions and additions, including operating public utility properties acquired as an entirety) which shall have been made, acquired, constructed or erected by the Company subsequent to January 31, 1937, or which shall be in the process of construction or erection insofar as actually constructed or erected subsequent to January 31, 1937, and used or to be used in the business of: (1) generating, manufacturing, storing, transporting, transmitting, distributing or supplying electricity or other forms of energy, including but not limited to gas for light, heat, power, refrigeration or other purposes or steam for heating, processing or other energy purposes, or other forms of energy; (2) acquiring, storing, transporting, transmitting, distributing or supplying water for use in the generation of power; (3) selling, granting, leasing or licensing the right to use water (but not for the purpose of irrigation) or (4) providing telephone or other communications services.

(a) Permanent Additions, as described above, need not consist of a specific or completed development, plant, betterment, addition, extension, improvement or enlargement, but may include construction work in progress and property in the process of purchase insofar as the Company shall have acquired title to such property, and may include the following:

(1) fractional interests in poles or other property used for transmission or distribution;

(2) other interests (fractional or otherwise) in property owned jointly or in common with any other Person or in other property used in connection with or relating to any such property owned jointly or in common, whether there are or are not other agreements or obligations on the part of the Company with respect to any such property;

(3) engineering, economic, environmental, financial, geological and legal or other studies, surveys and reports, preliminary to or associated with the acquisition or construction of any property included in the calculation of Depreciable Property.

(b) The term Permanent Additions shall not include:

(1) any property not subject to the Lien of the Indenture;

(2) any land or equipment acquired, leased or used by the Company for the purpose of producing gas, oil, coal, or natural gas or oil rights owned or under lease or gas wells or oil wells or equipment therefor, or coal mines or equipment therefor;

(3) any shares of stock, bonds, notes, evidences or certificates of indebtedness or other securities;

(4) goodwill, going concern value, contracts, agreements, franchises, licenses or permits, whether acquired as such, separate and distinct from the property operated in connection therewith, or acquired as an incident thereto;

(5) any stock of goods, wares and merchandise acquired for the purpose of consumption in the operation, construction or repair of any of the properties of the Company and not chargeable to capital investment by generally accepted accounting principles or any merchandise or appliances held by the Company for sale to customers or others;

(6) any property acquired, made or constructed by the Company for keeping or maintaining the property subject to the Lien Hereof in good repair, working order and condition or merely to renew, replace or substitute for Retired Property or any property whose cost has not been charged, or is not properly chargeable, to a utility plant or fixed capital account;

(7) any plant or system or other property in which the Company shall acquire only a leasehold interest or any betterments, extensions or improvements or additions of, upon or to any plant or system or other property in which the Company shall own only a leasehold interest, unless the same shall be movable physical personal property which the Company has the right to remove; or

(8) any property that is subject to an encumbrance of the type described in paragraph (20) of the definition of Permitted Encumbrances.

“Permanent Additions of the Company” means and includes property owned by the Company within the definition of Permanent Additions.

“Permitted Encumbrances,” prior to the retirement through payment or redemption of the Original Indenture Bonds (including those Original Indenture Bonds “deemed to be paid” within the meaning of that term as used in Article XVII of the 1937 Indenture) means “permitted liens” as defined in Section 5 of Article I of the 1937 Indenture, and thereafter means:

(1) as to the property specifically described in Granting Clauses of the Indenture as of the Effective Date, the restrictions, exceptions, reservations, conditions, limitations and interests which are set forth or referred to in such descriptions and each of which fits one or more of the descriptions in the following paragraphs of this definition, provided that such exceptions do not, in the aggregate, materially detract from the value of the property affected thereby and do not materially impair the use of such property for the purposes for which it is held by the Company;

(2) liens for taxes, assessments and other governmental charges that are not delinquent;

(3) liens for taxes, assessments and other governmental charges already delinquent which are currently being contested in good faith by appropriate proceedings, provided that the Company shall have set aside on its books any reserves with respect thereto that are required by generally accepted accounting principles;

(4) mechanics’ and materialmen’s liens not filed of record and similar charges, not delinquent, that are incident to current construction and mechanics’ and materialmen’s liens incident to such construction which are filed of record but which are being contested in good faith and have not proceeded to judgment, provided that the Company shall have set aside on its books any reserves with respect thereto that are required by generally accepted accounting principles;

(5) mechanics’, workmen’s, repairmen’s, materialmen’s warehousemen’s and carriers’ liens and other similar liens arising in the ordinary course of business for charges which are not delinquent, or which are being contested in good faith and have not proceeded to judgment, provided that the Company shall have set aside on its books any reserves with respect thereto that are required by generally accepted accounting principles;

(6) liens in respect of attachments, judgments or awards with respect to which the Company shall in good faith currently be prosecuting an appeal or proceedings for review and with respect to which the Company shall have secured a stay of execution pending such appeal or proceedings for review, provided that the Company shall have set aside on its books any reserves with respect thereto that are required by generally accepted accounting principles;

(7) easements or reservations in any property of the Company for roads, public utilities or similar purposes, rights-of-way and easements over or in respect of any real property owned by the

Company and zoning ordinances, regulations and restrictions, provided that they do not materially impair the use of such property in the operation of the business of the Company;

(8) minor defects, liens and encumbrances as to which an Opinion of Counsel states: (1) that they will not interfere with the proper operation of the Company's business and (2) (a) that any effect thereof upon the security of the Indenture, is adequately guarded against by bond or other designated indemnity or (b) that any effect thereof does not materially affect the marketability of title to such property and does not materially impair the use of such property for the purposes for which it is held by the Company;

(9) rights of Persons who are parties to agreements with the Company relating to property owned or used jointly (in common) by the Company with such Persons, provided (a) that such rights do not materially impair the use of such jointly owned or used property in the normal operation of the Company's business and do not materially affect the security afforded by the Indenture for the Bonds Outstanding and (b) that such rights are not inconsistent with the rights of the Trustee under Article XIII (a waiver of a right to partition by all joint owners is binding upon the Trustee and is not inconsistent with the provisions of Article XIII);

(10) liens existing at the Effective Date that secure indebtedness neither created, assumed nor guaranteed by the Company nor on account of which it customarily pays interest, or, at the time of acquisition of property by the Company after the Effective Date, liens upon lands over which easements or rights-of-way are acquired by the Company, provided: (a) that such liens do not materially impair the use of such easements or rights-of-way for the purposes for which they are held by the Company or (b) that, in the Opinion of Counsel, the Company has power under eminent domain, or similar statutes, to remove such liens;

(11) (a) leases existing at the Effective Date affecting property owned by the Company on the Effective Date; (b) leases permitting the lessee to occupy or use any of the mortgaged and pledged property in any manner that does not interfere in any material respect with the use of such property for the purpose for which it is held by the Company and which will not have a material adverse impact on the security afforded by the Indenture; or (c) other leases relating to not more than 5% of the sum of (i) Depreciable Property and (ii) Land;

(12) terminable or short-term leases or permits for occupancy, which leases or permits expressly grant to the Company the right to terminate them at any time on not more than six months' notice and which occupancy does not interfere with the operation of the business of the Company;

(13) liens or privileges vested in any lessor, licensor or permittor for rent to become due or for other obligations or acts to be performed, the payment of which rent or the performance of which other obligations or acts is required under leases, subleases, licenses or permits, so long as the payment of such rent or the performance of such other obligations or acts is not delinquent;

(14) liens or privileges of any employees of the Company for salary or wages earned but not yet payable;

(15) burdens of any law or governmental regulation or permit requiring the Company to maintain certain facilities or perform certain acts as a condition of its occupancy of or interference with any public lands or any river or stream or navigable waters;

(16) irregularities in or deficiencies of title to any right-of-way for telephone, telegraph or other communications lines, pipelines, power lines or appurtenances thereto, or other improvements thereon, and to any real estate used or to be used primarily for right-of-way purposes, provided that,

in the Opinion of Counsel, the Company shall have obtained from the apparent owner of the lands or estates therein covered by any such right-of-way a sufficient right, by the terms of the instrument granting such right-of-way, to the use thereof for the construction, operation or maintenance of the lines, appurtenances or improvements for which the same are used or are to be used, or provided that, in the Opinion of Counsel, the Company has power under eminent domain, or similar statutes, to remove such irregularities or deficiencies;

(17) rights reserved to, or vested in, any municipality or governmental or other public authority to control or regulate any property of the Company, or to use such property in any manner, which rights do not materially impair the use of such property for the purposes for which it is held by the Company;

(18) obligations or duties, affecting the property of the Company, to any municipality or governmental or other public authority with respect to any franchise, grant, license or permit;

(19) rights which any municipal or governmental authority may have by virtue of any franchise, license, contract or statute to terminate any franchise, license or other rights or to regulate the property and business of the Company;

(20) any mortgage, lien, charge or encumbrance prior or equal to the Lien of the Indenture, other than a Prepaid Lien, existing at the date any property is acquired by the Company, provided that at the date of acquisition of such property: (a) no Default has occurred and is continuing; (b) the principal amount of indebtedness outstanding under and secured by such mortgage, lien, charge or encumbrance shall not exceed 66-2/3% of the lesser of the Cost or Fair Value of the property so acquired (determined in the same manner as the Cost or Fair Value to the Company of Permanent Additions); (c) each such mortgage, lien, charge or encumbrance shall apply only to the property originally subject thereto and fixed improvements erected on such real property or affixed to such personal property or equipment used in connection with such real or personal property and the Company shall cause to be closed all mortgages or other liens existing at the time of acquisition of any property hereafter acquired by the Company and will permit no additional indebtedness to be issued thereunder or secured thereby, except for the replacement of any mutilated, lost or destroyed notes or bonds or to effect exchanges of notes or bonds of different denominations or transfer of such notes or bonds, as may be permitted by the mortgage, lien, charge or encumbrance securing such notes or bonds;

(21) Prepaid Liens; and

(22) reservations of minerals and mineral rights existing at the time any real property is acquired by the Company.

“Permitted Indebtedness” means any outstanding indebtedness which is secured by a mortgage, lien, charge or encumbrance described in paragraph (20) of the definition of Permitted Encumbrances.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subsection thereof.

“Place of Payment,” when used with respect to the Bonds of any series, means a city or any political subdivision thereof in which the Company is required, by the Indenture, to maintain an office or agency for the payment of the principal of, premium, if any, or interest on the Bonds of such series.

“Prepaid Lien” means any Prior Lien Obligation or Permitted Indebtedness, for which the Company has deposited or caused to be deposited in trust, with the Trustee, or other banking institution specified in the documentation pertaining to such Prior Lien Obligation or Permitted Indebtedness, any combination:

(i) of cash and

(ii) of Government Obligations (which shall not contain provisions permitting the redemption thereof at the option of the issuer), maturing as to principal and interest (without any regard to the reinvestment thereof) in such amounts and at such times as will assure the availability of cash

that is necessary to pay and discharge the entire principal of, premium, if any, and interest on such Prior Lien Obligation or Permitted Indebtedness to the date of maturity thereof or the redemption date, as the case may be; and, if such Prior Lien Obligation or Permitted Indebtedness is to be redeemed, the Company has made arrangements satisfactory to the Trustee for the giving of notice of redemption at the expense of the Company. Upon the filing with the Trustee of an Accountant’s Certificate and an Opinion of Counsel stating that such Prior Lien Obligation or Permitted Indebtedness has been paid or reduced or has been ascertained by judicial determination or otherwise to be in whole or in part invalid, and specifying the amount of such payment, reduction or the extent of such invalidity, as the case may be, any cash and Government Obligations so deposited shall be repaid to the Company proportionately to the extent of such payment, reduction or invalidity, as the case may be.

“Prior Lien” means any mortgage, lien, charge or encumbrance on or pledge of or security interest in any of the property of the Company subject to the Lien of the Indenture prior to or upon a parity with the Lien of the Indenture, other than Permitted Encumbrances.

“Prior Lien Obligation” means any indebtedness and any evidence thereof secured by a Prior Lien.

“Redemption Date,” when used with respect to any Bond to be redeemed, means the date fixed for such redemption.

“Registered Bond” means any Bond registered in the Bond Register.

“Registered Holder,” when used with respect to any Registered Bond, means the Person in whose name such Bond is registered in the Bond Register.

“Regular Record Date” for the interest payable on any Interest Payment Date on the Bonds of any series means the date specified in the provisions of the Supplemental Trust Indenture creating such series.

“Release Fund” means the fund created by Section 11.09.

“Resolution” means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“Responsible Officer,” when used with respect to the Trustee, means the chairman or vice-chairman of the board of directors of the Trustee, the chairman or vice-chairman of the executive committee of said board, the president, any vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller, any assistant controller or any other officer of the Trustee customarily performing

functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer of the Trustee to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Restated Indenture” means this Supplemental and Restated Trust Indenture dated May 1, 1988.

“Retired Property” shall mean (a) all Permanent Additions owned by the Company on or after February 1, 1937, which have been removed, sold, abandoned, destroyed or which for any cause have been permanently withdrawn from service and (b) after the Date Hereof, the portion of all Permanent Additions for which reductions have been made in the Cost at which such Permanent Additions have been recorded on the books of the Company, except reductions resulting from the transfer of any portion of the Cost of such Permanent Additions to some other property account of the Company (until the Permanent Additions so transferred shall be retired from such other account) and except reductions, if any, resulting from depreciation or similar charges.

“Special Record Date” for the payment of any Defaulted Interest on Bonds means a date fixed by the Trustee pursuant to Section 2.03.

“Stated Maturity,” when used with respect to any Bond, means each date specified in such Bond as the fixed date on which the principal of and installments of interest on such Bond are due and payable.

“Subsequent Supplemental Trust Indenture” means any indenture supplement to the Indenture that is dated, executed by the Company and delivered to the Trustee after the Date Hereof and prior to the Effective Date.

“Successor Corporation” has the meaning stated in Section 15.02.

“Supplemental Trust Indenture” means an indenture supplemental to the Indenture executed by the Company and delivered to the Trustee.

“Trust Indenture Act” means the Trust Indenture Act of 1939, as in force at the Date Hereof.

“Trustee” means the party of the second part hereto, Harris Trust and Savings Bank, until a successor Trustee shall have become such pursuant to the applicable provisions of the Indenture, and thereafter “Trustee” shall mean such successor Trustee.

“Vice President,” when used with respect to the Company or the Trustee, means any vice president, whether or not designated by a number or a word added to the title.

ARTICLE II.

Form and Execution of Bonds.

SECTION 2.01. The Indenture creates a continuing lien to secure the full and final payment of the principal of, premium if any, and interest on all Bonds which may be Outstanding. The aggregate principal amount of Bonds which may be issued, authenticated, delivered and Outstanding under the Indenture is not limited, except as provided in Articles IV through VII and the provisions of any Supplemental Trust Indenture creating any series of Bonds and except as may be limited by law.

At the option of the Company, Bonds may be issued in one or more series. All Bonds of any one series shall be identical in form and language except for necessary or proper variations between temporary Bonds, Registered Bonds and Coupon Bonds or Bonds of different denominations and, in the case of Bonds of any series of serial maturity as to the date of maturity, and the prices, terms, and conditions of redemption thereof. Each series shall have such distinctive designation as the Board of Directors may select for such series, and each Bond shall bear upon the face thereof the designation so selected for the series to which it belongs. Each series may bear interest at a fixed or variable rate or may bear no interest or may bear interest only upon the occurrence of certain events described in the Bonds or the Supplemental Trust Indenture relating to the Bonds of that series. The form of the Bonds of each series created before the Effective Date shall conform to the applicable provisions of the Original Indenture or any Subsequent Supplemental Trust Indenture relating thereto. The form of the Bonds of each series that is created on or after the Effective Date shall be established at the time of the creation of the series by Resolution. Subject to the qualifications contained in the preceding sentence and in Sections 2.02 through 2.17, the text of the Bonds and of the certificate of the Trustee upon all Bonds shall be as described in Section 2.02. The Bonds of any series, whether temporary or Registered or Coupon, may contain such other terms, provisions, specifications and descriptive words, and may have such letters, words, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon, not inconsistent with the provisions hereof, as may be necessary or proper to comply with the rules of any broker's board or exchange or with the order of any governmental body having jurisdiction, or to conform to usage with respect thereto or as may be desired by the Board of Directors.

Before any Bonds of any series that is created on or after the Effective Date shall be authenticated or delivered by the Trustee, a copy of the Resolutions creating the series shall be delivered by the Company to the Trustee. The Company also shall deliver to the Trustee a Supplemental Trust Indenture in recordable form, which contains the particulars of the new series of Bonds as above set forth, and also contains provisions appropriate to give such Bonds the protection and security of the Indenture.

SECTION 2.02. The form of Bonds of each series that is created on or after the Effective Date and the form of the Trustee's certificate of authentication shall be set forth in a Supplemental Trust Indenture. The Bonds of any one or more series that is created on or after the Effective Date may be expressed in one or more foreign languages, if also expressed in the English language. The English text shall govern the construction thereof and both or all texts shall constitute only a single obligation. The English text of the Bonds and the Trustee's certificate of authentication shall be in the form set forth in a Supplemental Trust Indenture; provided that the form of each series of Bonds shall specify the descriptive title of such series of Bonds (which title shall contain the words "First Mortgage Bond"), the designation of such series, the rate or rates of interest, if any (or the method by which such rate or rates are determined), to be borne by the Bonds of such series, the coin

or currency in which payable (which need not be coin or currency of the United States of America), the Stated Maturities of principal and interest, and a place or places (which need not be in the United States of America), and the means (which may include mail) for the payment of principal of, premium, if any, and interest on such Bonds, and the record dates for the payment of interest. Any series of Bonds that is created on or after the Effective Date also may have such omissions or modifications or contain such other provisions not prohibited by the Indenture as may be set forth in a Supplemental Trust Indenture. Any portion of the text of any Bond may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds of each series shall be printed, lithographed, engraved or produced by any combination of these methods or produced in any other manner permitted by the rules of any securities exchange on which the Bonds may be listed or, if not so listed, as determined by the Company but subject to the provisions of subsection (c) of Section 2.12, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

SECTION 2.03. The principal of and interest on the Bonds shall be payable at the option of the Company at such place or places as set forth in such Bonds.

Interest on any Bond of any series that was created prior to the Effective Date shall be payable to the Person specified in such Bond or in the provisions of the Supplemental Trust Indenture creating such series.

Interest on any Bond of any series that is created on or after the Effective Date which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Bond is registered at the close of business on the Regular Record Date for such interest. At the option of the Company, interest on any such Bond may be paid by check mailed to the Person entitled to such interest.

Any interest on any Bond of any series that is created on or after the Effective Date which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Registered Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the Company, at its election, as provided in subsection (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest on the Bonds of any series to the Persons in whose names such Bonds are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit on or prior to the date of the proposed payment. Such money, when deposited, shall be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in this subsection (a) and shall not be deemed part of the mortgaged and pledged property hereunder. The Company also shall notify the Trustee, in writing, of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment. Such date of proposed payment shall enable the Trustee to comply with the next sentence hereof. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be (i) not more than 15 nor less than 10 days prior to the date of the proposed payment and (ii) not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such

Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of a Bond of such series at his address, as it appears in the Bond Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Registered Holders of the Bonds of such series on such Special Record Date and shall no longer be payable pursuant to the following subsection (b).

(b) The Company may make payment of any Defaulted Interest on the Bonds of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed (or, if not so listed, in any other lawful manner) and upon such notice as may be or would be required by such exchange, if, after written notice given by the Company to the Trustee of the proposed payment pursuant to this subsection (b), such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section 2.03, each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

SECTION 2.04. At the option of the Company, provision may be made with respect to the Bonds of any series for (a) the payment of the principal thereof, interest thereon or both without deduction for taxes and (b) any taxes which shall be reimbursed by the Company in case of payment by the Bondholder, provided that the obligation to make any such reimbursement shall not be deemed part of the indebtedness secured by the Lien of the Indenture. Such provision may be limited to taxes imposed by any taxing authorities of a specified class and may exclude from its operation, or be limited to, any specified tax or taxes or any portion thereof.

SECTION 2.05. The dates of issue, Stated Maturities of principal and interest and rates of interest of the Bonds of each series, the designation of the series, and the descriptive title of the Bonds included therein and the terms and conditions, if any, upon which the Company may redeem any of such Bonds before its Stated Maturity, shall be as designated in the form established for such series in accordance with the provisions hereof.

SECTION 2.06. The Company may, in the Bonds of each series that is created on or after the Effective Date, stipulate and agree that the principal of such Bonds may be converted, at the option of the Holders, into the capital stock or other securities, of any class of the Company, or of any Successor Corporation, upon such terms and conditions as the Board of Directors may determine and may cause appropriate insertions to be made in the text of such Bonds for the purpose of stating such agreement with respect to conversion and the terms and conditions thereof.

SECTION 2.07. The Company may, at the time of creation of any series of Bonds, make suitable provision, in such manner as may be determined by the Board of Directors not inconsistent with the provisions hereof, for the payment to the Trustee as or toward a sinking fund or similar fund

for the payment, redemption, acquisition or retirement in any manner of the Bonds of such series, or any portion thereof.

SECTION 2.08. Except as otherwise provided in any Supplemental Trust Indenture creating a series of Bonds, the Bonds of any series shall be executed, authenticated and delivered as Registered Bonds without coupons and may be issued in denominations of \$1,000 and such multiples thereof as the Board of Directors may authorize.

SECTION 2.09. All Bonds of each series that is created on or after the Effective Date shall be dated the date of their authentication. Bonds of each series created prior to the Effective Date shall be dated in the manner specified in the Supplemental Trust Indenture creating such series.

SECTION 2.10. The Bonds of any series, at the option of the Company, may contain provisions permitting the exchange or interchange of Bonds as specified in this Section 2.10, to wit: the exchange or interchange of Bonds for or with Bonds of other denominations; and the exchange of Bonds of one series for Bonds of another series of the same or later maturity. Such privileges of exchange or interchange may be made subject to any conditions, limitations or restrictions which the Company shall cause to be specified in the Bonds so made exchangeable or interchangeable or in the Supplemental Trust Indenture creating the series. The privilege of exchange or interchange may be conferred upon the Holders of Bonds of one or more denominations and withheld from the Holders of Bonds of other denominations of the same series.

Each Bond issued in exchange for or upon transfer of any other Bond shall be a valid obligation of the Company, evidence the same debt, secured by the Lien Hereof and entitled to all benefits and protection hereof to the same extent as the Bond surrendered for such exchange or transfer.

SECTION 2.11. In all cases of exchanges of Bonds contemplated by Section 2.10, the Bonds to be exchanged shall be surrendered at the office or agency of the Company in such place or places as shall be designated for the purpose in such Bonds or in the Indenture or any Supplemental Trust Indenture and the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor the Bonds which the Bondholder making the exchange shall be entitled to receive. All Bonds so surrendered for exchange shall be cancelled by the Trustee. After the Effective Date, and before the Effective Date if so provided in a Supplemental Trust Indenture creating a series of Bonds prior to the Effective Date, the Company may impose a reasonable service charge to cover its costs incurred in connection with any registration, transfer or exchange, including registrations and transfers of Bonds under the provisions of Section 2.12. The Company may make a charge sufficient to reimburse it for any tax or taxes or other governmental charge required to be paid by the Company by reason of such exchange or transfer. The Company shall not be obligated (a) to exchange any Bond of any series that is created on or after the Effective Date for the 15-day period next preceding the day of the first mailing of a notice of redemption of Bonds of such series under Section 10.02 or (b) to exchange any such Bond so selected for redemption in whole or in part.

SECTION 2.12. (a) The Company shall keep at the office of the Trustee and at the Company's office or agency in such other place as shall be designated for the purpose in any Bond, books for the registration and transfer of Bonds (the "Bond Register"), which, at all reasonable times, shall be open for inspection by the Trustee, and, upon presentation for such purpose at any office or agency, the Company will register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bonds entitled to be transferred at such office or agency.

(b) The Trustee is hereby appointed “Bond Registrar” for the purposes of registering and transferring Bonds. Upon the transfer of any Bond, the Company shall issue, in the name of the transferee or transferees, a new Bond of like form and the Trustee shall authenticate and deliver the same to him or them. The Company shall not be required (1) to issue or transfer any Bond of any series that is created on or after the Effective Date during the 15 days next preceding the day of the first mailing of a notice of redemption of Bonds of such series under Section 10.02 or (2) to issue or transfer any such Bond so selected for redemption in whole or in part.

(c) The Company may, at its option, provide for alternative methods or forms for evidencing and recording the ownership of Bonds. As provided in Section 18.01, the Company may amend the Indenture to establish such alternative methods or forms.

SECTION 2.13. All Bonds shall be executed on behalf of the Company by its President or one of its Vice Presidents and its corporate seal shall be affixed thereunto, or printed, lithographed, or engraved thereon, in facsimile, and attested by the signature of its Secretary or one of its Assistant Secretaries. Any such signatures may be manual or facsimile signatures and may be imprinted or otherwise reproduced. In case any of the officers who shall have signed any Bonds or attested the seal thereon shall cease to be such officers of the Company before the Bonds so signed and sealed shall have been authenticated by the Trustee or delivered by the Company, such Bonds nevertheless may be issued, authenticated and delivered with the same force and effect as though the Persons who signed such Bonds and attested the seal thereon had not ceased to be such officers of the Company. Any Bond may be signed or attested on behalf of the Company by a Person who at the actual date of the execution of such Bond shall be the proper officer of the Company, although at the date of such Bond such Person shall not have been an officer of the Company.

SECTION 2.14. Until definitive Bonds are ready for delivery, there may be authenticated, delivered and issued in lieu thereof, temporary printed, lithographed or typewritten Bonds in registered form substantially of the tenor of the Bonds described herein, with appropriate variations, omissions or insertions. Such temporary Bonds may be of such denominations, as the Company may determine. Until exchanged for definitive Bonds, such temporary Bonds shall be entitled to the benefit and Lien of the Indenture. Without unnecessary delay, the Company will execute and furnish definitive Bonds to be exchanged for such temporary Bonds upon surrender thereof to the Trustee or, at the option of the Holder, at the office of any Authenticating Agent appointed in accordance with Section 16.15. Upon such exchange, which the Company shall make without any charge therefor, such temporary Bonds shall be destroyed by the Trustee. Upon the exchange and destruction of said Bonds, a certificate of such destruction shall be delivered to the Company pursuant to Section 20.07. Until such definitive Bonds are ready for delivery, the Holder of temporary Bonds may, if provided by the terms thereof, exchange the same by surrendering such temporary Bonds to the Trustee for a like aggregate principal amount of temporary Bonds in such denominations as the Company may determine to issue in exchange.

SECTION 2.15. Upon receipt by the Company and the Trustee of evidence satisfactory to them of the loss, destruction, mutilation or theft of any Outstanding Bond and of indemnity satisfactory to them and upon surrender and cancellation of any mutilated Bond, the Company may execute, and the Trustee may authenticate and deliver, a new Bond of the same series and maturity and of like tenor, to be issued in lieu of such lost, stolen, destroyed or mutilated Bond. Such new

Bond in the discretion of the Company or the Trustee may bear the same serial number as the lost, stolen, destroyed or mutilated Bond in lieu of which it is issued (in which case the new Bond may be marked "Duplicate" or be otherwise distinguished) or may bear a different serial number and such endorsement as may be agreed upon by the Company and by the Trustee, and which at the time may be necessary to conform to the requirements of any stock exchange. The Company and the Trustee may require the payment of a sum sufficient to reimburse them for all expenses in connection with the issue of each new Bond under this Section 2.15.

SECTION 2.16. Subject to the qualifications herein set forth, the Bonds to be secured hereby shall be substantially of the tenor and effect herein recited. No Bonds shall be secured hereby unless there shall be endorsed thereon the certificate by the Trustee that it is one of the Bonds described herein; and such certificate on any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered and is secured hereby.

SECTION 2.17. (a) If the Company, pursuant to Article XV, shall be consolidated with or merged into any other corporation or shall sell the mortgaged and pledged property as an entirety or substantially as an entirety, and the Successor Corporation resulting from such consolidation, or into which the Company shall have been merged, or which shall have received a conveyance or transfer as aforesaid, shall have executed with the Trustee and caused to be recorded an indenture pursuant to Article XV, any of the Bonds issued prior to such consolidation, merger, conveyance or transfer may, at the request of the Successor Corporation, be exchanged for other Bonds of the same series and Maturity executed in the name and under the seal of the Successor Corporation, with such changes in phraseology and form as may be appropriate but in substance of like tenor as the Bonds surrendered for such exchange, and of like principal amount; and the Trustee, upon the request of the Successor Corporation, shall authenticate Bonds as specified in such request for the purpose of such exchange and shall deliver them upon surrender of the Bonds to be exchanged therefor. In case of any such exchange, the Trustee shall forthwith cancel the surrendered Bonds and, on the written request of the Company, deliver the same to the Company. All Bonds so executed in the name and under the seal of the Successor Corporation and authenticated and delivered shall in all respects have the same legal rank and security as the Bonds executed in the name of the Company and surrendered upon such exchange with like effect as if the Bonds so delivered in the name of the Successor Corporation had been made, authenticated and issued hereunder on the Date Hereof.

(b) The Company covenants and agrees that, if additional Bonds of any particular series of which Bonds are at the time Outstanding shall be authenticated and delivered in the name of a Successor Corporation, the Company will provide for the exchange of any Bonds of any such series previously issued for Bonds issued in the name of such Successor Corporation, at the option of and without expense to the Holder.

ARTICLE III.

[Omitted]

ARTICLE IV.

Provisions Applicable Generally to Issuance of All Additional Bonds.

SECTION 4.01. No Bonds shall be authenticated and delivered by the Trustee under the provisions of Articles V, VI or VII unless the Trustee shall have received prior to or at the time of the authentication and delivery thereof:

(a) a written Application, dated not more than ninety days preceding the date of the authentication and delivery of Bonds then applied for, executed in the name of the Company by the President or a Vice President of the Company stating the aggregate principal amount, the series thereof, the denomination and form of the Bonds requested to be authenticated and delivered, and the Persons to whom or upon whose order such Bonds are to be delivered;

(b) a Resolution authorizing such Application;

(c) an Opinion of Counsel that (i) no consent of any governmental authority is requisite to the legal issue of the Bonds, the authentication and delivery of which have been applied for, or that the issue of such Bonds has been duly authorized by any and all governmental authorities, the consent of which is requisite to the legal issue of such Bonds and specifying any officially authenticated certificates or other documents by which such consent is or may be evidenced, (ii) all mortgage, registration and other similar taxes applicable to the Bonds applied for have been paid, or that provision for the payment thereof has been made or that no such payment is required by law, (iii) the amount of indebtedness or bonded indebtedness which may be incurred by the Company is not then limited by law or by any corporate action limiting the total authorized indebtedness or bonded indebtedness of the Company, or that the total amount of outstanding indebtedness or bonded indebtedness of the Company, stated in the accompanying Accountant's Certificate provided for in subsection (d) of this Section 4.01, plus the aggregate principal amount of the Bonds applied for in the accompanying Application, does not exceed the amount of indebtedness or bonded indebtedness of the Company as then limited by law or by such corporate action and (iv) all corporate action necessary to be taken by the Company to permit the legal and valid issue and authentication and delivery of the Bonds which have been applied for has been duly taken;

(d) Unless the Opinion of Counsel provided for in the foregoing subsection (c) shall state that the amount of indebtedness or bonded indebtedness which may be incurred by the Company is not then limited by law or by such corporate action, an Accountant's Certificate stating the total amount of indebtedness or bonded indebtedness of the Company, including the aggregate face amount of Bonds Outstanding;

(e) the officially authenticated certificates or other documents, if any, specified in the Opinion of Counsel provided for in the foregoing subsection (c), and evidence satisfactory to the Trustee of the payment or provision for payment of any taxes therein referred to;

(f) the Resolution or Resolutions and the Supplemental Trust Indenture creating the series of which such Bonds are a part, if the Bonds, the authentication and delivery of which are applied for, are not a part of any series then existing;

(g) an Officer's Certificate stating that no Default has occurred and is continuing and that the granting of such Application will not result in a Default.

SECTION 4.02. The Trustee shall authenticate and deliver Bonds only in accordance with the provisions of the Indenture.

ARTICLE V.

Issuance of Bonds upon the Basis of Permanent Additions.

SECTION 5.01. Subject to the provisions of Article IV, Bonds may be executed by the Company and delivered to the Trustee and shall be authenticated and delivered by the Trustee upon the basis of the acquisition or construction of Permanent Additions. Such additional Bonds shall be authenticated and delivered only in accordance with and subject to the conditions, provisions and limitations set forth in Sections 5.02 through 5.08.

SECTION 5.02. Any Permanent Additions which shall have been certified to the Trustee at any time, in accordance with Section 5.05 for one of the purposes described in Section 5.05, of a Cost or Fair Value, whichever shall be less, in excess of the amount required by the applicable provisions of the Indenture, shall be available to the extent of such excess, upon submission to the Trustee of any subsequent Application, as a basis for any of the purposes set forth in Section 5.05.

SECTION 5.03. No Bonds shall be authenticated and delivered under the provisions of this Article V upon the basis of the acquisition or construction by the Company of any Permanent Additions until the Cost and Fair Value of such Permanent Additions shall have been certified to the Trustee as provided in Section 5.05. The aggregate principal amount of Bonds that may be authenticated and delivered under the provisions of this Article V is limited to 66-2/3% of the Cost or Fair Value, whichever is less, of the Permanent Additions forming the basis of the authentication and delivery thereof, provided that: (a) in each case, there shall be deducted from such Cost or Fair Value, as the case may be, the amounts removed from the fixed capital accounts of the Company as and for the Cost of any Retired Property during the period from February 1, 1937 to a date not more than 90 days preceding the date of authentication and delivery of the Bonds applied for; (b) in the case of Retired Property lost or destroyed by fire, or sold and released from the Lien of the Indenture, which is offset in whole or in part by cash, purchase money obligations deposited with the Trustee or property received in exchange for such Retired Property and made subject to the Lien of the Indenture, the amount deducted on account of such Retired Property shall be only the amount by which the Cost thereof shall exceed the aggregate amount of cash, the Fair Value of the purchase money obligations so deposited and the property received in such exchange; and (c) any such amounts which shall have been once deducted from the Cost or Fair Value of Permanent Additions included in any certificate previously delivered to the Trustee (including certificates delivered, prior to the Effective Date, pursuant to the Original Indenture or any Subsequent Supplemental Trust Indenture), for the authentication and delivery of Bonds, the withdrawal of cash or the release of property under any of the provisions of the Indenture, for the establishment of a credit to the Maintenance Fund or for the satisfaction of any sinking fund requirement relating to any series of Bonds, need not be deducted again on any such subsequent Application.

In no event shall the Indenture be construed to require the Company to deduct the Cost of Retired Property which was constructed, acquired or erected on or subsequent to February 1, 1937, but which has not at any time been included and may not after such time be included as a Permanent Addition in any Engineer's Certificate delivered to the Trustee under subsection (a) of Section 5.05.

SECTION 5.04. No Bonds shall be authenticated and delivered under this Article V unless, as shown by a Net Earnings Certificate, the Earnings Applicable to Bond Interest for a period of 12 consecutive calendar months within the 15 calendar months immediately preceding the date of any Application for authentication and delivery of Bonds shall have been, in the aggregate, at least twice the interest requirements for a period of one year upon (a) the Bonds applied for, (b) all Bonds Outstanding on the date of such Application and (c) all Prior Lien Obligations and Permitted Indebtedness maturing more than one year after the date of such calculation.

SECTION 5.05. The Company may deliver to the Trustee the documents described in the following subsections (a), (c) and (d) and, when applicable, subsections (b) or (e), each accompanied by the others, for the purpose of establishing the Cost and Fair Value of Permanent Additions and the Amount of Established Permanent Additions to be used for any of the following purposes:

- (i) authentication and delivery of Bonds under the provisions of this Article V;
 - (ii) withdrawal of cash under Section 7.02;
 - (iii) taking a credit to the Maintenance Fund under the provisions of subsection (d) of Section 9.01;
 - (iv) withdrawal of cash from the Maintenance Fund based on the Cost or Fair Value of any Permanent Additions under the provisions of Section 9.04;
 - (v) withdrawal under the provisions of Section 11.10 of moneys in the Release Fund or moneys which are required by any provision of the Indenture to be held, applied or disposed of by the Trustee in the same manner as moneys in the Release Fund; or
 - (vi) application to a sinking fund of the Bonds of any series as and to the extent set forth in the Supplemental Trust Indenture creating such series.
- (a) An Engineer's Certificate dated not more than 90 days preceding the delivery thereof to the Trustee:

(1) stating, with respect to the first Engineer's Certificate delivered on or after the Effective Date: (i) the amount of Permanent Additions that has been certified to the Trustee prior to the Effective Date in accordance with the Original Indenture as supplemented by any Subsequent Supplemental Trust Indenture and that could have been used immediately prior to the Effective Date as a basis for the authentication of Bonds under the Original Indenture as supplemented by Subsequent Supplemental Trust Indentures and (ii) that none of such Permanent Additions has been used for any of the purposes set forth in Section 2 of Article V of the Original Indenture as supplemented by Subsequent Supplemental Trust Indentures and the amount set forth shall be the initial Amount of Established Permanent Additions;

(2) stating that between dates specified in the certificate, the Company has made, acquired, constructed or erected the Permanent Additions therein described in addition to those listed in paragraph (1) above or any subsequent Engineer's Certificate delivered under this subsection (a);

(3) specifying such Permanent Additions and briefly describing the same in such manner as to show conformity thereof with the definition of Permanent Additions set forth in Section 1.03 and stating that no part of the Permanent Additions so described was included in any Engineer's Certificate previously delivered to the Trustee under this subsection (a);

(4) stating that the signers, either personally or through one or more competent assistants, have examined the Permanent Additions so specified; that such properties conform to the definition of Permanent Additions; that they are used or to be used in a business specified in said definition and that they do not include any property excluded from the definition of Permanent Additions;

(5) stating the Cost and the Fair Value to the Company of the property described in the Engineer's Certificate and that the Cost, so stated, was the amount stated in the Accountant's Certificate provided for in subsection (c) of this Section 5.05;

(6) stating whether or not any of the property described in the Engineer's Certificate is an Acquired Facility and specifying each such Acquired Facility and separately stating the Fair Value of each such Acquired Facility and if the Fair Value of said Acquired Facility, is, or are, as the case may be, not less than \$25,000 and not less than 1% of the aggregate principal amount of Bonds then Outstanding, that such Fair Value in the Independent Engineer's Certificate provided for in subsection (b) of this Section 5.05 was included in the aggregate amount stated pursuant to paragraph (5) of this subsection (a);

(7) stating the amount removed from the utility plant or fixed capital accounts of the Company as and for the Cost of all Retired Property (to the extent provided in Section 5.03) subsequent to February 1, 1937, to a date specified in the certificate, which shall be not more than 90 days preceding the date of the delivery of the certificate (exclusive of amounts in respect of which appropriate deduction has been made in an Engineer's Certificate or certificates or an Accountant's Certificate or certificates previously delivered under this Section 5.05, under subsection (d) of Section 5.07 or under another provision of the Indenture containing the statements and calculation required by subsection (d) of Section 5.07 or, prior to the Effective Date, under the Original Indenture as supplemented by Subsequent Supplemental Trust Indentures); and stating that such amount stated pursuant to this paragraph (7) was taken at the amount stated in the Accountant's Certificate provided for in subsection (c) of this Section 5.05; and

(8) stating an "Amount of Established Permanent Additions," which is the balance remaining after deducting from the lesser of the Cost or Fair Value (as stated pursuant to paragraph (5) of this subsection (a)), the amounts removed from the utility plant or fixed capital accounts (as stated pursuant to paragraph (7) of this subsection (a)).

(b) If any portion of the Permanent Additions described in the accompanying Engineer's Certificate, delivered pursuant to subsection (a) of this Section 5.05, consists of an Acquired Facility of a Fair Value not less than \$25,000 and not less than 1% of the aggregate principal amount of

Bonds then Outstanding, then there shall be delivered to the Trustee an Independent Engineer's Certificate, stating, in the opinion of the signer, the Fair Value of such Acquired Facility (together with the Fair Value of any other Acquired Facility which has been subjected to the Lien of the Indenture since the commencement of the then current calendar year, and for which an Independent Engineer's Certificate has not previously been furnished), determined as of a date not more than 90 days preceding the date of the delivery of the Independent Engineer's Certificate to the Trustee.

(c) An Accountant's Certificate, dated not earlier than the date of the accompanying Engineer's Certificate provided for in subsection (a) of this Section 5.05, stating in substance:

(1) the Cost of the Permanent Additions described in such Engineer's Certificate, pursuant to paragraph (3) of subsection (a) of this Section 5.05 and, if any portion of such Permanent Additions is stated in such Engineer's Certificate to consist of an Acquired Facility, the Cost of such Acquired Facility shall be specified;

(2) the amount removed from the utility plant or fixed capital accounts of the Company as and for the Cost of all Retired Property (to the extent provided in Section 5.03) subsequent to February 1, 1937, to a date specified in the certificate which shall be the date specified in the accompanying Engineer's Certificate (exclusive of amounts in respect of which appropriate deduction has been made in an Engineer's Certificate or certificates or an Accountant's Certificate or certificates previously delivered under this Section 5.05, under subsection (d) of Section 5.07 or under another provision of the Indenture containing the statements and calculation required by subsection (d) of Section 5.07 or, prior to the Effective Date, under the Original Indenture as supplemented by Subsequent Supplemental Trust Indentures); and specifying by classes the amount of Retired Property previously characterized as Permanent Additions which has not been included in a certificate previously delivered to the Trustee; and

(3) that no part of the Permanent Additions described in the accompanying Engineer's Certificate, and no part of the Cost or Fair Value thereof, was included in any Engineer's Certificate previously delivered to the Trustee pursuant to subsection (a) of this Section 5.05.

(d) An Opinion of Counsel, stating, in the opinion of the signer that:

(1) except for all Permanent Additions owned by the Company on or after February 1, 1937, which have been removed, sold, abandoned, destroyed or which for any cause have been permanently withdrawn from service, the Company has title to all of the Permanent Additions specified in the accompanying Engineer's Certificate, subject to Permitted Encumbrances, or that, upon the delivery of instruments of conveyance, assignment or transfer specified in the Opinion of Counsel, it will have title to such properties, subject to Permitted Encumbrances;

(2) except for all Permanent Additions owned by the Company on or after February 1, 1937, which have been removed, sold, abandoned, destroyed or which for any cause have been permanently withdrawn from service, and subject to Permitted Encumbrances, all of the Permanent Additions specified in the accompanying Engineer's Certificate are subject to the Lien of the Indenture and that none of such Permanent Additions is subject to any Prior Lien or, in the alternative, stating what, if any, documents should be delivered, recorded or filed to subject such property to the Lien of the Indenture;

(3) except for all Permanent Additions owned by the Company on or after February 1, 1937, which have been removed, sold, abandoned, destroyed or which for any cause have been permanently withdrawn from service, the Company has corporate authority to own the Permanent Additions specified in the accompanying Engineer's Certificate, subject to Permitted Encumbrances; and

If any of the Permanent Additions specified in the accompanying Engineer's Certificate include any property which is subject to any Permitted Encumbrances of the character described in paragraphs (8), (10) or (16) of the definition of Permitted Encumbrances, an Opinion of Counsel also shall be provided as required in such paragraphs.

(e) The instruments of conveyance, assignment and transfer, if any, specified in the Opinion of Counsel provided for in subsection (d) of this Section 5.05 in accordance with paragraph (1) of said subsection (d) or evidence satisfactory to the Trustee of the delivery thereof to the Company and the documents, if any, stated in such Opinion of Counsel in accordance with paragraph (2) of said subdivision (d) or evidence satisfactory to the Trustee of their delivery or recording or filing.

SECTION 5.06. (a) No Permanent Additions specified or described in any Engineer's Certificate provided for in subsection (a) of Section 5.05 shall thereafter be included in any similar Engineer's Certificate subsequently delivered to the Trustee.

(b) In accordance with Section 5.02, no Amount of Established Permanent Additions used or applied for any of the purposes specified in Section 5.05 shall be used or applied again for any such purposes, except to the extent permitted by Section 9.05.

SECTION 5.07. No Application by the Company to the Trustee for the authentication and delivery of Bonds under this Article shall be granted by the Trustee unless the Trustee shall have received:

(a) the documents provided for in Section 4.01.

(b) a Net Earnings Certificate stating the amount of Earnings Applicable to Bond Interest for a specified period of 12 consecutive calendar months within the 15 calendar months immediately preceding the first day of the calendar month in which the accompanying Application for the authentication and delivery of Bonds is made and stating separately: (1) the aggregate principal amount of (i) the Bonds applied for, (ii) all Bonds Outstanding at the date of said Application and (iii) the aggregate principal amount of all Prior Lien Obligations and Permitted Indebtedness maturing more than one year after the date of such calculation; (2) the interest requirements for a period of one year on all such Bonds, Prior Lien Obligations and Permitted Indebtedness maturing more than one year after the date of such calculation; and (3) the aggregate principal amount of

Bonds authenticated and delivered since the commencement of the then current calendar year, exclusive of: (i) Bonds in connection with the authentication and delivery for which no Net Earnings Certificate was required and (ii) Bonds in connection with the authentication and delivery for which an Independent Accountant's Certificate has been previously delivered to the Trustee.

(c) an Independent Accountant's Certificate containing the statements required by subsection (b) of this Section 5.07, if (1) the aggregate principal amount of the Bonds stated in the Net Earnings Certificate provided for in subsection (b) of this Section 5.07 to have been authenticated and delivered since the commencement of the current calendar year, plus the principal amount of the Bonds applied for, is equal to or exceeds 10% of the aggregate principal amount of all Bonds Outstanding at the time, as stated in such Net Earnings Certificate, and (2) the 12-month period in respect of which Earnings Applicable to Bond Interest are stated in such Net Earnings Certificate is a period with respect to which an annual report is required to be filed by the Company pursuant to Section 8.18.

(d) an Accountant's Certificate containing a statement of the Amount of Established Permanent Additions remaining available for the purposes set forth in Section 5.05 and stating;

(1) the unapplied balance, if any, of the Amount of Established Permanent Additions (including any amounts attributable to subsection (b) of Section 9.05) stated in the next preceding similar Accountant's Certificate, if any, delivered to the Trustee under the provisions of this subsection (d) or under another provision of the Indenture containing the statements and calculation required by this subsection (d);

(2) the Amount of Established Permanent Additions stated in such of the Engineer's Certificates delivered to the Trustee under the provisions of subsection (a) of Section 5.05 that have not been included in any similar Accountant's Certificate previously delivered to the Trustee under this subsection (d) or under another provision of the Indenture containing the statements and calculation required by this subsection (d), which it is desired then to include in the Accountant's Certificate, taking such Engineer's Certificates consecutively according to the dates thereof; and specifying the respective dates of such Engineer's Certificates;

(3) the aggregate of the unapplied balance stated under paragraph (1) above and the Amount of Established Permanent Additions stated under paragraph (2) above;

(4) the amount removed from the utility plant or fixed capital accounts of the Company as and for the Cost of all Retired Property (to the extent provided in Section 5.03) subsequent to February 1, 1937, to a date specified in the certificate which shall be not more than 90 days preceding the authentication and delivery of the Bonds applied for in the accompanying Application, exclusive of amounts in respect of which appropriate deduction has been made in an Engineer's Certificate or in a similar Accountant's Certificate previously delivered to the Trustee under Section 5.05, this Section 5.07, or under another provision of the Indenture containing the statements and calculation required by this subsection (d) or, prior to the Effective Date, under the Original Indenture as supplemented by Subsequent Supplemental Trust Indentures;

(5) the balance remaining after deducting the amount stated under paragraph (4) above from the aggregate stated under paragraph (3) above, which remaining balance shall

be the amount available to be applied for any of the purposes stated in Section 5.05 at the time of the delivery of the Accountant's Certificate to the Trustee.

(6) such portion (determined pursuant to Section 5.08) of the amount stated under paragraph (5) above that is to be applied to the authentication and delivery of Bonds (or, as the case may be, any other purpose permitted by Section 5.05) applied for in the accompanying Application;

(7) the balance remaining after deducting the amount stated under paragraph (6) above from the balance stated under paragraph (5) above, which remaining balance shall be the amount included in the next similar Accountant's Certificate delivered to the Trustee as the unapplied balance of the Amount of Established Permanent Additions to be stated therein in accordance with paragraph (1) of this subsection (d).

(8) that no part of any unapplied balance of the Amount of Established Permanent Additions included under paragraph (1) above, or of any Amount of Established Permanent Additions included under paragraph (2) above, has theretofore been applied for any of the purposes stated in clauses (i) through (vi) in Section 5.05, except to the extent permitted by Section 9.05.

SECTION 5.08. In each case of the application of any Amount of Established Permanent Additions for items specified in paragraph (i) or (ii) of Section 5.05, the amount so applied shall be 150% of the aggregate principal amount of Bonds applied for and authenticated and delivered under this Article V, or of the cash applied for and withdrawn under Section 7.02, on any particular application. In each case of the application of any Amount of Established Permanent Additions for any items specified in paragraphs (iii) through (v) of Section 5.05, the amount so applied shall be 100% of the amount of cash applied for and withdrawn on any particular application or credit taken at any particular time. In the case of the application of any Amount of Established Permanent Additions for any items specified in paragraph (vi) of Section 5.05, the amount so applied shall be the percentage set forth in the Supplemental Trust Indenture creating the series of Bonds for which the sinking fund is applicable.

ARTICLE VI.

Issuance of Bonds upon Retirement of Bonds.

SECTION 6.01. Subject to the provisions of Article IV, the Company may issue and the Trustee shall authenticate and deliver Bonds, in addition to those provided for in any other Section hereof, in an aggregate principal amount not exceeding the aggregate principal amount of any previously issued Bonds which shall have been retired, if the Trustee shall have received an Officer's Certificate stating the aggregate principal amount of Bonds in respect of whose retirement the Bonds applied for in the accompanying Application are to be authenticated and delivered and that such retired Bonds do not include Bonds retired or used as subsequently specified in this Section 6.01; provided that no Bond shall be issued in respect of any such retired Bond (a) which shall have been retired (1) through the use of cash deposited with the Trustee pursuant to the provisions of Article VII, (2) through the use of cash constituting any part of the Release Fund or which pursuant to the Indenture is to be held or disposed of or applied in the same manner as moneys in the Release Fund, or (3) through the use of cash constituting a part of, or in lieu of the deposit of any such cash in, or through the operation of, the Maintenance Fund, or through the operation of a sinking fund or other similar fund applicable to its retirement if the provisions establishing such sinking fund or other similar fund prohibit such issuance, or (b) whose retirement was previously used as a basis for the issuance of Bonds under this Section 6.01, or (c) which shall have been retired prior to the Effective Date and which the Company would not have been permitted under Section 1 of Article VI of the Original Indenture to use as a basis for the issuance of additional Bonds.

SECTION 6.02. No Bond shall be issued in respect of any retired Bond more than one year prior to the final Stated Maturity of the principal amount of such retired Bond unless: the Bond so issued bears no greater rate of interest than such retired Bond or, if the Bond so issued bears a greater rate of interest than such retired Bond, the Trustee shall have received a Net Earnings Certificate complying with subsection (b) of Section 5.07 and, when required, an Independent Accountant's Certificate pursuant to subsection (c) of Section 5.07 showing that the Earnings Applicable to Bond Interest meets the requirements of Section 5.04.

SECTION 6.03. Any Bond (including, if applicable, any unmatured Coupons appertaining thereto) shall be deemed retired if it shall have been paid or redeemed or surrendered to the Trustee and cancelled or destroyed (unless such surrender shall have been made in exchange for another Bond of the same series and evidencing the same indebtedness) or if provision for the payment or redemption of such Bond shall have been made in the following manner:

(a) if the Bond has been selected for redemption, the Trustee shall have given (or the Company shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give), on a date in accordance with the provisions of Section 10.02 and the terms of such Bond notice of redemption of such Bond or portions thereof;

(b) there shall have been deposited with the Trustee any combination:

(i) of cash and

(ii) of Government Obligations (which shall not contain provisions permitting the redemption thereof at the option of the issuer), maturing as to principal and

interest (without any regard to the reinvestment thereof) in such amounts and at such times as will assure the availability of cash

that is necessary to pay when due the principal of, premium, if any, and interest due and to become due on such Bond on or prior to the Redemption Date or Stated Maturity thereof, as the case may be; and

(c) if the Bond does not mature and is not to be redeemed within the next succeeding 30 days, the Company shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to give, as soon as practicable, in the same manner as a notice of redemption is given pursuant to Section 10.02, a notice to the Holder of such Bond stating that: (1) the deposit required by paragraph (b) above has been made with the Trustee; (2) such Bond is deemed to have been paid in accordance with this Section 6.03; and (3) the Stated Maturity or Redemption Date upon which moneys are to be available for payment of the principal of, premium, if any, and interest on such Bond.

ARTICLE VII.

Issuance of Bonds upon Deposit of Cash with Trustee.

SECTION 7.01. Subject to the provisions of Article IV, the Trustee shall authenticate and deliver Bonds if the Company shall deposit cash with the Trustee in an amount equal to the principal amount of the Bonds requested to be authenticated and delivered and if the Trustee shall have received a Net Earnings Certificate as described in Section 5.04 showing that the Earnings Applicable to Bond Interest for a period of 12 consecutive calendar months within the 15 calendar months immediately preceding the date of the Application for authentication and delivery of Bonds shall have been in the aggregate at least equivalent to twice the interest requirements for a period of one year upon (a) the Bonds applied for, (b) all Bonds Outstanding on the date of such Application and (c) all Prior Lien Obligations and Permitted Indebtedness maturing more than one year after the date of such calculation.

SECTION 7.02. All cash deposited with the Trustee under the provisions of Section 7.01 shall be held by the Trustee as part of the mortgaged and pledged property, but, whenever the Company shall become entitled to the authentication and delivery of Bonds under Article V or VI, the Trustee, upon application by the Company, evidenced by a Resolution, shall pay to the Company, in lieu of the Bonds to which the Company may then be so entitled, such cash equal to the aggregate principal amount of such Bonds without any limitation by reason of the amount of Earnings Applicable to Bond Interest; and for such purpose (a) the requisite certificates and other documents delivered to the Trustee may contain such variations, omissions or insertions as may be appropriate in the light of the purpose for which they are used, (b) Section 5.04 shall be inapplicable to the withdrawal of such cash pursuant to this Section 7.02 and (c) it shall not be necessary to deliver to the Trustee any Net Earnings Certificate or any Independent Accountant's Certificate with respect to Earnings Applicable to Bond Interest, or any of the documents provided for in Section 4.01 except subsection (g).

ARTICLE VIII.

Particular Covenants of the Company.

The Company hereby covenants as follows:

SECTION 8.01. That it lawfully possesses all the aforesaid mortgaged and pledged property; that it will maintain and preserve the Lien of the Indenture on such mortgaged and pledged property in accordance with the terms hereof so long as any of the Bonds are Outstanding; and that it has good right and lawful authority to mortgage and pledge such mortgaged and pledged property, as provided by the Indenture; and that the mortgaged and pledged property is free and clear of all liens and encumbrances, except Permitted Encumbrances, and except as otherwise provided herein.

SECTION 8.02. That it will duly and punctually pay the principal of, premium, if any, and interest on all the Bonds Outstanding according to the terms thereof and of the Indenture.

SECTION 8.03. That it will maintain an office or agency (approved by the Trustee), while any of the Bonds are Outstanding, at each Place of Payment, where notices, presentations and demands to or upon the Company in respect of the Bonds or the Indenture may be given or made, and for the payment of the principal of, premium, if any, and interest on the Bonds. The Company will give the Trustee prompt written notice of the location of and any change in location of such office or agency. If the Company shall fail to maintain such office or agency in each Place of Payment, or to give the Trustee written notice of the location thereof, the Trustee shall appoint in each such Place of Payment an agent of the Company for the foregoing purposes and the Trustee is hereby authorized and empowered to make any such appointment on behalf of the Company. In case of any such failure of the Company, any such notice, presentation or demand in respect of the Bonds or the Indenture may be given or made, unless other provision is expressly made herein, to or upon the Trustee at its principal corporate trust office, and the Company hereby authorizes such presentation and demand to be made to and such notice to be served on the Trustee in such event.

SECTION 8.04. That it will pay, when the same shall become payable, all taxes, assessments and other governmental charges lawfully levied or assessed upon the mortgaged and pledged property, or upon any part thereof or upon any income therefrom, or upon the interest of the Trustee in the mortgaged and pledged property when the same shall become due, and will duly observe and conform to all valid requirements of any governmental authority relative to any of the mortgaged and pledged property, and all covenants, terms and conditions upon or under which any of the mortgaged and pledged property is held and that, except as herein otherwise provided, it will not permit, create or incur any lien to be existing hereafter upon the mortgaged and pledged property whether now owned or hereafter acquired, or any part thereof, or the income therefrom, equal to or prior to the Lien of the Indenture, except Permitted Encumbrances.

SECTION 8.05. (a) That it will keep all the mortgaged and pledged property of a character usually insured by companies engaged in a similar business and similarly situated, and which is at any time subject to the Lien of the Indenture, insured with reasonable deductibles and retentions against loss or damage by fire or extended coverage perils, to such amount as such property is usually insured by companies similarly situated, either by means of policies issued by reputable insurance companies or, in lieu of or supplementing such insurance in whole or in part, at the Company's election, by means of some other method or plan of protection including an insurance

fund maintained by the Company alone or in conjunction with any other Person. All such insurance policies or alternative methods or plans of protection upon any part of the mortgaged and pledged property shall provide that the proceeds thereof shall be payable to the Trustee. The Company agrees to deposit with the Trustee all proceeds from any insurance or alternative method or plan of protection received by the Company with respect to any such loss relating to the mortgaged and pledged property.

Upon request, the Company will furnish to the Trustee a statement signed by the President, a Vice President, the Treasurer or an Assistant Treasurer and attested by the Secretary or an Assistant Secretary of the Company, showing:

- (i) the number of the policies of insurance in effect and the names of the issuing companies,
- (ii) the amount of such policies,
- (iii) the nature of the property covered by such policies, and
- (iv) a detailed statement of each alternative method or plan of protection,

and stating that each such insurance policy or alternative method or plan of protection provides that losses thereunder for fire or extended coverage perils are payable to the Trustee. In lieu of the statement described in the preceding sentence, the Company may deliver to the Trustee a certificate of one or more nationally known insurance brokers that he or they have examined the fire and extended coverage insurance policies and alternative methods or plans of protection in effect upon the property of the Company and that in his or their opinion the Company has fully complied with the provisions of this subsection (a).

(b) That all proceeds of any insurance or alternative method or plan of protection received by the Trustee, shall be held and applied by the Trustee in the same manner and for the same purposes and shall be subject to the same conditions as moneys held in the Release Fund, except that, until a Completed Default shall occur and be continuing, any such proceeds received by the Trustee for any single loss not exceeding \$1,000,000 shall be paid promptly to the Company upon receipt by the Trustee of a Company Order directing such payment.

(c) That all proceeds of any insurance or alternative method or plan of protection paid to the Company by the Trustee pursuant to subsection (b) of this Section 8.05 promptly shall be expended for Permanent Additions, or be applied to the rebuilding, renewal or replacement of the property damaged or destroyed.

(d) That subject to Section 16.01, in case of any loss covered by any insurance policy or alternative method or plan of protection, any appraisal or adjustment of such loss and settlement and payment of indemnity therefor, which shall be approved in an Officer's Certificate, may be consented to and accepted by the Trustee, and the Trustee shall in no way be liable or responsible for the collection of any insurance in case of any loss nor for consenting to or accepting any such appraisal, adjustment, settlement or payment of indemnity.

SECTION 8.06. That the business of the Company will be continuously carried on and conducted in an efficient manner; that all property, plants and equipment of the Company classified as Permanent Additions subject to the Lien of the Indenture and used and useful in the carrying on of its business will be maintained in adequate repair, working order and condition to the extent that, in the Company's opinion, it is economical to do so, and, if worn out, obsolete or severely damaged, it will be replaced or offset by other property of the character of Permanent Additions of at least equal value; that, except as permitted under the provisions of Section 11.02, none of the rights, powers, franchises or privileges of the Company subject to the Lien of the Indenture, whether now owned or hereafter acquired, will be allowed to lapse other than by expiration of the term of duration thereof or be forfeited so long as the same shall be necessary for the carrying on of the business of the Company; that, except as permitted by Article XV, it will maintain its corporate existence and right to carry on business in the states in which its property and plants subject to the Lien of the Indenture, or any part thereof, may be located and will use reasonable efforts to obtain all necessary renewals and extensions thereof, and subject to the provisions hereof, will diligently endeavor to maintain, preserve and renew all such rights, powers, privileges and franchises owned by it and necessary for carrying on the business of the Company; that it will at all times use all reasonable diligence to provide service adequate to meet the reasonable requirements of the communities in which it may be operating; that, except to the extent herein expressly permitted, it will at no time commit or allow to be committed any waste upon the mortgaged and pledged property of the character of Permanent Additions, or do, or permit to be done, in or upon the mortgaged and pledged property, anything that may in any way tend to impair the value thereof, or to weaken, diminish or impair the security afforded by the Indenture, and that it will fully and in due time comply with all laws and ordinances applicable to the Company or the mortgaged and pledged property. However, nothing herein shall be construed to prevent the Company (a) from contesting in good faith the validity of any such laws or ordinances by necessary and appropriate legal proceedings or in such other manner as may be deemed advisable by the Company; (b) from ceasing to maintain and operate any of its plants or any other properties if, in the judgment of the Company, it is advisable not to operate or maintain the same; (c) from selling or otherwise disposing of its mortgaged and pledged property subject to the provisions of Article XI; or (d) from dismantling or taking such other action with respect to its plants or other property as it deems proper and customary under the circumstances.

SECTION 8.07. That the sum of:

(i) all dividends declared or paid or other distributions made on or in respect of the common stock of the Company after the Effective Date (except dividends paid or distributions made solely in shares of common stock of the Company); and

(ii) the amount, if any, by which all of the Considerations (as defined below) given by the Company for the purchase or other acquisition of shares by the Company of its common stock after the Effective Date exceeds the Considerations received by the Company after the Effective Date from the sale of its common stock;

shall not exceed the sum of:

(i) the retained earnings of the Company at the Effective Date; and

(ii) an amount equal to the net income of the Company earned after the Effective Date, after deducting all dividends accruing after the Effective Date on all classes and series of preferred stock of the Company and after taking into consideration all proper charges and

credits to retained earnings made after the Effective Date, all determined in accordance with generally accepted accounting principles.

In computing the amount equal to the net income of the Company earned after the Effective Date, there will be deducted any amount by which after the date commencing 365 days prior to the Effective Date the actual expenditures or charges for ordinary repairs and maintenance and charges for reserves, renewals, replacements, retirements, depreciation and depletion are less than an amount equal to 2.50% of Completed Depreciable Property as of the end of such period.

The term "Considerations" as used in this Section 8.07 means the amount of any cash considerations and the book value of any considerations other than cash.

SECTION 8.08. That it will cause the Indenture and all indentures and instruments supplemental thereto to be kept, recorded and filed in such manner and to such extent as may be required or permitted by law and in such places as may be required by law in order to make effective and maintain the Lien Hereof and to fully preserve and protect the security of the Bondholders and all rights of the Trustee.

SECTION 8.09. That it will execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out the purposes of the Indenture, and to make subject to the Lien Hereof any property hereafter acquired and intended to be subject to the Lien of the Indenture, and to transfer to any new trustee the estate, powers, instruments and any funds held in trust under the Indenture.

SECTION 8.10. That it will, at all times, keep or cause to be kept, proper books of record and account in which full, true and correct entries will be made, of all dealings or transactions in relation to the Bonds, plants, properties, business and affairs of the Company; that it will at any and all reasonable times, upon the written request of the Trustee, permit it, or its clerks, agents, or auditors, for that purpose duly authorized, to inspect the books, accounts, papers, documents and memoranda of the Company, as well as its plants and properties, and to take from its books, accounts, papers, documents and memoranda such extracts as may be deemed necessary; that it will at any time, upon the written request of the Trustee, furnish to the Trustee a full and complete statement of the property covered by the Lien Hereof or intended so to be covered.

SECTION 8.11. That it will not go into voluntary bankruptcy or insolvency, or apply for or consent to the appointment of a receiver of itself or of its property or make any general assignment for the benefit of its creditors, or allow any order adjudicating it to be bankrupt or insolvent or appointing a receiver of it or of its property, to be made and remain unvacated for a period of 90 days.

SECTION 8.12. That it is duly authorized under the laws of the State of Minnesota and under all other applicable provisions of law to create and issue the Bonds and to execute and deliver the Indenture; that all corporate action required for the creation and issue of said Bonds and the execution of the Indenture has been duly and effectually taken; that said Bonds when issued and in the possession of the Holders thereof are and will be valid and enforceable obligations of the Company; and that the Indenture is and always will be a valid mortgage or deed of trust to secure the payment of said Bonds.

SECTION 8.13. That upon the issue of each Bond, it will pay all such taxes (which may legally be paid by the Company) as may be imposed by any law, then in force applicable to and imposed upon the issue of such Bond, of the United States of America, of the State of Minnesota or of any other state in which its property and plants, or any part thereof, may be located.

SECTION 8.14. That it will not issue, or permit to be issued, any Bonds in any manner other than in accordance with the provisions of the Indenture and that it will faithfully observe and perform all the conditions, covenants and requirements of the Indenture.

SECTION 8.15. That it will duly and punctually perform all the conditions and obligations imposed on it by the terms of any Prior Lien or any mortgage, lien, charge or encumbrance described in paragraph (20) of the definition of Permitted Encumbrances to the extent necessary to keep the security afforded by the Indenture substantially unimpaired and that it will not permit any default under any such Prior Lien or mortgage, lien, charge or encumbrance to occur and continue for any grace period, specified therein, if thereby the security afforded by the Indenture would be materially impaired or endangered.

SECTION 8.16. That, if it shall act as its own Paying Agent, it will, on or before each due date of the principal of, premium, if any, or interest on any of the Bonds, set aside and segregate and hold in trust for the benefit of the Holders of such Bonds or the Trustee a sum sufficient to pay the principal of, premium, if any, or interest so becoming due, and the Company promptly will notify the Trustee of its action or failure so to act.

Whenever, the Company shall have one or more Paying Agents, it will, on or prior to each due date of the principal of, premium, if any, or interest on any Bonds, deposit with a Paying Agent a sum sufficient to pay the principal of, premium, if any, or interest so becoming due, such sum to be held in trust for the benefit of the Holders of such Bonds or the Trustee, and (unless such Paying Agent is the Trustee) the Company promptly will notify the Trustee of its action or failure so to act.

Moneys so segregated or deposited and held in trust shall not be a part of the mortgaged and pledged property but shall constitute a separate trust fund for the benefit of the Persons entitled to such principal, premium or interest. Except in the case of moneys so segregated by the Company when acting as its own Paying Agent, moneys held in trust by the Trustee or any other Paying Agent for the payment of the principal of, premium, if any, or interest on the Bonds need not be segregated from other funds, except to the extent required by law.

The Company will cause each Paying Agent other than the Trustee to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section 8.16, that such Paying Agent will:

(a) hold all sums held by it for the payment of principal of, premium, if any, or interest on Bonds in trust for the benefit of the Holders of such Bonds or the Trustee until such sums shall be paid to the Holders or withdrawn for deposit with a successor Paying Agent or with the Trustee or until disposed of as herein provided;

(b) give the Trustee notice of any default by the Company (or any other obligor upon the Bonds) in the making of any such payment of principal, premium, if any, or interest; and

(c) at any time during the continuance of any such default, upon the written request of the Trustee, promptly pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of the Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all money held in trust by the Company or such Paying Agent pursuant to this Section 8.16, such money to be held by the Trustee upon the same trusts as those upon which such money was held by the Company or such Paying Agent; and, upon such payment by the Company, the Company shall be discharged from such trust, and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Anything in this Section 8.16 to the contrary notwithstanding, any money deposited with the Trustee or any Paying Agent or held by the Company in trust for the payment of the principal of, premium, if any, or interest on any Bond shall be subject to the provisions of Section 20.03

SECTION 8.17. That it will furnish or cause to be furnished to the Trustee between September 1 and September 30, in each year beginning with the September following the Effective Date, and also between March 1 and March 31, in each year beginning with the March following the Effective Date, and at such other times as the Trustee may request in writing, a statement in such form as the Trustee may reasonably require, containing all the information in the possession or control of the Company or of any of its Paying Agents as to the names and addresses of the Holders of Bonds obtained since the date as of which the next previous statement, if any, was furnished, excluding from any such list the names and addresses received by the Trustee in its capacity as Bond Registrar. Each such statement shall be dated as of a date not earlier than the tenth day of the month next preceding the month during which said statement is furnished, and need not include information received after such date.

SECTION 8.18. That it will:

(a) file with the Trustee, within 15 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may prescribe by rules and regulations) which the Company may be required to file with the Commission pursuant to section 13 or section 15(d) of the Securities Exchange Act of 1934, as amended; or, if the Company is not required to file information, documents or reports pursuant to either of such sections, that it will file with the Trustee and the Commission, in accordance with any rules and regulations that may be prescribed by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to section 13 of the Securities Exchange Act of 1934, as amended, in respect of a security listed and registered on a national securities exchange as may be prescribed in such rules and regulations;

(b) file with the Trustee and the Commission, in accordance with such rules and regulations as may be prescribed by the Commission and to which the Company shall be subject, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants provided for in the Indenture as may be required by such rules and regulations, including in the case of annual reports (if required by such rules and regulations), certificates or opinions of independent public accountants (conforming to the requirements of Sections 20.08 and 20.09) as to compliance with conditions or covenants (which compliance is subject to verification by accountants), but no such certificate or opinion shall be required as to any matter specified in

clause (A), (B) or (C) of paragraph (3) of subsection (c) of Section 314 of the Trust Indenture Act; and

(c) transmit to the Bondholders in the manner and to the extent provided in subsection (c) of Section 16.18, such summaries of any information, documents and reports required to be filed by the Company pursuant to subsections (a) and (b) of this Section 8.18 as may be required by rules and regulations prescribed by the Commission

SECTION 8.19. That it will furnish to the Trustee: (a) promptly after the Effective Date and promptly after the execution of any Supplemental Trust Indenture, after the Effective Date, an Opinion of Counsel either stating that the Indenture has been properly recorded and filed so as to make effective the Lien of the Indenture intended to be created thereby, and reciting the details of such action, or stating that no such action is necessary to make such Lien of the Indenture effective; and (b) by May 1, in each year after the Effective Date, an Opinion of Counsel either stating that such action has been taken with respect to the recording, filing, re-recording and refiling of the Indenture as is necessary to maintain the Lien Hereof, and reciting the details of such action, or stating that no such action is necessary to maintain such Lien of the Indenture. Compliance with clauses (a) and (b) of this Section 8.19 shall be achieved if (1) the Opinion of Counsel herein required to be delivered to the Trustee shall state for details: the time, place, and manner of such recording, re-recording, filing and refiling as the case might be and that, in the Opinion of Counsel (if such is the case) such receipt for record of filing makes the Lien of the Indenture intended to be created thereby effective and (2) such Opinion of Counsel is delivered to the Trustee within such time, following the date and execution of this Restated Indenture and each Supplemental Trust Indenture, as shall be practicable, giving due regard to the number and distance of the jurisdictions in which the Indenture or such Supplemental Trust Indenture is required to be recorded or filed.

ARTICLE IX.

Maintenance Fund.

SECTION 9.01. The Company covenants that, for each calendar year while any of the Bonds remain Outstanding, it will pay or cause to be paid to the Trustee on the next succeeding May 1, as a "Maintenance Fund," an amount equal to 2.50% of Completed Depreciable Property as of the end of such calendar year; less, to the extent that the Company desires to include the same, the following credits:

(a) all amounts expended during such calendar year for maintenance of all property included in the calculation of Completed Depreciable Property owned by the Company;

(b) all expenditures or charges during such calendar year for renewals and replacements of property included in the calculation of Completed Depreciable Property owned by the Company, or for retirements of property included in the calculation of Completed Depreciable Property owned by the Company to the extent that the charges for such retirements have been off-set by expenditures for acquisition, construction or erection of Permanent Additions;

(c) the principal amount of all Bonds which have been retired or redeemed, except Bonds which have been retired or used in any manner set forth in clause (a), (b) or (c) of Section 6.01; and

(d) any portion of an Amount of Established Permanent Additions determined in accordance with Article V if it has not been previously applied to any other purpose specified in Section 5.05.

The credits provided for in this Section 9.01 shall not include any amounts reserved for or accrued for depreciation or obsolescence on the books of the Company in any such calendar year, except to the extent that the charges or expenditures in paragraph (a) or (b) above include depreciation or charges related to equipment or materials used for maintenance, renewals or replacements of property included in the calculation of Completed Depreciable Property.

SECTION 9.02. By May 1 of each year, the Company shall deliver to the Trustee:

(a) an Accountant's Certificate stating (i) the amount of the Completed Depreciable Property of the Company at the end of the previous calendar year; (ii) the amount equal to 2.50% of the amount stated pursuant to clause (i) of this subsection (a); (iii) to the extent that the Company desires to include the same, the credits (separately stated) that are provided for under subsections (a), (b), (c) and (d) in Section 9.01; (iv) the credit balance, if any, provided for in Section 9.05; and (v) the remaining balance, if any, of the amount set forth under clause (ii) of this subsection (a) after deducting the credits set forth under clauses (iii) and (iv);

(b) if the Company includes in the Accountant's Certificate provided for in subsection (a) of this Section 9.02 any credit under subsection (d) of Section 9.01, the Accountant's Certificate also shall contain the statements and calculation provided for in subsection (d) of Section 5.07, with such changes therein as may be necessary to adapt the same to the purposes of this Section 9.02 and Section 9.01; and

(c) an amount of cash or an aggregate principal amount of Bonds (except Bonds which have been retired or used in any manner set forth in clause (a), (b) or (c) of Section 6.01), equal to the balance, if any, stated in the Accountant's Certificate provided for in subsection (a) of this Section 9.02 pursuant to clause (v) of said subsection (a).

SECTION 9.03. Any cash balance held in the Maintenance Fund, at the option and upon the request of the Company, expressed by a Resolution, shall be applied by the Trustee to the purchase or redemption of Bonds in the manner provided for with reference to cash in the Release Fund as provided in Sections 11.13 and 11.14, but in no event shall such cash be considered as part of the Release Fund for purposes of Section 11.15. At the option of the Company, any moneys constituting any part of the Maintenance Fund may be withdrawn by the Company upon the delivery to the Trustee of Bonds (except Bonds which have been used or retired in a manner set forth in clause (a), (b) or (c) of Section 6.01) of an aggregate principal amount equal to the amount of moneys so withdrawn.

All Bonds purchased or otherwise acquired by or delivered to the Trustee for the Maintenance Fund shall forthwith be cancelled, and the Trustee shall thereupon destroy such Bonds and deliver evidence of the destruction thereof to the Company, pursuant to Section 20.07.

SECTION 9.04. Any cash deposited by the Company with the Trustee in the Maintenance Fund may be withdrawn by the Company upon the basis of the Cost or Fair Value, whichever is less (after making the deductions provided for in Section 5.03 because of Retired Property), of Permanent Additions certified to the Trustee as provided in Article V and subject to the conditions of Sections 5.06 and 5.08, but only upon delivery to the Trustee of:

(a) a Company Request, authorized by Resolution;

(b) an Officer's Certificate stating that no Default has occurred and is continuing, and that the granting of such Company Request will not result in a Default; and

(c) an Accountant's Certificate containing the statements and calculation provided for in subsection (d) of Section 5.07 with such changes therein as may be necessary to adapt the same to the purposes of this Section 9.04.

SECTION 9.05. If the total amount of credits, applicable to the Maintenance Fund, specified in any Accountant's Certificate (or any Treasurer's certificate filed pursuant to Section 2 of Article IX of the Original Indenture) filed for any calendar year after 1987 shall exceed an amount equal to 2.50% of Completed Depreciable Property as of the end of such calendar year, the excess, if any, may be used:

(a) as a credit balance to offset any deficiency for expenditures or charges as shown by any subsequent Accountant's Certificate or Certificates submitted pursuant to Section 9.02; or

(b) to increase the Amount of Established Permanent Additions available for any of the purposes described in paragraphs (i) through (vi) of Section 5.05, but only

in an aggregate amount equal to the lesser of: (i) such excess credits or (ii) the Amount of Established Permanent Additions used, after calendar year 1987, as a credit to the Maintenance Fund or for the withdrawal of cash from the Maintenance Fund.

The amount of excess Maintenance Fund credits shall be reduced by the amount of any such excess credits applied for either of the purposes described in the foregoing clauses (a) and (b).

SECTION 9.06. If the mortgaged and pledged property shall be sold either under the power of sale herein provided, or under decree of court in a suit for the foreclosure of the Indenture, then any moneys at the time remaining in the Maintenance Fund shall be added to and dealt with as if it were a part of the proceeds of such sale.

ARTICLE X.

Redemption of Bonds.

SECTION 10.01. Bonds that are, by their terms, redeemable before maturity may, at the option of the Company, be redeemed at such times, in such amounts and at such prices as may be specified therein and in accordance with the provisions of Sections 10.02 through 10.07.

SECTION 10.02. In case of redemption of only part of the Bonds of any series, the particular Bonds to be redeemed shall be selected by the Trustee by lot, in such manner as it shall elect. In any such selection by lot under this Section 10.02, each Bond shall be represented by a separate number for each \$1,000 of its principal amount.

Notice of intention to redeem Bonds of any series, wholly or in part, shall be given, by or on behalf of the Company, by first class mail, postage prepaid, at least 30 days before the Redemption Date, to each Holder of a Bond to be redeemed at the address shown on the Bond Register; but the failure to give such notice, or any defect in such notice so given, shall not affect the validity of the proceedings for the redemption of any Bond not affected by such failure or defect. All notices of redemption shall state the Redemption Date and redemption price, the portion, if less than all, of the Bonds to be redeemed, the place at which the Bonds are to be surrendered for payment, which, unless otherwise stated, shall be the principal corporate trust office of the Trustee, and that on the Redemption Date the redemption price will become due and payable on each such Bond (or the portion thereof to be redeemed) and interest thereon shall cease to accrue on and after such date.

If only part of the Bonds of any particular series is to be redeemed, said notice of redemption shall specify the numbers of such Registered Bonds to be redeemed in whole or in part. If any Bond is to be redeemed in part only, said notice shall specify the portion of the principal amount thereof to be redeemed and shall state that, upon presentation of such Bond for redemption, a new Bond of the same series, of the same maturity and of an aggregate principal amount equal to the unredeemed portion of such Bond, will be issued in lieu thereof.

In case of a redemption of any Bonds that are Coupon Bonds, such written notice of redemption shall also be given, by or on behalf of the Company, by publication at least once in each of not less than three successive calendar weeks preceding the Redemption Date and in each case on any day in the week (the first publication to be at least thirty days, or such other number of days as shall be fixed by the terms of the Bonds to be redeemed, before the Redemption Date) in one daily newspaper, in the English language, of general circulation published in Chicago, Illinois, and in one newspaper, in the English language, of general circulation published in each other city, if any, in which the principal of any of the Bonds to be redeemed may be payable.

In case only a portion of any Bond shall be called for redemption (it being understood that no Coupon Bond shall be called for redemption in part absent contrary provisions in such Coupon Bond or the Supplemental Trust Indenture creating such Coupon Bond), the Company at its expense shall execute and the Trustee shall authenticate and deliver to the Holder of such Bond a new Bond of the same series and of the same maturity for the principal amount of the surrendered Bond, less the principal amount redeemed and paid.

SECTION 10.03. If the Company shall give and complete notice of its intention to redeem any of the Bonds, the Company shall, and it hereby covenants that it will, on or before the Redemption Date specified in such notice, deposit with the Trustee a sum of cash, Government Obligations or a combination thereof, which will provide sufficient cash to redeem all of such Bonds on such Redemption Date.

SECTION 10.04. Cash, Government Obligations or a combination thereof deposited by the Company with the Trustee under the provisions of this Article X for the redemption of any of the Bonds shall be deposited and held in a trust fund for the account of the respective Holders of the Bonds to be redeemed and shall be paid to them respectively, upon presentation and surrender of such Bonds (including, if applicable, all unmatured coupons appertaining thereto); and on and after such Redemption Date if the moneys for the redemption of said Bonds shall be on deposit as aforesaid, such Bonds shall cease to bear interest, and such Bonds shall cease to be entitled to the benefits and security of and the Lien of the Indenture and, if applicable, all unmatured coupons relating to such Bonds shall be void and deemed paid.

SECTION 10.05. All Bonds paid, retired or redeemed under any of the provisions of this Article X shall be cancelled forthwith, and the Trustee shall thereupon destroy such Bonds and deliver evidence of the destruction thereof to the Company in accordance with Section 20.07.

SECTION 10.06. If there shall have been deposited with the Trustee any combination:

(i) of cash and

(ii) of Government Obligations (which shall not contain provisions permitting the redemption thereof at the option of the issuer), maturing as to principal and interest (without any regard to the reinvestment thereof) in such amounts and at such times as will assure the availability of cash

that is necessary to pay when due the principal of premium, if any, and interest due and to become due on such Bond on or prior to the Redemption Date thereof; and either the notice provided for in respect of the redemption of such Bonds shall have been duly given by the Trustee or irrevocable authorization shall have been given by the Company to the Trustee to give notice, on behalf of the Company, as provided in Section 10.02, then the Company and the Trustee shall consider such Bonds (including, if applicable, all unmatured coupons appertaining thereto) redeemed from the Holder thereof and paid for purposes of release and satisfaction of the Indenture.

SECTION 10.07. In case any question shall arise as to whether proper and sufficient action shall have been taken for the redemption of Bonds, such question shall be decided by the Trustee and the decision of the Trustee shall, subject to Section 16.01, be final and binding upon all parties in interest.

ARTICLE XI.

Possession, Use and Release of Mortgaged and Pledged Property.

SECTION 11.01. Until a Completed Default shall occur and be continuing, the Company shall be permitted, subject to the provisions of this Article XI, to possess, use, manage, operate and enjoy the mortgaged and pledged property (except money and securities which are expressly required to be deposited with the Trustee); to collect, receive, use, invest and dispose of the rents, issues, income, revenues, products and profits from all the mortgaged and pledged property, with power (in the ordinary course of business freely and without permission from or hindrance by the Trustee or the Bondholders) to use, consume and dispose of materials and supplies; and, except as herein otherwise expressly provided to the contrary, to exercise any and all rights under or in relation to choses in action, leases and contracts.

SECTION 11.02. (a) Until a Completed Default shall occur and be continuing, the Company may, without any release or consent by the Trustee, or accountability thereto for any consideration received by the Company;

(1) sell or otherwise dispose of, free from the Lien of the Indenture, (A) any machinery, equipment, tools, implements or other similar property subject to the Lien Hereof which may have become obsolete or unfit for use or no longer useful, necessary or profitable in the conduct of business of the Company, upon replacing the same by or substituting for the same, other machinery, equipment, tools or implements, not necessarily of the same character but of at least equal value to that of such property disposed of; (B) any shares of stock, bonds, notes, evidences of indebtedness and other securities other than such as may be required to be deposited with the Trustee in accordance with the provisions hereof; (C) contracts, bills, and accounts receivable; (D) motor vehicles; (E) timber on lands owned by the Company; and (F) any stock of goods, wares and merchandise, equipment or supplies acquired for the purpose of consumption in the operation, construction, or repair of any of the properties of the Company;

(2) abandon, terminate, cancel, or make changes or alterations in, or substitutions of, any and all contracts, leases and right-of-way grants of either land or easements;

(3) surrender or assent to the modification of any franchise, license, governmental consent or permit under which it may be operating, provided that, in the event of any such surrender or modification, the Company shall have (under some other franchise, license, governmental consent, permit or right, or under the modified franchise, license, governmental consent or permit, or under a new franchise, license, governmental consent or permit) received in exchange therefor, authority which is sufficient, in the Opinion of Counsel, for the conduct of the same or an extended business in the same or substantially the same or an extended territory for the same or substantially the same or an extended or unlimited period of time or until the maturity date of the last maturing series of Bonds at the time Outstanding or for the most extended period or term then possible under existing laws or regulations or until it is no longer necessary or expedient to continue in the territory affected thereby;

(4) surrender any franchise, license or governmental consent or permit now held or which may be held hereafter by the Company or under which it now may be operating or may operate hereafter any of its properties or assent to or arrange for any modification or alteration of any of the terms thereof, provided that the Board of Directors determine by Resolution that it is either no longer necessary or no longer in the best interests of the Company and the Bondholders and that the value and efficiency of the mortgaged and pledged property as an entirety will not be impaired thereby, and a copy of such Resolution shall be filed with the Trustee, and provided further that the Company shall still have power and authority, in the Opinion of Counsel, sufficient for the conduct of its business in the same or substantially the same territory;

(5) grant rights-of-way and easements over or in respect of any of the mortgaged and pledged property, of the nature described in the definition of Permitted Encumbrances, provided that such grant will not impair the use of such property for the purposes for which it is held by the Company and will not have a material adverse impact on the security afforded by the Indenture;

(b) Until a Completed Default shall occur and be continuing, and following the retirement through payment or redemption of the Original Indenture Bonds (including those Original Indenture Bonds “deemed to be paid” within the meaning of that term as used in Article XVII of the Original Indenture), the Company may, without any release or consent by the Trustee, or accountability thereto for any consideration received by the Company:

(1) sell or otherwise dispose of, free of the Lien of the Indenture:

(A) all automobiles, buses, trucks, truck cranes, tractors, trailers and similar vehicles and movable equipment, and all accessories and supplies used in connection with any of the foregoing;

(B) all vessels, boats, barges and other marine equipment, all railroad engines, cars and related equipment, all airplanes, airplane engines and other flight equipment, and all accessories and supplies used in connection with any of the foregoing;

(C) all office furniture and all leasehold interests in property owned by Persons other than the Company for office purposes; and

(2) enter into leases permitting the lessee to occupy or use any of the mortgaged and pledged property in any manner that does not interfere in any material respect with the use of such property for the purpose for which it is held by the Company and will not have a material adverse impact on the security afforded by the Indenture; and

(3) surrender any franchise, license or governmental consent or permit now held or which may be held hereafter by the Company or under which it now may be operating or may operate hereafter any of its properties or assent to or arrange for any modification or alteration of any of the terms thereof, provided that the Board of Directors determines by Resolution that it is either no longer necessary or no longer in the best interests of the Company to continue to operate in the territory affected thereby or to comply with the terms and provisions of the franchise or governmental consent or permit and such surrender or modification will not materially impair the value and efficiency of the mortgaged and pledged property as an entirety or be prejudicial in any material respect to the interests of the Bondholders.

(c) The Trustee shall execute a written instrument to confirm any action taken by the Company under this Section 11.02, upon receipt by the Trustee of (1) a Resolution requesting such written instrument and expressing any required opinions, (2) an Officer's Certificate stating that no Default has occurred and is continuing and that said action was duly taken in conformity with a designated subsection of this Section 11.02 and (3) an Opinion of Counsel stating that said action was duly taken by the Company in conformity with said subsection and that the execution of such written instrument is appropriate to confirm such action under this Section 11.02.

SECTION 11.03. Until a Completed Default shall occur and be continuing, the Company may sell, exchange or otherwise dispose of any other of the mortgaged and pledged property, and the Trustee shall release the same from the Lien Hereof upon the submission by the Company to the Trustee of an Application and delivery to the Trustee of the items listed in either (i) subsections (a) through (j) or (ii) subsection (k) of this Section 11.03, as applicable:

(a) a Resolution requesting such release and describing the applicable property;

(b) an Officer's Certificate, stating that no Default has occurred and is continuing, and that the granting of such Application will not result in a Default;

(c) an Engineer's Certificate, dated not more than 90 days preceding the date of the delivery of the Application for such release, stating in substance that the Company has sold, exchanged, or otherwise disposed of or intends to sell, exchange or otherwise dispose of the property or securities to be released, and stating:

(1) a brief description of the property or securities, if any, to be released (which may be given by reference to the Resolution requesting the release if such property is described therein) and stating whether such property is of the character of Permanent Additions;

(2) a brief description of the consideration, if any, received or to be received by the Company for the property or securities, if any, to be released, which consideration may consist in whole or in part of one or more of the following:

(A) cash;

(B) obligations owed to the Company secured by purchase money first mortgages upon the property to be released, provided that the principal amount of such obligations does not exceed (i) individually, 66-2/3% of the Fair Value of the property to be released and (ii) when added to the aggregate principal amount of all other such obligations previously received by the Company for property released pursuant to this clause (B), and then held by the Trustee, 15% of the aggregate principal amount of Bonds then Outstanding; or

(C) any other property;

provided that if the property to be released is of the character of Permanent Additions, then such other property referred to in this clause (C) shall be of the character of Permanent Additions;

(3) the amount of cash, if any, to be deposited by the Company pursuant to subsection (j) of this Section 11.03;

(4) the Fair Value of the property and securities to be released and stating, if such is the case, that the Fair Value of such property and securities is taken at the amount stated in the Independent Engineer's Certificate provided for in subsection (d) of this Section 11.03;

(5) the Fair Value of the property (other than cash) to be received in consideration for the property to be released and (A) if such property is of the character of Permanent Additions, stating that the Fair Value of such property is taken at the amount stated in the Engineer's Certificate provided for in paragraph (1) of subsection (g) of this Section 11.03 (or, in a proper case, an Independent Engineer's Certificate provided for in paragraph (2) of subsection (g) of this Section 11.03), and (B) if any portion of such property to be received consists of securities, stating that the Fair Value of such securities is taken at the amount stated in the Engineer's Certificate provided for in subsection (e) of this Section 11.03 (or if applicable, at the amount stated in the Independent Engineer's Certificate provided for in subsection (f) of this Section 11.03); and

(6) that, in the opinion of the signer, such release will not impair the security under the Indenture in contravention of the provisions thereof;

(d) if the aggregate of the Fair Value of the property or securities to be released, the amount of any award or consideration received under Section 11.06, and the Fair Value of any other property or securities theretofore released under this Section 11.03, since the beginning of the then current calendar year, is shown by the Engineer's Certificates filed in connection with

such releases to be 10% or more of the aggregate principal amount of Bonds at the time Outstanding, an Independent Engineer's Certificate making the statements required by paragraphs (4) and (6) of subsection (c) of this Section 11.03, but no such Independent Engineer's Certificate shall be required in the case of any release of property or securities, the Fair Value of which, as set forth in the Engineer's Certificate required by subsection (c) of this Section 11.03, is less than \$25,000 or less than 1% of the aggregate principal amount of the Bonds at the time Outstanding;

(e) if any portion of the property to be received in consideration for the property to be released is shown by the Engineer's Certificate provided for in subsection (c) of this Section 11.03 to consist of securities, an Engineer's Certificate stating (1) the Fair Value of such securities and (2) since the commencement of the current calendar year, the Fair Value of all other securities made the basis for (i) the authentication and delivery of Bonds, (ii) the withdrawal of cash constituting part of the mortgaged and pledged property, and (iii) the release of property or securities subject to the Lien of the Indenture;

(f) if any portion of the property to be received in consideration for the property to be released is shown by the Engineer's Certificate provided for in subsection (c) of this Section 11.03 to consist of securities, and if the Fair Value of such securities, together with the Fair Value of all other securities made the basis for the authentication and delivery of Bonds, withdrawal of cash, and release of property or securities since the beginning of the then current calendar year, as shown by the Engineer's Certificate provided for in subsection (e) of this Section 11.03, is 10% or more of the aggregate principal amount of Bonds at the time Outstanding, then, in addition to the Engineer's Certificate provided for in subsection (e) of this Section 11.03, the Company shall furnish to the Trustee an Independent Engineer's Certificate stating, in the opinion of the signer, the Fair Value of such securities at the date of the Engineer's Certificate provided for in subsection (c) of this Section 11.03; but no such Certificate of an Independent Engineer shall be required if the Fair Value of the securities constituting consideration for the property then to be released, as set forth in the Engineer's Certificate provided for in subsection (e) of this Section 11.03, is less than \$25,000 or less than 1% of the aggregate principal amount of Bonds at the time Outstanding under the Indenture;

(g) if any of the property to be received in consideration for the property to be released is of a character which would be included within the definition of Permanent Additions:

(1) an Engineer's Certificate containing the statements required by paragraphs (3), (4), (5) and (6) of subsection (a) of Section 5.05 with such changes therein as may be necessary to adapt the same to the purposes of this Article XI;

(2) if any portion of such property described in the Engineer's Certificate provided for in paragraph (1) above consists of an Acquired Facility of a Fair Value of not less than \$25,000 and not less than 1% of the aggregate principal amount of Bonds at the time

Outstanding, an Independent Engineer's Certificate containing the statements required by subsection (b) of Section 5.05 with such changes therein as may be necessary to adapt the same to the purposes of this Article XI; and

(3) an Opinion of Counsel and the instruments and documents or evidence respectively required by subsections (d) and (e) of Section 5.05, with such changes therein as may be necessary to adapt the same to the purposes of this Article XI;

(h) an Opinion of Counsel, with respect to any of the property consisting of any obligation to be received by the Company in consideration for the property to be released, stating that such obligation is a valid obligation and, if such obligation is secured by a purchase money mortgage, that such mortgage is sufficient to afford a first lien (subject to Permitted Encumbrances) upon the property to be released; and if the property to be released consists of or includes any franchise, an Opinion of Counsel that such release will not impair the right of the Company to operate any of its remaining properties constituting the mortgaged and pledged properties;

(i) any cash, obligations or other securities or other property capable of manual delivery described in the Engineer's Certificate provided for in subsection (c) of this Section 11.03, pursuant to paragraph (2) of said subsection (c), to be the consideration for the property to be released; and

(j) cash and Bonds delivered pursuant to Section 11.16, which taken together, equal the amount, if any, by which the Fair Value of the property and securities, if any, to be released as described in the Engineer's Certificate provided for in subsection (c) of this Section 11.03, pursuant to paragraph (4) of such subsection (c), exceeds the total of the cash received by the Trustee pursuant to subsection (i) of this Section 11.03 and the Fair Value of the property and securities to be received in consideration therefor as described in said Engineer's Certificate pursuant to paragraph (5) of said subsection (c).

(k) following the retirement through payment or redemption of the Original Indenture Bonds (including those Original Indenture Bonds "deemed to be paid" within the meaning of that term as used in Article XVII of the Original Indenture), and if the Fair Value of all mortgaged and pledged property of the character of Permanent Additions, excluding Retired Property, equals or exceeds an amount equal to 150% of the aggregate principal amount of Bonds Outstanding at the time of such release, the following:

(1) a Resolution requesting such release and describing the applicable property;

(2) an Officer's Certificate, stating that no Default has occurred and is continuing, and that the granting of such Application will not result in a Default;

(3) an Engineer's Certificate, dated not more than 90 days preceding the date of delivery of the Application for such release, stating:

(A) a brief description of the property to be released (which may be given by reference to the Resolution requesting the release if such property is described therein) and stating whether such property is of the character of Permanent Additions;

(B) a brief description of the consideration, if any, to be received by the Company for the property to be released;

(C) the Cost and Fair Value of:

(i) all of the mortgaged and pledged property that are Permanent Additions, excluding Retired Property, and

(ii) the property to be released; and

(D) that, in the opinion of the signer, such release will not impair the security under the Indenture in contravention of the provisions hereof;

(4) if the aggregate of the Fair Value of the property to be released, the amount of any award or consideration received under Section 11.06, and the Fair Value of any other property or securities theretofore released under this Section 11.03, since the beginning of the then current calendar year, is shown by the Engineer's Certificates filed in connection with such releases to be 10% or more of the aggregate principal amount of Bonds at the time Outstanding, an Independent Engineer's Certificate making the statements required by clause (ii) of subparagraph (C) and subparagraph (D) of paragraph (3) of this subsection (k), but no such Independent Engineer's Certificate shall be required in the case of any release of property or securities, the Fair Value of which, as set forth in the Engineer's Certificate required by paragraph (3) of this subsection (k), is less than \$25,000 or less than 1% of the aggregate principal amount of the Bonds at the time Outstanding;

(5) if any of the property to be received in consideration for the property to be released is of a character which would be included within the definition of Permanent Additions:

(A) an Engineer's Certificate containing the statements required by paragraphs (3), (4), (5) and (6) of subsection (a) of Section 5.05 with such changes therein as may be necessary to adapt the same to the purposes of this Article XI;

(B) if any portion of such property described in the Engineer's Certificate provided for in subparagraph (A) of this paragraph (5) consists of an Acquired Facility of a Fair Value of not less than \$25,000 and not less than 1% of the aggregate principal amount of Bonds at the time Outstanding, an Independent Engineer's Certificate containing the statements

required by subsection (b) of Section 5.05 with such changes therein as may be necessary to adapt the same to the purposes of this Article XI; and

(C) an Opinion of Counsel and the instruments and documents or evidence respectively required by subsections (d) and (e) of Section 5.05, with such changes therein as may be necessary to adapt the same to the purposes of this Article XI; and

(6) an Accountant's Certificate stating the aggregate principal amount of Bonds Outstanding at the time of such release, and stating that the lesser of the Cost or Fair Value of all of the Permanent Additions (excluding the mortgaged and pledged property to be released but including any Permanent Additions to be acquired by the Company with the proceeds of, or otherwise in connection with, such release) stated in the Engineer's Certificate filed pursuant to paragraph (3) or the Independent Engineer's Certificate filed pursuant to paragraph (4), both of this subsection (k), equals or exceeds an amount equal to 150% of such aggregate principal amount of Bonds Outstanding.

SECTION 11.04. Until a Completed Default shall occur and be continuing and upon receipt of a Company Request, the Trustee without requiring compliance with any of the foregoing provisions of Section 11.03, shall release from the Lien Hereof any property, the Fair Value of which shall be stated in an Engineer's Certificate delivered to the Trustee simultaneously with said Company Request, provided that such Fair Value is less than \$25,000 or less than 1% of the aggregate principal amount of Bonds Outstanding at the date of the Engineer's Certificate and which property, as stated in such Engineer's Certificate, is not useful or necessary in the conduct of the business of the Company. Said Engineer's Certificate shall also state that such release will not in any material respect impair the security under the Indenture. The aggregate Fair Value of all property released pursuant to this Section 11.04 in any calendar year shall not exceed \$500,000. The Company covenants that it will deposit with the Trustee the consideration, if any, received by it upon the sale or other disposition of any property so released. The provisions of this Section 11.04 shall not be available if any portion of the property to be received in consideration for the property of the Company to be released consists of securities.

SECTION 11.05. Interest on and principal of any obligation received by the Trustee pursuant to the provisions of Section 11.03 may be collected by it, but, until a Completed Default shall occur and be continuing, interest as received by the Trustee on any such obligation thereof shall be paid over to the Company.

Any new property acquired by exchange or purchase (other than cash received pursuant to subsection (k) of Section 11.03) to take the place of any property released under any provision of this Article XI shall forthwith and without further conveyance become subject to the Lien of the Indenture; and the Company covenants that, if so requested by the Trustee, it will convey the

same, or cause to be conveyed, to the Trustee by appropriate instruments of conveyance upon the trusts and for the purposes of the Indenture.

SECTION 11.06. Should any of the mortgaged and pledged property be taken by exercise of the power of eminent domain or should any governmental body or agency, at any time, exercise any right which it may have to require the Company to sell to it any part of said property, the Trustee shall accept any cash award therefor, and at the request of the Company shall release the property so taken or purchased, upon being furnished with an Opinion of Counsel to the effect that such property has been taken by exercise of the power of eminent domain or purchased by a governmental body or agency in the exercise of a right which it had to purchase the same. The proceeds of all property so taken or purchased shall be paid over to the Trustee, to be held and applied by the Trustee in the same manner and on the same basis as moneys received by the Trustee pursuant to Section 11.03.

SECTION 11.07. If all or substantially all of the mortgaged and pledged property, other than any money and securities deposited with the Trustee, shall be in the possession of a trustee or receiver, lawfully appointed in any action or judicial proceeding for the foreclosure hereof or for the enforcement of the rights of the Trustee or of the Bondholders, the powers conferred upon the Company with respect to the sale or other disposition of the mortgaged and pledged property may be exercised by such trustee or receiver, and any request, certificate or appointment made or signed by such trustee or receiver for such purpose shall have the same effect as if made by the Company or the Board of Directors or any of the officers of the Company as herein provided. If the Trustee shall be in possession of the mortgaged and pledged property under any provision in the Indenture, then such powers may be exercised by the Trustee in its discretion.

SECTION 11.08. No Person, purchasing in good faith property purporting to have been released hereunder shall be bound to ascertain the authority of the Trustee to execute the release, or to inquire as to the existence of any conditions herein prescribed for the exercise of such authority; nor shall any purchaser or grantee of any property or rights permitted by Section 11.02, 11.03 or 11.04 to be sold, granted, exchanged or otherwise disposed of by the Company, be under any obligation to ascertain or inquire into the authority of the Company to make such sale, grant, exchange or other disposition. Any release executed by the Trustee under this Article XI shall be sufficient for the purpose of the Indenture and shall constitute a good and valid release of the property therein described from the Lien Hereof.

SECTION 11.09. The "Release Fund" shall consist of all moneys deposited with or received by the Trustee, pursuant to any Section of this Article XI (excluding any cash received by the Company pursuant to subsection (k) of Section 11.03) or in payment of or in exchange for any of the obligations deposited with or received by the Trustee pursuant to the provisions of Section 11.03 or 11.04 (except interest or dividends on said obligations or other securities) or which under any of the provisions of the Indenture are to be held, applied, or disposed of by the Trustee in the same manner as moneys or cash in such Release Fund. The Release Fund shall be

held by the Trustee in trust for the security of the Bonds Outstanding until withdrawn or paid out as provided in Sections 11.10 through 11.17.

SECTION 11.10. Until a Completed Default shall occur and be continuing, at the option of the Company any moneys constituting all or any part of the Release Fund shall be paid over to the Company by the Trustee in an amount equal to the Cost or Fair Value, whichever is less, of Permanent Additions certified to the Trustee as provided in Article V, after making the deductions provided for in Section 5.03 for Retired Property and subject to the conditions of Sections 5.06 and 5.08 but only upon the delivery to the Trustee of:

(a) a Company Order;

(b) a Resolution authorizing such Company Order;

(c) an Officer's Certificate stating that no Default has occurred and is continuing, and that the granting of such Company Order will not result in a Default; and

(d) an Accountant's Certificate containing the statements and calculation provided for in subsection (d) of Section 5.07 with the changes necessary to adapt the same to the purposes of this Section 11.10.

SECTION 11.11. Upon receipt of a Company Request in the form of an Officer's Certificate and without requiring compliance with any of the provisions of Section 11.10 (except subsection (c) of Section 11.10), the Trustee shall pay over to the Company the proceeds of any sale of property, for which the consideration was less than \$25,000, and the Company covenants that moneys so received, pursuant to the provisions of this Section 11.11, promptly will be expended for property of the character of Permanent Additions. The aggregate amount withdrawn pursuant to this Section 11.11 in any calendar year shall not exceed (i) \$100,000 prior to the retirement through payment or redemption of the Original Indenture Bonds (including those Original Indenture Bonds "deemed to be paid" within the meaning of that term as used in Article XVII of the Original Indenture) and (ii) \$500,000 thereafter. Withdrawals under this Section 11.11 shall be deducted from the Amount of Established Permanent Additions in the next succeeding Accountant's Certificate filed under Section 11.10.

SECTION 11.12. If the mortgaged and pledged property shall be sold, either under the power of sale herein provided, or under decree of court in a suit for the foreclosure of the Indenture, then the Release Fund shall be added to and dealt with as if it were part of the proceeds of such sale.

SECTION 11.13. Until a Completed Default shall have occurred and be continuing, upon Company Request, authorized by Resolution, the Trustee shall to the extent that such Bonds are available for such purpose, apply all or any part of the cash held by it in the Release Fund to the purchase of Outstanding Bonds of one or more series as the Company may designate

at the lowest price obtainable, but such purchase price shall not exceed the current regular redemption price applicable to such Bonds. Upon the purchase by the Trustee of any Bond, as hereinabove provided, the Trustee shall notify the Company in writing thereof, specifying the serial numbers and principal amount of the Bonds purchased and any amount of accrued interest thereon paid or to be paid by the Trustee on such purchase, and the Company covenants that, upon the receipt by it of any such notice, it immediately will pay to the Trustee, as an additional payment to the Release Fund, an amount of cash equal to such accrued interest on the Bonds so purchased, or to be purchased, as specified in such notice to the end that the Release Fund shall not be diminished by the payment therefrom of interest.

SECTION 11.14. Until a Completed Default shall have occurred and be continuing, and upon Company Request, authorized by Resolution, the Trustee shall as soon as practicable apply all or any part of the cash held by it in the Release Fund to the redemption of Bonds, which are by their terms then redeemable, of one or more series as may be designated by the Company in the manner and as provided for redemption of Bonds in Article X. In the event of each such redemption the Trustee promptly shall notify the Company in writing of the Bonds selected for redemption, specifying the amount of accrued interest payable in respect of the Bonds to be redeemed upon such redemption. The Company covenants that it will give or cause to be given the notice provided for in respect of the redemption of such Bonds and will, on or prior to the date fixed for such redemption, deposit with the Trustee an additional amount of cash equal to such accrued interest, to the end that the Release Fund shall not be diminished by the payment of interest therefrom.

The provisions of this Section 11.14 and of Section 11.15 shall not grant to the Company the power to redeem any Bond that is not otherwise redeemable or to redeem any Bond at a price less than the price at which such Bond could be redeemed pursuant to Article X or pursuant to the terms of such Bond.

SECTION 11.15. Until a Completed Default shall have occurred and be continuing, if the balance in the Release Fund exceeds \$300,000 for a period of 24 months or more, and during that period the Company shall not have made a proper request for reimbursement pursuant to Section 11.10 or for the application of such balance to the purchase or redemption of Bonds pursuant to Section 11.13 or 11.14, respectively, then the balance in the Release Fund shall be applied by the Trustee without further action by, or election of, the Company to the purchase or redemption of Bonds (subject to the last paragraph of Section 11.14) in the manner specified in Sections 11.13 and 11.14, choosing for such purpose Bonds of the series of the lowest current redemption price that may be then Outstanding and available for such purpose. In the event of each such application and upon written notice from the Trustee, the Company shall give or cause to be given the notice provided for in respect of the redemption of such Bonds and shall pay to the Trustee additional cash equal to any accrued interest that will be payable upon such redemption.

SECTION 11.16. Until a Completed Default shall have occurred and be continuing, delivery by the Company to the Trustee of Bonds (except Bonds which have been retired or used in any manner set forth in clause (a), (b) or (c) of Section 6.01), shall be deemed equivalent under this Article XI to payment of cash under Sections 11.03 and 11.04 equal to the aggregate principal amount of the Bonds so delivered.

SECTION 11.17. Until a Completed Default shall have occurred and be continuing, any moneys constituting part of the Release Fund may be withdrawn by the Company upon the delivery to the Trustee of Bonds (except Bonds which have been retired or used in any manner set forth in clause (a), (b) or (c) of Section 6.01), of an aggregate principal amount equal to the amount of moneys withdrawn.

SECTION 11.18. All Bonds purchased or otherwise acquired by, or delivered to the Trustee for the Release Fund shall be cancelled forthwith, and the Trustee thereupon shall destroy such Bonds and deliver evidence of the destruction to the Company, pursuant to Section 20.07.

ARTICLE XII

Meetings of Bondholders.

SECTION 12.01. A meeting of Holders of Bonds of any or all series may be called at any time pursuant to the provisions of this Article XII for any of the following purposes:

- (1) to give any notice to the Company or to the Trustee, or to give any directions to the Trustee, or to waive any Completed Default and its consequences, or to take any other action authorized to be taken by Holders pursuant to any of the provisions of Article XIII;
- (2) to remove the Trustee and appoint a successor Trustee pursuant to the provisions of Article XVI;
- (3) to consent to the execution of a Supplemental Trust Indenture pursuant to the provisions of Section 18.02; or
- (4) to take any other action authorized to be taken by or on behalf of the Holders of any specified percentage in aggregate principal amount of the Bonds of any or all series, as the case may be, under any other provisions of the Indenture or under applicable law.

SECTION 12.02. The Trustee at any time may call a meeting of Holders of Bonds of any or all series to take any action specified in Section 12.01, such meeting to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Holders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given to Holders of Bonds of each series affected, in the manner and to the extent provided in subsection (c) of Section 16.18, not less than 20 nor more than 180 days prior to the date fixed for the meeting; provided that, if there shall be Outstanding any Coupon Bonds not registered as to principal, publication of such notice in the newspapers specified in Section 10.02 for a redemption of Coupon Bonds shall occur at least twice, with each publication to be not less than 20 nor more than 180 days prior to the date fixed for the meeting.

SECTION 12.03. If the Company, pursuant to a Resolution, or the Holders of at least 25% in aggregate principal amount of the Bonds then Outstanding, shall have requested the Trustee in writing to call a meeting of Holders to take any action authorized in Section 12.01, which request shall set forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed the notice of such meeting within 20 days after receipt of such request, then the Company or the Holders of at least 25% in aggregate principal amount of the Bonds then Outstanding may determine the time and the place for such meeting and may call such meeting by mailing (and, if applicable, publishing) notice thereof as provided in Section 12.02. The Trustee shall be required to attend any such meeting properly called by the Company or Bondholders.

SECTION 12.04. To be entitled to vote at any meeting of Holders, a Person shall be a Holder of one or more Outstanding Bonds, of any or all series, as the case may be, with respect to which such meeting is being held or be a Person appointed by an instrument in writing as proxy by such Holder. The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 12.05. Notwithstanding any other provisions of the Indenture, the Trustee may establish such reasonable rules as it may deem advisable for any meeting of Holders in regard to: (a) proof of the holding of Bonds and of the appointment of proxies; (b) the appointment and duties of inspectors of votes; (c) the submission and examination of proxies, certificates and other evidence of the right to vote; and (d) such other matters concerning the conduct of the meeting as the Trustee shall determine. Except as otherwise permitted or required by any such rules, the holding of Bonds shall be proved in the manner specified in Section 14.02 and the appointment of any proxy shall be proved in the manner specified in Section 14.02 or by having the signature of the Person executing the proxy witnessed or guaranteed by any bank or trust company satisfactory to the Trustee.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or the Holders as provided in Section 12.03, in which case the Company or the Holders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by majority vote of the meeting.

Subject to the provisions of Section 12.04, at any meeting each Holder of Outstanding Bonds, with respect to which such meeting is being held, or proxy therefor shall be entitled to one vote for each \$1,000 principal amount of Outstanding Bonds held or represented by each Holder; provided, that no vote shall be cast or counted at any meeting in respect of any Bonds challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote except as a Holder or proxy. At any meeting of Holders, the presence of Persons holding or representing Bonds in an aggregate principal amount sufficient to take action on any business for which such meeting was called shall constitute a quorum.

Any meeting of Holders duly called pursuant to the provisions of Section 12.02 or 12.03 may be adjourned from time to time by vote of the Holders of a majority in aggregate principal amount of the Bonds represented at the meeting and entitled to vote, whether or not a quorum be then present at such meeting, and any meeting so adjourned may be continued without further notice.

SECTION 12.06. The vote upon any resolution submitted to any meeting of Holders of Bonds with respect to which such meeting is being held or represented by them shall be by written ballots on which shall be subscribed the signatures of the Holders or proxies and, if deemed appropriate by the Trustee, the serial number or numbers and principal amount of the Bonds of each series held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their notarized and sworn written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote taken by ballot and affidavits by one or more Persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 12.02. The record shall be signed and verified by the permanent chairman and secretary of the meeting. One of the duplicates shall be delivered to the Company. The other duplicate, with the ballots voted at the meeting attached thereto, shall be delivered to the Trustee to be preserved by the Trustee.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

ARTICLE XIII

Remedies of Trustee and Bondholders upon Default.

SECTION 13.01. Upon the occurrence and continuance of any one or more of the following events, a “Completed Default” shall exist:

- (a) default in the payment of the principal of, or premium, if any, on any Bond when the same shall have become due and payable, whether at Stated Maturity or by declaration, or otherwise; or
- (b) default continued for 90 days in the payment of any interest upon any Bond; or
- (c) default in the covenants of the Company with respect to bankruptcy, insolvency, assignment or receivership contained in Section 8.11; or
- (d) default continued for 90 days after notice to the Company from the Trustee in the performance of any other covenant, agreement or condition contained herein;

and the Trustee may, and upon the written request of the Holders of 25% or more in principal amount of the Bonds then Outstanding shall, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest thereupon shall be due and payable immediately; subject to the right of the Holders of a majority in principal amount of the Bonds then Outstanding, by written notice to the Company and to the Trustee, to rescind and annul such declaration and destroy its effect at any time before any sale hereunder if, before any such sale, (1) all agreements with respect to which default shall have been made shall be fully performed and (2) the reasonable expenses and charges of the Trustee, its agents and attorneys, all arrears of interest upon all Bonds Outstanding and of all other indebtedness secured hereby (except (i) the principal of any Bonds not then due by their terms, and (ii) interest accrued on such Bonds since the last Interest Payment Date) shall have been paid, or the amount thereof shall have been paid to the Trustee for the benefit of those entitled thereto.

No rescission or annulment and no waiver of a Completed Default shall extend to or affect any subsequent Completed Default or impair any right subsequently accruing with respect thereto.

SECTION 13.02. Upon the occurrence of one or more Completed Defaults, the Company, upon demand of the Trustee, forthwith shall surrender to the Trustee the actual possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all the mortgaged and pledged property (with the books, papers and accounts of the Company) and to hold, operate and manage the same, and to make all necessary repairs, and such alterations, additions and improvements as the Trustee shall deem appropriate, and to

receive the rents, income, issues and profits thereof, and out of the same to pay all proper costs and expenses of so taking, holding, operating and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee hereunder, and any taxes and assessments and other charges prior to the Lien of the Indenture, which the Trustee may deem appropriate to pay, and all expenses of all such repairs, alterations, additions and improvements, and to apply the remainder of the moneys so received by the Trustee, as follows:

(a) in case the principal of none of the Bonds shall have become due, to the payment of the interest in default, in chronological order of the Stated Maturity of the installments of such interest, with interest (to the extent permitted by law) on the overdue installments thereof at the same rate that the Bonds themselves bear; such payments to be made ratably to the Persons entitled thereto, without discrimination or preference;

(b) in case the principal of any of the Bonds shall have become due, by declaration or otherwise, first to the payment of the interest in default, in chronological order of the Stated Maturity of the installments of such interest, with interest (to the extent permitted by law) on the overdue installments of interest at the same rate that the Bonds themselves bear, and thereafter to the payment of the principal of all Bonds then due, such payments, respectively, to be made ratably to the persons or parties entitled thereto without discrimination or preference.

Whenever all that is due upon such installments of interest, and the principal of such Bonds and under any of the terms of the Indenture shall have been paid and all defaults made good, the Trustee shall surrender possession to the Company, its successors or assigns; but with the same right of entry to exist upon any subsequent default.

SECTION 13.03. Upon the occurrence of one or more Completed Defaults: (a) it shall be lawful for the Trustee, by such officer or agent as it may appoint, with or without entry (i) to sell all property subject to the Lien Hereof as an entirety, or in such parcels as the Holders of a majority in principal amount of the Bonds Outstanding shall in writing request, or in the absence of such request, as the Trustee may determine, at public auction, at some convenient place in Minneapolis, Minnesota, or such other place as may be required by law, or by order of court (having first given notice of such sale by publication at least once on any day in each of not less than four successive calendar weeks immediately preceding the date fixed for any such sale in at least one daily newspaper of general circulation printed in the English language, published in Chicago, Illinois, and in at least one daily newspaper of general circulation printed in the English language, published in the City and State of New York, and any other notice which may be required by law) (ii) to adjourn such sale in its discretion by announcement at the time and place fixed for such sale without further notice, and upon such sale to make and deliver to the purchaser or purchasers a good and sufficient deed or deeds for the same, which sale shall be a perpetual bar, both at law and in equity, against the Company, and all Persons lawfully claiming or who may claim by, through or under it and (b) the Trustee and its successors are irrevocably

appointed the true and lawful attorney or attorneys of the Company, in its name and stead, for the purpose of effectuating any such sale to execute and deliver all necessary deeds, bills of sale, assignments and transfers, and to substitute one or more Persons with like power, the Company hereby ratifying and confirming all that the Trustee's attorney or attorneys, or such substitute or substitutes, shall lawfully do by virtue hereof. Nevertheless, if so requested by the Trustee or by any purchaser, the Company shall ratify and confirm any such sale or transfer by executing and delivering to the Trustee or to such purchaser or purchasers all proper conveyances, assignments, instruments of transfer and releases as may be designated in any such request.

SECTION 13.04. In the event of a Completed Default, the Trustee shall have the right and power to take appropriate judicial proceedings for the enforcement of its rights and the rights of the Bondholders. In case of a Completed Default, the Trustee may after entry, or without entry, proceed by suit or suits at law or in equity to enforce payment of the Bonds then Outstanding and to foreclose the Indenture and to sell the property subject to the Lien of the Indenture under the judgment or decree of a court of competent jurisdiction; and it shall be obligatory upon the Trustee to take action, either by such proceedings or by the exercise of its powers with respect to entry or sale, upon being requested to do so by the Holders of a majority in principal amount of the Bonds then Outstanding and upon being indemnified as hereinafter provided.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Bonds or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable, as therein expressed or by declaration or otherwise, and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal, premium or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal of, premium, if any and interest owing and unpaid in respect of the Bonds Outstanding and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Bondholders allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Bondholder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Bondholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 16.07.

Nothing contained herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan or reorganization, arrangement, adjustment or composition affecting the Bonds or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Bondholder in any such proceeding.

No remedy by the terms of the Indenture, conferred upon or reserved for the Trustee or for the Bondholders, is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Completed Default shall impair any such right or power or shall be construed to be a waiver of any such Completed Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as expedient.

SECTION 13.05. Anything in the Indenture to the contrary notwithstanding, the Holders of a majority in principal amount of the Bonds then Outstanding, at any time, by a written instrument, executed and delivered to the Trustee, may reasonably direct the method and place of conducting all proceedings to be taken for any sale of the property subject to the Lien of the Indenture, or for the foreclosure of the Indenture, or for the appointment of a receiver or for the taking of any action authorized hereby or refraining therefrom; provided that such direction shall not be contrary to the provisions of law or of the Indenture.

SECTION 13.06. In case of a Completed Default and upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders, the Trustee shall be entitled as a matter of right to the appointment of a receiver or receivers of the property subject to the Lien of the Indenture, and of the income, rents, issues and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 13.07. Upon any sale made under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or otherwise for the enforcement of the Indenture, the principal of all Bonds then Outstanding, if not previously due, shall immediately be due and payable.

SECTION 13.08. Upon any sale made under the power of sale hereby given or under judgment or decree in any judicial proceedings for foreclosure or otherwise for the enforcement of the Indenture, any Bondholder or Bondholders, or the Trustee, may bid for and purchase the property subject to the Lien of the Indenture and upon compliance with the terms of sale may hold, retain, possess and dispose of such property without further accountability. To the extent permitted by law, any purchaser at any such sale may deliver any of the Bonds Outstanding in lieu of cash in a principal amount equal to the cash payable upon distribution of the net proceeds from such sale. Said Bonds, in case the amounts so available for payment to the Holders thereof

shall be less than the amount due upon the Bonds, shall be returned to the Holders thereof after being properly stamped to show partial payment of the Bonds.

SECTION 13.09. Upon any sale made under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or otherwise for the enforcement of the Indenture, a receipt from the Trustee or the officer making such sale shall be a sufficient discharge to the purchaser for his purchase money. Such purchaser, his assigns or personal representatives, after paying such purchase money and receiving such receipt of the Trustee or of such officer therefor, shall not be obliged to see to the application of such purchase money, or in any way be answerable for any loss, misapplication or nonapplication thereof.

SECTION 13.10. Any sale made under the power of sale hereby given or under judgment or decree in any judicial proceedings for foreclosure or otherwise for the enforcement of the Indenture, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Company, of, in and to the property so sold, and shall be a perpetual bar both at law and in equity against the Company, its successors and assigns and against any and all Persons claiming or who may claim the property which was sold or any part thereof, from, through or under the Company, its successors or assigns. The purchaser of the Company's interest in properties owned jointly or in common with others shall have the same rights and status as possessed by the Company prior to any such sale, but only to the extent permitted by law and subject to the provisions of any such judgment or decree.

SECTION 13.11. The proceeds from any sale made under the power of sale hereby given, or under judgment or decree in any judicial proceeding for the foreclosure or otherwise for the enforcement of the Indenture, together with any other amounts of cash which may then be held by the Trustee, as part of the mortgaged and pledged property, and which by any other provision hereof are to be added to or treated as a part of the proceeds of sale, shall be applied in the following order:

First. To the payment of all taxes, assessments or Prior Liens, except those taxes, assessments or Prior Liens subject to which such sales shall have been made, and of all the costs and expenses of such sale, including reasonable compensation to the Trustee, its agents and attorneys, and of all other sums payable to the Trustee as compensation for other services hereunder and by reason of any expenses or liabilities incurred or advances made in connection with the management or administration of the trusts hereby created;

Second. To the payment in full of the amounts then due and unpaid for principal and interest upon the Bonds then Outstanding; and in case such proceeds shall be insufficient to pay in full the amounts so due and unpaid, then to the payment thereof ratably, with interest on the overdue principal and interest (to the extent permitted by law) at the rates that the Bonds themselves bear without preference or priority of

principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest;

Third. To the Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

SECTION 13.12. In case of a Completed Default, neither the Company nor any one claiming through or under it shall or will set up, claim or seek to take advantage of any appraisalment, valuation, stay, extension or redemption laws now or hereafter in force in any locality where any of the property subject to the Lien of the Indenture may be situated, in order to prevent or hinder the enforcement or foreclosure of the Indenture, or the absolute sale of the mortgaged and pledged property, or any part thereof, or the possession thereof by any purchaser at any sale under this Article XIII, but the Company, for itself and all who may claim through or under it, hereby waives (to the extent it may lawfully do so) the benefit of all such laws. The Company, to the extent it may lawfully do so, for itself and all who may claim through or under it, hereby waives any and all right to have the mortgaged and pledged property marshaled upon any foreclosure hereof, and agrees that any court having jurisdiction to foreclose the Indenture may sell the mortgaged and pledged property subject to the Lien Hereof as an entirety.

SECTION 13.13. The Company covenants that if default shall be made in the payment of the principal or of interest on any of the Bonds when the same shall become payable, whether at the Stated Maturity or by declaration as authorized by the Indenture, or in case of a sale as provided in Section 13.03, 13.04 or 13.07 or otherwise, then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the Holders of such Bonds so due and payable the whole amount due and payable on all such Bonds for principal and interest, with interest upon the overdue principal and interest (to the extent permitted by law) at the same rate borne by the Bonds which are overdue. If the Company shall fail to pay the same promptly upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid.

The Trustee shall be entitled to sue for and recover judgment as aforesaid, either before, after or during the pendency of any proceedings for the enforcement of the Lien of the Indenture, or otherwise for the enforcement of any of its rights, or the rights of the Bondholders. In case of a sale of any of the property subject to the Lien of the Indenture, and of the application of the proceeds of sale to the payment of the debt hereby secured, the Trustee in its own name and as trustee of an express trust, shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon any and all the Bonds then Outstanding, for the benefit of the Holders thereof, and the Trustee shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest. No recovery of any such judgment by the Trustee and no levy of any execution upon any such judgment upon any of the property subject to the Lien of the Indenture or upon any other property shall affect, in any manner or to any extent, the Lien of the Indenture upon the mortgaged and pledged property, or any rights, powers or remedies of the

Trustee, or any lien, rights, powers or remedies of the Holders of the said Bonds, but such lien, rights, powers and remedies of the Trustee and of the Bondholders shall continue unimpaired.

Any moneys collected or received by the Trustee under this Section 13.13, shall be applied by it first, to the payment of its expenses, disbursements and compensation and the expenses, disbursements and compensation of its agents and attorneys, and, second, toward payment of the amounts then due and unpaid upon such Bonds, with respect to which such moneys shall have been collected, ratably and without preference or priority of any kind, according to the amounts due and payable upon such Bonds at the date fixed by the Trustee for the distribution of such moneys, upon presentation of the several Bonds and upon notation of such payment thereon, if partly paid, and upon surrender thereof, if fully paid.

SECTION 13.14. All rights of action in favor of the Trustee, in respect of the Bonds or otherwise may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at any trial or other proceedings relative thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee and any recovery of judgment shall be for the equal benefit of the Holders of the Bonds.

SECTION 13.15. (a) No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the foreclosure of the Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless: (i) such Holder shall have previously given to the Trustee written notice of the existence of a Completed Default as herein provided; (ii) the Holders of 25% in principal amount of the Bonds then Outstanding also shall have made written request to the Trustee and shall have afforded it reasonable opportunity to proceed to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; and (iii) the Trustee shall have been offered adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, provided that such liabilities do not arise as the result of the Trustee's negligence or bad faith. No Bondholder shall be entitled to institute any such suit if and to the extent that the institution or prosecution of such suit or the entry of judgment therein would result, under applicable law, in the surrender, impairment, waiver or loss of the Lien of the Indenture upon the mortgaged and pledged property, or any part thereof, as security for Bonds held by any other Bondholder.

(b) In any suit for the enforcement of any right or remedy under the Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the court may in its discretion require any litigant party in such suit to file an undertaking to pay the costs of such suit and the court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any litigant party in such suit, giving due regard to the merits and good faith of the claims or defenses made by such litigant party; provided that the provisions of this subsection (b) shall not apply to: (i) any suit instituted by the Trustee, (ii) any suit instituted by any Bondholder, or group of Bondholders, holding in the aggregate more than 10% in principal amount of the

Bonds Outstanding, or (iii) any suit instituted by any Bondholder for the enforcement of the payment of the principal of or interest on any Bond, on or after the respective due dates expressed in such Bond.

(c) Nothing contained in the Indenture shall affect or impair the absolute and unconditional obligation of the Company to pay the principal of and interest on the Bonds, in accordance with the terms thereof, to the respective Holders thereof at the Stated Maturity thereof (whether by lapse of time or call for redemption), nor affect or impair the right of action of each such Holder to enforce such payment.

SECTION 13.16. The Company may, if permitted by law, waive any period of grace provided for in this Article XIII.

SECTION 13.17. In case the Trustee shall have proceeded to enforce any right under the Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then, and in every such case, the Company and the Trustee shall be restored to their former positions and rights hereunder with respect to the property subject to the Lien of the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

SECTION 13.18. All rights, remedies and powers provided for in this Article XIII may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Article XIII are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render the Indenture invalid, unenforceable or not entitled to be recorded or filed under the provisions of any applicable law.

ARTICLE XIV.

Evidence of Rights of Bondholders and Ownership of Bonds.

SECTION 14.01. Whenever the Holders of a specified percentage in aggregate principal amount of Bonds are entitled to take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action, the Holders of such specified percentage have joined therein may be evidenced: (a) by any instrument or any number of substantially concurrent instruments of similar tenor executed by the Holders in person or by agent or proxy, appointed in writing; (b) by the record of the Holders voting in favor thereof at any meeting of such Holders duly called and held in accordance with the provisions of Article XII; or (c) by a combination of such instrument or instruments and any such record of such a meeting of such Holders.

SECTION 14.02. Subject to the provisions of Sections 16.01 and 12.05, the fact and date of the execution of any instrument by a Holder of Bonds or his agent or proxy may be proved by the certificate of any notary public or other officer authorized to take acknowledgements of deeds to be recorded within the United States of America or territories, commonwealths, or possessions thereof that the Person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer, provided that the Trustee may require such additional proof as it shall deem reasonable. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit also shall constitute sufficient proof of the authority of the Person executing the same. Subject to Sections 16.01 and 12.05, the fact and date of the execution of any such instrument and the amount and numbers of Bonds of any series held by the Person so executing such instrument and the amount and numbers of any Bond for such series also may be proven in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in any other manner which the Trustee may deem sufficient.

The ownership and proof of holding of Registered Bonds shall be proved by the Bond Register or by a certificate of the Bond Registrar. The fact of the holding by any Holder of a Bond of any series, and the identifying number of such Bond and the date of his holding the same, may be proved by the production of such Bond or by a certificate executed by any trust company, bank, banker or recognized securities dealer satisfactory to the Trustee, wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory. Each such certificate shall be dated and shall state that on the date thereof a Bond of such series bearing a specified identifying number was deposited with or exhibited to such trust company, bank, banker or recognized securities dealer by the Person named in such certificate. Any such certificate may be issued in respect of one or more Bonds of one or more series specified therein. The holding by the Person named in any such certificate of any Bonds of any series specified therein shall be presumed to continue for a period of one year from the date of such certificate unless at the time of any determination of such holding (1) another certificate bearing a later date

issued in respect of the same Bonds shall be produced, or (2) the Bond of such series specified in such certificate shall be produced by some other Person, or (3) the Bond of such series specified in such certificate shall have ceased to be Outstanding. Subject to Sections 16.01 and 12.05, the fact and date of the execution of any such instrument and the amount and numbers of Bonds of any series held by the Person so executing such instrument and the amount and numbers of Bonds for such series also may be proved in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in any other manner which the Trustee may deem sufficient.

The record of a Holders' meeting shall be proved in the manner provided in Section 12.06.

SECTION 14.03. Prior to presentation for registration of transfer of any Bond, the Company, the Trustee, any Authenticating Agent, any Paying Agent or any Bond Registrar may deem and treat the Holder of any coupon and the Holder of any Bond other than a Registered Bond, and the Person in whose name any Bond shall be registered upon the Bond Register as the absolute owner of such Bond or coupon (whether or not such Bond or coupon shall be overdue) for the purpose of receiving payment of or interest on account thereof and for all other purposes. Neither the Company nor the Trustee nor any Authenticating Agent nor any Paying Agent nor the Bond Registrar shall be affected by any notice to the contrary. All such payments made to any such Person, or upon his order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

SECTION 14.04. At any time prior to, but not after, evidence is provided to the Trustee, pursuant to Section 14.01, of the taking of any action by the Holders of the percentage in aggregate principal amount of the Bonds specified in the Indenture in connection with any such action, any Holder of a Bond which is included in the Bonds the Holders of which have joined in such action may, by filing written notice with the Trustee at its office and upon proof of holding as provided in Section 14.02, revoke such action so far as concerns such Bond. Except as aforesaid in this Section 14.04, any such action taken by the Holder of any Bond pursuant to this Article XIV shall be conclusive and binding upon such Holder, upon all future Holders and owners of such Bond and of any Bond issued in exchange or substitution therefor, irrespective of whether any notation in regard thereto is made upon such Bond. Any action taken by the Holders of the percentage in aggregate principal amount of the Bonds specified in the Indenture in connection with such action shall be conclusively binding upon the Company, the Trustee and the Holders of the Bonds.

ARTICLE XV.

Effect of Merger, Consolidation, Etc. on the Lien of the Indenture.

SECTION 15.01. Nothing in the Indenture shall prevent any lawful consolidation or merger of the Company with or into any other corporation, or any conveyance, transfer or lease, subject to the Lien of the Indenture, of all or substantially all the mortgaged and pledged property as an entirety, to any corporation lawfully entitled to acquire or lease and operate the same; provided (and the Company covenants and agrees), that such consolidation, merger, conveyance, transfer or lease shall be only upon terms that fully preserve and in no respect impair the efficiency or security of the Indenture or the Lien Hereof, or any of the rights or powers of the Trustee or the Bondholders; and provided that any such lease shall be made expressly subject to immediate termination by: (i) the Company or the Trustee at any time during the continuance of a Completed Default, and (ii) by the purchaser of the property so leased at any sale thereof, whether such sale be made under the power of sale hereby conferred or under judicial proceedings; and provided, further, that, upon any such consolidation, merger, conveyance, transfer, or lease, the term of which extends beyond the Stated Maturity of any of the Bonds Outstanding, the due and punctual payment of the principal of and interest on all said Bonds according to their tenor and the due and punctual performance and observance of all the covenants and conditions of the Indenture to be kept or performed by the Company, shall be assumed by the corporation formed by such consolidation or into which such merger shall have been made, or acquiring all or substantially all the mortgaged and pledged property as an entirety, as aforesaid, or by the lessee under any such lease the term of which extends beyond the Stated Maturity of any of the Bonds Outstanding.

SECTION 15.02. If the Company, pursuant to Section 15.01, shall be consolidated with or merged into any other corporation or shall convey or transfer (subject to the Lien of the Indenture) all, or substantially all, the mortgaged and pledged property, as an entirety, then the successor corporation, formed by such consolidation or into which the Company shall have been merged or which shall have received a conveyance or transfer as aforesaid (the "Successor Corporation"), upon executing an indenture with the Trustee, satisfactory to the Trustee, and causing the same to be recorded, whereby such Successor Corporation shall assume and agree to pay, duly and punctually, the principal of and interest on the Bonds, and agree to perform and fulfill all the covenants and conditions of the Indenture binding upon the Company, shall: (a) succeed to and be substituted for the Company, with the same effect as if it had been named herein, and in the Bonds as the mortgagor or obligor company; (b) have and may exercise under the Indenture and the Bonds the same powers and rights as the Company, and (without in any way limiting or impairing by the enumeration of the same the scope and intent of the foregoing general powers and rights) such Successor Corporation thereupon may cause to be executed, issued and delivered, either in its own name or in the name of the Company, any or all of such Bonds which shall not theretofore have been executed by the Company and authenticated by the Trustee, and upon the order of such Successor Corporation in lieu of the Company, and subject

to the terms, conditions, and restrictions prescribed in the Indenture, concerning the authentication and delivery of Bonds, the Trustee shall authenticate and deliver any such Bonds which shall have been previously signed and delivered by the officers of the Company to the Trustee for authentication, and any such Bonds which such Successor Corporation shall thereafter, in accordance with the provisions of the Indenture, cause to be executed and delivered to the Trustee for authentication. All the Bonds so issued shall in all respects have the same legal right and security as the Bonds theretofore issued in accordance with the terms of the Indenture as though all of said Bonds had been authenticated and delivered at the date of the execution hereof; provided, that as a condition precedent to the execution by a Successor Corporation and the authentication and delivery by the Trustee of any such additional Bonds in respect of the construction or acquisition by the Successor Corporation of Permanent Additions, the indenture with the Trustee to be executed and caused to be recorded by the Successor Corporation, as provided in this Section 15.02, shall contain a conveyance or transfer and mortgage in terms sufficient to include such Permanent Additions; and provided further that the Lien of the Indenture or of the indenture so created and to be executed by such Successor Corporation shall have similar force, effect and standing as the Lien of the Indenture would have if the Company had not been consolidated with or merged into such other corporation or had not conveyed or transferred, subject to the Indenture, all the mortgaged and pledged property as an entirety, as aforesaid, to such Successor Corporation, and had itself acquired or constructed such Permanent Additions, and requested the authentication and delivery of Bonds under the provisions of the Indenture.

Until a Completed Default shall occur and be continuing and subject to the provisions of Section 16.01 hereof, the Trustee may receive an Opinion of Counsel as conclusive evidence that any such indenture complies with the foregoing conditions and provisions of this Section 15.02.

SECTION 15.03. If the Company, pursuant to Section 15.01, shall be consolidated with or merged into any other corporation, or shall convey or transfer, subject to the Indenture, all or substantially all of the mortgaged and pledged property as an entirety as aforesaid, neither the Indenture nor the indenture with the Trustee to be executed and caused to be recorded by the Successor Corporation as provided in Section 15.02, shall, unless such latter indenture shall otherwise provide (anything in the Indenture contained to the contrary notwithstanding), become or be a lien upon any of the properties or franchises of the Successor Corporation except those acquired by it from the Company, and extensions and additions appurtenant to the property acquired from the Company, and such franchises, repairs and additional property as may be acquired by the Successor Corporation in pursuance of the covenants herein contained to maintain, renew and preserve the franchises covered by the Indenture and to keep and maintain the mortgaged and pledged property obtained from the Company in adequate repair, working order and condition.

SECTION 15.04. At any time prior to the exercise of any power reserved by this Article XV for the Company or a purchasing or Successor Corporation, the Company may surrender any

such power by delivery to the Trustee of a written instrument executed by its President or a Vice President under its corporate seal attested by its Secretary or an Assistant Secretary, accompanied by the affidavit of its Secretary or an Assistant Secretary, that the execution of such instrument was duly authorized by its Board of Directors. Upon such delivery, the power so surrendered shall cease.

ARTICLE XVI.

The Trustee.

SECTION 16.01. (a) Except during the continuance of a Completed Default:

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenants or obligations shall be read into the Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee which conform to the requirements of the Indenture; but in the case of any such certificate or opinion which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms to the requirements of the Indenture.

(b) If a Completed Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by the Indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use, under the circumstances, in the conduct of his own affairs.

(c) No provision of the Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this subsection (c) shall not be construed to limit the effect of subsection (a) of this Section 16.01;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or for exercising any trust or power conferred upon the Trustee; and

(4) no provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) the Trustee shall use reasonable care in the selection or approval of any Engineer, appraiser or other expert, counsel or Accountant required to be selected or approved by the Trustee.

(e) every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 16.01.

SECTION 16.02. Within 90 days after the occurrence of any Default, the Trustee shall transmit notice of such Default, unless such Default shall have been cured or waived, to the Bondholders in the manner and to the extent provided in subsection (c) of Section 16.18; provided that (except in the case of a Default in the payment of the principal of, premium, if any, or interest on any Bond or in the payment of any sinking fund installment), the Trustee shall be protected in withholding such notice if and so long as its board of directors, its executive committee or a trust committee of its board of directors or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the Bondholders, and provided that in the case of any Default of the character specified in subsection (d) of Section 13.01, no such notice to Bondholders shall be given until at least 90 days after the occurrence thereof.

SECTION 16.03. Except as otherwise provided in Section 16.01:

(a) the Trustee may rely, and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document believed by it to be genuine and to have been signed or presented by the proper party;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Resolution;

(c) whenever in the administration of the Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, permitting or omitting any action, the Trustee (unless other evidence be specifically prescribed herein) may, in the absence of bad faith on its part, rely upon an Officer's Certificate;

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, permitted or omitted by the Trustee in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Bondholders, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by the Trustee in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit. If the Trustee shall make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(h) the Trustee shall not be personally liable, in case of entry by it upon the mortgaged and pledged property, for debts contracted or liabilities or damages incurred in the management or operation of the mortgaged and pledged property.

SECTION 16.04. The recitals contained herein and in the Bonds, except the certificate of authentication on the Bonds, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value or condition of the mortgaged and pledged property or any part thereof, or as to the title of the Company thereto or as to the security afforded thereby or hereby, or as to the validity or genuineness of any securities at any time pledged and deposited with the Trustee hereunder, or as to the validity or sufficiency of the Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Company of Bonds or the proceeds thereof or of any money paid to the Company upon Company Order.

SECTION 16.05. The Trustee, any Paying Agent, Bond Registrar, Authenticating Agent or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Bonds and, subject to Sections 16.08 and 16.13, if operative, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Paying Agent, Bond Registrar, Authenticating Agent or such other agent.

SECTION 16.06. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent provided herein or requested by the Company or required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as provided elsewhere herein and except as otherwise agreed with the Company.

SECTION 16.07. The Company agrees:

(a) to pay to the Trustee reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with the Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel) except any such expense, disbursement or advance as may be attributable to the Trustee's negligence or bad faith;

(c) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder; and.

(d) that all such payments and reimbursements shall be made with interest at the rate of six percent per annum, accruing from the date such payments and reimbursements are billed by the Trustee, unless paid by the Company on or before a subsequent due date established by such billing.

As security for the performance of the obligations of the Company under this Section 16.07, the Trustee shall be secured under the Indenture by a lien prior to the Bonds, and for the payment of such compensation, expenses, reimbursements and indemnity the Trustee shall have the right to use and apply any moneys held by it under the Indenture as part of the mortgaged and pledged property.

SECTION 16.08. Certain terms used in this Section 16.08 are defined in subsections (d) and (e).

(a) If the Trustee has or shall acquire any conflicting interest, as defined in this Section 16.08, it shall, within 90 days after ascertaining that it has such conflicting interest, either eliminate such conflicting interest or resign in the manner and with the effect specified in this Article XVI.

(b) If the Trustee shall fail to comply with the provisions of subsection (a) of this Section 16.08 the Trustee shall, within 10 days after the expiration of such 90-day period, transmit notice of such failure to the Bondholders in the manner and to the extent provided in subsection (c) of Section 16.18.

(c) For the purposes of this Section 16.08, the Trustee shall be deemed to have a conflicting interest if:

(1) the Trustee is trustee under another indenture under which (A) any other securities of the Company, or (B) certificates of interest or participation in any other securities of

the Company, are Outstanding (unless such other indenture is a collateral trust indenture under which the only collateral consists of Bonds issued under the Indenture). There shall be excluded from the operation of this paragraph any indenture or indentures under which (A) other securities of the Company, or (B) certificates of interest or participation in other securities of the Company, are Outstanding, if the Company shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that trusteeship under the Indenture and such other indenture or indentures is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under one of such indentures; or

(2) the Trustee or any of its Directors or Executive Officers is an obligor upon the Bonds or an Underwriter for the Company; or

(3) the Trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common control with the Company or an Underwriter for the Company; or

(4) the Trustee or any of its Directors or Executive Officers is a Director, officer, partner, employee, appointee or representative of the Company or of an Underwriter for the Company (other than the Trustee itself) who is currently engaged in the business of underwriting, except that: (A) one individual may be a Director or an Executive Officer, or both, of the Trustee and a Director or an Executive Officer, or both, of the Company but may not be at the same time an Executive Officer of both the Trustee and the Company; (B) if and so long as the number of Directors of the Trustee in office is more than nine, one additional individual may be a Director or an Executive Officer, or both, of the Trustee and a Director of the Company; and (C) the Trustee may be designated by the Company or by any Underwriter for the Company to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent, or depositary, or in any other similar capacity, or, subject to the provisions of paragraph (1) of this subsection (c), to act as trustee, whether under an indenture or otherwise; or

(5) 10% or more of the Voting Securities of the Trustee is beneficially owned either by the Company or by any Director, partner, or Executive Officer thereof, or 20% or more of such Voting Securities is beneficially owned, collectively, by any two or more of such Persons; or 10% or more of the Voting Securities of the Trustee is beneficially owned either by an Underwriter for the Company or by any Director, partner or Executive Officer thereof, or is beneficially owned, collectively, by any two or more such Persons; or

(6) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default in payment of principal for 30 days or more and such default shall not have been cured, (A) 5% or more of the Voting Securities or 10% or more of any other class of Security of the Company (not including the Bonds and Securities issued under any other

indenture under which the Trustee is also trustee) or (B) 10% or more of any class of Security of an Underwriter for the Company; or

(7) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default in payment of principal for 30 days or more and such default shall not have been cured, 5% or more of the Voting Securities of any Person who, to the knowledge of the Trustee, owns 10% or more of the Voting Securities of, or controls directly or indirectly or is under direct or indirect common control with, the Company; or

(8) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default in payment of principal for 30 days or more and such default shall not have been cured, 10% or more of any class of Security of any Person who, to the knowledge of the Trustee, owns 50% or more of the Voting Securities of the Company; or

(9) the Trustee owns, on May 15 in any calendar year, in the capacity of executor, administrator, testamentary or inter vivos trustee, guardian, committee or conservator, or in any other similar capacity, an aggregate of 25% or more of the Voting Securities, or of any class of Security, of any Person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraph (6), (7) or (8) of this subsection (c). As to any such Securities of which the Trustee acquired ownership through becoming executor, administrator, or testamentary trustee of an estate which included them, the provisions of the preceding sentence shall not apply, for a period of two years from the date of such acquisition, to the extent that such Securities included in such estate do not exceed 25% of such Voting Securities or 25% of any such class of Securities. Promptly after May 15 in each calendar year, the Trustee shall make a check of its holdings of such Securities in any of the above-mentioned capacities as of such May 15. If the Company fails to make payment in full of the principal of, the premium, if any, or interest on, any of the Bonds when and as the same become due and payable, and such failure continues for 30 days thereafter, the Trustee shall make a prompt check of its holdings of such securities in any of the above-mentioned capacities as of the date of the expiration of such 30-day period, and after such date, notwithstanding the foregoing provisions of this paragraph (9), all such Securities so held by the Trustee, with sole or joint control over such Securities vested in it, shall, but only so long as such failure shall continue, be considered as though beneficially owned by the Trustee for the purposes of paragraphs (6), (7) and (8) of this subsection (c).

The specification of percentages in paragraphs (5) through (9) of this subsection (c), shall not be construed to indicate that ownership of such percentages of the Securities of a Person is or is not necessary or sufficient to constitute direct or indirect control for the purposes of paragraph (3) or (7) of this subsection (c).

For the purposes of paragraphs (6), (7), (8) and (9) of this subsection (c) only, "Security" and "Securities," shall include only such securities as are generally known as corporate

securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a Person by one or more banks, trust companies or banking firms, or any certificate of interest or participation in any such note or evidence of indebtedness. The Trustee shall be deemed not to be the owner or holder of (i) any Security which it holds as collateral security, as trustee or otherwise, for an obligation which is not in default in the payment of principal for 30 days or more, or (ii) any Security which it holds as collateral security under this Indenture, irrespective of any Default hereunder, or (iii) any Security which it holds as agent for collection, or as custodian, escrow agent, or depositary, or in any similar representative capacity.

(d) For the purposes of this Section 16.08 only;

(1) “Company” means any obligor upon the Bonds.

(2) “Director” means any director of a corporation, or any individual performing similar functions with respect to any organization whether incorporated or unincorporated.

(3) “Executive Officer” means the president, every vice president, every trust officer, the cashier, the secretary, or the treasurer of a corporation, and any individual customarily performing similar functions with respect to any organization whether incorporated or unincorporated, but shall not include the chairman of the board of directors if not also one of the foregoing officers.

(4) “Person” means an individual, a corporation, a partnership, an association, a joint-stock company, a trust, an unincorporated organization, or a government or political subdivision thereof. As used in this paragraph, the term “trust” shall include only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security.

(5) “Trustee” includes any separate or co-trustee appointed under Section 16.14.

(6) “Underwriter,” when used with reference to the Company, means every Person who, within three years prior to the time as of which the determination is made, has purchased from the Company with a view to, or has offered or sold for the Company in connection with, the distribution of any security of the Company outstanding at such time, or has participated or has had a direct or indirect participation in any such undertaking, or has participated or has had a participation in the direct or indirect underwriting of any such undertaking. Such term shall not include a Person whose interest was limited to a commission from an underwriter or dealer not in excess of the usual and customary distributors’ or sellers’ commission.

(7) “Voting Security” means any security presently entitling the owner or holder thereof to vote in the direction or management of the affairs of a Person, or any security issued under or pursuant to any trust, agreement or arrangement whereby a trustee or trustees or agent

or agents for the owner or holder of such security are presently entitled to vote in the direction or management of the affairs of a Person.

(e) The percentages of Voting Securities and other securities specified in this Section 16.08 shall be calculated in accordance with the following provisions:

(1) A specified percentage of the Voting Securities of any Person referred to in this Section 16.08 (including the Trustee and the Company) means such amount of the Outstanding Voting Securities of such Person as entitles the holder thereof to cast such specified percentage of the aggregate votes which the holders of all the Outstanding Voting Securities of such Person are entitled to cast in the direction or management of the affairs of such Person.

(2) A specified percentage of a class of securities of a Person means such percentage of the aggregate amount of securities of the class Outstanding.

(3) "Amount," when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to capital shares, and the number of units if relating to any other kind of security.

(4) "Outstanding," means issued and not held by or for the account of the issuer. The following securities shall be deemed not Outstanding within the meaning of this definition:

(A) securities of an issuer held in a sinking fund for securities of the issuer of the same class;

(B) securities of an issuer held in a sinking fund for another class of securities of the issuer, if the obligation evidenced by such other class of securities is not in default as to principal or interest or otherwise;

(C) securities pledged by the issuer thereof as security for an obligation of the issuer not in default as to principal or interest or otherwise; and

(D) securities held in escrow if placed in escrow by the issuer thereof;

provided that any Voting Securities of an issuer shall be deemed Outstanding if any Person other than the issuer is entitled to exercise the voting rights thereof.

(5) A security shall be deemed to be of the same class as another security if both securities confer upon the holder thereof substantially the same rights and privileges; provided that, in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences only in the interest rates or maturity dates of various series thereof shall not be deemed sufficient to constitute such series as different classes and provided that, in the case of unsecured evidences of indebtedness, differences in the interest rates or maturity dates thereof shall not be deemed sufficient to constitute them securities of different classes, whether or not they are issued under a single indenture.

SECTION 16.09. There shall be at all times a Trustee which shall be a corporation organized and doing business under the laws of the United States of America or of any state thereof, authorized under such laws to exercise corporate powers, having a combined capital and surplus of at least \$5,000,000, and subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section 16.09, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 16.09, it shall resign immediately in the manner and with the effect specified in this Article XVI.

SECTION 16.10. (a) No resignation or removal of the Trustee and no appointment of a successor Trustee shall become effective until the acceptance of appointment by the successor Trustee under Section 16.11.

(b) The Trustee may resign at any time by giving written notice to the Company. If an executed instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by the Holders of a majority in principal amount of the Outstanding Bonds.

(d) If at any time:

(1) the Trustee, after this Indenture has been qualified under the Trust Indenture Act, shall fail to comply with subsection (a) of Section 16.08 after written request therefor by the Company or by any Bondholder who has been a bona fide Holder of a Bond for at least six months; or

(2) the Trustee shall cease to be eligible pursuant to Section 16.09 and shall fail to resign after written request therefor by the Company or by any such Bondholder; or

(3) (A) the Trustee shall become incapable of acting; or (B) the Trustee shall be adjudged a bankrupt or insolvent; or (C) a receiver for the Trustee or of its property shall be appointed; or (D) any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, (i) the Company by Resolution may remove the Trustee, or (ii) subject to subsection (b) of Section 13.15, any Bondholder who has been a bona fide Holder of a Bond for at least six months may (on behalf of himself and all others similarly situated), petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Company, by Resolution, shall promptly appoint a successor Trustee. If all or substantially all of the mortgaged and pledged property shall be in the possession of a lawfully appointed receiver or trustee, such receiver or trustee, by written instrument, may similarly appoint a successor Trustee to fill such vacancy until a new Trustee shall be so appointed by the Bondholders. If, within one year after such resignation, removal, incapability or the occurrence of such vacancy, a successor Trustee shall be appointed by the Holders of a majority in principal amount of the Outstanding Bonds, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Company or by such receiver or trustee. If no successor Trustee shall have been so appointed by the Company or the Bondholders and accepted appointment as hereinafter provided, then, subject to subsection (b) of Section 13.15, any Bondholder who has been a bona fide Holder of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Company shall give written notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by first-class mail, postage prepaid, to the Bondholders as their names and addresses appear in the Bond Register. Each notice shall include the name of the successor Trustee and the address of its principal corporate trust office.

SECTION 16.11. Every successor Trustee shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment and thereupon the resignation or removal of the retiring Trustee shall become effective. Such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estates, properties, rights, powers, trusts and duties of the retiring Trustee. On request of the Company or the successor Trustee, such retiring Trustee shall, upon payment by the Company to the retiring Trustee for its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held hereunder by such retiring Trustee, subject nevertheless to the Trustee's lien, if any, provided for in Section 16.07. Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article XVI.

SECTION 16.12. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion

or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee, provided that such corporation shall be otherwise qualified and eligible under this Article XVI, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

If any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor to such authenticating Trustee (by merger, conversion or consolidation) may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had authenticated such Bonds.

SECTION 16.13. Certain terms used in this Section 16.13 are defined in subsection (c) of this Section 16.13.

(a) Subject to subsection (b) of this Section 16.13, if the Trustee shall be or shall become a secured or unsecured creditor of the Company (either directly or indirectly) within four months prior to a Payment Default, or subsequent to such a Payment Default, then, unless and until such Payment Default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the Bondholders and the holders of Other Indenture Securities:

(1) an amount equal to any and all reductions in the amount due and owing upon any claim of the Trustee as such creditor in respect of principal or interest, effected after the beginning of such four month period and valid against the Company and its other creditors, except any such reduction resulting from the receipt or disposition of any property described in paragraph (2) of this subsection (a), or from the exercise of any right of setoff which the Trustee could have exercised if a petition in bankruptcy had been filed by or against the Company upon the date of such Payment Default; and

(2) all property received by the Trustee in respect of any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such four month period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the Company and its other creditors in such property or such proceeds.

Nothing contained herein shall affect the right of the Trustee:

(A) to retain for its own account (i) payments made on account of any such claim by any Person (other than the Company) who is liable thereon, (ii) the proceeds from the bona fide sale of any such claim by the Trustee to a third Person and (iii) distributions made in cash, securities or other property in respect of claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable state law; or

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such four month period; or

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such four month period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received the Trustee had no reasonable cause to believe that a Payment Default would occur within four months; or

(D) to receive payment on any claim referred to in the foregoing subparagraph (B) or (C), against the release of any property held as security for such claim as provided in the foregoing subparagraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of the foregoing subparagraph (B), (C) and (D), property substituted after the beginning of such four month period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released and, to the extent that any claim referred to in any of such subparagraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any pre-existing claim of the Trustee as such creditor, such claim shall have the same status as such pre-existing claim.

If the Trustee shall be required to account for the funds and property held in such special account and the proceeds thereof, they shall be apportioned between the Trustee, the Bondholders and the holders of Other Indenture Securities in such manner that the Trustee, Bondholders and holders of such Other Indenture Securities realize, as a result of payments from such special account and payments of "dividends" (as defined below) on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable state law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from the Company of the funds and property in such special account and before crediting to the respective claims of the Trustee, Bondholders and holders of Other Indenture Securities dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable state law, but after crediting thereon receipts on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable state law,

whether such distribution is made in cash, securities, or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceeding for reorganization is pending shall have jurisdiction (A) to apportion between the Trustee, Bondholders and holders of Other Indenture Securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and proceeds thereof, or (B) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee, Bondholders and holders of Other Indenture Securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the value of any securities or other property held in such special account or as security for any such claim, or to make a specific allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee which has resigned or been removed after the beginning of such four month period shall be subject to the provisions of this subsection (a) as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such four month period, it shall be subject to the provisions of this subsection (a) if and only if the following conditions exist:

(i) the receipt of property or reduction of claim which would have given rise to the obligation to account, if such Trustee had continued as Trustee, occurred after the beginning of such four month period; and

(ii) such receipt of property or reduction of claim occurred within four months after such resignation or removal.

(b) There shall be excluded from the operation of subsection (a) of this Section 16.13 a creditor relationship arising from:

(1) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee; or

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction, or by the Indenture, for the purpose of preserving any property which shall at any time be subject to the Lien Hereof, or of discharging tax liens, or other Prior Liens or encumbrances on the mortgaged and pledged property, if notice of such advance and of the circumstances surrounding the making thereof is given to the Bondholders at the time and in the manner provided in paragraph (2) of subsection (a) of Section 16.18 or paragraph (2) of subsection (b) of Section 16.18; or

(3) disbursements made in the ordinary course of business in the capacity of trustee under the Indenture or another indenture or as transfer agent, registrar, custodian, paying agent, fiscal agent, depository or other similar capacity; or

(4) an indebtedness created as a result of services rendered or premises rented, or an indebtedness created as a result of goods or securities sold in a Cash Transaction; or

(5) the ownership of stock or of other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company; or

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of Self-liquidating Paper.

(c) For purposes of this Section 16.13 only:

(1) “Cash Transaction” means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand.

(2) “Company” means any obligor under the Bonds.

(3) “Other Indenture Securities” means securities, upon which the Company is an obligor, outstanding under any other indenture (A) under which the Trustee is also trustee, (B) which contains provisions substantially similar to the provisions of this Section 16.13 and (C) under which a Payment Default exists at the time of the apportionment of the funds and property held in such special account.

(4) “Payment Default” means any failure to make payment in full of the principal of or interest on any of the Bonds or upon the Other Indenture Securities when and as such principal or interest becomes due and payable.

(5) “Self-liquidating Paper” means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided that the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

(6) "Trustee" includes any separate or co-trustee appointed under Section 16.14.

SECTION 16.14. For the purpose of meeting the legal requirements of any jurisdiction in which any of the mortgaged and pledged property may at the time be located, the Company and the Trustee shall have power to appoint and, upon the written request of the Trustee or of the Holders of at least 25% in principal amount of the Bonds Outstanding, the Company shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee either to act jointly with the Trustee as co-trustee of all or any part of the mortgaged and pledged property, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section 16.14. If the Company does not join in such appointment within 15 days after the receipt by it of a request so to do, or if a Completed Default has occurred and is continuing, the Trustee alone shall have power to make such appointment.

Should any written instrument from the Company be required by any such co-trustee or separate trustee for more fully confirming to such co-trustee or separate trustee such property, title, right or power, then on request, it shall be executed, acknowledged and delivered by the Company.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms:

(a) The Bonds shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee, shall be exercised solely by the Trustee.

(b) The rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.

(c) The Trustee at any time by a written instrument executed by it, and with the concurrence of the Company evidenced by a Resolution, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section 16.14. If a Completed

Default has occurred and is continuing, the Trustee, by a written instrument executed by it, shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Company. Upon the written request of the Trustee, the Company shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effect any such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section 16.14.

(d) No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Trustee, or any other such trustee.

(e) Any act of Bondholders delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

SECTION 16.15. The Trustee shall, upon receipt of a Company Request, promptly appoint an Authenticating Agent with power to act on its behalf and subject to its direction in the authentication and delivery of the Bonds of each series designated for such authentication by the Company and such appointment shall contain provisions for such authentication in connection with transfers and exchanges under Sections 2.11, 2.12, 2.17, 10.02 and 15.02 or otherwise, as though the Authenticating Agent had been expressly authorized by those Sections or otherwise to authenticate and deliver Bonds of such series. For all purposes of the Indenture, the authentication and delivery of Bonds by the Authenticating Agent pursuant to this Section 16.15 shall be deemed to be the authentication and delivery of Bonds by the Trustee. Such Authenticating Agent shall at all times be a corporate bank or trust company organized and doing business under the laws of the United States or of any of its states, have a combined capital and surplus of at least \$5,000,000, be authorized under such laws to exercise corporate trust powers and be subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually pursuant to law or the requirements of such authority, then for the purposes of this Section 16.15, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent published report of condition.

Any corporation into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which any Authenticating Agent shall be a party, or any corporation succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of the Authenticating Agent, if such successor corporation is otherwise eligible under this Section 16.15, without the execution or filing of any paper or further act on the part of the parties hereto, the Authenticating Agent or such successor corporation.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee and the Company. The Trustee may at any time and, upon Company Request, shall terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent and the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section 16.15, the Trustee, unless otherwise requested in writing by the Company, shall promptly appoint a successor Authenticating Agent, shall give written notice of such appointment to the Company and shall mail notice of such appointment to all Bondholders of the applicable series as the names and addresses of such Bondholders appear on the Bond Register.

The Trustee agrees to pay reasonable compensation to any Authenticating Agent for its services and the Trustee shall be entitled to be reimbursed by the Company for such payments, subject to Section 16.07. The provisions of Sections 14.03, 16.04 and 16.05 shall be applicable to any Authenticating Agent.

SECTION 16.16. Except as herein otherwise provided, any notice or demand which by any provision of the Indenture is required or permitted to be given or served by the Trustee on the Company shall be deemed to have been sufficiently given and served, by being deposited, postage prepaid, in a post office letter box, addressed (until another address is filed by the Company with the Trustee) as follows: to Northern States Power Company, 414 Nicollet Mall, Minneapolis, Minnesota 55401-1993, Attention: Secretary or to the most recent address which shall have been filed by the Company with the Trustee.

The Trustee shall promptly notify the Company in writing of any change of address of the Trustee's principal corporate trust office. Upon receipt of such notice, the Company shall give written notice of each such change of address by first-class mail, postage prepaid, to the Bondholders as their names and addresses appear in the Bond Register.

SECTION 16.17. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Bondholders furnished to it as provided in Section 8.17 or received by it in the capacity of Paying Agent or Bond Registrar or filed with it by Bondholders pursuant to paragraph (2) of subsection (c) of Section 16.18, provided that the Trustee may: (1) destroy any statement furnished to it as provided in Section 8.17, upon receipt of a new statement so furnished to it in substitution therefor, (2) destroy any information received by it as Paying Agent upon delivery to itself as Trustee, not earlier than 45 days after an Interest Payment Date, of a statement containing the names and addresses of the Bondholders obtained from such information since the delivery of the next previous statement, if any, (3) destroy any statement delivered to itself as Trustee which was compiled from information received by it as Paying Agent upon the receipt of a new statement so delivered and (4) destroy any information received by it from any Bondholder pursuant to paragraph (2) of subsection (c) of Section 16.18, but not until two years after receipt by the Trustee of such information.

(b) In case three or more Bondholders (hereinafter in this Section 16.17 referred to as "Applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such Applicant has owned a Bond for at least six months preceding the date of such

application, and such application states that the Applicants desire to communicate with the other Bondholders with respect to their rights under the Indenture or under the Bonds, and each such application is accompanied by a copy of the form of proxy or other communication which such Applicants propose to transmit, then the Trustee shall, within five business days after the receipt of such application at its election, either:

(1) afford to such Applicants access to the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 16.17; or

(2) inform such Applicants with the approximate number of Bondholders whose names and addresses appear in the information preserved at the time by the Trustee, in accordance with the provisions of subsection (a) of this Section 16.17, and the approximate cost of mailing to such Bondholders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford to such Applicants access to such information, the Trustee shall, upon the written request of such Applicants, mail to each Bondholder whose name and address appears in the information preserved at the time by the Trustee in accordance with the provisions of subsection (a) of this Section 16.17, copies of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the materials to be mailed and of payment or provision for the payment of the reasonable expenses of mailing, unless within five days after such tender the Trustee shall mail to such Applicants, and file with the Commission together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the Bondholders, or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. After opportunity for hearing upon the objections specified in the written statements so filed, the Commission may, and if demanded by the Trustee or such Applicants shall, enter an order either sustaining one or more of such objections or refusing to sustain any of them. If the Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for a hearing, that all the objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Bondholders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligations or duty respecting such application.

(c) The Trustee shall not be held accountable by reason of the mailing of any material pursuant to any request made under subsection (b) of this Section 16.17.

SECTION 16.18. (a) Within 60 days after each May 15, the Trustee shall transmit to the Bondholders (as specified in subsection (c) of this Section 16.18) a brief report, dated not more than 60 days prior to such transmission, with respect to:

(1) the eligibility and the qualifications of the Trustee under Sections 16.08 and 16.09 or, in lieu thereof, if, to the best of its knowledge, it continues to be eligible and qualified under such Sections, a written statement to such effect;

(2) the character and amount of any advances (and, if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee in its capacity as Trustee which remain unpaid on the date of such report, and for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Bonds, on the mortgaged and pledged property (including property or funds held or collected by it as Trustee) if such remaining unpaid advances aggregate more than $\frac{1}{2}\%$ of the principal amount of the Bonds Outstanding on the date of the report;

(3) the amount, interest rate, and maturity date of all other indebtedness owing by the Company to the Trustee in its individual capacity on the date of the report, with a brief description of any property held as collateral security therefor, but excluding any indebtedness based upon a creditor relationship arising in any manner described in paragraphs (2), (3), (4) or (6) of subsection (b) of Section 16.13;

(4) the property and funds physically in the possession of the Trustee, in its capacity as Trustee, on the date of such report;

(5) any release, or release and substitution, of property subject to the Lien of the Indenture (and the consideration therefor, if any) which the Trustee has not previously reported; except that if the aggregate value of such property released from the Lien of the Indenture as shown by the documents delivered to the Trustee in connection with the release or release and substitution does not exceed an amount equal to 1% of the principal amount of the Bonds then Outstanding, the report need indicate only the number of such releases, the total value of property released as shown by said documents, the aggregate amount of cash received and the aggregate value of property received in substitution therefor as shown by said documents;

(6) any additional issue of Bonds which the Trustee has not reported previously; and

(7) any action taken by the Trustee in the performance of its duties under the Indenture which it has not previously reported and which in its opinion materially affects the Bonds or the mortgaged and pledged property, except for action related to a Default, notice of which has been or is to be withheld by the Trustee in accordance with the provisions of Section 16.02.

For purposes of this subsection (a), the term "Company" means any obligor under the Bonds.

(b) The Trustee shall transmit to the Bondholders as hereinafter provided, a brief report with respect to:

(1) any release, or release and substitution, of property subject to the Lien Hereof (and the consideration therefor, if any) unless the Fair Value of such property, as set forth in the Engineer's Certificate or Independent Engineer's Certificate delivered pursuant to the requirements of Section 11.03, is less than 10% of the principal amount of Bonds Outstanding as stated in said Engineer's Certificate, at the time of such release or such release and substitution; such report to be transmitted within 90 days after such release or such release and substitution, except that this paragraph (1) shall not require transmission of a separate report with respect to any transaction which shall be reported, within 90 days after its consummation, pursuant to subsection (a) of this Section 16.18; and

(2) the character and amount of any advances (and, if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee since the date of the last report transmitted pursuant to the provisions of subsection (a) of this Section 16.18 (or if no such report has yet been so transmitted, since the date of execution of the Indenture), for the reimbursement of which the Trustee claims or may claim a lien or charge, prior to that of the Bonds on the mortgaged and pledged property (including property or funds held or collected by it as Trustee), and which it has not previously reported pursuant to this paragraph (2), if such advances remaining unpaid, at any time, aggregate more than 10% of the principal amount of Bonds Outstanding at such time. Such report shall be transmitted within 90 days after such time.

(c) Reports, pursuant to this Section 16.18, shall be transmitted by mail:

(1) to all Bondholders, as their names and addresses appear in the Bond Register;

(2) to all Holders of Bonds that have, within two years preceding such transmission, filed their names and addresses with the Trustee for the purpose of receiving such reports; and

(3) except in the case of reports pursuant to subsection (b) of this Section 16.18, to each Bondholder whose name and address are preserved at the time by the Trustee, as provided in subsection (a) of Section 16.17.

(d) A copy of each report transmitted to Bondholders under the requirements of subsections (a) or (b) of this Section 16.18 shall, at the time of such transmission, be filed with each stock exchange upon which the Bonds are then listed and with the Commission.

SECTION 16.19. Upon submission of any Application by the Company for the payment of any moneys held by the Trustee, or for the execution by the Trustee of any release, or upon any other Application submitted by the Company to the Trustee, or at any reasonable time, the Trustee, or its agent or attorney shall be entitled to examine the books, records and premises of the Company.

Unless satisfied, with or without such examination, of the truth and accuracy of the matters stated in any Resolution, certificate, statement, opinion, report or order required to be delivered to the Trustee as a condition precedent to the granting of any Application, it shall be under no obligation to grant such Application.

The reasonable expense of every such examination shall be paid by the Company or, if paid by the Trustee, shall be repaid by the Company upon demand, with interest at the rate of six percent per annum, accruing from the date such expenses are billed by the Trustee unless paid by the Company on or before a subsequent due date established by such billing. Until such repayment, the Trustee shall have the benefit of the Lien Hereof in priority to the Bonds.

SECTION 16.20. The Trustee is authorized to deposit, subject to recall, in trust for payment of the principal of, premium, if any, and interest on any Bonds, with any Paying Agent appointed by the Company for that purpose in accordance with the provisions of the Indenture (provided that such Paying Agent shall be a corporation that is engaged in the business of banking or exercising corporate trust powers, shall have a capital and surplus of not less than \$5,000,000, and shall be subject to supervision or examination by federal, state, or District of Columbia authorities) such part of any moneys furnished to the Trustee for the purpose as shall, in the opinion of the Trustee, be necessary or desirable to provide for the payment by any such Paying Agent of the principal of, premium, if any, or interest on any of the Bonds. The Trustee, subject to Section 16.01, shall be relieved of responsibility for the safety and application of such moneys while in the possession of the Paying Agent. In the event that part of such moneys is recalled by the Trustee, it shall thereafter be held by the Trustee in trust as in the Indenture provided. Pursuant to an agreement between the Company and the Trustee, the Trustee may credit to the Company interest upon any such funds held by or deposited with the Trustee.

SECTION 16.21. Any notice, request or other writing, by or on behalf of the Bondholders, delivered solely to the Trustee shall be deemed to have been delivered to all of the then trustees as if delivered to each of them. Every instrument appointing any trustee or trustees, other than a successor to the Trustee, shall refer to the Indenture and the conditions expressed in this Section 16.21. Upon acceptance in writing by such trustee or trustees, he, they or it shall be vested with the rights, powers, estates or property specified in such instrument, either jointly with the Trustee or separately, as may be provided therein, subject to all the trusts, conditions and provisions of the Indenture. Every such instrument shall be filed with the Trustee in the trust. Any separate trustee or trustees or any co-trustee or co-trustees may at any time by an instrument in writing appoint the Trustee, his, their or its agent, or attorney-in-fact, with full power and authority, to the extent which may be authorized by law, to do all acts and things and exercise all discretion authorized or permitted by him, them or it, for and on behalf of him, them or it, and in his, their or its name. Any co-trustee may, as to the execution of releases or as to any action hereunder, whether discretionary or otherwise, act by attorney-in-fact.

SECTION 16.22. In the case of any receivership, insolvency, bankruptcy, or other judicial proceedings affecting the Company, its creditors, its property or any other obligor on the Bonds, the Trustee shall be entitled to take the actions described in Section 13.04, without prejudice, however, to the right of any Bondholder to file a claim on his own behalf.

SECTION 16.23. Whenever it is provided in the Indenture that the Trustee shall take any action upon the happening of a specified event or upon the fulfillment of any condition or upon the request of the Company or of Bondholders, the Trustee in taking such action shall have full power to give any and all notices and to do any and all acts necessary and incidental to such action.

SECTION 16.24. The Trustee shall execute a written instrument to confirm the existence of a specific Permitted Encumbrance, upon receipt by the Trustee of: (i) a Resolution requesting such written instrument and expressing any required opinions, (ii) an Officer's Certificate stating that no Default has occurred and is continuing, specifying the particular paragraph of the definition of Permitted Encumbrances pursuant to which such written instrument is being requested and stating that the requirements of such paragraph have been satisfied; and (iii) an Opinion of Counsel stating that the subject of the Company's request constitutes a Permitted Encumbrance as described by such paragraph and that the execution by the Trustee of such written instrument is appropriate to confirm the existence of such Permitted Encumbrance.

ARTICLE XVII.

Defeasance.

SECTION 17.01. Whenever the following conditions shall exist, namely:

(a) all Bonds theretofore authenticated and delivered have been cancelled by the Trustee or delivered to the Trustee for cancellation, excluding:

(1) Bonds for the payment of which money has been previously deposited in trust with the Trustee or a Paying Agent or segregated and held in trust by the Company, and thereafter such money was repaid to the Company or discharged from such trust as provided in Section 20.03,

(2) Bonds alleged to have been destroyed, lost or stolen which have been replaced as provided in Section 2.15, and

(3) Bonds, other than those referred to in the foregoing clauses (1) and (2), for whose payment or redemption (under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company) the Company has deposited or caused to be deposited with the Trustee in trust for the purpose any combination:

(i) of cash and

(ii) of Government Obligations (which shall not contain provisions permitting the redemption thereof at the option of the issuer), maturing as to principal and interest (without any regard to the reinvestment thereof) in such amounts and at such times as will assure the availability of cash

that is necessary to pay and discharge the entire indebtedness on such Bonds for principal, premium, if any, and interest to the date of maturity thereof in the case of Bonds which have become due and payable or to the Stated Maturity or Redemption Date thereof, as the case may be;

(b) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

(c) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each of which shall state that all conditions precedent relating to the satisfaction and discharge of the Indenture have been complied with; then, upon Company Request authorized by a Resolution, the Indenture and the Lien Hereof, rights and interests created hereby shall cease and become null and void (except as to any surviving rights of conversion, transfer or exchange of Bonds herein or therein provided for) and the Trustee and each co-trustee and separate trustee, if any, then acting as such, and at the expense of the Company, shall execute and deliver a termination statement and such instruments of satisfaction and discharge as may be necessary

and pay, assign, transfer and deliver to the Company all cash, securities and other personal property then held by it as part of the mortgaged and pledged property.

In the absence of a Company Request authorized by a Resolution as aforesaid, the payment of all Outstanding Bonds shall not render the Indenture inoperative or prevent the Company from issuing Bonds thereafter as herein provided.

Notwithstanding the satisfaction and discharge of the Indenture, the obligations of the Company to the Trustee under Section 16.07 shall survive.

SECTION 17.02. Moneys deposited with the Trustee, pursuant to Section 17.01, shall not be a part of the mortgaged and pledged property but shall constitute a separate trust fund for the benefit of the Persons entitled thereto. Subject to the provisions of Section 20.03, such moneys shall be applied by the Trustee for payment (either directly or through any Paying Agent, including the Company acting as its own Paying Agent, as the Trustee may determine) to the Persons entitled thereto, of the principal, premium, if any, and interest for whose payment such moneys have been deposited with the Trustee.

ARTICLE XVIII.

Supplemental Trust Indentures; Modification of Indenture.

SECTION 18.01. Without the consent of the Holders of any Bonds, the Company, when authorized by a Resolution, and the Trustee may enter into one or more Supplemental Trust Indentures, in form satisfactory to the Trustee, for any of the following purposes:

(a) to correct or amplify the description of any property at any time subject to the Lien of the Indenture, or to better assure, convey and confirm unto the Trustee any property subject or required to be subjected to the Lien of the Indenture, or to subject to the Lien of the Indenture, additional property; or

(b) to close the Indenture against the issuance of additional Bonds or to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds or of any series of Bonds, as set forth herein, or to add additional conditions, limitations and restrictions to be observed thereafter; or

(c) to create any series of Bonds and make such other provisions as provided in Sections 2.01 and 2.02; or

(d) to modify or eliminate any of the terms of the Indenture; provided that:

(1) such Supplemental Trust Indenture shall expressly provide that any such modifications or eliminations shall become effective only when there is no Bond Outstanding of any series created prior to the execution of such Supplemental Trust Indenture or when such modification or elimination are approved in accordance with Section 18.02; and

(2) the Trustee may, in its discretion, decline to enter into any such Supplemental Trust Indenture which, in its opinion, may not afford adequate protection to the Trustee when the same becomes operative; or

(e) to evidence the succession of another corporation to the Company pursuant to Article XV and the assumption by any such Successor Corporation of the Company's covenants contained herein and in the Bonds; or

(f) to add to the covenants of the Company for the benefit of the Holders of all or any series of Bonds or to surrender any right or power herein conferred upon the Company; or

(g) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or to make any other provisions, with respect to matters or questions arising under the Indenture, which shall not be inconsistent with the provisions of the Indenture, provided that such action shall not have a material adverse impact on the security afforded by the Indenture; or

(h) to provide for alternative methods or forms for evidencing and recording the ownership of Bonds and matters related thereto;

or

(i) to modify, eliminate or add to the provisions of the Indenture:

(1) to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act or under any similar federal statute hereafter enacted, or

(2) to conform with any amendments to the Trust Indenture Act enacted after the Date Hereof which would permit the provisions of the Indenture to be less restrictive or which would offer the Company greater flexibility or to add to the Indenture (A) such other provisions as may be expressly permitted by the Trust Indenture Act, excluding, however, the provisions referred to in Section 316(a)(2) of the Trust Indenture Act as in effect at the Date Hereof or (B) any corresponding provision in any similar federal statute hereafter enacted; or

(j) to provide for the issuance of coupon Bonds and to permit the exchange of Bonds from fully registered form to coupon form and vice versa; or

(k) to provide the terms and conditions of the exchange or conversion, at the option of the Holders of the Bonds of any series, of the Bonds of such series for or into Bonds of other series or stock or other securities of the Company or any other corporation; or

(l) to reflect changes in generally accepted accounting principles; or

(m) to provide for the joining of an individual trustee in order to comply with any legal requirements respecting trustees under mortgages or deeds of trust of property in any state in which the mortgaged and pledged property is or may be situated in the future.

SECTION 18.02. With the consent of the Holders of not less than 66-2/3% (80% prior to the retirement through payment or redemption of the Bonds of each series created and issued prior to May 1, 1985, including such Bonds “deemed to be paid” within the meaning of that term as used in Article XVII of the Original Indenture) in principal amount of the Bonds Outstanding which are affected by such Supplemental Trust Indenture, the Company, when authorized by a Resolution, and the Trustee may enter into a Supplemental Trust Indenture for the purpose of (i) adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture, (ii) modifying in any manner the rights of the Holders of the Bonds under the Indenture, or (iii) before any sale of any of the mortgaged and pledged property has been made under Article XIII or any judgment or decree for payment of money due has been obtained by the Trustee under Article XIII, waiving any Completed Default and its consequences; provided that without the consent of the Holder of each Outstanding Bond affected thereby, no such Supplemental Trust Indenture shall:

(a) change the Stated Maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or any premium

payable upon the redemption thereof, or change the coin or currency in which, any Bond, or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date); or

(b) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose Holders is required for (1) any Supplemental Trust Indenture, or (2) any waiver provided for in the Indenture of compliance with certain provisions of the Indenture or certain Completed Defaults hereunder and their consequences; or

(c) modify any of the provisions of this Section 18.02 except to increase any percentage provided thereby or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each Bond affected thereby; or

(d) modify, in the case of the Bonds of any series convertible into other securities, any of the provisions of the Indenture in such manner as to affect the conversion rights of the Holders of such Bonds; or

(e) (1) prior to the payment or redemption of the Original Indenture Bonds (including those Original Indenture Bonds “deemed to be paid” within the meaning of that term as used in Article XVII of the Original Indenture), permit the creation or existence of any Prior Lien with respect to the mortgaged and pledged property or deprive any non-assenting Bondholder of the Lien of the Indenture upon the mortgaged and pledged property for the security of his Bonds; and (2) after the payment or redemption of the Original Indenture Bonds (including those Original Indenture Bonds “deemed to be paid” within the meaning of that term as used in Article XVII of the Original Indenture), permit the creation or existence of any Prior Lien with respect to more than 50% of the sum of (i) Depreciable Property and (ii) Land after giving effect to the creation of such Prior Lien and the acquisition by the Company of the property subject to such Prior Lien, or terminate the Lien of the Indenture on more than 50% of the sum of (i) Depreciable Property and (ii) Land; or

(f) modify, in the case of Bonds of any series for which a mandatory sinking fund is provided, any of the provisions of the Indenture in such manner as to affect the rights of the Holders of such Bonds to the benefits of such sinking fund.

The Trustee may, in its discretion, determine whether or not any Bonds would be affected by any Supplemental Trust Indenture. Any such determination shall be conclusive upon the Holder of all Bonds, whether theretofore or thereafter authenticated and delivered. Subject to Section 16.01, the Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for any Bondholders under this Section 18.02 to approve the particular form of any proposed Supplemental Trust Indenture, but it shall be sufficient if they shall approve the substance thereof.

SECTION 18.03. In executing, or accepting the additional trusts created by, any Supplemental Trust Indenture permitted by this Article XVIII or the modification thereby of the

trusts created by the Indenture, the Trustee shall be entitled to receive, and, subject to Section 16.01, shall be fully protected in relying upon an Opinion of Counsel stating that the execution of such Supplemental Trust Indenture is authorized or permitted by the Indenture. The Trustee may, but except to the extent required in the case of a Supplemental Trust Indenture entered into under subsection (i) of Section 18.01, shall not be obligated to enter into any such Supplemental Trust Indenture which affects the Trustee's own rights, duties or immunities under the Indenture or otherwise.

SECTION 18.04. Upon the execution of any Supplemental Trust Indenture pursuant to this Article XVIII, the Indenture shall be modified in accordance therewith and such Supplemental Trust Indenture shall form a part of the Indenture for all purposes; and every Holder of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 18.05. No Supplemental Trust Indenture pursuant to this Article XVIII shall be entered into pursuant to any authorization contained in the Indenture which shall not comply with the provisions of the Trust Indenture Act as then in effect unless no Bonds are then Outstanding and all Bonds to be issued under the Indenture as supplemented by such Supplemental Trust Indenture either shall be themselves exempt from the provisions of the Trust Indenture Act or shall be issued in a transaction exempt therefrom.

SECTION 18.06. Bonds authenticated and delivered after the execution of any Supplemental Trust Indenture pursuant to this Article XVIII may, and if required by the Trustee shall, bear a notation in form approved by the Trustee as to any matter provided for in such Supplemental Trust Indenture. If the Company shall so determine, new Bonds modified to conform, in the opinion of the Trustee and the Board of Directors, to any such Supplemental Trust Indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Bonds.

ARTICLE XIX.

Immunity of Stockholders, Officers and Directors.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any Bond, or under or upon any indebtedness hereby secured, or because of the creation of any indebtedness hereby secured, shall be available against any incorporator or past, present, or future stockholder, officer or director of the Company, or of any predecessor or successor company or companies, or of any company or companies which may assume or guarantee the payment of the principal of or interest on any of the Bonds, either directly or through the Company by the enforcement of any assessment, or through any receiver, or assignee, or through any trustee in bankruptcy or by any other legal or equitable proceedings, whether for amounts unpaid on stock subscriptions or for stock liability or any other liability or penalty, or on the ground of any representation, implication or inference, arising from or concerning the capitalization of the Company, or of any predecessor, assignee, grantee, or successor company or companies, or otherwise, and whether by virtue of any statute, constitution, contract, express or implied, rule of law, or otherwise; it being expressly agreed and understood that the Indenture and the obligations hereby secured are solely corporate obligations, and that no personal liability whatever shall attach to, or be incurred by the incorporators or past, present or future stockholders, officers or directors of the Company, or of any predecessor or successor company or companies, or of any company which may assume or guarantee the payment of the principal of or interest on any of the Bonds because of the incurring of the indebtedness hereby authorized, or under or by reason of any of the obligations, covenants or agreements contained in the Indenture or in any of the Bonds, or to be implied therefrom; and that any and all personal liability of every name and nature, and any and all rights and claims against every such incorporator and past, present or future stockholder, officer or director, whether arising at common law or in equity, or created or to be created by statute or constitution, hereby are expressly released and waived as a condition of, and as a part of the consideration for, the execution of the Indenture and the issue of the Bonds and interest obligations hereby secured.

ARTICLE XX.

Miscellaneous.

SECTION 20.01. Nothing in the Indenture, expressed or implied, is intended or shall be construed, to confer upon, or to give to, any Person, other than the parties hereto and the Holders of the Bonds Outstanding, any right, remedy, or claim under or by reason of the Indenture or any covenant, condition or stipulation hereof. All the covenants, conditions and stipulations contained in the Indenture, by and on behalf of the Company, shall be for the sole and exclusive benefit of the parties hereto, and for the Holders of the Bonds Outstanding.

SECTION 20.02. Any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Indenture, whether such power, privilege or right is in any way restricted or is unrestricted, may be waived or surrendered, in whole or in part, or subjected to any restriction (if at the time unrestricted) or to additional restriction (if already restricted) by a Resolution and a written instrument executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to be recorded in all of the states in which any real property, at the time subject to the Lien Hereof, shall be situated. Such Resolution and instrument, executed and acknowledged as aforesaid, shall be delivered to the Trustee. Thereupon, any modification of the provisions of these presents therein set forth, authorized by this Section 20.02 shall be binding upon the parties hereto, their successors and assigns, and the Holders of the Bonds.

SECTION. 20.03. If any Bond shall not be presented for payment when the principal thereof becomes due, either at Stated Maturity or otherwise, or at the Redemption Date and the Company shall have deposited, with the Trustee, in trust for the purpose, or left with it if previously so deposited, any combination:

(i) of cash and

(ii) of Government Obligations (which shall not contain provisions permitting the redemption thereof at the option of the issuer), maturing as to principal and interest (without any regard to the reinvestment thereof) in such amounts and at such times as will assure the availability of cash.

that is necessary to pay when due the principal of, premium, if any, and interest due and to become due on such Bond on or prior to the Redemption Date or Stated Maturity thereof, as the case may be, and for the use and benefit of the Holder thereof, then, interest on said Bond, and all liability of the Company to the Holder of said Bond for the payment of the principal of, premium, if any, and interest thereon, shall forthwith cease and be completely discharged, subject to the provisions of the last paragraph of this Section 20.03. It shall be the duty of the Trustee to hold such funds in trust, for the benefit of the Holder of such Bond who, so long as such funds remain on deposit with the Trustee shall be restricted exclusively to said funds for any claim of whatsoever nature on the part of such Holder under the Indenture or on said Bond by any Holder of any such Bond.

If the Holder of any such Bond shall not claim, within six years after such Bond shall have become due and payable, such deposited funds, for the payment thereof, the Trustee, upon Company Request and if it shall so require upon being furnished indemnity satisfactory to it, shall pay to the Company such amount so deposited, if no Default has occurred and is continuing. The Trustee thereupon shall be relieved from all responsibility to the Holder thereof and the Company shall be liable to the Holder only to the extent of the funds so returned to it.

SECTION 20.04. If the principal of any of the Bonds shall not be punctually paid when due at Maturity, whether by declaration or a lapse of time, or if any installment of interest thereon shall not be punctually paid when due, then upon deposit with or receipt by the Trustee of moneys sufficient to pay such overdue principal or any such overdue installment or installments of interest thereon and, to the extent permitted by law, moneys sufficient to pay interest due and to become due thereon up to the date when interest upon such overdue principal or installment or installments of interest shall cease (as hereinafter provided), then interest on such overdue principal or installment or installments of interest thereon shall cease to accrue 15 days after the date of mailing a notice by the Company or the Trustee by first class mail postage prepaid to each Holder of such Bonds, stating that said moneys have been so deposited or received.

SECTION 20.05. Whenever the Company is required to deposit cash with the Trustee, it shall have the right, at the time of such deposit, to specify that such cash is to be held by the Trustee in trust for the particular purpose for which it is deposited.

SECTION 20.06. Any cash which has been deposited with the Trustee for the purpose of paying the principal of, premium, if any, or interest on Bonds, for the purpose of securing the authentication of Bonds, for the purpose of effecting payment or redemption of any Bonds, or which has been delivered to the Trustee by the Company for any of the purposes provided under the Indenture, upon Company Request, authorized by a Resolution, shall be invested or reinvested by the Trustee, as designated by the Company and not disapproved by the Trustee, in any bonds or other general obligations (excluding revenue bonds) of the United States of America, any state, city or county thereof, which at the time of investment are lawful investments for banks and trust companies under the laws of the state in which the Trustee has its principal corporate trust office and in other types of investments the Trustee has determined to be lawful, secure and efficient for the short-term investment of deposits held in trust under the Indenture, including commingling with deposits under other trusts administered by the Trustee. Until a Completed Default shall have occurred and be continuing, interest on such bonds, obligations and investments which may be received by the Trustee shall be paid forthwith to the Company. The Trustee shall not be required to make any such investment (a) after it has cancelled and discharged the Lien of the Indenture, (b) on or after the Stated Maturity of any Bonds, with respect to any cash held to pay such Bonds, or (c) on or after the Redemption Date of any Bonds, with respect to any cash held for such redemption. In no event, shall the Trustee make any such investment or take any of the actions pursuant to and permitted by this Section 20.06 with any cash or proceeds of any Government Obligations, which, in accordance with Sections 6.03, 10.06, 17.01 or 20.03, would cause Bonds to be deemed paid upon such cash or Governmental Obligations or combination thereof being deposited with the Trustee.

Such bonds and obligations shall be held by the Trustee subject to the same provisions and in the same manner as the cash used to purchase the same, but upon Company Request, the Trustee shall sell all or any designated part of the bonds, obligations and investments and the proceeds of such sale shall be held by the Trustee subject to the same provisions hereof as the cash used by it to purchase the bonds, obligations and investments so sold. If, at any time, by reason of decrease in the market value of such bonds, obligations or investments, or the financial condition of the issuer, the Trustee shall be of the opinion that there is danger of the fund or funds invested in and represented by such bonds, obligations or investments being impaired, the Trustee may notify the Company of its intention to sell all or certain of the bonds, obligations or investments so held by it and unless, within five days after the date of said notice, the Company shall deliver to the Trustee cash equal to the price paid by the Trustee for such bonds, obligations or investments, the Trustee, without or despite a Company Request, may proceed to sell the bonds, obligations or investments, described in said notice, at public or private sale, for the best price reasonably obtainable. The Trustee shall also be entitled, without request of or notice to the Company, to sell any bonds, or obligations or investments purchased with moneys deposited for the payment or redemption of Bonds and held by it in order that the Trustee has the necessary funds available on the day prior to the date on which said Bonds are to be paid or redeemed. If such sale shall produce a sum less than the principal amount invested in the bonds, obligations or investments so sold, the Company covenants that it will pay promptly to the Trustee such amount of cash, which combined with the net proceeds from such sale, will equal the principal amount invested in the bonds, obligations or investments so sold. If such sale shall produce a sum greater than the principal amount invested in the bonds, obligations or investments so sold, the Trustee shall pay promptly to the Company an amount of cash equal to such excess.

SECTION 20.07. The Trustee shall, on Company Request, destroy any Bonds cancelled by the Trustee and make duplicate certificates of such destruction, retaining one such certificate and delivering the other to the Company. Each such certificate shall state the method of destruction and, subject to Section 16.01, shall be conclusive evidence of the payment and cancellation of the Bonds therein mentioned for all purposes.

SECTION 20.08. Each certificate or opinion with respect to compliance with a condition or covenant provided for in the Indenture shall include: (a) a statement that the Person making such certificate or opinion has read such covenant or condition; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (c) a statement that, in the opinion of such Person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and (d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

SECTION 20.09. (a) Any certificate or opinion of an officer or employee of the Company or an Accountant or Engineer may be based, insofar as it relates to legal matters, upon a certificate or opinion of or upon representations by counsel, unless such officer, employee, Accountant or Engineer knows that the certificates or opinions or representations with respect to

the matters upon which his opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known were erroneous.

(b) Any certificate or Opinion of Counsel may be based, insofar as it relates to factual matters or information which is in possession of the Company, upon the certificate or opinion of or representations by an officer or employee of the Company, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which his opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known were erroneous.

(c) Prior to the Trustee taking any action under the Indenture upon the request or submission of an Application by the Company, the Company shall deliver to the Trustee, in addition to or as part of any certificates herein required, an Officer's Certificate and an Opinion of Counsel each stating that, in the opinion of the signer, all conditions precedent to such action which are required by the Indenture have been satisfied.

SECTION 20.10. Nothing in this Article XX is intended or shall be construed as relieving the Company from furnishing any certificate or other evidence required by the Indenture.

SECTION 20.11. Each Holder of a Bond of any series which shall be originally authenticated by the Trustee and originally issued by the Company on or subsequent to the Date Hereof, by the acquisition, holding or ownership of such Bond, thereby consents and agrees to, and shall be bound by, the provisions of this Restated Indenture on and after the Effective Date.

SECTION 20.12. This Restated Indenture shall be construed in connection with and as a part of the 1937 Indenture, as supplemented by Supplemental Trust Indentures dated June 1, 1942; February 1, 1944; October 1, 1945; July 1, 1948; August 1, 1949; June 1, 1952; October 1, 1954; September 1, 1956; August 1, 1957; July 1, 1958; December 1, 1960; August 1, 1961; June 1, 1962; September 1, 1963; August 1, 1966; June 1, 1967; October 1, 1967; May 1, 1968; October 1, 1969; February 1, 1971; May 1, 1971; February 1, 1972; January 1, 1973; January 1, 1974; September 1, 1974; April 1, 1975; May 1, 1975; March 1, 1976; June 1, 1981; December 1, 1981; May 1, 1983; December 1, 1983; September 1, 1984; December 1, 1984; May 1, 1985; and September 1, 1985 and as supplemented prior to the Effective Date.

SECTION 20.13. (a) If any provision of the Indenture limits, qualifies, or conflicts with another provision of the Indenture required to be included in indentures qualified under the Trust Indenture Act (as enacted prior to the Effective Date) by any of the provisions of Sections 310 to 317, inclusive, of the Trust Indenture Act, such required provisions shall control.

(b) In case any one or more of the provisions contained in the Indenture or in the Bonds should be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions contained herein and therein shall not be affected, impaired, prejudiced, or disturbed in any way thereby.

SECTION 20.14. (a) This Restated Indenture may be executed simultaneously in several counterparts, and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

(b) The Table of Contents and the descriptive headings of the several Articles of this Restated Indenture were formulated, used, and inserted in this Restated Indenture for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

SECTION 20.15. Whenever in the Indenture either of the parties hereto is named or referred to, such reference shall be deemed to include the successors or assigns of such party, and all the covenants and agreements in the Indenture by or on behalf of the Company or by or on behalf of the Trustee shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

SECTION 20.16. The amount of obligations to be issued immediately under this Restated Indenture is none.

SECTION 20.17. To the extent permitted by Sections 20.08 and 20.09, any Opinion of Counsel given as to title to property may be based, in whole or in part, (a) upon a certified abstract of title or any Torrens certificate, or upon any guaranty policy or certificate or opinion issued or rendered by any reputable Person engaged in the business of examining or insuring or guaranteeing titles to property or upon the opinion of other counsel (provided that in such case such Opinion of Counsel shall state that the signer believes such other counsel giving such certificate or opinion is reputable and one upon whom he may properly rely), (b) upon an Officer's Certificate stating (1) what, if any, conditional sales contracts and chattel mortgages exist against any personal property as to which such Opinion of Counsel is to be rendered, and what, if any, levies of execution or attachment or similar proceedings exist or are pending with respect to any thereof, and describing the property, if any, subject to such contracts or mortgages or as to which such levies or proceedings exist or are pending, (2) that all personal property as to which such Opinion of Counsel is to be rendered (other than the property, if any described pursuant to clause (1) above) is owned by the Company free and clear of all liens and encumbrances prior to or on a parity with the Lien of the Indenture (other than Permitted Encumbrances) and if such property is affixed or attached to real estate, that such real estate has been acquired by the Company and that an Opinion of Counsel as to title in respect thereto has been or is concurrently being furnished to the Trustee, or that such personal property is located on a street, road or highway, or upon other public property pursuant to a franchise, license or permit, or upon private property pursuant to an easement or permit not expiring without the default or consent of the Company within ten years following the date of such certificate or is so located on property of others under contractual arrangements permitting its removal, (3) the location of any real or personal property of the Company, and (4) whether any Permitted Encumbrances of the kind referred to in paragraph (8) of the definition of Permitted Encumbrances in Section 1.03 interfere with the proper operation of the Company's business or (c) upon a duly executed and recorded deed of real estate or easement or interest therein, where such real estate, easement or interest therein is not required as an integral part of the property of the Company or indispensable to its operations, if an Officer's Certificate also states that no

other Person is in possession of such real estate, easement or interest therein and that the loss of the title thereto would not interfere with any of the necessary operations of the Company.

SECTION 20.18. Wherever the Trustee is required to accept or approve, in the exercise of reasonable care, pursuant to subsection (d) of Section 16.01 or otherwise, an Engineer, appraiser or other expert, counsel or Accountant, who is to furnish evidence of compliance with conditions precedent in the Indenture for the authentication and delivery of additional Bonds, the withdrawal of cash or the release and substitution of property secured by the Lien of the Indenture or who is to furnish an opinion for any other purpose under the Indenture, such approval or acceptance by the Trustee shall be deemed to have been given upon the taking of any action by the Trustee pursuant to and in accordance with the certificate or opinion so furnished by such Engineer, appraiser, expert, counsel or Accountant.

SECTION 20.19. Whenever notice is required to be transmitted to the Bondholders by the Trustee, or by the Company, unless otherwise herein specifically provided for, such notice shall be deemed to have been transmitted, and such requirements for the transmission of notice satisfied, upon deposit by the transmitter with or in a depository of the United States Postal Service of notice in a sealed envelope with prepaid first-class postage, and addressed to the Person required to be notified in accordance with the last known address of that Person on the records of the transmitter as required to be kept pursuant to the Indenture.

SECTION 20.20. Whenever in the Indenture provision is made for the delivery to the Trustee of any Officer's Certificate, Engineer's Certificate, Accountant's Certificate (including, when applicable, such certificate by an Independent Engineer or an Independent Accountant) or Opinion of Counsel, such provision may be satisfied by the delivery of more than one certificate or opinion certifying separately to the various matters of fact or opinion required to be included in the certificate or opinion so provided for, and different officers or Persons may certify as to different matters of fact or opinion so shown; provided that such separate certificates or opinions shall, taken together, contain all of the statements herein required and be signed by officers or Persons, by whom such certificate or opinions are required and authorized to be signed. Whenever provision is made in the Indenture for the delivery to the Trustee of more than one such certificate or opinion such provision may be satisfied by the delivery of a single certificate or opinion by such Person or Persons certifying as to all the matters required to be shown by any particular Section hereof or by separate certificates or opinions by two or more such Persons certifying separately the various matters of fact or opinion required to be shown.

SECTION 20.21. The Indenture shall be governed exclusively by the applicable laws of the State of Minnesota.

ARTICLE XXI.

Financing Statement to Comply with the Uniform Commercial Code.

SECTION 21.01. The name and address of the debtor and secured party are set forth below:

Debtor: Northern States Power Company
414 Nicollet Mall
Minneapolis, Minnesota
55401-1993

Secured Party: Harris Trust and Savings Bank, Trustee
111 West Monroe Street
P.O. Box 755
Chicago, Illinois 60690-0755

NOTE: Northern States Power Company, the debtor above named, is “a transmitting utility” under the Uniform Commercial Code as adopted in the States of Minnesota, North Dakota and South Dakota.

SECTION 21.02. Reference to the Granting Clauses hereof is made for a description of the property of the debtor covered by this Financing Statement with the same force and effect as if incorporated in this Section 21.02 at length.

SECTION 21.03. The maturity dates and respective principal amounts of obligations of the debtor secured and presently to be secured by the Indenture, reference to the terms and conditions thereof is hereby made with the same force and effect as if incorporated herein at length, are as follows:

<u>First Mortgage Bonds</u>	<u>Principal Amount</u>
Series due July 1, 1988	\$ 30,000,000
Series due December 1, 1990	\$ 35,000,000
Series due August 1, 1991	\$ 20,000,000
Series due June 1, 1992	\$ 15,000,000
Series due September 1, 1993	\$ 15,000,000
Series due June 1, 1995	\$ 30,000,000
Series due August 1, 1996	\$ 45,000,000
Series due October 1, 1997	\$ 30,000,000
Series due May 1, 1998	\$ 45,000,000
Series due October 1, 1999	\$ 45,000,000
Series due March 1, 2001	\$ 50,000,000
Series due June 1, 2001	\$ 50,000,000
Series due March 1, 2002	\$ 50,000,000
Series due February 1, 2003	\$ 50,000,000
Series due January 1, 2004	\$ 75,000,000

Pollution Control Series A	\$ 35,000,000
Pollution Control Series B	\$ 25,000,000
Series due May 1, 2005	\$ 80,000,000
Pollution Control Series C	\$ 8,800,000
Series due May 1, 2013	\$ 73,500,000
Pollution Control Series G	\$100,000,000
Pollution Control Series H	\$ 32,500,000
Resource Recovery Series I	\$ 27,700,000
Series due June 1, 2015	\$ 98,000,000
Pollution Control Series J	\$ 5,450,000
Pollution Control Series K	\$ 3,400,000
Pollution Control Series L	\$ 4,850,000

SECTION 21.04. This Financing Statement hereby is adopted for all of the First Mortgage Bonds of the series described above which are secured by the Indenture.

SECTION 21.05. The 1937 Indenture and the prior Supplemental Trust Indentures, as set forth below, have been filed or recorded in each and every office in the States of Minnesota, North Dakota, and South Dakota designated by law for the filing or recording thereof in respect of all property of the Company subject thereto:

1937 Indenture Dated February 1, 1937	Supplemental Indenture Dated June 1, 1942
Supplemental Indenture Dated February 1, 1944	Supplemental Indenture Dated October 1, 1945
Supplemental Indenture Dated July 1, 1948	Supplemental Indenture Dated August 1 1949
Supplemental Indenture Dated June 1, 1952	Supplemental Indenture Dated October 1, 1954
Supplemental Indenture Dated September 1, 1956	Supplemental Indenture Dated August 1, 1957
Supplemental Indenture Dated July 1, 1958	Supplemental Indenture Dated December 1, 1960
Supplemental Indenture Dated August 1, 1961	Supplemental Indenture Dated June 1, 1962
Supplemental Indenture Dated September 1, 1963	Supplemental Indenture Dated August 1, 1966
Supplemental Indenture	Supplemental Indenture

Dated June 1, 1967
Supplemental Indenture
Dated May 1, 1968
Supplemental Indenture
Dated February 1, 1971
Supplemental Indenture
Dated February 1, 1972
Supplemental Indenture
Dated January 1, 1974
Supplemental Indenture
Dated April 1, 1975
Supplemental Indenture
Dated March 1, 1976
Supplemental Indenture
Dated December 1, 1981
Supplemental Indenture
Dated December 1, 1983
Supplemental Indenture
Dated December 1, 1984
Supplemental Indenture
Dated September 1, 1985

Dated October 1, 1967
Supplemental Indenture
Dated October 1, 1969
Supplemental Indenture
Dated May 1, 1971
Supplemental Indenture
Dated January 1, 1973
Supplemental Indenture
Dated September 1, 1974
Supplemental Indenture
Dated May 1, 1975
Supplemental Indenture
Dated June 1, 1981
Supplemental Indenture
Dated May 1, 1983
Supplemental Indenture
Dated September 1, 1984
Supplemental Indenture
Dated May 1, 1985

SECTION 21.06. The property covered by this Financing Statement shall also secure additional series of Bonds of the debtor which may be issued in accordance with the provisions of the Indenture.

IN WITNESS WHEREOF, NORTHERN STATES POWER COMPANY, a Minnesota corporation, party of the first part, has caused its corporate name and seal to be hereunto affixed and this Supplemental and Restated Trust Indenture to be signed by its President or a Vice President, and attested by its Secretary or an Assistant Secretary, for and on its behalf, and HARRIS TRUST AND SAVINGS BANK, an Illinois corporation, as Trustee, party of the second part, to evidence its acceptance of the trust hereby created, has caused its corporate name and seal to be hereunto affixed, and this Supplemental and Restated Trust Indenture to be signed by its President, a Vice President, or an Assistant Vice President, and attested by its Secretary or an Assistant Secretary, for and on its behalf, all done this 14 th day of November, 1988.

NORTHERN STATES POWER COMPANY,

/s/ J.O. Cox
By J.O. Cox, Vice President

(CORPORATE SEAL)

Attest: /s/ Arland D. Brusven
Arland D. Brusven, Secretary.

Executed by Northern States Power Company
in the presence of:

/s/ T.E. Kramer
T.E. Kramer,

/s/ M.E. Gill
M.E. Gill, Witnesses.

HARRIS TRUST AND SAVINGS BANK,
as Trustee

/s/ R.S. Stam
By R.S. Stam, Vice President.

(CORPORATE SEAL)

Attest: /s/ C. Potter
C. Potter, Assistant Secretary.

Executed by Harris Trust and Savings Bank
in the presence of:

/s/ M Onischak
M. Onischak,

/s/ D.G. Donovan
D.G. Donovan, Witnesses.

State of Minnesota)
) SS
County of Hennepin)

On this 14th day of November, A.D. 1988, before me, Glenn E. Melling a Notary Public in and for said County in the State aforesaid, personally appeared J.O. Cox and Arland D. Brusven, to me personally known, and to me known to be the Vice President and Secretary, respectively, of Northern States Power Company, one of the corporations described in and which executed the within and foregoing instrument, and who, being by me severally duly sworn, each for himself, did say that he, the said J.O. Cox, is the Vice President, and he, the said Arland D. Brusven, is the Secretary, of said Northern States Power Company, a corporation; that the seal affixed to the within and foregoing instrument is the corporate seal of said corporation, and that said instrument was executed on behalf of said corporation by authority of its stockholders and board of directors; and said J.O. Cox and Arland D. Brusven each acknowledged said instrument to be the free act and deed of said corporation and that such corporation executed the same.

WITNESS my hand and notarial seal, this 14th day of November, A.D. 1988.

/s/ Glenn E. Melling
Glenn E. Melling
Notary Public in Hennepin County, Minnesota.

My commission expires February 16, 1990.

(NOTARIAL SEAL)

State of Illinois)
) SS
County of Cook)

On this 14th day of November, A.D. 1988, before me, T. Muzquiz a Notary Public in and for said County in the State aforesaid, personally appeared R.S. Stam and C. Potter, to me personally known, and to me known to be the Vice President and Assistant Secretary, respectively, of Harris Trust and Savings Bank, one of the corporations described in and which executed the within and foregoing instrument, and who, being by me severally duly sworn, each, did say that he, the said R.S. Stam, is the Vice President, and she, the said C. Potter, is the Assistant Secretary, of said Harris Trust and Savings Bank, a corporation; that the seal affixed to the within and foregoing instrument is the corporate seal of said corporation, and that said instrument was executed on behalf of said corporation by authority of its board of directors; and said R.S. Stam and C. Potter each acknowledged said instrument to be the free act and deed of said corporation and that such corporation executed the same.

WITNESS my hand and notarial seal, this 14th day of November, A.D. 1988.

/s/ T. Muzquiz
T. Muzquiz
Notary Public

My commission expires July 12, 1989.

(NOTARIAL SEAL)

(NOTARIAL SEAL)

State of Minnesota)
) SS
County of Hennepin)

J.O. Cox and Arland D. Brusven, being severally duly sworn, each for himself deposes and says that he, the said J.O. Cox, is Vice President, and he, the said Arland D. Brusven, is Secretary, of Northern States Power Company, the corporation described in and which executed the within and foregoing Supplemental and Restated Trust Indenture, as mortgagor; and each for himself further says that said Supplemental and Restated Trust Indenture was executed in good faith, and not for the purpose of hindering, delaying or defrauding any creditor of said mortgagor.

/s/ J.O. Cox
J.O. Cox

/s/ Arland D. Brusven
Arland D. Brusven

Subscribed and sworn to before me this 14th day of November, A.D. 1988.

/s/ Glenn E. Melling
Glenn E. Melling
Notary Public, Hennepin County, Minnesota.

My commission expires February 16, 1990.

(NOTARIAL SEAL)

State of Illinois)
) SS
County of Cook)

R.S. Stam and C. Potter, being severally duly sworn, each deposes and said the he, R.S. Stam, is Vice President, and she, the said C. Potter, is Assistant Secretary, of Harris Trust and Savings Bank, the corporation described in and that executed the within and foregoing Supplemental and Restated Trust Indenture, as mortgagee and trustee; and each further says that said Supplemental and Restated Trust Indenture was executed in good faith, and not for the purpose of hindering, delaying or defrauding any creditor of the mortgagor.

/s/ R.S. Stam

R.S. Stam

/s/ C. Potter

C. Potter

Subscribed and sworn to before me this 14th day of November. A.D. 1988.

/s/ T. Muzquiz

T. Muzquiz

Notary Public

My commission expires July 12, 1989.

(NOTARIAL SEAL)

SCHEDULE A.

The property referred to in the Granting Clauses of the foregoing Supplemental and Restated Trust Indenture from Northern States Power Company to Harris Trust and Savings Bank, as Trustee, made as of May 1, 1988, includes the following property hereinafter more specifically described. Such description, however, is not intended to limit or impair the scope or intention of the general description continued in the Granting Clauses or elsewhere in this Restated Indenture.

I. PROPERTIES IN THE STATE OF NORTH DAKOTA

The following described real property, situate, lying and being in the County of Traill, State of North Dakota, to-wit:

- (1) A tract of land located in the NW $\frac{1}{4}$ of the NW $\frac{1}{4}$ of Section 17, Township 148 North, Range 53 West; County of Traill, State of North Dakota, more particularly described as follows:

Commencing at a point 50 feet south and 66 feet east of the Northwest corner of said Section 17, thence south a distance of 60 feet along the east right-of-way boundary of North Dakota State Highway Number 18, thence $89^{\circ}32'$ left, a distance of 60 feet to the point of beginning of the tract being conveyed herein; thence $90^{\circ}28'$ left, a distance of 60 feet; thence $90^{\circ}28'$ right, a distance of 60 feet; thence $89^{\circ}32'$ right, a distance of 60 feet; thence $90^{\circ}28'$ right, a distance of 60 feet to the point of beginning, containing 0.082 acres.

The following described real property, situate, lying and being in the County of Ward, State of North Dakota, to-wit:

- (1) A portion of Lot 1, Thompson's Fifth Plat, SE $\frac{1}{4}$ of the NE $\frac{1}{4}$, Section 35, Township 155, Range 83 described as follows: Beginning at a point which is the intersection of the west boundary of Sublot A of Lot 1 and the north boundary of Lot 1, thence southerly along the west boundary of Sublot A, 35 feet; thence westerly, parallel to the north boundary of Lot 1, 50 feet; thence northerly, along a line parallel to the west boundary of Sublot A, 35 feet to a point on the north boundary of Lot 1; thence easterly along the north boundary of Lot 1 to the point of beginning. The tract is also described as Sublot B of Lot 1, Thompson's Fifth Addition.
- (2) Outlot 5, Section 2, Township 156 North, Range 83 West of Fifth Principal Meridian.

MORTGAGER'S RECEIPT FOR COPY.

The undersigned, Northern States Power Company, the Mortgagor described in the foregoing Mortgage, hereby acknowledges that at the time of the execution of the Mortgage, Harris Trust and Savings Bank, Trustee, the Mortgagee described therein, surrendered to it a full, true, complete, and correct copy of said instrument, with signatures, witnesses, and acknowledgments thereon shown.

NORTHERN STATES POWER COMPANY,

/s/ J.O. Cox

By J.O. Cox, Vice President.

Attest:

/s/ Arland D Brusven

Arland D. Brusven, Secretary

(Corporate Seal)

This instrument was drafted by Northern States Power Company, 414 Nicollet Mall, Minneapolis, Minnesota 55401-1993.

Tax statements for the real property described in this instrument should be sent to Northern States Power Company, 414 Nicollet Mall, Minneapolis, Minnesota 55401-1993.

Exhibit 4(b)(7)

EXECUTION COPY

NORTHERN STATES POWER COMPANY
(a Minnesota corporation)

AND

NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION

TRUSTEE

INDENTURE

DATED AS OF JULY 1, 1999

Providing for issuance of Debt Securities

CROSS REFERENCE SHEET SHOWING THE LOCATION
IN THE INDENTURE OF THE PROVISIONS INSERTED
PURSUANT TO SECTIONS 310 THROUGH 318(a) INCLUSIVE OF
THE TRUST INDENTURE ACT OF 1939

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310(a)(1)	8.9	36
310(a)(2)	8.9	36
310(a)(3)	NOT APPLICABLE	—
310(a)(4)	NOT APPLICABLE	—
310(a)(5)	8.9	36
310(b)	8.8	36
310(c)	NOT APPLICABLE	—
311(a)	8.14	38
311(b)	8.14	38
311(c)	NOT APPLICABLE	—
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313(a)	6.3(a)	26
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313(c)	6.3(d)	26
313(d)	6.3(c) and 6.3(d)	26
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314(d)(1)	NOT APPLICABLE	4;23
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314(d)(3)	NOT APPLICABLE	23
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314(f)	NOT APPLICABLE	—
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THIS INDENTURE, dated as of July 1, 1999, between NORTHERN STATES POWER COMPANY, a corporation duly organized and existing under the laws of the State of Minnesota (the “*Company*”), and NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States, as trustee (the “*Trustee*”).

WITNESSETH

WHEREAS, for its lawful corporate purposes, the Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its unsecured debentures, notes or other evidences of indebtedness (the “*Securities*”), to be issued as in this Indenture provided;

AND WHEREAS, all acts and things necessary to make this Indenture a valid agreement according to its terms have been done and performed, and the execution of this Indenture and the issue hereunder of the Securities have in all respects been duly authorized;

NOW THEREFORE, THIS INDENTURE WITNESSETH:

That in order to declare the terms and conditions upon which the Securities are, and are to be authenticated, issued and delivered, and in consideration of the premises, of the purchase and acceptance of the Securities by the Holders thereof and of the sum of one dollar duly paid to it by the Trustee at the execution of this Indenture, the receipt whereof is hereby acknowledged, the Company covenants and agrees with the Trustee for the equal and proportionate benefit of the respective Holders from time to time of the Securities, as follows:

ARTICLE I.
DEFINITIONS

Section 1.1. General. The terms defined in this Article I (except as herein otherwise expressly provided or unless the context otherwise requires) for all purposes of this Indenture and of any indenture supplemental hereto shall have the respective meanings specified in this Article I.

Section 1.2. Trust Indenture Act. (a) Whenever this Indenture refers to a provision of the Trust Indenture Act of 1939, as amended (the “TIA”), such provision is incorporated by reference in and made a part of this Indenture.

(b) Unless otherwise indicated, all terms used in this Indenture that are defined by the TIA, defined by the TIA by reference to another statute or defined by a rule of the Commission under the TIA shall have the meanings assigned to them in the TIA or such statute or rule as in force on the date of execution of this Indenture.

Section 1.3. Definitions. For purposes of this Indenture, the following terms shall have the following meanings.

AUTHENTICATING AGENT:

The term “*Authenticating Agent*” shall mean any agent of the Trustee which shall be appointed and acting pursuant to Section 8.15 hereof.

AUTHORIZED AGENT:

The term “*Authorized Agent*” shall mean any agent of the Company designated as such by an Officers’ Certificate delivered to the Trustee.

BOARD OF DIRECTORS:

The term “*Board of Directors*” shall mean the Board of Directors of the Company or the Financing Committee of such Board or any other duly authorized committee of such Board.

BOARD RESOLUTION:

The term “*Board Resolution*” shall mean a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

BUSINESS DAY:

The term “*Business Day*” shall mean each Monday, Tuesday, Wednesday, Thursday and Friday that is not a day on which banking institutions or trust companies in the Borough of Manhattan, the City and State of New York, or in the city where the corporate trust office of the Trustee is located, are obligated or authorized by law or executive order to close.

COMMISSION:

The term “*Commission*” shall mean the United States Securities and Exchange Commission, or if at any time hereafter the Commission is not existing or performing the duties now assigned to it under the TIA, then the body performing such duties.

COMPANY:

The term “*Company*” shall mean the corporation named as the “Company” in the first paragraph of this Indenture, and its successors and assigns permitted hereunder.

COMPANY ORDER :

The term “*Company Order*” shall mean a written order signed in the name of the Company by one of the Chairman, the President, any Vice President, the Treasurer or an Assistant Treasurer, and the Secretary or an Assistant Secretary of the Company, and delivered to the Trustee.

CORPORATE TRUST OFFICE OF THE TRUSTEE:

The term “*corporate trust office of the Trustee*”, or other similar term, shall mean the corporate trust office of the Trustee, at which at any particular time its corporate trust business shall be principally administered, which office is at the date of the execution of this Indenture located at Corporate Trust Services, Sixth and Marquette Avenue, Minneapolis, Minnesota 55479-0069.

DEPOSITORY:

The term “*Depository*” shall mean, unless otherwise specified in a Company Order pursuant to Section 2.5 hereof, The Depository Trust Company, New York, New York, or any successor thereto registered and qualified under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation.

EVENT OF DEFAULT:

The term “*Event of Default*” shall mean any event specified in Section 7.1 hereof, continued for the period of time, if any, and after the giving of the notice, if any, therein designated.

GLOBAL SECURITY:

The term “*Global Security*” shall mean a Security that pursuant to Section 2.5 hereof is issued to evidence Securities, that is delivered to the Depository or pursuant to the instructions of the Depository and that shall be registered in the name of the Depository or its nominee.

INDENTURE:

The term “*Indenture*” shall mean this instrument as originally executed or, if amended or supplemented as herein provided, as so amended or supplemented.

INTEREST PAYMENT DATE:

The term “*Interest Payment Date*” shall mean, unless otherwise specified in a Company Order pursuant to Section 2.5 hereof, (a) each May 1 and November 1 during the period any Security is outstanding (provided that the first Interest Payment Date for any Security, the Original Issue Date of which is after a Regular Record Date but prior to the respective Interest Payment Date, shall be the Interest Payment Date following the next succeeding Regular Record Date), (b) a date of maturity of such Security and (c) only with respect to defaulted interest on such Security,

the date established by the Trustee for the payment of such defaulted interest pursuant to Section 2.11 hereof.

MATURITY:

The term “*maturity*”, when used with respect to any Security, shall mean the date on which the principal of such Security becomes due and payable as therein or herein provided, whether at the stated maturity thereof or by declaration of acceleration, redemption or otherwise.

OFFICERS’ CERTIFICATE:

The term “*Officers’ Certificate*” when used with respect to the Company, shall mean a certificate signed by one of the Chairman, the President, any Vice President, the Treasurer or an Assistant Treasurer, and by the Secretary or an Assistant Secretary of the Company.

OPINION OF COUNSEL:

The term “*Opinion of Counsel*” shall mean an opinion in writing signed by legal counsel, who may be an employee of the Company, meeting the applicable requirements of Section 14.5 hereof. If the Indenture requires the delivery of an Opinion of Counsel to the Trustee, the text and substance of which has been previously delivered to the Trustee, the Company may satisfy such requirement by the delivery by the legal counsel that delivered such previous Opinion of Counsel of a letter to the Trustee to the effect that the Trustee may rely on such previous Opinion of Counsel as if such Opinion of Counsel was dated and delivered the date delivery of such Opinion of Counsel is required. Any Opinion of Counsel may contain conditions and qualifications satisfactory to the Trustee.

OPINION OF INDEPENDENT COUNSEL:

The term “*Opinion of Independent Counsel*” shall mean an opinion in writing signed by legal counsel, who shall not be an employee of the Company, meeting the applicable requirements of Section 14.5. Any Opinion of Independent Counsel may contain conditions and qualifications satisfactory to the Trustee.

ORIGINAL ISSUE DATE:

The term “*Original Issue Date*” shall mean for a Security, or portions thereof, the date upon which it, or such portion, was issued by the Company pursuant to this Indenture and authenticated by the Trustee (other than in connection with a transfer, exchange or substitution).

OUTSTANDING:

The term “*outstanding*”, when used with reference to Securities, shall, subject to Section 9.4 hereof, mean, as of any particular time, all Securities authenticated and delivered by the Trustee under this Indenture, except

(a) Securities theretofore canceled by the Trustee or delivered to the Trustee for cancellation;

(b) Securities, or portions thereof, for the payment or redemption of which moneys in the necessary amount shall have been deposited in trust with the Trustee or with any paying agent (other than the Company), provided that if such Securities are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in Article III, or provisions satisfactory to the Trustee shall have been made for giving such notice;

(c) Securities, or portions thereof, that have been paid and discharged or are deemed to have been paid and discharged pursuant to the provisions of this Indenture; and

(d) Securities in lieu of or in substitution for which other Securities shall have been authenticated and delivered, or which have been paid, pursuant to Section 2.7 hereof.

PERSON:

The term "*Person*" shall mean any individual, corporation, partnership, joint venture, limited liability company, association, joint-stock company, trust, unincorporated organization or government or any agent or political subdivision thereof.

PRINCIPAL EXECUTIVE OFFICES OF THE COMPANY:

The term "*principal executive offices of the Company*" shall mean 414 Nicollet Mall, Minneapolis, Minnesota 55401, or such other place where the main corporate offices of the Company are located as designated in writing to the Trustee by an Authorized Agent.

REGULAR RECORD DATE:

The term "*Regular Record Date*" shall mean, unless otherwise specified in a Company Order pursuant to Section 2.5, for an Interest Payment Date for a particular Security (a) the fifteenth day of the calendar month next preceding each Interest Payment Date (unless the Interest Payment Date is the date of maturity of such Security, in which event, the Regular Record Date shall be as described in clause (b) hereof) and (b) the date of maturity of such Security.

RESPONSIBLE OFFICER:

The term "*responsible officer*" or "*responsible officers*" when used with respect to the Trustee shall mean one or more of the following: the chairman of the board of directors, the vice chairman of the board of directors, the chairman of the executive committee, the president, any vice president, the secretary, the treasurer, any trust officer, any assistant trust officer, any second or assistant vice president, any assistant secretary, any assistant treasurer, or any other officer or assistant officer of the Trustee customarily performing functions similar to those performed by

the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of his or her knowledge of and familiarity with the particular subject.

SECURITY OR SECURITIES:

The terms “*Security*” or “*Securities*” shall mean any debt security or debt securities, as the case may be, authenticated and delivered under this Indenture, including any Global Security.

SECURITYHOLDER:

The terms “*Securityholder*”, “*Holder of Securities*” or “*Holder*” shall mean any Person in whose name at the time a particular Security is registered on the books of the Trustee kept for that purpose in accordance with the terms hereof.

SPECIAL RECORD DATE:

The term “*Special Record Date*” shall mean, with respect to any Security, the date established by the Trustee in connection with the payment of defaulted interest on such Security pursuant to Section 2.11 hereof.

STATED MATURITY:

The term “*stated maturity*” shall mean with respect to any Security, the last date on which principal on such Security becomes due and payable as therein or herein provided, other than by declaration of acceleration or by redemption.

TRUSTEE:

The term “*Trustee*” shall mean Norwest Bank Minnesota, National Association and, subject to Article VIII, shall also include any successor Trustee.

U.S. GOVERNMENT OBLIGATIONS:

The term “*US. Government Obligations*” shall mean (i) direct non-callable obligations of, or non-callable obligations guaranteed as to timely payment of principal and interest by, the United States of America or an agency thereof for the payment of which obligations or guarantee the full faith and credit of the United States is pledged or (ii) certificates or receipts representing direct ownership interests in obligations or specified portions (such as principal or interest) of obligations described in clause (i) above, which obligations are held by a custodian in safekeeping in a manner satisfactory to the Trustee.

ARTICLE II.

FORM, ISSUE, EXECUTION, REGISTRATION AND EXCHANGE OF SECURITIES

Section 2.1. Form Generally.

(a) If the Securities are in the form of a Global Security they shall be in substantially the form set forth in *Exhibit A* to this Indenture, and, if the Securities are not in the form of a Global Security, they shall be in substantially the form set forth in *Exhibit B* to this Indenture, or, in any case, in such other form as shall be established by a Board Resolution, or a Company Order pursuant to a Board Resolution, or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with applicable rules of any securities exchange or of the Depository or with applicable law or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of such Securities.

(b) The definitive Securities shall be typed, printed, lithographed or engraved on steel engraved borders or may be produced in any other manner, all as determined by the officers executing such Securities, as evidenced by their execution of such Securities.

Section 2.2. Form Of Trustee's Certificate Of Authentication . The Trustee's certificate of authentication on all Securities shall be in substantially the following form:

Trustee's Certificate of Authentication

This Security is one of the Securities of the series herein designated, described or provided for in the within-mentioned Indenture.

Norwest Bank Minnesota, National Association, as
Trustee:

By: _____
Authorized Officer

Section 2.3. Amount Unlimited. The aggregate principal amount of Securities that may be authenticated and delivered under this Indenture is unlimited, subject to compliance with the provisions of this Indenture.

Section 2.4. Denominations, Dates, Interest Payment And Record Dates.

(a) The Securities shall be issuable in registered form without coupons in denominations of \$1,000 and integral multiples thereof or such other amount or amounts as may be authorized by the Board of Directors or a Company Order pursuant to a Board Resolution or in one or more indentures supplemental hereto; provided that the principal amount of a Global Security shall not exceed \$200,000,000 unless otherwise permitted by the Depository.

(b) Each Security shall be dated and issued as of the date of its authentication by the Trustee, and shall bear an Original Issue Date or, as provided in Section 2.13(e) hereof, two or more Original Issue Dates; each Security issued upon transfer, exchange or substitution of a Security shall bear the Original Issue Date or Dates of such transferred, exchanged or substituted Security, subject to the provisions of Section 2.13(e) hereof.

(c) Each Security shall bear interest from the later of (1) its Original Issue Date (or, if pursuant to Section 2.13 hereof, a Global Security has two or more Original Issue Dates, interest shall, beginning on each such Original Issue Date, begin to accrue for that part of the principal amount of such Global Security to which that Original Issue Date is applicable), or (2) the most recent date to which interest has been paid or duly provided for with respect to such Security until the principal of such Security is paid or made available for payment, and interest on each Security shall be payable on each Interest Payment Date after the Original Issue Date.

(d) Each Security shall mature on a stated maturity specified in the Security. The principal amount of each outstanding Security shall be payable on the maturity date or dates specified therein.

(e) Unless otherwise specified in a Company Order pursuant to Section 2.5 hereof, interest on each of the Securities shall be calculated on the basis of a 360-day year of twelve 30- day months and shall be computed at a fixed rate until the maturity of such Securities. The method of computing interest on any Securities not bearing a fixed rate of interest shall be set forth in a Company Order pursuant to Section 2.5 hereof. Unless otherwise specified in a Company Order pursuant to Section 2.5 hereof, principal, interest and premium on the Securities shall be payable in the currency of the United States.

(f) Except as provided in the following sentence, the Person in whose name any Security is registered at the close of business on any Regular Record Date or Special Record Date with respect to an Interest Payment Date for such Security shall be entitled to receive the interest payable on such Interest Payment Date notwithstanding the cancellation of such Security upon any registration of transfer, exchange or substitution of such Security subsequent to such Regular Record Date or Special Record Date and prior to such Interest Payment Date. Any interest payable at maturity shall be paid to the Person to whom the principal of such Security is payable.

(g) The Trustee (or any duly selected paying agent) shall provide to the Company during each month that precedes an Interest Payment Date a list of the principal, interest and

premium to be paid on Securities on such Interest Payment Date; provided, however, that any failure to receive such notice shall not relieve the Company of its obligation to pay the principal, interest and premium on the Securities when due. The Trustee shall assume responsibility for withholding taxes on interest paid as required by law except with respect to any Global Security.

Section 2.5. Execution, Authentication, Delivery And Dating.

(a) The Securities shall be executed on behalf of the Company by one of its Chairman, President, any Vice President, its Treasurer or an Assistant Treasurer of the Company and attested by the Secretary or an Assistant Secretary of the Company. The signature of any of these officers on the Securities may be manual or facsimile.

(b) Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

(c) At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities executed by the Company to the Trustee for authentication, together with or preceded by one or more Company Orders for the authentication and delivery of such Securities, and the Trustee in accordance with any such Company Order shall authenticate and deliver such Securities. The Securities shall be issued in series. Such Company Order shall specify the following with respect to each series of Securities: (i) any limitations on the aggregate principal amount of the Securities to be issued as part of such series, (ii) the Original Issue Date or Dates for such series, (iii) the stated maturity of such series, (iv) the interest rate or rates, or method of calculation of such rate or rates, for such series, (v) the terms, if any, regarding the optional or mandatory redemption of such series, including redemption date or dates of such series, if any, and the price or prices applicable to such redemption (including any premium), (vi) the period or periods within which, the price or prices at which and the terms and conditions upon which such Securities may be repaid, in whole or in part, at the option of the Holder thereof, (vii) whether or not the Securities of such series shall be issued in whole or in part in the form of a Global Security and, if so, the Depository for such Global Security, (viii) the designation of such series, (ix) if the form of the Securities of such series is not as described in *Exhibit A* or *Exhibit B* hereto, the form of the Securities of such series, (x) the maximum annual interest rate, if any, of the Securities permitted for such series, (xi) any other information necessary to complete the Securities of such series, (xii) the establishment of any office or agency pursuant to Section 5.2 hereof, and (xiii) any other terms of such series not inconsistent with this Indenture. Prior to authenticating Securities of any series, and in accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustee shall receive from the Company the following at or before the issuance of the initial Security of such series of Securities, and (subject to Section 8.1 hereof) shall be fully protected in relying upon:

(1) A Board Resolution authorizing such Company Order or Orders and, if the form of Securities is established by a Board Resolution or a Company Order pursuant to a Board Resolution, a copy of such Board Resolution;

(2) an Opinion of Counsel stating substantially the following subject to customary qualifications and exceptions:

(A) if the form of Securities has been established by or pursuant to a Board Resolution, a Company Order pursuant to a Board Resolution, or in a supplemental indenture as permitted by Section 2.1 hereof, that such form has been established in conformity with this Indenture;

(B) that the Indenture has been duly authorized, executed and delivered by the Company and constitutes a valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of creditors and the application of general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity) and except as enforcement of provisions of the Indenture may be limited by state laws affecting the remedies for the enforcement of the security provided for in the Indenture;

(C) that the Indenture is qualified to the extent necessary under the TIA;

(D) that such Securities have been duly authorized and executed by the Company, and when authenticated by the Trustee and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute valid and binding obligations of the Company, enforceable in accordance with their terms, except to the extent that enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws of general application relating to or affecting the enforcement of creditors and the application of general principles of equity (regardless of whether enforcement is sought in a proceeding at law or in equity) and except as enforcement of provisions of this Indenture may be limited by state laws affecting the remedies for the enforcement of the security provided for in this Indenture;

(E) that the issuance of the Securities will not result in any default under this Indenture, or any other contract, indenture, loan agreement or other instrument to which the Company is a party or by which it or any of its property is bound; and

(F) that all consents or approvals of the Minnesota Public Utilities Commission (or any successor agency) and of any other federal or state regulatory agency required in connection with the Company's execution and delivery of this Indenture and such series of Securities have been obtained and not withdrawn (except that no statement need be made with respect to state securities laws).

(3) an Officer's Certificate stating that (i) the Company is not, and upon the authentication by the Trustee of the series of Securities, will not be in default under any of the terms or covenants contained in the Indenture, and (ii) all conditions that must be met by the Company to issue Securities under this Indenture have been met.

(d) The Trustee shall have the right to decline to authenticate and deliver any Security:

(1) if the issuance of such Securities pursuant to this Indenture will affect the Trustee's own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner that is not reasonably acceptable to the Trustee;

(2) if the Trustee, being advised by counsel, determines that such action may not lawfully be taken; or

(3) if the Trustee in good faith by its Board of Directors, executive officers or a trust committee of directors and/or responsible officers determines that such action would expose the Trustee to personal liability to Holders of any outstanding Securities.

(e) No Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee by the manual signature of an authorized officer, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture.

(f) If all Securities of a series are not to be authenticated and issued at one time, the Company shall not be required to deliver the Company Order, Board Resolutions, Officers' Certificate and Opinion of Counsel (including any such that would be otherwise required pursuant to Section 14.5 hereof) described in Section 2.5(c) hereof at or prior to the authentication of each Security of such series, if such items are delivered at or prior to the time of authentication of the first Security of such series to be authenticated and issued. If all of the Securities of a series are not authenticated and issued at one time, for each issuance of Securities after the initial issuance of Securities, the Company shall be required only to deliver to the Trustee the Security and a written request (executed by one of the Chairman, the President, any Vice President, the Treasurer, or an Assistant Treasurer, and the Secretary or an Assistant Secretary of the Company) to the Trustee to authenticate such Security and to deliver such Security in accordance with the instructions specified by such request. Any such request shall constitute a representation and warranty by the Company that the statements made in the Officers' Certificate delivered to the Trustee prior to the authentication and issuance of the first Security of such series are true and correct on the date thereof as if made on and as of the date thereof.

Section 2.6. Exchange And Registration Of Transfer Of Securities.

(a) Subject to Section 2.13 hereof, Securities may be exchanged for one or more new Securities of any authorized denominations and of a like aggregate principal amount, series and stated maturity and having the same terms and Original Issue Date or Dates. Securities to be exchanged shall be surrendered at any of the offices or agencies to be maintained pursuant to Section 5.2 hereof, and the Trustee shall deliver in exchange therefor the Security or Securities which the Securityholder making the exchange shall be entitled to receive.

(b) The Trustee shall keep, at one of said offices or agencies, a register or registers in which, subject to such reasonable regulations as it may prescribe, the Trustee shall register or cause to be registered Securities and shall register or cause to be registered the transfer of Securities as in this Article II provided. Such register shall be in written form or in any other form capable of being converted into written form within a reasonable time. At all reasonable times, such register shall be open for inspection by the Company. Upon due presentment for registration of transfer of any Security at any such office or agency, the Company shall execute and the Trustee shall register, authenticate and deliver in the name of the transferee or transferees one or more new Securities of any authorized denominations and of a like aggregate principal amount, series and stated maturity and having the same terms and Original Issue Date or Dates.

(c) All Securities presented for registration or for exchange, redemption or payment shall be duly endorsed by, or be accompanied by a written instrument or instruments of transfer in form satisfactory to the Company and the Trustee and duly executed by the Holder or the attorney in fact of such Holder duly authorized in writing.

(d) No service charge shall be made for any exchange or registration of transfer of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith.

(e) The Trustee shall not be required to exchange or register a transfer of any Securities selected, called or being called for redemption (including Securities, if any, redeemable at the option of the Holder provided such Securities are then redeemable at such Holder's option) except, in the case of any Security to be redeemed in part, the portion thereof not to be so redeemed.

(f) If the principal amount, and applicable premium, of part, but not all of a Global Security is paid, then upon surrender to the Trustee of such Global Security, the Company shall execute, and the Trustee shall authenticate, deliver and register, a Global Security in an authorized denomination in aggregate principal amount equal to, and having the same terms, Original Issue Date or Dates and series as, the unpaid portion of such Global Security.

Section 2.7. Mutilated, Destroyed, Lost Or Stolen Securities.

(a) If any temporary or definitive Security shall become mutilated or be destroyed, lost or stolen, the Company shall execute, and upon its request the Trustee shall authenticate and deliver, a new Security of like form and principal amount and having the same terms and Original Issue Date or Dates and bearing a number not contemporaneously outstanding, in exchange and substitution for the mutilated Security, or in lieu of and in substitution for the Security so destroyed, lost or stolen. In every case the applicant for a substituted Security shall furnish to the Company, the Trustee and any paying agent or Authenticating Agent such security or indemnity

as may be required by them to save each of them harmless, and, in every case of destruction, loss or theft of a Security, the applicant shall also furnish to the Company and to the Trustee evidence to their satisfaction of the destruction, loss or theft of such Security and of the ownership thereof.

(b) The Trustee shall authenticate any such substituted Security and deliver the same upon the written request or authorization of any officer of the Company. Upon the issuance of any substituted Security, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith. If any Security which has matured, is about to mature, has been redeemed or called for redemption shall become mutilated or be destroyed, lost or stolen, the Company may, instead of issuing a substituted Security, pay or authorize the payment of the same (without surrender thereof except in the case of a mutilated Security) if the applicant for such payment shall furnish to the Company, the Trustee and any paying agent or Authenticating Agent such security or indemnity as may be required by them to save each of them harmless and, in case of destruction, loss or theft, evidence satisfactory to the Company and the Trustee of the destruction, loss or theft of such Security and of the ownership thereof.

(c) Every substituted Security issued pursuant to this Section 2.7 by virtue of the fact that any Security is mutilated, destroyed, lost or stolen shall constitute an additional contractual obligation of the Company, whether or not such destroyed, lost or stolen Security shall be found at any time, and shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities duly issued hereunder. All Securities shall be held and owned upon the express condition that, to the extent permitted by law, the foregoing provisions are exclusive with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities and shall preclude any and all other rights or remedies notwithstanding any law or statute existing or hereafter enacted to the contrary with respect to the replacement or payment of negotiable instruments or other securities without their surrender.

Section 2.8. Temporary Securities. Pending the preparation of definitive Securities, the Company may execute and the Trustee shall authenticate and deliver temporary Securities (printed, lithographed or otherwise reproduced). Temporary Securities shall be issuable in any authorized denomination and substantially in the form of the definitive Securities but with such omissions, insertions and variations as may be appropriate for temporary Securities, all as may be determined by the Company. Every such temporary Security shall be authenticated by the Trustee upon the same conditions and in substantially the same manner, and with the same effect, as the definitive Securities. Without unreasonable delay the Company shall execute and shall deliver to the Trustee definitive Securities and thereupon any or all temporary Securities shall be surrendered in exchange therefor at the corporate trust office of the Trustee, and the Trustee shall authenticate, deliver and register in exchange for such temporary Securities an equal aggregate principal amount of definitive Securities. Such exchange shall be made by the Company at its own expense and without any charge therefor to the Securityholders. Until so exchanged, the temporary Securities shall be in the principal amount of definitive Securities. Such exchange shall be made by the Company at its own expense and without any charge therefor to the Securityholders. Until so exchanges, the temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities authenticated and delivered hereunder.

Section 2.9. Cancellation Of Securities Paid, Etc. All Securities surrendered for the purpose of payment, redemption, exchange or registration of transfer shall be surrendered to the Trustee for cancellation and promptly canceled by it and no Securities shall be issued in lieu thereof except as expressly permitted by this Indenture. The Company's acquisition of any Securities shall operate as a redemption or satisfaction of the indebtedness represented by such Securities and such Securities shall be surrendered by the Company to and canceled by the Trustee.

Section 2.10. Interest Rights Preserved. Each Security delivered under this Indenture upon transfer of or in exchange for or in lieu of any other Security shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security, and each such Security shall be so dated that neither gain nor loss of interest shall result from such transfer, exchange or substitution.

Section 2.11. Special Record Date. If and to the extent that the Company fails to make timely payment or provision for timely payment of interest on any series of Securities (other than on an Interest Payment Date that is a maturity date), that interest shall cease to be payable to the Persons who were the Securityholders of such series at the applicable Regular Record Date. In that event, when moneys become available for payment of the interest, the Trustee shall (a) establish a date of payment of such interest and a Special Record Date for the payment of that interest, which Special Record Date shall be not more than 15 or fewer than 10 days prior to the date of the proposed payment and (b) mail notice of the date of payment and of the Special Record Date not fewer than 10 days preceding the Special Record Date to each Securityholder of such series at the close of business on the 15th day preceding the mailing at the address of such Securityholder, as it appeared on the register for the Securities. On the day so established by the Trustee the interest shall be payable to the Holders of the applicable Securities at the close of business on the Special Record Date.

Section 2.12. Payment Of Securities. Payment of the principal, interest and premium on all Securities shall be payable as follows:

(a) On or before 11:30 a.m., New York City time, of the day on which payment of principal, interest and premium is due on any Global Security pursuant to the terms thereof, the Company shall deliver to the Trustee funds available on such date sufficient to make such payment, by wire transfer of immediately available funds or by instructing the Trustee to withdraw sufficient funds from an account maintained by the Company with the Trustee or such other method as is acceptable to the Trustee and the Depository. On or before Noon, New York City time, or such other time as shall be agreed upon between the Trustee and the Depository, of the day on which any payment of interest is due on any Global Security (other than at maturity) and following receipt of the necessary funds from the Company, the Trustee shall pay to the Depository such interest in same day funds. On or before Noon, New York City time or such other time as shall be agreed upon between the Trustee and the Depository, of the day on which principal, interest payable at maturity and premium, if any, is due on any Global Security and following receipt of the necessary funds from the Company, the Trustee shall deposit with the Depository the amount equal to

the principal, interest payable at maturity and premium, if any, by wire transfer into the account specified by the Depository. As a condition to the payment, at maturity or upon redemption, of any part of the principal of, interest on and applicable premium of any Global Security, the Depository shall surrender, or cause to be surrendered, such Global Security to the Trustee, whereupon a new Global Security shall be issued to the Depository pursuant to Section 2.6(f) hereof.

(b) With respect to any Security that is not a Global Security, principal, applicable premium and interest due at the maturity of the Security shall be payable in immediately available funds when due upon presentation and surrender of such Security at the corporate trust office of the Trustee or at the authorized office of any paying agent. Interest on any Security that is not a Global Security (other than interest payable at maturity) shall be paid to the Holder thereof as its name appears on the register by check payable in clearinghouse funds; provided that if the Trustee receives a written request from any Holder of Securities, the aggregate principal amount of which having the same Interest Payment Date equals or exceeds \$10,000,000, on or before the applicable Regular Record Date for such Interest Payment Date, interest shall be paid by wire transfer of immediately available funds to a bank within the continental United States designated by such Holder in its request or by direct deposit into the account of such Holder designated by such Holder in its request if such account is maintained with the Trustee or any paying agent.

Section 2.13. Securities Issuable In The Form Of A Global Security.

(a) If the Company shall establish pursuant to Section 2.5 hereof that the Securities of a particular series are to be issued in whole or in part in the form of one or more Global Securities, then the Company shall execute and the Trustee shall, in accordance with Section 2.5 hereof and the Company Order delivered to the Trustee thereunder, authenticate and deliver such Global Security or Securities, which (i) shall represent, shall be denominated in an amount equal to the aggregate principal amount of, and shall have the same terms as, the outstanding Securities of such series to be represented by such Global Security or Securities, (ii) shall be registered in the name of the Depository or its nominee, (iii) shall be delivered by the Trustee to the Depository or pursuant to the Depository's instruction and (iv) shall bear a legend substantially to the following effect: "This Security is a Global Security registered in the name of the Depository (referred to herein) or a nominee thereof and, unless and until it is exchanged in whole or in part for the individual Securities represented hereby, this Global Security may not be transferred except as a whole by the Depository to a nominee of the Depository or by a nominee of the Depository to the Depository or another nominee of the Depository or by the Depository or any such nominee to a successor Depository or a nominee of such successor Depository. Unless this Global Security is presented by an authorized representative of The Depository Trust Company (55 Water Street, New York, New York), to the trustee for registration of transfer, exchange or payment, and any certificate issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and

any payment is made to Cede & Co., any transfer, pledge or other use hereof for value or otherwise by or to any person is wrongful since the registered owner hereof, Cede & Co., has an interest herein” or such other legend as may be required by the rules and regulations of the Depository.

(b) Notwithstanding any other provision of Section 2.6 hereof or of this Section 2.13, unless the terms of a Global Security expressly permit such Global Security to be exchanged in whole or in part for individual Securities, a Global Security may be transferred, in whole but not in part, only as described in the legend thereto.

(c) (i) If at any time the Depository for a Global Security notifies the Company that it is unwilling or unable to continue as Depository for such Global Security or if at any time the Depository for the Global Security shall no longer be eligible or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, the Company shall appoint a successor Depository with respect to such Global Security. If a successor Depository for such Global Security is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, the Company’s election pursuant to Section 2.5(c)(vi) hereof shall no longer be effective with respect to the series of Securities evidenced by such Global Security and the Company shall execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of individual Securities of such series in exchange for such Global Security, shall authenticate and deliver, individual Securities of such series of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of the Global Security in exchange for such Global Security. The Trustee shall not be charged with knowledge or notice of the ineligibility of a Depository unless a responsible officer assigned to and working in its corporate trustee administration department shall have actual knowledge thereof.

(ii) The Company may at any time and in its sole discretion determine that all outstanding (but not less than all) Securities of a series issued or issuable in the form of one or more Global Securities shall no longer be represented by such Global Security or Securities. In such event the Company shall execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of individual Securities in exchange for such Global Security, shall authenticate and deliver individual Securities of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such Global Security or Securities in exchange for such Global Security or Securities.

(iii) In any exchange provided for in any of the preceding two paragraphs, the Company will execute and the Trustee will authenticate and deliver individual Securities in definitive registered form in authorized denominations. Upon the exchange of a Global Security for individual Securities, such Global Security shall be canceled by the Trustee. Securities issued in exchange for a Global Security pursuant to this Section shall be registered in such names and in such authorized denominations as the Depository for such Global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the Trustee. The Trustee shall deliver such Securities to the Depository for delivery to the persons in whose names such Securities are so registered, or if the Depository shall refuse or be unable to deliver such

Securities, the Trustee shall deliver such Securities to the persons in whose names such Securities are registered, unless otherwise agreed upon between the Trustee and the Company, in which event the Company shall cause the Securities to be delivered to the persons in whose names such Securities are registered.

(d) Neither the Company, the Trustee, any Authenticating Agent nor any paying agent shall have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interests of a Global Security or for maintaining, supervising or reviewing any records relating to such beneficial ownership interest.

(e) Pursuant to the provisions of this subsection, at the option of the Trustee and upon 30 days' written notice to the Depository but not prior to the first Interest Payment Date of the respective Global Securities, the Depository shall be required to surrender any two or more Global Securities which have identical terms, including, without limitation, identical maturities, interest rates and redemption provisions (but which may have differing Original Issue Dates) to the Trustee, and the Company shall execute and the Trustee shall authenticate and deliver to, or at the direction of, the Depository a Global Security in principal amount equal to the aggregate principal amount of, and with all terms identical to, the Global Securities surrendered thereto and that shall indicate each applicable Original Issue Date and the principal amount applicable to each such Original Issue Date. The exchange contemplated in this subsection shall be consummated at least 30 days prior to any Interest Payment Date applicable to any of the Global Securities surrendered to the Trustee. Upon any exchange of any Global Security with two or more Original Issue Dates, whether pursuant to this Section or pursuant to Section 2.6 or Section 3.3 hereof, the aggregate principal amount of the Securities with a particular Original Issue Date shall be the same before and after such exchange, after giving effect to any retirement of Securities and the Original Issue Dates applicable to such Securities occurring in connection with such exchange.

ARTICLE III. REDEMPTION OF SECURITIES

Section 3.1. Applicability Of Article. Such of the Securities as are, by their terms, redeemable prior to their stated maturity date at the option of the Company, may be redeemed by the Company at such times, in such amounts and at such prices as may be specified therein and in accordance with the provisions of this Article III.

Section 3.2. Notice Of Redemption; Selection Of Securities.

(a) The election of the Company to redeem any Securities shall be evidenced by a Board Resolution which shall be given with notice of redemption to the Trustee at least 45 days (or such shorter period acceptable to the Trustee in its sole discretion) prior to the redemption date specified in such notice.

(b) Notice of redemption to each Holder of Securities to be redeemed as a whole or in part shall be given by the Trustee, in the manner provided in Section 14.10 hereof, no less than 30 or more than 60 days prior to the date fixed for redemption. Any notice which is given in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the Securityholder receives the notice. In any case, failure duly to give such notice, or any defect in such notice, to the Holder of any Security designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Security.

(c) Each such notice shall specify the date fixed for redemption, the places of redemption and the redemption price at which such Securities are to be redeemed, and shall state that payment of the redemption price of such Securities or portion thereof to be redeemed will be made upon surrender of such Securities at such places of redemption, that interest accrued to the date fixed for redemption will be paid as specified in such notice, and that from and after such date interest thereon shall cease to accrue. If less than all of a series of Securities having the same terms are to be redeemed, the notice shall specify the Securities or portions thereof to be redeemed. If any Security is to be redeemed in part only, the notice which relates to such Security shall state the portion of the principal amount thereof to be redeemed, and shall state that, upon surrender of such Security, a new Security or Securities having the same terms in aggregate principal amount equal to the unredeemed portion thereof will be issued.

(d) Unless otherwise provided by a supplemental indenture or Company Order under Section 2.5 hereof, if less than all of a series of Securities is to be redeemed, the Trustee shall select in such manner as it shall deem appropriate and fair in its discretion the particular Securities to be redeemed in whole or in part and shall thereafter promptly notify the Company in writing of the Securities so to be redeemed. If less than all of a series of Securities represented by a Global Security is to be redeemed, the particular Securities or portions thereof of such series to be redeemed shall be selected by the Depository for such series of Securities in such manner as the Depository shall determine. Securities shall be redeemed only in denominations of \$1,000, provided that any remaining principal amount of a Security redeemed in part shall be a denomination authorized under this Indenture.

(e) If at the time of the mailing of any notice of redemption the Company shall not have irrevocably directed the Trustee to apply funds deposited with the Trustee or held by it and available to be used for the redemption of Securities to redeem all the Securities called for redemption, such notice, at the election of the Company, may state that it is subject to the receipt of the redemption moneys by the Trustee before the date fixed for redemption and that such notice shall be of no effect unless such moneys are so received before such date.

Section 3.3. Payment Of Securities On Redemption; Deposit Of Redemption Price.

(a) If notice of redemption for any Securities shall have been given as provided in Section 3.2 hereof and such notice shall not contain the language permitted at the Company's option under Section 3.2(e) hereof, such Securities or portions of Securities called for redemption shall become due and payable on the date and at the places stated in such notice at the applicable redemption price, together with interest accrued to the date fixed for redemption of such

Securities. Interest on the Securities or portions thereof so called for redemption shall cease to accrue and such Securities or portions thereof shall be deemed not to be entitled to any benefit under this Indenture except to receive payment of the redemption price together with interest accrued thereon to the date fixed for redemption. Upon presentation and surrender of such Securities at such a place of payment in such notice specified, such Securities or the specified portions thereof shall be paid and redeemed at the applicable redemption price, together with interest accrued thereon to the date fixed for redemption.

(b) If notice of redemption shall have been given as provided in Section 3.2 hereof and such notice shall contain the language permitted at the Company's option under Section 3.2(e) hereof, such Securities or portions of Securities called for redemption shall become due and payable on the date and at the places stated in such notice at the applicable redemption price, together with interest accrued to the date fixed for redemption of such Securities, and interest on the Securities or portions thereof so called for redemption shall cease to accrue and such Securities or portions thereof shall be deemed not to be entitled to any benefit under this Indenture except to receive payment of the redemption price together with interest accrued thereon to the date fixed for redemption; provided that, in each case, the Company shall have deposited with the Trustee or a paying agent on or prior to such redemption date an amount sufficient to pay the redemption price together with interest accrued to the date fixed for redemption. Upon the Company making such deposit and, upon presentation and surrender of such Securities at such a place of payment in such notice specified, such Securities or the specified portions thereof shall be paid and redeemed at the applicable redemption price, together with interest accrued thereon to the date fixed for redemption. If the Company shall not make such deposit on or prior to the redemption date, the notice of redemption shall be of no force and effect and the principal on such Securities or specified portions thereof shall continue to bear interest as if the notice of redemption had not been given.

(c) No notice of redemption of Securities shall be mailed during the continuance of any Event of Default, except (1) that, when notice of redemption of any Securities has been mailed, the Company shall redeem such Securities but only if funds sufficient for that purpose have prior to the occurrence of such Event of Default been deposited with the Trustee or a paying agent for such purpose, and (2) that notices of redemption of all outstanding Securities may be given during the continuance of an Event of Default.

(d) Upon surrender of any Security redeemed in part only, the Company shall execute, and the Trustee shall authenticate, deliver and register, a new Security or Securities of authorized denominations in aggregate principal amount equal to, and having the same terms, Original Issue Date or Dates and series as, the unredeemed portion of the Security so surrendered.

ARTICLE IV.

SATISFACTION AND DISCHARGE; UNCLAIMED MONEYS

Section 4.1. Satisfaction And Discharge. If at any time:

(a) the Company shall have paid or caused to be paid the principal of and premium, if any, and interest on all the outstanding Securities, as and when the same shall have become due and payable,

(b) the Company shall have delivered to the Trustee for cancellation all outstanding Securities, or

(c) the Company shall have irrevocably deposited or caused to be irrevocably deposited with the Trustee as trust funds the entire amount in (A) cash, (B) U.S. Government Obligations maturing as to principal and interest in such amounts and at such times as will insure the availability of cash, or (C) a combination of cash and U.S. Government Obligations, in any case sufficient, without reinvestment, as certified by an independent public accounting firm of national reputation in a written certification delivered to the Trustee, to pay at maturity or the applicable redemption date (provided that notice of redemption shall have been duly given or irrevocable provision satisfactory to the Trustee shall have been duly made for the giving of any notice of redemption) all outstanding Securities, including principal and any premium and interest due or to become due to such date of maturity, as the case may be and, unless all outstanding Securities are to be due within 90 days of such deposit by redemption or otherwise, shall also deliver to the Trustee an Opinion of Independent Counsel to the effect that the Company has received from, or there has been published by, the Internal Revenue Service a ruling or similar pronouncement by the Internal Revenue Service or that there has been a change of law, in either case to the effect that the Holders of the Securities will not recognize income, gain or loss for federal income tax purposes as a result of such defeasance or discharge of the Indenture, and if, in any such case, the Company shall also pay or cause to be paid all other sums payable hereunder by the Company, then this Indenture shall cease to be of further effect (except as to (i) rights of registration of transfer and exchange of Securities, (ii) substitution of mutilated, defaced, destroyed, lost or stolen Securities, (iii) rights of Securityholders to receive payments of principal thereof, and any premium and interest thereon, upon the original stated due dates therefor or upon the applicable redemption date (but not upon acceleration of maturity) from the moneys and U.S. Government Obligations held by the Trustee pursuant to Section 4.2 hereof, (iv) the rights and immunities of the Trustee hereunder, (v) the rights of the Holders of Securities as beneficiaries hereof with respect to the property so deposited with the Trustee payable to all or any of them, (vi) the obligations and rights of the Trustee and the Company under Section 4.4 hereof, and (vii) the duties of the Trustee with respect to any of the foregoing), and the Company shall be deemed to have paid and discharged the entire indebtedness represented by, and its obligations under, the Securities, and the Trustee, on demand of the Company and at the cost and expense of the Company, shall execute proper instruments acknowledging such satisfaction of

and discharging this Indenture and the Trustee shall at the request of the Company return to the Company all property and money held by it under this Indenture and determined by it from time to time in accordance with the certification pursuant to this Section 4.1(c) to be in excess of the amount required to be held under this Section.

If the Securities are deemed to be paid and discharged pursuant to Section 4.1(c) hereof, within 15 days after those Securities are so deemed to be paid and discharged, the Trustee shall cause a written notice to be given to each Holder in the manner provided by Section 14.10 hereof. The notice shall:

- (i) state that the Securities are deemed to be paid and discharged;
- (ii) set forth a description of any U.S. Government Obligations and cash held by the Trustee as described above; and
- (iii) if any Securities will be called for redemption, specify the date or dates on which those Securities are to be called for redemption.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustee under Section 8.6 hereof, shall survive.

Section 4.2. Deposited Moneys To Be Held In Trust By Trustee. All moneys and U.S. Government Obligations deposited with the Trustee pursuant to Section 4.1 hereof, shall be held in trust and applied by it to the payment, either directly or through any paying agent (including the Company if acting as its own paying agent), to the Holders of the particular Securities for the payment or redemption of which such moneys and U.S. Government Obligations have been deposited with the Trustee of all sums due and to become due thereon for principal and premium, if any, and interest.

Section 4.3. Paying Agent To Repay Moneys Held. Upon the satisfaction and discharge of this Indenture all moneys then held by any paying agent for the Securities (other than the Trustee) shall, upon written demand by an Authorized Agent, be repaid to the Company or paid to the Trustee, and thereupon such paying agent shall be released from all further liability with respect to such moneys.

Section 4.4. Return Of Unclaimed Moneys. Any moneys deposited with or paid to the Trustee for payment of the principal of or any premium or interest on any Securities and not applied but remaining unclaimed by the Holders of such Securities for two years after the date upon which the principal of or any premium or interest on such Securities, as the case may be, shall have become due and payable, shall be repaid to the Company by the Trustee on written demand by an Authorized Agent, and all liability of the Trustee shall thereupon cease; and any Holder of any of such Securities shall thereafter look only to the Company for any payment which such Holder may be entitled to collect.

ARTICLE V.

PARTICULAR COVENANTS OF THE COMPANY

Section 5.1. Payment Of Principal, Premium And Interest. The Company covenants and agrees for the benefit of the Holders of the Securities that it will duly and punctually pay or cause to be paid the principal of and any premium and interest on each of the Securities at the places, at the respective times and in the manner provided in such Securities or in this Indenture.

Section 5.2. Office For Notices And Payments, Etc. So long as any of the Securities remain outstanding, the Company at its option may cause to be maintained in the Borough of Manhattan, the City and State of New York, or elsewhere, an office or agency where the Securities may be presented for registration of transfer and for exchange as in this Indenture provided, and where, at any time when the Company is obligated to make a payment of principal and premium upon Securities, the Securities may be surrendered for payment, and may maintain at any such office or agency and at its principal office an office or agency where notices and demands to or upon the Company in respect of the Securities or of this Indenture may be served. The designation of any such office or agency shall be made by Company Order pursuant to Section 2.5 hereof or at any subsequent time pursuant to this Section 5.2 hereof. The Company will give to the Trustee written notice of the location of each such office or agency and of any change of location thereof. If the Company shall fail to give such notice of the location or of any change in the location of any such office or agency, presentations may be made and notices and demands may be served at the corporate trust office of the Trustee.

Section 5.3. Appointments To Fill Vacancies In Trustee's Office. The Company, whenever necessary to avoid or fill a vacancy in the office of Trustee, will appoint, in the manner provided in Section 8.11 hereof, a Trustee, so that there shall at all times be a Trustee hereunder.

Section 5.4. Provision As To Paying Agent. The Trustee shall be the paying agent for the Securities and, at the option of the Company, the Company may appoint additional paying agents (including without limitation itself). Whenever the Company shall appoint an additional paying agent, it shall cause such paying agent to execute and deliver to the Trustee an instrument in which such agent shall agree with the Trustee, subject to this Section 5.4 :

- (1) that it will hold in trust for the benefit of the Holders and the Trustee all sums held by it as such agent for the payment of the principal of and any premium or interest on the Securities (whether such sums have been paid to it by the Company or by any other obligor on such Securities) in trust for the benefit of the Holders of such Securities;
- (2) that it will give to the Trustee notice of any failure by the Company (or by any other obligor on such Securities) to make any payment of the principal of and any premium or interest on such Securities when the same shall be due and payable; and

(3) that it will at any time during the continuance of any such failure, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such paying agent.

If the Company shall act as its own paying agent with respect to any Securities, it will, on or before each due date of the principal of and any premium or interest on such Securities, set aside, segregate and hold in trust for the benefit of the Holders of such Securities a sum sufficient to pay such principal and any premium or interest so becoming due and will notify the Trustee of any failure by it to take such action and of any failure by the Company (or by any other obligor on such Securities) to make any payment of the principal of and any premium or interest on such Securities when the same shall become due and payable.

Whenever the Company shall have one or more paying agents, it will, on or prior to each due date of the principal of (and premium, if any) or interest, if any, on any Securities, deposit with such paying agent a sum sufficient to pay the principal (and premium, if any) or interest, if any, so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, if any, and (unless such paying agent is the Trustee) the Company shall promptly notify the Trustee of any failure on its part to so act.

Anything in this Section 5.4 to the contrary notwithstanding, the Company may, at any time, for the purpose of obtaining a satisfaction and discharge of this Indenture, or for any other reason, pay or cause to be paid to the Trustee all sums held in trust by it or any paying agent hereunder, as required by this Section 5.4, such sums to be held by the Trustee upon the trusts herein contained.

Anything in this Section 5.4 to the contrary notwithstanding, the agreement to hold sums in trust as provided in this Section 5.4 is subject to Sections 4.3 and 4.4 hereof.

Section 5.5. Certificates And Notice To Trustee. The Company shall, on or before May 1 of each year, beginning in 2000, deliver to the Trustee a certificate from its principal executive officer, principal financial officer or principal accounting officer covering the preceding calendar year and stating whether or not, to the knowledge of such party, the Company has complied with all conditions and covenants under this Indenture, and, if not, describing in reasonable detail any failure by the Company to comply with any such conditions or covenants. For purposes of this Section, compliance shall be determined without regard to any period of grace or requirement of notice provided under this Indenture.

ARTICLE VI.

SECURITYHOLDER LISTS AND REPORTS BY THE COMPANY AND THE TRUSTEE

Section 6.1. Securityholder Lists.

(a) The Company shall furnish or cause to be furnished to the Trustee semiannually, not later than 15 days after each Regular Record Date for each Interest Payment Date that is not a maturity date and at such other times as such Trustee may request in writing, within 30 days after receipt by the Company of any such request, a list in such form as the Trustee may reasonably require containing all the information in the possession or control of the Company, or any paying agents other than the Trustee, as to the names and addresses of the Holders of Securities, obtained since the date as of which the next previous list, if any, was furnished. Any such list may be dated as of a date not more than 15 days prior to the time such information is furnished or caused to be furnished and need not include information received after such date; provided that as long as the Trustee is the registrar for the Securities, no such list shall be required to be furnished. The Trustee shall preserve any list provided to it pursuant to this Section until such time as the Company or any paying agent, as applicable, shall provide it with a more recent list.

(b) Within five business days after the receipt by the Trustee of a written application by any three or more Holders stating that the applicants desire to communicate with other Holders with respect to their rights under the Indenture or under the Securities, and accompanied by a copy of the form of proxy or other communication which such applicants propose to transmit, and by reasonable proof that each such applicant has owned a Security for a period of at least six months preceding the date of such application, the Trustee shall, at its election, either:

(i) afford to such applicants access to all information furnished to or received by the Trustee pursuant to Section 6.1(a) hereof or, if applicable, in its capacity as registrar to the Securities; or

(ii) inform such applicants as to the approximate number of Holders according to the most recent information furnished to or received by the Trustee under Section 6.1(a) hereof or if applicable in its capacity as registrar for the Securities, and as to the approximate cost of mailing to such Holders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford such applicants access to such information, the Trustee shall, upon the written request of such applicants, mail to each Holder of Securities a copy of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the material to be mailed and of payment, or provision for the payment, of the reasonable expenses of such mailing, unless within five days after such tender the Trustee shall mail to such applicants and file with the Commission, together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the Holders or would be in

violation of applicable law. Such written statement shall specify the basis of such opinion. If the Commission, after opportunity for a hearing upon the objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for hearing, that all the objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all Holders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligation or duty to such applicants respecting their application.

(c) Every Holder of a Security, by receiving and holding the same, agrees with the Company and the Trustee that neither the Company nor the Trustee nor any paying agent nor any Authenticating Agent shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with this Section, regardless of the source from which such information was derived, and that the Trustee shall not be held accountable by reason of mailing any material pursuant to a request made under this Section.

Section 6.2. Securities And Exchange Commission Reports.

The Company shall:

(a) file with the Trustee, within 15 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may from time to time by rules and regulations prescribe) which the Company may be required to file with the Commission pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934; or, if the Company is not required to file information, documents or reports pursuant to either of said Sections, then it will file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Securities Exchange Act of 1934 in respect of a security listed and registered on a national securities exchange as may be prescribed from time to time in such rules and regulations;

(b) file with the Trustee and the Commission, in accordance with rules and regulations prescribed from time to time by the Commission, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants of this Indenture as may be required from time to time by such rules and regulations, including, in the case of annual reports, if required by such rules and regulations, certificates or opinions of independent public accountants, conforming to the requirements of Section 14.5, as to compliance with conditions or covenants, compliance with which is subject to verification by accountants; and

(c) transmit by mail to all Holders, as their names and addresses appear in the register, within 30 days after the filing thereof with the Trustee, such summaries of any information, documents and reports required to be filed by the Company pursuant to paragraphs

(a) and (b) of this Section as may be required by rules and regulations prescribed from time to time by the Commission.

Section 6.3. Reports By The Trustee.

(a) Within 60 days after July 15 of each year, beginning with the July 15 after the first issuance of Securities hereunder, the Trustee shall transmit by mail a brief report dated as of such date that complies with Section 313(a) of the TIA (to the extent required by such Section).

(b) The Trustee shall from time to time transmit by mail brief reports that comply, both in content and date of delivery, with Section 313(b) of the TIA (to the extent required by such Section).

(c) A copy of each such report filed pursuant to this section shall, at the time of such transmission to such Holders, be filed by the Trustee with each stock exchange upon which any Securities are listed and also with the Commission. The Company will notify the Trustee promptly upon the listing of such Securities on any stock exchange.

(d) Reports pursuant to this Section shall be transmitted

(1) by mail to all Holders of Securities, as their names and addresses appear in the register for the Securities;

(2) by mail to such Holders of Securities as have, within the two years preceding such transmission, filed their names and addresses with the Trustee for such purpose;

(3) by mail, except in the case of reports pursuant to Section 6.3(b) and (c) hereof, to all Holders of Securities whose names and addresses have been furnished to or received by the Trustee pursuant to Section 6.1 hereof; and

(4) at the time such report is transmitted to the Holders of the Securities, to each exchange on which Securities are listed and also with the Commission.

ARTICLE VII.

REMEDIES OF THE TRUSTEE AND SECURITYHOLDERS ON EVENTS OF DEFAULT

Section 7.1. Events Of Default.

(a) If one or more of the following Events of Default shall have occurred and be continuing:

(1) default in the payment of any installment of interest upon any of the Securities as and when the same shall become due and payable, and continuance of such default for a period of 30 days;

(2) default in the payment of the principal of or any premium on any of the Securities as and when the same shall become due and payable and continuance of such default for five days;

(3) failure on the part of the Company duly to observe or perform any other of the covenants or agreements on the part of the Company contained in the Securities or in this Indenture for a period of 90 days after the date on which written notice of such failure, requiring the same to be remedied and stating that such notice is a "Notice of Default" hereunder, shall have been given to the Company by the Trustee by registered mail, or to the Company and the Trustee by the Holders of at least 25% in aggregate principal amount of the Securities at the time outstanding;

(4) the entry of a decree or order by a court having jurisdiction over the Company for relief in respect of the Company under Title 11 of the United States Code, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, trustee, custodian, sequestrator or similar official of the Company or of any substantial part of its property, or ordering the winding-up or liquidation of its affairs, and the continuance of any such decree or order unstayed and in effect for a period of 60 consecutive days; or

(5) the filing by the Company with respect to itself or its property of a petition or answer or consent seeking relief under Title 11 of the United States Code, as now constituted or hereafter amended, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by it to the institution of proceedings thereunder or to the filing of any such petition or to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator or other similar official of the Company or of any substantial part of its property, or the failure of the Company generally to pay its debts as such debts become due, or the taking of corporate action by the Company to effectuate any such action;

then and in each and every such case, unless the principal of all of the Securities shall have already become due and payable, either the Trustee or the Holders of a majority in aggregate principal amount of the Securities then outstanding, by notice in writing to the Company (and to the Trustee if given by Securityholders), may declare the principal of all the Securities to be due and payable immediately and upon any such declaration the same shall become and shall be immediately due and payable, anything in this Indenture or in the Securities contained to the contrary notwithstanding. This provision, however, is subject to the condition that if, at any time after the principal of the Securities shall have been so declared due and payable, and before any judgment or decree for the payment of the moneys due shall have been obtained or entered as hereinafter provided, the Company shall pay or shall deposit with the Trustee a sum sufficient to

pay all matured installments of interest upon all of the Securities and the principal of and any premium on any and all Securities which shall have become due otherwise than by acceleration (with interest on overdue installments of interest, to the extent that payment of such interest is enforceable under applicable law, and on such principal and applicable premium at the rate borne by the Securities to the date of such payment or deposit) and all sums paid or advanced by the Trustee hereunder, the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 8.6 hereof, and any and all defaults under this Indenture, other than the non-payment of principal of and accrued interest on Securities which shall have become due solely by acceleration of maturity, shall have been cured or waived then and in every such case such payment or deposit shall cause an automatic waiver of the Event of Default and its consequences and shall cause an automatic rescission and annulment of the acceleration of the Securities; but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default, or shall impair any right consequent thereon.

(b) If the Trustee shall have proceeded to enforce any right under this Indenture and such proceedings shall have been discontinued or abandoned because of such rescission or annulment or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company and the Trustee shall be restored respectively to their several positions and rights hereunder, and all rights, remedies and powers of the Company and the Trustee shall continue as though no such proceeding had been taken.

Section 7.2. Payment Of Securities On Default; Suit Therefor.

(a) The Company covenants that in case of:

(1) default in the payment of any installment of interest upon any of the Securities as and when the same shall become due and payable, and continuance of such default for a period of 30 days; or

(2) default in the payment of the principal of or any premium on any of the Securities as and when the same shall have become due and payable whether at the stated maturity thereof, upon redemption thereof (provided that such redemption is not conditioned upon the deposit of sufficient moneys for such redemption), upon declaration of acceleration or otherwise.

then, upon demand of the Trustee, the Company shall pay to the Trustee, for the benefit of the Holders of the Securities, the whole amount that then shall have so become due and payable on all such Securities for principal and any premium or interest, or both, as the case may be, with interest upon the overdue principal and any premium and (to the extent that payment of such interest is enforceable under applicable law) upon the overdue installments of interest at the rate borne by the Securities; and, in addition thereto, such further amounts as shall be sufficient to cover the costs and expenses of collection, including reasonable compensation to the Trustee, its agents, attorneys and counsel, any expenses or liabilities incurred by the Trustee hereunder other

than through its negligence or bad faith, and any other amounts due the Trustee under Section 8.6 hereof.

(b) If the Company shall fail forthwith to pay such amounts upon such demand, the Trustee, in its own name and as trustee of an express trust, shall be entitled and empowered to institute any actions or proceedings at law or in equity for the collection of the sums so due and unpaid, and may enforce any such judgment or final decree against the Company or any other obligor on the Securities and collect in the manner provided by law out of the property of the Company or any other obligor on such series of Securities wherever situated, the moneys adjudged or decreed to be payable.

(c) If there shall be pending proceedings for the bankruptcy or for the reorganization of the Company or any other obligor on the Securities under the United States Bankruptcy Code or any other applicable law, or in case a receiver or trustee shall have been appointed for the property of the Company or such other obligor, or in the case of any similar judicial proceedings relative to the Company or other obligor upon the Securities, or to the creditors or property of the Company or such other obligor, the Trustee, irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand pursuant to this Section 7.2, shall be entitled and empowered, by intervention in such proceedings or otherwise, to file and prove a claim or claims for the whole amount of principal and any premium and interest owing and unpaid in respect of the Securities, and, in case of any judicial proceedings, to file such proofs of claim and other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any amounts due to the Trustee under Section 8.6 hereof) and of the Holders of Securities allowed in such judicial proceedings relative to the Company or any other obligor on the Securities, its or their creditors, or its or their property, and to collect and receive any moneys or other property payable or deliverable on any such claims, and to distribute the same after the deduction of its charges and expenses.

(d) All claims and rights of action under this Indenture, or under any of the Securities, may be enforced by the Trustee without the possession of any of the Securities, or the production thereof in any trial or other proceeding relative thereto, and any such suit or proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall be for the ratable benefit of the Holders of the Securities in respect of which such action was taken.

(e) Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent or to accept or adopt on behalf of any Securityholder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Securityholder in any such proceeding.

Section 7.3. Application Of Moneys Collected By Trustee. Any moneys collected by the Trustee with respect to any of the Securities pursuant to this Article shall be applied in the order following, at the date or dates fixed by the Trustee for the distribution of such moneys, upon

presentation of the several Securities, and stamping thereon the payment, if only partially paid, and upon surrender thereof if fully paid.

FIRST: To the payment of all amounts due to the Trustee pursuant to Section 8.6 hereof;

SECOND: If the principal of the outstanding Securities in respect of which such moneys have been collected shall not have become due and be unpaid, to the payment of interest on the Securities, in the order of the maturity of the installments of such interest, with interest (to the extent allowed by law and to the extent that such interest has been collected by the Trustee) upon the overdue installments of interest at the rate borne by the Securities, such payments to be made ratably to the persons entitled thereto, and then to the payment to the Holders entitled thereto of the unpaid principal of and applicable premium on any of the Securities which shall have become due (other than Securities previously called for redemption for the payment of which moneys are held pursuant to the provisions of this Indenture), whether at stated maturity or by redemption, in the order of their due dates, beginning with the earliest due date, and if the amount available is not sufficient to pay in full all Securities due on any particular date, then to the payment thereof ratably, according to the amounts of principal and applicable premium due on that date, to the Holders entitled thereto, without any discrimination or privilege;

THIRD: If the principal of the outstanding Securities in respect of which such moneys have been collected shall have become due, by declaration or otherwise, to the payment of the whole amount then owing and unpaid upon the Securities for principal and any premium and interest thereon, with interest on the overdue principal and any premium and (to the extent allowed by law and to the extent that such interest has been collected by the Trustee) upon overdue installments of interest at the rate borne by the Securities; and in case such moneys shall be insufficient to pay in full the whole amount so due and unpaid upon the Securities, then to the payment of such principal and any premium and interest without preference or priority of principal and any premium over interest, or of interest over principal and any premium or of any installment of interest over any other installment of interest, or of any Security over any other Security, ratably to the aggregate of such principal and any premium and accrued and unpaid interest; and

FOURTH: to the payment of the remainder, if any, to the Company or its successors or assigns, or to whomsoever may lawfully be entitled to the same, or as a court of competent jurisdiction may determine.

Section 7.4. Proceedings By Securityholders.

(a) No Holder of any Security shall have any right by virtue of or by availing of any provision of this Indenture to institute any suit, action or proceeding in equity or at law upon or under or with respect to this Indenture or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless such Holder previously shall have given to the Trustee written notice of an Event of Default with respect to such Security and of the continuance thereof, as hereinabove provided, and unless also Securityholders of a majority in aggregate principal amount of the Securities then outstanding affected by such Event of Default shall have made

written request upon the Trustee to institute such action, suit or proceeding in its own name as Trustee hereunder and shall have offered to the Trustee such reasonable indemnity as it may require against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee for 60 days after its receipt of such notice, request and offer of indemnity, shall have neglected or refused to institute any such action, suit or proceeding.

(b) Notwithstanding any other provision in this Indenture, however, the rights of any Holder of any Security to receive payment of the principal of and any premium and interest on such Security, on or after the respective due dates expressed in such Security or on the applicable redemption date, or to institute suit for the enforcement of any such payment on or after such respective dates shall not be impaired or affected without the consent of such Holder.

Section 7.5. Proceedings By Trustee. In case of an Event of Default hereunder the Trustee may in its discretion proceed to protect and enforce the rights vested in it by this Indenture, by such appropriate judicial proceedings as the Trustee shall deem most effectual to protect and enforce any of such rights, either by suit in equity or by action at law or by proceeding in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement contained in this Indenture or in aid of the exercise of any power granted to it under this Indenture, or to enforce any other legal or equitable right vested in the Trustee by this Indenture or by law.

Section 7.6. Remedies Cumulative And Continuing. All powers and remedies given by this Article VII to the Trustee or to the Securityholders shall, to the extent permitted by law, be deemed cumulative and not exclusive of any powers and remedies hereof or of any other powers and remedies available to the Trustee or the Holders of the Securities, by judicial proceedings or otherwise, to enforce the performance or observance of the covenants and agreements contained in this Indenture, and no delay or omission of the Trustee or of any Holder of any of the Securities in exercising any right or power accruing upon any default occurring and continuing as aforesaid shall impair any such right or power, or shall be construed to be a waiver of any such default or an acquiescence therein; and, subject to Section 7.4 hereof, every power and remedy given by this Article VII or by law to the Trustee or to the Securityholders may be exercised from time to time, and as often as shall be deemed expedient, by the Trustee or by the Securityholders.

Section 7.7. Direction Of Proceedings And Waiver Of Defaults By Majority Of Securityholders. The Holders of a majority in aggregate principal amount of the Securities at the time outstanding shall have the right to direct the time, method, and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, that (subject to Section 8.1 hereof) the Trustee shall have the right to decline to follow any such direction if the Trustee being advised by counsel determines that the action or proceeding so directed may not lawfully be taken or if the Trustee in good faith by its board of directors or trustees, executive committee, or a trust committee of directors or trustees or responsible officers shall determine that the action or proceeding so directed would involve the Trustee in personal liability or would be unduly prejudicial to the rights of Securityholders not joining in such directions. The Holders of a majority in aggregate principal amount of the

Securities at the time outstanding may on behalf of all of the Holders of the Securities waive any past default or Event of Default hereunder and its consequences except a default in the payment of principal of or any premium or interest on the Securities. Upon any such waiver the Company, the Trustee and the Holders of the Securities shall be restored to their former positions and rights hereunder, respectively, but no such waiver shall extend to any subsequent or other default or Event of Default or impair any right consequent thereon. Whenever any default or Event of Default hereunder shall have been waived as permitted by this Section 7.7, said default or Event of Default shall for all purposes of the Securities and this Indenture be deemed to have been cured and to be not continuing.

Section 7.8. Notice Of Default. The Trustee shall, within 90 days after the occurrence of a default, give to all Holders of the Securities, in the manner provided in Section 14.10, notice of such default, unless such default shall have been cured before the giving of such notice, the term “default” for the purpose of this Section 7.8 being hereby defined to be any event which is or after notice or lapse of time or both would become an Event of Default; provided that, except in the case of default in the payment of the principal of or any premium or interest on any of the Securities, or in the payment of any sinking or purchase fund installments, the Trustee shall be protected in withholding such notice if and so long as its board of directors or trustees, executive committee, or a trust committee of directors or trustees or responsible officers in good faith determines that the withholding of such notice is in the interests of the Holders of the Securities. The Trustee shall not be charged with knowledge of any Event of Default unless a responsible officer of the Trustee assigned to the corporate trustee department of the Trustee shall have actual knowledge of such Event of Default.

Section 7.9. Undertaking To Pay Costs. All parties to this Indenture agree, and each Holder of any Security by acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture or in any suit against the Trustee for any action taken or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys’ fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but this Section 7.9 shall not apply to any suit instituted by the Trustee, or to any suit instituted by any Securityholder, or group of Securityholders, holding in the aggregate more than 10% in principal amount of the Securities outstanding, or to any suit instituted by any Securityholder for the enforcement of the payment of the principal of or any premium or interest on any Security on or after the due date expressed in such Security or the applicable redemption date.

**ARTICLE VIII.
CONCERNING THE TRUSTEE**

Section 8.1. Duties And Responsibilities Of Trustee.

(a) The Trustee, prior to the occurrence of an Event of Default and after the curing of all Events of Default which may have occurred, undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. If an Event of Default has occurred (which has not been cured or waived), the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(b) No provisions of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act or its own willful misconduct, except that:

(1) prior to the occurrence of any Event of Default and after the curing or waiving of all Events of Default which may have occurred

(A) the duties and obligations of the Trustee shall be determined solely by the express provisions of this Indenture, and the Trustee shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(B) in the absence of bad faith on the part of the Trustee, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but, in the case of any such certificates or opinions which by any provision hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a responsible officer or officers of the Trustee, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts; and

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with Section 7.7 hereof relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

Section 8.2. Reliance On Documents, Opinions, Etc. Except as otherwise provided in Section 8.1 hereof:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, note or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request, direction, order or demand of the Company mentioned herein shall be sufficiently evidenced by an Officers' Certificate (unless other evidence in respect thereof is herein specifically prescribed); and any Board Resolution may be evidenced to the Trustee by a copy thereof certified by the Secretary or an Assistant Secretary of the Company;

(c) the Trustee may consult with counsel and any advice or Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with such advice or Opinion of Counsel;

(d) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request, order or direction of any of the Securityholders, pursuant to this Indenture, unless such Securityholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which may be incurred by such exercise;

(e) the Trustee shall not be liable for any action taken, suffered or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture;

(f) prior to the occurrence of an Event of Default hereunder and after the curing or waiving of all Events of Default, the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval, note or other paper or document, unless requested in writing to do so by the Holders of at least a majority in principal amount of the then outstanding Securities; provided that if the payment within a reasonable time to the Trustee of the costs, expenses or liabilities likely to be incurred by it in the making of such investigation is, in the opinion of the Trustee, not reasonably assured to the Trustee by the security afforded to it by this Indenture, the Trustee may require reasonable indemnity against such expense or liability as a condition to so proceeding;

(g) no provision of this Indenture shall require the Trustee to extend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it; and

(h) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or through agents or attorneys; provided that the Trustee shall not be liable for the conduct or acts of any such agent or attorney that shall have been appointed in accordance herewith with due care.

Section 8.3. No Responsibility For Recitals, Etc. The recitals contained herein and in the Securities (except in the certificate of authentication) shall be taken as the statements of the Company, and the Trustee assumes no responsibility for the correctness of the same. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. The Trustee shall not be accountable for the use or application by the Company of any Securities or the proceeds of any Securities authenticated and delivered by the Trustee in conformity with this Indenture. The Trustee shall not be responsible for recording or filing this Indenture, any supplemental indenture, or any financing or continuation statement in any public office at any time or times.

Section 8.4. Trustee, Authenticating Agent, Paying Agent Or Registrar May Own Securities. The Trustee and any Authenticating Agent or paying agent in its individual or other capacity, may become the owner or pledgee of Securities with the same rights it would have if it were not Trustee, Authenticating Agent or paying agent.

Section 8.5. Moneys To Be Held In Trust. Subject to Section 4.4 hereof, all moneys received by the Trustee shall, until used or applied as herein provided, be held in trust for the purposes for which they were received, but need not be segregated from other funds except to the extent required by law. The Trustee may allow and credit to the Company interest on any money received hereunder at such rate, if any, as may be agreed upon by the Company and the Trustee from time to time as may be permitted by law.

Section 8.6. Compensation and Expenses Of Trustee. The Company covenants and agrees to pay to the Trustee from time to time, and the Trustee shall be entitled to, reasonable compensation (which shall not be limited by any law in regard to the compensation of a trustee of an express trust), and the Company shall pay or reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with this Indenture (including the reasonable compensation and the reasonable expenses and disbursements of its counsel and agents, including any Authenticating Agents, and of all persons not regularly in its employ) except any such expense, disbursement or advance as may arise from its negligence or bad faith. The Company also covenants to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the part of the Trustee and arising out of or in connection with the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability. The obligations of the Company under this Section 8.6 to compensate the Trustee and to pay or reimburse the Trustee for expenses, disbursements and advances shall constitute additional indebtedness hereunder. Such additional indebtedness shall be secured by a lien prior to that of the Securities upon all property and funds held or collected by the Trustee as such, except funds held in trust for the benefit of the Holders of any particular Securities.

Section 8.7. Officers' Certificate As Evidence. Whenever in the administration of this Indenture, the Trustee shall deem it necessary or desirable that a matter be proved or established prior to the taking, suffering or omitting of any action hereunder, such matter (unless other evidence in respect thereof is herein specifically prescribed) may, in the absence of negligence or bad faith on the part of the Trustee, be deemed to be conclusively proved and established by an Officers' Certificate delivered to the Trustee, and such Officers' Certificate, in the absence of negligence or bad faith on the part of the Trustee, shall be full warrant to the Trustee for any action taken, suffered or omitted by it under this Indenture in reliance thereon.

Section 8.8. Conflicting Interest Of Trustee. The Trustee shall be subject to and shall comply with the provisions of Section 31 0 of the TIA; provided that, to the extent permitted by law, Norwest Bank Minnesota, National Association shall not be deemed to have a conflicting interest for purposes of Section 310(b) of the TIA because of its capacity as trustee under the Company's pollution control and Resource Recovery bonds. Nothing in this Indenture shall be deemed to prohibit the Trustee or the Company from making any application permitted pursuant to such section.

Section 8.9. Existence And Eligibility Of Trustee. There shall at all times be a Trustee hereunder which Trustee shall at all times be a corporation organized and doing business under the laws of the United States or any State thereof or of the District of Columbia (or a corporation or other Person permitted to act as trustee by the Commission), subject to supervision or examination by such bodies and authorized under such laws to exercise corporate trust powers and having a combined capital and surplus of at least \$150,000,000. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of the aforesaid authority, then for the purposes of this Section 8.9, the combined capital and surplus shall be deemed to be as set forth in its most recent report of condition so published. No obligor upon the Securities or Person directly or indirectly controlling, controlled by, or under common control with such obligor shall serve as Trustee. If at any time the Trustee shall cease to be eligible in accordance with this Section 8.9, the Trustee shall resign immediately in the manner and with the effect specified in Section 8.10 hereof.

Section 8.10. Resignation Or Removal Of Trustee.

(a) Pursuant to the provisions of this Article, the Trustee may at any time resign and be discharged of the trusts created by this Indenture by giving written notice to the Company specifying the day upon which such resignation shall take effect, and such resignation shall take effect immediately upon the later of the appointment of a successor trustee and such day.

(b) Any Trustee may be removed at any time by an instrument or concurrent instruments in writing filed with such Trustee and signed and acknowledged by the Holders of a majority in principal amount of the then outstanding Securities or by their attorneys in fact duly authorized.

(c) So long as no Event of Default has occurred and is continuing, and no event has occurred and is continuing that, with the giving of notice or the lapse of time or both, would

become an Event of Default, the Company may remove any Trustee upon written notice to the Holder of each Security outstanding and the Trustee.

(d) If at any time (1) the Trustee shall cease to be eligible in accordance with Section 8.9 hereof and shall fail to resign after written request therefor by the Company or by any Holder who has been a bona fide Holder for at least six months, (2) the Trustee shall fail to comply with Section 8.8 hereof after written request therefor by the Company or any such Holder, or (3) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, then the Trustee may be removed forthwith by an instrument or concurrent instruments in writing filed with the Trustee and either:

(1) signed by the President or any Vice President or the Company and attested by the Secretary or an Assistant Secretary of the Company; or

(2) signed and acknowledged by the Holders of a majority in principal amount of outstanding Securities or by their attorneys in fact duly authorized.

(e) Any resignation or removal of the Trustee shall not become effective until acceptance of appointment by the successor Trustee as provided in Section 8.11 hereof.

Section 8.11. Appointment Of Successor Trustee.

(a) If at any time the Trustee shall resign or be removed, the Company, by a Board Resolution, shall promptly appoint a successor Trustee.

(b) The Company shall provide written notice of its appointment of a Successor Trustee to the Holder of each Security outstanding following any such appointment.

(c) If no appointment of a successor Trustee shall be made pursuant to Section 8.11(a) hereof within 60 days after appointment shall be required, any Securityholder or the resigning Trustee may apply to any court of competent jurisdiction to appoint a successor Trustee. Said court may thereupon after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

(d) Any Trustee appointed under this Section 8.11 as a successor Trustee shall be a bank or trust company eligible under Section 8.9 hereof and qualified under Section 8.8 hereof.

Section 8.12. Acceptance By Successor Trustee.

(a) Any successor Trustee appointed as provided in Section 8.11 hereof shall execute, acknowledge and deliver to the Company and to its predecessor Trustee an instrument accepting such appointment hereunder, and thereupon the resignation or removal of the predecessor Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance,

shall become vested with all the rights, powers, duties and obligations of its predecessor hereunder, with like effect as if originally named as Trustee herein; but nevertheless, on the written request of the Company or of the successor Trustee, the Trustee ceasing to act shall, upon payment of any amounts then due it pursuant to Section 8.6 hereof, execute and deliver an instrument transferring to such successor Trustee all the rights and powers of the Trustee so ceasing to act. Upon request of any such successor Trustee, the Company shall execute any and all instruments in writing in order more fully and certainly to vest in and confirm to such successor Trustee all such rights and powers. Any Trustee ceasing to act shall, nevertheless, retain a lien upon all property or funds held or collected by such Trustee to secure any amounts then due it pursuant to Section 8.6 hereof.

(b) No successor Trustee shall accept appointment as provided in this Section 8.12 unless at the time of such acceptance such successor Trustee shall be qualified under Section 8.8 hereof and eligible under Section 8.9 hereof.

(c) Upon acceptance of appointment by a successor Trustee as provided in this Section 8.12, the successor Trustee shall mail notice of its succession hereunder to all Holders of Securities as the names and addresses of such Holders appear on the registry books.

Section 8.13. Succession By Merger, Etc.

(a) Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided such corporation shall be otherwise qualified and eligible under this Article.

(b) If at the time such successor to the Trustee shall succeed to the trusts created by this Indenture any of the Securities shall have been authenticated but not delivered, any such successor to the Trustee may adopt the certificate of authentication of any predecessor Trustee, and deliver such Securities so authenticated; and in case at that time any of the Securities shall not have been authenticated, any successor to the Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor Trustee; and in all such cases such certificates shall have the full force which it is anywhere in the Securities or in this Indenture provided that the certificates of the Trustee shall have; provided that the right to adopt the certificate of authentication of any predecessor Trustee or authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

Section 8.14. Limitations On Rights Of Trustee As A Creditor.

The Trustee shall be subject to, and shall comply with, the provisions of Section 311 of the TIA.

Section 8.15. Authenticating Agent.

(a) There may be one or more Authenticating Agents appointed by the Trustee with the written consent of the Company, with power to act on its behalf and subject to the direction of the Trustee in the authentication and delivery of Securities in connection with transfers and exchanges under Sections 2.6, 2.7, 2.8, 2.13, 3.3, and 12.4 hereof, as fully to all intents and purposes as though such Authenticating Agents had been expressly authorized by those Sections to authenticate and deliver Securities. For all purposes of this Indenture, the authentication and delivery of Securities by any Authenticating Agent pursuant to this Section 8.15 shall be deemed to be the authentication and delivery of such Securities “by the Trustee.” Any such Authenticating Agent shall be a bank or trust company or other Person of the character and qualifications set forth in Section 8.9 hereof.

(b) Any corporation into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which any Authenticating Agent shall be a party, or any corporation succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of such Authenticating Agent hereunder, if such successor corporation is otherwise eligible under this Section 8.15, without the execution or filing of any paper or any further act on the part of the parties hereto or such Authenticating Agent or such successor corporation.

(c) Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee and to the Company. The Trustee may at any time terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section 8.15, the Trustee may, with the written consent of the Company, appoint a successor Authenticating Agent, and upon so doing shall give written notice of such appointment to the Company and shall mail, in the manner provided in Section 14.10, notice of such appointment to the Holders of Securities.

(d) The Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services, and the Trustee shall be entitled to be reimbursed for such payments, in accordance with Section 8.6 hereof.

(e) Sections 8.2, 8.3, 8.6, 8.7 and 8.9 hereof shall be applicable to any Authenticating Agent

**ARTICLE IX.
CONCERNING THE SECURITYHOLDERS**

Section 9.1. Action By Securityholders. Whenever in this Indenture it is provided that the Holders of a specified percentage in aggregate principal amount of the Securities may take any action, the fact that at the time of taking any such action the Holders of such specified percentage have joined therein may be evidenced (a) by any instrument or any number of instruments of similar tenor executed by such Securityholders in person or by agent or proxy appointed in writing, (b) by the record of such Securityholders voting in favor thereof at any meeting of Securityholders duly called and held in accordance with Article X hereof, or (c) by a combination of such instrument or instruments and any such record of such a meeting of Securityholders.

Section 9.2. Proof Of Execution By Securityholders.

(a) Subject to Sections 8.1, 8.2 and 10.5 hereof, proof of the execution of any instruments by a Securityholder or the agent or proxy for such Securityholder shall be sufficient if made in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in such manner as shall be satisfactory to the Trustee. The ownership of Securities shall be proved by the register for the Securities maintained by the Trustee.

(b) The record of any Securityholders' meeting shall be proven in the manner provided in Section 10.6 hereof.

Section 9.3. Who Deemed Absolute Owners. Subject to Sections 2.4(f) and 9.1 hereof, the Company, the Trustee, any paying agent and any Authenticating Agent shall deem the person in whose name any Security shall be registered upon the register for the Securities to be, and shall treat such person as, the absolute owner of such Security (whether or not such Security shall be overdue) for the purpose of receiving payment of or on account of the principal and premium, if any, and interest on such Security, and for all other purposes; and neither the Company nor the Trustee nor any paying agent nor any Authenticating Agent shall be affected by any notice to the contrary. All such payments shall be valid and effectual to satisfy and discharge the liability upon any such Security to the extent of the sum or sums so paid.

Section 9.4. Company-Owned Securities Disregarded. In determining whether the Holders of the requisite aggregate principal amount of outstanding Securities have concurred in any direction, consent or waiver under this Indenture, Securities which are owned by the Company or any other obligor on the Securities or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any other obligor on the Securities shall be disregarded and deemed not to be outstanding for the purpose of any such determination; provided that, for the purposes of determining whether the Trustee shall be protected in relying on any such direction, consent or waiver, only Securities which the Trustee

knows are so owned shall be so disregarded. Securities so owned which have been pledged in good faith to third parties may be regarded as outstanding for the purposes of this Section 9.4 if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to take action with respect to such Securities and that the pledgee is not a person directly or indirectly controlling or controlled by or under direct or indirect common control with the Company or any such other obligor. In the case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 9.5. Revocation Of Consents; Future Holders Bound. Except as may be otherwise required in the case of a Global Security by the applicable rules and regulations of the Depository, at any time prior to the taking of any action by the Holders of the percentage in aggregate principal amount of the Securities specified in this Indenture in connection with such action, any Holder of a Security, which has been included in the Securities the Holders of which have consented to such action, may, by filing written notice with the Trustee at the corporate trust office of the Trustee and upon proof of ownership as provided in Section 9.2(a) hereof, revoke such action so far as it concerns such Security. Except as aforesaid, any such action taken by the Holder of any Security shall be conclusive and binding upon such Holder and upon all future Holders and owners of such Security and of any Securities issued in exchange, substitution or upon registration of transfer therefor, irrespective of whether or not any notation thereof is made upon such Security or such other Securities.

Section 9.6. Record Date For Securityholder Acts. If the Company shall solicit from the Securityholders any request, demand, authorization, direction, notice, consent, waiver or other act, the Company may, at its option, by Board Resolution, fix in advance a record date for the determination of Securityholders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other act, but the Company shall have no obligation to do so. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other act may be given before or after the record date, but only the Securityholders of record at the close of business on the record date shall be deemed to be Securityholders for the purpose of determining whether Holders of the requisite aggregate principal amount of outstanding Securities have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other act, and for that purpose the outstanding Securities shall be computed as of the record date; provided that no such request, demand, authorization, direction, notice, consent, waiver or other act by the Securityholders on the record date shall be deemed effective unless it shall become effective pursuant to this Indenture not later than six months after the record date. Any such record date shall be at least 30 days prior to the date of the solicitation to the Securityholders by the Company.

ARTICLE X. SECURITYHOLDERS' MEETING

Section 10.1. Purposes Of Meetings. A meeting of Securityholders may be called at any time and from time to time pursuant to this Article X for any of the following purposes:

(a) to give any notice to the Company or to the Trustee, or to give any directions to the Trustee, or to consent to the waiving of any Event of Default hereunder and its consequences, or to take any other action authorized to be taken by Securityholders pursuant to Article VII;

(b) to remove the Trustee pursuant to Article VIII;

(c) to consent to the execution of an indenture or indentures supplemental hereto pursuant to Section 12.2 hereof; or

(d) to take any other action authorized to be taken by or on behalf of the Holders of any specified aggregate principal amount of the Securities, as the case may be, under any other provision of this Indenture or under applicable law.

Section 10.2. Call Of Meetings By Trustee. The Trustee may at any time call a meeting of Holders of Securities to take any action specified in Section 10.1 hereof, to be held at such time and at such place as the Trustee shall determine. Notice of every such meeting of Securityholders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given to Holders of the Securities that may be affected by the action proposed to be taken at such meeting in the manner provided in Section 14.10 hereof. Such notice shall be given not less than 20 nor more than 90 days prior to the date fixed for such meeting.

Section 10.3. Call Of Meetings By Company Or Securityholders. If at any time the Company, pursuant to a Board Resolution, or the Holders of at least 10% in aggregate principal amount of the Securities then outstanding, shall have requested the Trustee to call a meeting of Securityholders, by written request setting forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed the notice of such meeting within 20 days after receipt of such request, then the Company or such Securityholders may determine the time and the place for such meeting and may call such meeting to take any action authorized in Section 10.1 hereof, by giving notice thereof as provided in Section 10.2 hereof.

Section 10.4. Qualifications For Voting. To be entitled to vote at any meetings of Securityholders a Person shall (a) be a Holder of one or more Securities affected by the action proposed to be taken or (b) be a Person appointed by an instrument in writing as proxy by a Holder of one or more such Securities. The only Persons who shall be entitled to be present or to speak at any meeting of Securityholders shall be the Persons entitled to vote at such meeting and their counsel and any representatives (including employees) of the Trustee and its counsel and any representatives (including employees) of the Company and its counsel.

Section 10.5. Regulations.

(a) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Securityholders in regard to proof of the holding of Securities and of the appointment of proxies, and in regard to

the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall think fit.

(b) The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by the Securityholders as provided in Section 10.3 hereof, in which case the Company or Securityholders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by the Holders of a majority in aggregate principal amount of the Securities present in person or by proxy at the meeting.

(c) Subject to Section 9.4 hereof, at any meeting each Securityholder or proxy shall be entitled to one vote for each \$1,000 principal amount of Securities held or represented by such Securityholder; provided that no vote shall be cast or counted at any meeting in respect of any Security ruled by the chairman of the meeting to be not outstanding. The chairman of the meeting shall have no right to vote other than by virtue of Securities held by such chairman or instruments in writing as aforesaid duly designating such chairman as the person to vote on behalf of other Securityholders. At any meeting of Securityholders duly called pursuant to Section 10.2 or 10.3 hereof, the presence of persons holding or representing Securities in an aggregate principal amount sufficient to take action on any business for the transaction for which such meeting was called shall constitute a quorum. Any meeting of Securityholders duly called pursuant to Section 10.2 or 10.3 hereof may be adjourned from time to time by the Holders of a majority in aggregate principal amount of the Securities present in person or by proxy at the meeting, whether or not constituting a quorum, and the meeting may be held as so adjourned without further notice.

Section 10.6. Voting. The vote upon any resolution submitted to any meeting of Securityholders shall be by written ballots on which shall be subscribed the signatures of the Holders of Securities or of their representatives by proxy and the principal amount of Securities held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of such meeting of Securityholders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 10.2 hereof. The record shall show the aggregate principal amount of the Securities voting in favor of or against any resolution. The record shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one of the duplicates shall be delivered to the Company and the other to the Trustee to be preserved by the Trustee and the Trustee shall have the ballots taken at the meeting attached to such duplicate. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

Section 10.7. Rights Of Trustee Or Securityholders Not Delayed. Nothing in this Article X shall be deemed or construed to authorize or permit, by reason of any call of a meeting of Securityholders or any rights expressly or impliedly conferred hereunder to make such call, any hindrance or delay in the exercise of any right or rights conferred upon or reserved to the Trustee or to the Holders of Securities under any of the provisions of this Indenture or of the Securities.

ARTICLE XI.

CONSOLIDATION, MERGER, SALE, TRANSFER OR OTHER DISPOSITION

Section 11.1. Company May Consolidate, Etc. Only On Certain Terms. The Company shall not consolidate with or merge into any other corporation or sell, or otherwise dispose all or substantially all of its assets unless (i) the corporation formed by such consolidation or into which the Company is merged or the Person which receives all or substantially all of the assets pursuant to such sale, transfer or other disposition shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustee, in form satisfactory to the Trustee, the due and punctual payment of the principal of and premium and interest on all of the Securities and the performance of every covenant of this Indenture on the part of the Company to be performed or observed and (ii) the Company or such successor corporation or Person, as the case may be, shall not, immediately after such consolidation or merger, or such sale or disposition, be in default in the performance of any such covenant. For purposes of this Article XI the phrase "*all or substantially all of its assets*" shall mean 50% or more of the total assets of the Company as shown on the balance sheet of the Company as of the end of the calendar year immediately preceding the day of the year in which such determination is made and nothing in this Indenture shall prevent or hinder the Company from selling, transferring or otherwise disposing during any calendar year (in one transaction or a series of transactions) less than 50% of the amount of its total assets as shown on the balance sheet of the Company as of the end of the immediately preceding calendar year.

Section 11.2. Successor Corporation Substituted. Upon any consolidation or merger, or any sale, transfer or other disposition of all or substantially all of the assets of the Company in accordance with Section 11.1 hereof, the successor corporation formed by such consolidation or into which the Company is merged or to which such sale, transfer or other disposition is made shall succeed to, and be substituted for and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor corporation had been named as the Company herein and the Company shall be released from all obligations hereunder.

**ARTICLE XII.
SUPPLEMENTAL INDENTURES**

Section 12.1. Supplemental Indentures Without Consent Of Securityholders

(a) The Company, when authorized by Board Resolution, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for one or more of the following purposes:

(1) to make such provision in regard to matters or questions arising under this Indenture as may be necessary or desirable, and not inconsistent with this Indenture or prejudicial to the interests of the Holders, for the purpose of supplying any omission, curing any ambiguity, or curing, correcting or supplementing any defective or inconsistent provision;

(2) to change or eliminate any of the provisions of this Indenture, provided that any such change or elimination shall become effective only when there is no Security outstanding created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision or such change or elimination is applicable only to Securities issued after the effective date of such change or elimination;

(3) to establish the form of Securities as permitted by Section 2.1 hereof or to establish or reflect any terms of any Security determined pursuant to Section 2.5 hereof;

(4) to evidence the succession of another corporation to the Company, and the assumption by any such successor of the covenants of the Company herein and in the Securities;

(5) to grant to or confer upon the Trustee for the benefit of the Holders any additional rights, remedies, powers or authority;

(6) to permit the Trustee to comply with any duties imposed upon it by law;

(7) to specify further the duties and responsibilities of, and to define further the relationships among the Trustee, any Authenticating Agent and any paying agent;

(8) to add to the covenants of the Company for the benefit of the Holders, to add security for the Securities or to surrender a right or power conferred on the Company herein; and

(9) to make any other change that is not prejudicial to the Trustee or the Holders.

(b) The Trustee is hereby authorized to join with the Company in the execution of any such supplemental indenture, to make any further appropriate agreements and stipulations which may be therein contained and to accept the conveyance, transfer and assignment of any property thereunder, but the Trustee shall not be obligated to enter into any such supplemental indenture which affects the Trustee's own rights, duties or immunities under this Indenture or otherwise.

(c) Any supplemental indenture authorized by this Section 12.1 may be executed by the Company and the Trustee without the consent of the Holders of any of the Securities at the time outstanding, notwithstanding any of the provisions of Section 12.2 hereof.

Section 12.2. Supplemental Indentures With Consent Of Securityholders.

(a) With the consent (evidenced as provided in Section 9.1 hereof) of the Holders of a majority in aggregate principal amount of the Securities at the time outstanding, the Company, when authorized by Board Resolution, and the Trustee may from time to time and at any time enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture or of any supplemental indenture or of modifying in any manner the rights of the Securityholders; provided that no such supplemental indenture shall:

(1) change the maturity date of any Security, or reduce the rate or extend the time of payment of interest thereon, or reduce the principal amount thereof or any premium thereon, or change the coin or currency in which the principal of any Security or any premium or interest thereon is payable, or change the date on which any Security may be redeemed or repaid at the option of the holder thereof or adversely affect the rights of the Securityholders to institute suit for the enforcement of any payment of principal or of any premium or interest on any Security, in each case without the consent of the Holder of each Security so affected; or

(2) modify this Section 12.2(a) or reduce the aforesaid percentage of Securities, the Holders of which are required to consent to any such supplemental indenture or to reduce the percentage of Securities, the Holders of which are required to waive Events of Default, in each case, without the consent of the Holders of all of the Securities then outstanding.

(b) Upon the request of the Company, accompanied by a copy of the Board Resolution authorizing the execution of any such supplemental indenture, and upon the filing with the Trustee of evidence of the consent of Securityholders as aforesaid, the Trustee shall join with the Company in the execution of such supplemental indenture unless such supplemental indenture affects the Trustee's own rights, duties or immunities under this Indenture or otherwise, in which case the Trustee may in its discretion, but shall not be obligated to, enter into such supplemental indenture.

(c) It shall not be necessary for the consent of the Holders of Securities under this Section 12.2 to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such consent shall approve the substance thereof.

(d) Promptly after the execution by the Company and the Trustee of any supplemental indenture pursuant to this Section 12.2, the Trustee shall give notice in the manner provided in Section 14.10 hereof, setting forth in general terms the substance of such supplemental indenture, to all Securityholders. Any failure of the Trustee to give such notice or any defect therein shall not, however, in any way impair or affect the validity of any such supplemental indenture.

Section 12.3. Compliance With Trust Indenture Act; Effect Of Supplemental Indentures. Any supplemental indenture executed pursuant to this Article XII shall comply with the TIA. Upon the execution of any supplemental indenture pursuant to this Article XII, the Indenture shall be and be deemed to be modified and amended in accordance therewith and the respective rights, limitations of rights, obligations, duties and immunities under this Indenture of the Trustee, the Company and the Securityholders shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modifications and amendments, and all the terms and conditions of any such supplemental indenture shall be and be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 12.4. Notation On Securities. Securities authenticated and delivered after the execution of any supplemental indenture pursuant to this Article XII may bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities so modified as approved by the Trustee and the Board of Directors with respect to any modification of this Indenture contained in any such supplemental indenture may be prepared and executed by the Company, authenticated by the Trustee and delivered in exchange for the Securities then outstanding.

Section 12.5. Evidence Of Compliance Of Supplemental Indenture To Be Furnished Trustee. The Trustee, subject to Sections 8.1 and 8.2 hereof may receive an Officers' Certificate and an Opinion of Counsel as conclusive evidence that any supplemental indenture executed pursuant hereto complies with the requirements of this Article XII.

ARTICLE XIII.

IMMUNITY OF INCORPORATORS, STOCKHOLDERS, OFFICERS AND DIRECTORS

Section 13.1. Indenture And Securities Solely Corporate Obligations. No recourse for the payment of the principal of or any premium or interest on any Security, or for any claim based thereon or otherwise in respect thereof, and no recourse under or upon any obligation, covenant or agreement of the Company, contained in this Indenture or in any supplemental indenture, or in any Security, or because of the creation of any indebtedness represented thereby, shall be had

against any incorporator, stockholder, officer or director, as such, past, present or future, of the Company or any successor corporation, either directly or through the Company or any successor corporation, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly understood that all such liability is hereby expressly waived and released as a condition of, and as a consideration for, the execution of this Indenture and the issuance of the Securities.

**ARTICLE XIV.
MISCELLANEOUS PROVISIONS**

Section 14.1. Provisions Binding On Company's Successors. All the covenants, stipulations, promises and agreements made by the Company in this Indenture shall bind its successors and assigns whether so expressed or not.

Section 14.2. Official Acts By Successor Corporation. Any act or proceeding by any provision of this Indenture authorized or required to be done or performed by any board, committee or officer of the Company shall and may be done and performed with like force and effect by the like board, committee or officer of any corporation that shall at the time be the lawful successor of the Company.

Section 14.3. Notices.

(a) Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or by the Securityholders on the Company may be given or served by being deposited postage prepaid in a post office letter box addressed (until another address is filed by the Company with the Trustee) at the principal executive offices of the Company, to the attention of the Secretary. Any notice, direction, request or demand by any Securityholder or the Company to or upon the Trustee shall be deemed to have been sufficiently given or made, for all purposes, if given or made in writing at the corporate trust office of the Trustee, Attention: Vice President, Corporate Trust Department.

(b) The Company shall provide any notices required under this Indenture by publication, but only to the extent that such publication is required by the TIA, the rules and regulations of the Commission or any securities exchange upon which any series of Securities is listed.

Section 14.4. Governing Law. This Indenture and each Security shall be deemed to be a contract made under the laws of the State of Minnesota, and for all purposes shall be construed in accordance with the laws of said State.

Section 14.5. Evidence Of Compliance With Conditions Precedent.

(a) Upon any application or demand by the Company to the Trustee to take any action under this Indenture, the Company shall furnish to the Trustee an Officers' Certificate stating that all conditions precedent, if any, provided for in this Indenture (including any covenants compliance with which constitutes a condition precedent) relating to the proposed action have been complied with and an Opinion of Counsel stating that, in the opinion of such counsel, all such conditions precedent have been complied with.

(b) Each certificate or opinion provided for in this Indenture and delivered to the Trustee with respect to compliance with a condition or covenant provided for in this Indenture (other than the certificates delivered pursuant to Section 5.5 hereof) shall include (1) a statement that each Person making such certificate or opinion has read such covenant or condition and the definitions relating thereto; (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; (3) a statement that, in the opinion of each such Person, such Person has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and (4) a statement as to whether or not, in the opinion of each such Person, such condition or covenant has been complied with.

(c) In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

(d) Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which such certificate or opinion is based are erroneous. Any such certificate or opinion of counsel delivered under the Indenture may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such person knows, or in the exercise of reasonable care should know, that the certificate or opinion of representations with respect to such matters are erroneous. Any opinion of counsel delivered hereunder may contain standard exceptions and qualifications satisfactory to the Trustee.

(e) Any certificate, statement or opinion of any officer of the Company, or of counsel, may be based, insofar as it relates to accounting matters, upon a certificate or opinion of or representations by an independent public accountant or firm of accountants, unless such officer or counsel, as the case may be, knows that the certificate or opinions or representations with respect to the accounting matters upon which the certificate, statement or opinion of such officer

or counsel may be based as aforesaid are erroneous, or in the exercise of reasonable care should know that the same are erroneous. Any certificate or opinion of any firm of independent public accountants filed with the Trustee shall contain a statement that such firm is independent.

(f) Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

Section 14.6. Business Days. Unless otherwise provided pursuant to Section 2.5(c) hereof, in any case where the date of maturity of the principal of or any premium or interest on any Security or the date fixed for redemption of any Security is not a Business Day, then payment of such principal or any premium or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and affect as if made on the date of maturity or the date fixed for redemption, and, in the case of timely payment thereof, no interest shall accrue for the period from and after such Interest Payment Date or the date on which the principal of the Security is required to be paid.

Section 14.7. Trust Indenture Act To Control. If and to the extent that any provision of this Indenture limits, qualifies or conflicts with the duties imposed by any of Sections 310 to 317, inclusive, of the TIA, such required provision of the TIA shall govern.

Section 14.8. Table Of Contents, Headings, Etc. The table of contents and the titles and headings of the articles and sections of this Indenture have been inserted for convenience of reference only, are not to be considered a part hereof, and shall in no way modify or restrict any of the terms or provisions hereof.

Section 14.9. Execution In Counterparts. This Indenture may be executed in any number of counterparts, each of which shall be an original, but such counterparts shall together constitute but one and the same instrument.

Section 14.10. Manner Of Mailing Notice To Securityholders. Any notice or demand which by any provision of this Indenture is required or permitted to be given or served by the Trustee or the Company to or on the Holders of Securities, as the case may be, shall be given or served by first-class mail, postage prepaid, addressed to the Holders of such Securities at their last addresses as the same appear on the register for the Securities referred to in Section 2.6, and any such notice shall be deemed to be given or served by being deposited in a post office letter box in the form and manner provided in this Section 14.10. In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give notice to any Holder by mail, then such notification to such Holder as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder.

Section 14.11. Approval By Trustee Of Expert Or Counsel. Wherever the Trustee is required to approve an Expert or counsel who is to furnish evidence of compliance with conditions precedent in this Indenture, such approval by the Trustee shall be deemed to have been given

upon the taking of any action by the Trustee pursuant to and in accordance with the certificate or opinion so furnished by such Expert or counsel.

IN WITNESS WHEREOF, NORTHERN STATES POWER COMPANY has caused this Indenture to be signed and acknowledged by one of its Vice Presidents, and attested by its Secretary, and NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION has caused this Indenture to be signed and acknowledged by one of its Vice Presidents or authorized Corporate Trust Officers, and attested by one of its authorized officers, as of the day and year first written above.

NORTHERN STATES POWER COMPANY

By /s/ E.J. McIntyre
E.J. McIntyre, Vice President and Chief Financial Officer

ATTEST: /s/ John P. Moore, Jr.
John P. Moore, Jr., Corporate Secretary

NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, as Trustee

ATTEST: /s/ Curtis Schwegman

By: /s/ Timothy P. Mowdy
Timothy P. Mowdy, Corporate Trust Officer

EXHIBIT A

FORM OF GLOBAL SECURITY

REGISTERED

REGISTERED

THIS SECURITY IS A GLOBAL SECURITY REGISTERED IN THE NAME OF THE DEPOSITORY (REFERRED TO HEREIN) OR A NOMINEE THEREOF AND, UNLESS AND UNTIL IT IS EXCHANGED IN WHOLE OR IN PART FOR THE INDIVIDUAL SECURITIES REPRESENTED HEREBY, THIS GLOBAL SECURITY MAY NOT BE TRANSFERRED EXCEPT AS A WHOLE BY THE DEPOSITORY TO A NOMINEE OF THE DEPOSITORY OR BY A NOMINEE OF THE DEPOSITORY TO THE DEPOSITORY OR ANOTHER NOMINEE OF THE DEPOSITORY OR BY THE DEPOSITORY OR ANY SUCH NOMINEE TO A SUCCESSOR DEPOSITORY OR A NOMINEE OF SUCH SUCCESSOR DEPOSITORY. UNLESS THIS GLOBAL SECURITY IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY (55 WATER STREET, NEW YORK, NEW YORK), TO THE TRUSTEE FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IS REGISTERED IN THE NAME OF CEDE & CO. OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY TRUST COMPANY AND ANY PAYMENT IS MADE TO CEDE & CO., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED OWNER HEREOF, CEDE & CO., HAS AN INTEREST HEREIN.

NORTHERN STATES POWER COMPANY

(Incorporated under the laws of the State of Minnesota)

_____ % DEBT SECURITY, SERIES DUE _____

CUSIP:

NUMBER:

ORIGINAL ISSUE DATE(S):

PRINCIPAL AMOUNT(S):

INTEREST RATE:

MATURITY DATE:

NORTHERN STATES POWER COMPANY, a corporation of the State of Minnesota (the "*Company*"), for value received hereby promises to pay to Cede & Co. or registered assigns, the principal sum of

DOLLARS

on the Maturity Date set forth above, and to pay interest thereon from the Original Issue Date (or if this Global Security has two or more Original Issue Dates, interest shall, beginning on each

such Original Issue Date begin to accrue for that part of the principal amount to which that Original Issue Date is applicable) set forth above or from the most recent Interest Payment Date to which interest has been paid or duly provided for, semiannually in arrears on the _____ and _____ in each year, commencing on the first such Interest Payment Date succeeding the applicable Original Issue Date set forth above, at the per annum Interest Rate set forth above, until the principal hereof is paid or made available for payment. No interest shall accrue on the Maturity Date, so long as the principal amount of this Global Security is paid on the Maturity Date. The interest so payable and punctually paid or duly provided for on any such Interest Payment Date will, as provided in the Indenture, be paid to the Person in whose name this Security is registered at the close of business on the Regular Record Date for such interest, which shall be the _____ or _____, as the case may be, next preceding such Interest Payment Date; provided, that the first Interest Payment Date for any part of this Security, the Original Issue Date of which is after a Regular Record Date but prior to the applicable Interest Payment Date, shall be the Interest Payment Date following the next succeeding Regular Record Date; and provided, that interest payable on the Maturity Date set forth above or, if applicable, upon redemption or acceleration, shall be payable to the Person to whom principal shall be payable. Except as otherwise provided in the Indenture (as defined below), any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and shall be paid to the Person in whose name this Security is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Securityholders not more than fifteen days or fewer than ten days prior to such Special Record Date. On or before Noon, New York City time, or such other time as shall be agreed upon between the Trustee and the Depository, of the day on which such payment of interest is due on this Global Security (other than maturity), the Trustee shall pay to the Depository such interest in same day funds. On or before Noon, New York City time, or such other time as shall be agreed upon between the Trustee and the Depository, of the day on which principal, interest payable at maturity and premium, if any, is due on this Global Security and following receipt of the necessary funds from the Company and following receipt of the necessary funds from the Company, the Trustee shall deposit with the Depository the amount equal to the principal, interest payable at maturity and premium, if any, by wire transfer into the account specified by the Depository. As a condition to the payment, on the Maturity Date or upon redemption or acceleration, of any part of the principal and applicable premium of this Global Security, the Depository shall surrender, or cause to be surrendered, this Global Security to the Trustee, whereupon a new Global Security shall be issued to the Depository.

This Global Security is a global security in respect of a duly authorized issue of Debt Securities, Series _____ (the "*Securities of this Series*", which term includes any Global Securities representing such Securities) of the Company issued and to be issued under an Indenture dated as of July 1, 1999 between the Company and Norwest Bank Minnesota, National Association, as trustee (herein called the "*Trustee*", which term includes any successor Trustee under the Indenture) and indentures supplemental thereto (collectively, the "*Indenture*"). Under the Indenture, one or more series of Securities may be issued and, as used herein, the term "Securities" refers to the Securities of this Series and any other outstanding series of Securities. Reference is hereby made for a more complete statement of the respective rights, limitations of rights, duties and immunities under the Indenture of the Company, the Trustee and the Securityholders and of the terms upon which the Securities are and are to be authenticated and

delivered. This Global Security has been issued in respect of the series designated on the first page hereof, limited in aggregate principal amount to \$ _____.

Each Security of this Series shall be dated and issued as of the date of its authentication by the Trustee and shall bear an Original Issue Date or Dates. Each Security or Global Security issued upon transfer, exchange or substitution of such Security or Global Security shall bear the Original Issue Date or Dates of such transferred, exchanged or substituted Security or Global Security, as the case may be.

[As applicable, one of the following two sentences: This Global Security may not be redeemed prior to _____, _____ . This Global Security is not redeemable prior to the Maturity Date set forth on the first page hereof.] [If applicable: On or after _____, _____ this Global Security is redeemable in whole or in part in increments of \$1,000 (provided that any remaining principal amount of this Global Security shall be at least \$100,000) at the option of the Company at the following redemption prices (expressed as a percentage of the principal amount to be redeemed) plus accrued interest to the redemption date:

Redemption Periods

Redemption Prices

Notice of redemption will be given by mail to Holders of Securities of this Series not less than 30 or more than 60 days prior to the date fixed for redemption, all as provided in the Indenture. In the event of redemption of this Global Security in part only, a new Global Security or Securities of like tenor and series for the unredeemed portion hereof will be issued in the name of the Securityholder hereof upon the surrender hereof.]

Interest payments for this Global Security shall be computed and paid on the basis of a 360-day year of twelve 30-day months. In any case where any Interest Payment Date or date on which the principal of this Global Security is required to be paid is not a Business Day, then payment of principal, premium or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such Interest Payment Date or date on which the principal of this Global Security is required to be paid and, in the case of timely payment thereof, no interest shall accrue for the period from and after such Interest Payment Date or the date on which the principal of this Global Security is required to be paid.

The Company, at its option, and subject to the terms and conditions provided in the Indenture, will be discharged from any and all obligations in respect of the Securities (except for certain obligations including obligations to register the transfer or exchange of Securities, replace stolen, lost or mutilated Securities, maintain paying agencies and hold monies for payment in trust, all as set forth in the Indenture) if the Company deposits with the Trustee money, U.S. Government Obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide money, or a combination of money and U.S. Government Obligations, in any event in an amount sufficient, without reinvestment, to pay all the principal of and any premium and interest on the Securities on the dates such payments are due in accordance with the terms of the Securities.

If an Event of Default shall occur and be continuing, the principal of the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modifications of the rights and obligations of the Company and the rights of the Securityholders under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the outstanding Securities. Any such consent or waiver by the Holder of this Global Security shall be conclusive and binding upon such Holder and upon all future Holders of this Global Security and of any Security issued upon the registration of transfer hereof or in exchange therefor or in lieu thereof whether or not notation of such consent or waiver is made upon the Security.

As set forth in and subject to the provisions of the Indenture, no Holder of any Securities will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder unless such Holder shall have previously given to the Trustee written notice of a continuing Event of Default with respect to such Securities, the Holders of not less than a majority in principal amount of the outstanding Securities affected by such Event of Default shall have made written request and offered reasonable indemnity to the Trustee to institute such proceeding as Trustee and the Trustee shall have failed to institute such proceeding within 60 days; *provided however*, that such limitations do not apply to a suit instituted by the Holder hereof for the enforcement of payment of the principal of and any premium or interest on this Security on or after the respective due dates expressed here.

No reference herein to the Indenture and to provisions of this Global Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Global Security at the times, places and rates and the coin or currency prescribed in the Indenture.

As provided in the Indenture and subject to certain limitations therein set forth, this Global Security may be transferred only as permitted by the legend hereto.

If at any time the Depository for this Global Security notifies the Company that it is unwilling or unable to continue as Depository for this Global Security or if at any time the Depository for this Global Security shall no longer be eligible or in good standing under the Securities Exchange Act of 1934, as amended, or other applicable statute or regulation, the Company shall appoint a successor Depository with respect to this Global Security. If a successor Depository for this Global Security is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such ineligibility, the Company's election to issue this Security in global form shall no longer be effective with respect to this Global Security and the Company will execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of individual Securities of this Series in exchange for this Global Security, will authenticate and deliver individual Securities of this Series of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of this Global Security.

The Company may at any time and in its sole discretion determine that all Securities of this Series (but not less than all) issued or issuable in the form of one or more Global Securities

shall no longer be represented by such Global Security or Securities. In such event, the Company shall execute, and the Trustee, upon receipt of a Company Order for the authentication and delivery of individual Securities of this Series in exchange for such Global Security, shall authenticate and deliver, individual Securities of this Series of like tenor and terms in definitive form in an aggregate principal amount equal to the principal amount of such Global Security or Securities in exchange for such Global Security or Securities.

Under certain circumstances specified in the Indenture, the Depository may be required to surrender any two or more Global Securities which have identical terms (but which may have differing Original Issue Dates) to the Trustee, and the Company shall execute and the Trustee shall authenticate and deliver to, or at the direction of, the Depository a Global Security in principal amount equal to the aggregate principal amount of, and with all terms identical to, the Global Securities surrendered thereto and that shall indicate all Original Issue Dates and the principal amount applicable to each such Original Issue Date.

The Indenture and the Securities shall be governed by, and construed in accordance with, the laws of the State of Minnesota.

Unless the certificate of authentication hereon has been executed by the Trustee, directly or through an Authenticating Agent by manual signature of an authorized officer, this Global Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

All terms used in this Global Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture unless otherwise indicated herein.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

NORTHERN STATES POWER COMPANY

By: _____

Title: _____

Dated: _____

Attest: _____

Title: _____

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Security is one of the Securities of the series herein designated, described or provided for in the within-mentioned Indenture.

NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, *as Trustee*

By: _____
Authorized Officer

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM- as tenants in common

UNIF GIFT
MIN ACT _____ Custodian _____
(Cust) (Minor)

TEN ENT- as tenants by the entireties

Under Uniform Gifts to Minors

JT TEN- as joint tenants with right of survivorship and not as tenants in common

State

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

Please print or typewrite name and address including postal zip code of assignee

_____ the within security and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said security on the books of the Company, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatever.

EXHIBIT B

FORM OF SECURITY

REGISTERED REGISTERED

NORTHERN STATES POWER COMPANY

(Incorporated under the laws of the State of Minnesota)

__%DEBT SECURITY, SERIES DUE__

CUSIP: PRINCIPAL AMOUNT:

ORIGINAL ISSUE DATE: MATURITY DATE:

INTEREST RATE: NUMBER:

NORTHERN STATES POWER COMPANY, a corporation of the State of Minnesota (the “*Company*”), for value received hereby promises to pay to or registered assigns, the principal sum of

DOLLARS

on the Maturity Date set forth above, and to pay interest thereon from the Original Issue Date set forth above or from the most recent date to which interest has been paid or duly provided for, semiannually in arrears on _____ and _____ in each year, commencing on the first such Interest Payment Date succeeding the Original Issue Date set forth above, at the per annum Interest Rate set forth above, until the principal hereof is paid or made available for payment. No interest shall accrue on the Maturity Date, so long as the principal amount of this Security is paid in full on the Maturity Date. The interest so payable and punctually paid or duly provided for on any such Interest Payment Date will, as provided in the Indenture (as defined below), be paid to the Person in whose name this Security is registered at the close of business on the Regular Record Date for such interest, which shall be the _____ or _____, as the case may be, next preceding such Interest Payment Date; provided that the first Interest Payment Date for any Security, the Original Issue Date of which is after a Regular Record Date but prior to the applicable Interest Payment Date, shall be the Interest Payment Date following the next succeeding Regular Record Date; and provided, that interest payable on the Maturity Date set forth above or, if applicable, upon redemption or acceleration, shall be payable to the Person to whom principal shall be payable. Except as otherwise provided in the Indenture (referred to on the reverse hereof), any such interest not so punctually paid or duly provided for will forthwith cease to be payable to the Holder on such Regular Record Date and shall be paid to the Person in whose name this Security is registered at the close of business on a Special Record Date for the payment of such defaulted interest to be fixed by the Trustee, notice whereof shall be given to Securityholders not more than fifteen days nor fewer than ten days prior to such

Special Record Date. Principal, applicable premium and interest due at the maturity of this Security shall be payable in immediately available funds when due upon presentation and surrender of this Security at the corporate trust office of the Trustee or at the authorized office of any paying agent in the Borough of Manhattan, the City and State of New York. Interest on this Security (other than interest payable at maturity) shall be paid by check in clearinghouse funds to the Holder as its name appears on the register; provided, that if the Trustee receives a written request from any Holder of Securities (as defined below), the aggregate principal amount of all of which having the same Interest Payment Date as this Security equals or exceeds \$10,000,000, on or prior to the applicable Regular Record Date, interest on the Security shall be paid by wire transfer of immediately available funds to a bank within the continental United States designated by such Holder in its request or by direct deposit into the account of such Holder designated by such Holder in its request if such account is maintained with the Trustee or any paying agent.

REFERENCE IS HEREBY MADE TO THE FURTHER PROVISIONS OF THIS SECURITY SET FORTH IN FULL ON THE REVERSE HEREOF, WHICH FURTHER PROVISIONS SHALL FOR ALL PURPOSES HAVE THE SAME EFFECT AS IF SET FORTH IN FULL AT THIS PLACE.

Unless the certificate of authentication hereon has been executed by the Trustee referred to on the reverse hereof, directly or through an Authenticating Agent by manual signature of an authorized officer, this Security shall not be entitled to any benefit under the Indenture or be valid or obligatory for any purpose.

IN WITNESS WHEREOF, the Company has caused this instrument to be duly executed.

NORTHERN STATES POWER COMPANY

By: _____
Title: _____
Attest: _____
Title: _____

Dated:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Security is one of the Securities of the series herein designated, described or provided for in the within-mentioned Indenture.

NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION, *as Trustee*

By: _____
Authorized Officer

[FORM OF REVERSE OF SECURITY]
NORTHERN STATES POWER COMPANY
_____ % DEBT SECURITIES, SERIES DUE _____

This Security is one of a duly authorized issue of Debt Securities, Series (the “*Securities of this Series*”) of the Company issued and to be issued under an Indenture dated as of June 1, 1999, between the Company and Norwest Bank Minnesota, National Association, as trustee (herein called the “*Trustee*”, which term includes any successor Trustee under the Indenture) and indentures supplemental thereto (collectively, the “*Indenture*”). Under the Indenture, one or more series of Securities may be issued and, as used herein, the term “Securities” refers to the Securities of this Series and any other outstanding series of Securities. Reference is hereby made for a more complete statement of the respective rights, limitations of rights, duties and immunities under the Indenture of the Company, the Trustee and the Security holders and of the terms upon which the Securities are and are to be authenticated and delivered. This Security is one of the series designated on the face hereof, limited in aggregate principal amount to \$

[As applicable, one of the following two sentences: This Security may not be redeemed prior to _____, _____. This Security is not redeemable prior to the Maturity Date set forth on the face hereof.] [If applicable: On or after _____, _____, this Security is redeemable in whole or in part in increments of \$1,000 (provided that any remaining principal amount of this Security shall be at least \$1,000) at the option of the Company at the following redemption prices (expressed as a percentage of the principal amount to be redeemed) plus accrued interest to the redemption date:

Redemption Periods

Redemption Prices

Notice of redemption will be given by mail to Holders of Securities of this Series not less than 30 or more than 60 days prior to the date fixed for redemption, all as provided in the Indenture. In the event of redemption of this Security in part only _____, a new Security or Securities of this Series of like tenor for the unredeemed portion hereof will be issued in the name of the Security holder hereof upon the surrender hereof.

Interest payments for this Security shall be computed and paid on the basis of a 360-day year of twelve 30-day months. In any case where any Interest Payment Date or the date on which the principal of this Security is required to be paid is not a Business Day, then payment of principal, premium or interest need not be made on such date but may be made on the next succeeding Business Day with the same force and effect as if made on such Interest Payment Date or the date on which the principal of this Security is required to be paid, and, in the case of timely payment thereof, no interest shall accrue for the period from and after such Interest Payment Date or the date on which the principal of this Security is required to be paid.

The Company, at its option, and subject to the terms and conditions provided in the Indenture, will be discharged from any and all obligations in respect of the Securities (except for certain obligations including obligations to register the transfer or exchange of Securities, replace

stolen, lost or mutilated Securities, maintain paying agencies and hold monies for payment in trust, all as set forth in the Indenture) if the Company deposits with the Trustee money, U.S. Government Obligations which through the payment of interest thereon and principal thereof in accordance with their terms will provide money, or a combination of money and U.S. Government Obligations, in any event in an amount sufficient, without reinvestment, to pay all the principal of and any premium and interest on the Securities on the dates such payments are due in accordance with the terms of the Securities.

If an Event of Default shall occur and be continuing, the principal of the Securities may be declared due and payable in the manner and with the effect provided in the Indenture.

The Indenture permits, with certain exceptions as therein provided, the amendment thereof and the modifications of the rights and obligations of the Company and the rights of the Securityholders under the Indenture at any time by the Company and the Trustee with the consent of the Holders of not less than a majority in principal amount of the outstanding Securities. Any such consent or waiver by the Holder of this Security shall be conclusive and binding upon such Holder and upon all future Holders of this Security and of any Security issued upon the registration of transfer hereof or in exchange therefor in lieu thereof whether or not notation of such consent or waiver is made upon the Security.

As set forth in and subject to the provisions of the Indenture, no Holder of any Securities will have any right to institute any proceeding with respect to the Indenture or for any remedy thereunder unless such Holder shall have previously given to the Trustee written notice of a continuing Event of Default with respect to such Securities, the Holders of not less than a majority in principal amount of the outstanding Securities affected by such Event of Default shall have made written request and offered reasonable indemnity to the Trustee to institute such proceeding as Trustee and the Trustee shall have failed to institute such proceeding within 60 days; *provided*, however, that such limitations do not apply to a suit instituted by the Holder hereof for the enforcement of payment of the principal of and any premium or interest on this Security on or after the respective due dates expressed here.

No reference herein to the Indenture and to provisions of this Security or of the Indenture shall alter or impair the obligation of the Company, which is absolute and unconditional, to pay the principal of and any premium and interest on this Security at the times, places and rates and the coin or currency prescribed in the Indenture.

As provided in the Indenture and subject to certain limitations therein set forth, the transfer of this Security is registrable in the Security register. Upon surrender of this Security for registration or transfer at the corporate trust office of the Trustee or such other office or agency as may be designated by the Company in the Borough of Manhattan, the City and State of New York, endorsed by or accompanied by a written instrument of transfer in form satisfactory to the Company and the Security registrar, duly executed by the Holder hereof or the attorney in fact of such Holder duly authorized in writing, one or more new Securities of this Series of like tenor and of authorized denominations and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The Securities of this Series are issuable only in registered form, without coupons, in denominations of \$1,000 and any integral multiple thereof. As provided in the Indenture and

subject to certain limitations therein set forth, Securities of this Series are exchangeable for a like aggregate principal amount of Securities of this Series of like tenor and of a different authorized denomination, as requested by the Holder surrendering the same.

No service charge shall be made for any such registration of transfer or exchange but the Company may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

Prior to due presentment of this Security for registration of transfer, the Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name this Security is registered as the owner thereof for all purposes, whether or not this Security is overdue, and neither the Company, the Trustee nor any such agent shall be affected by notice to the contrary.

The Indenture and the Securities shall be governed by, and construed in accordance with, the laws of the State of Minnesota.

All terms used in this Security which are defined in the Indenture shall have the meanings assigned to them in the Indenture.

ABBREVIATIONS

The following abbreviations, when used in the inscription on the face of this instrument, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM- as tenants in common

UNIF GIFT
MIN ACT _____ Custodian _____
(Cust) (Minor)

TEN ENT- as tenants by the entireties

Under Uniform Gifts to Minors

JT TEN- as joint tenants with right of survivorship and not as tenants in common

State

Additional abbreviations may also be used though not in the above list.

FOR VALUE RECEIVED the undersigned hereby sell(s), assign(s) and transfer(s) unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

Please print or typewrite name and address including postal zip code of assignee

_____ the within security and all rights thereunder, hereby irrevocably constituting and appointing _____ attorney to transfer said security on the books of the Company, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature to this assignment must correspond with the name as written upon the face of the within instrument in every particular, without alteration or enlargement or any change whatever.

Exhibit 4(c)(3)

SUPPLEMENTAL AND RESTATED

TRUST INDENTURE

FROM

NORTHERN STATES POWER COMPANY
(A Wisconsin corporation)

TO

FIRST WISCONSIN TRUST COMPANY
TRUSTEE

DATED March 1, 1991

SECURING FIRST MORTGAGE BONDS OF
NORTHERN STATES POWER COMPANY

(Restating, amending and supplementing the
Trust Indenture dated April 1, 1947, as previously
supplemented through March 1, 1988)

CROSS-REFERENCE SHEET SHOWING THE LOCATION IN THE SUPPLEMENTAL
AND RESTATED TRUST INDENTURE OF THE PROVISIONS INSERTED PURSUANT TO
SECTIONS 310 THROUGH 318(a) INCLUSIVE OF THE
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THIS SUPPLEMENTAL AND RESTATED TRUST INDENTURE, made as of March 1, 1991 by and between **NORTHERN STATES POWER COMPANY**, a corporation duly organized and existing under and by virtue of the laws of the State of Wisconsin, having its principal office in the city of Eau Claire, Wisconsin (the “Company”), the party of the first part, and **FIRST WISCONSIN TRUST COMPANY**, a corporation duly organized and existing under and by virtue of the laws of the State of Wisconsin, having its principal office in the City of Milwaukee, Wisconsin, as Trustee (the “Trustee”), party of the second part.

WHEREAS, the Company has executed and delivered to the Trustee its Trust Indenture (the “1947 Indenture”), made as of April 1, 1947, whereby the Company granted, bargained, sold, warranted, released, conveyed, assigned, transferred, mortgaged, pledged, set over, and confirmed to the Trustee, and to its respective successors in trust, all property, real, personal, and mixed, then owned or thereafter acquired or to be acquired by the Company (except as therein excepted from the lien thereof) and, subject to the rights reserved by the Company under the provisions of the 1947 Indenture, to be held by the Trustee in trust in accordance with provisions of the 1947 Indenture for the equal pro rata benefit and security of each and every bond issued and to be issued thereunder in accordance with the provisions thereof; and

WHEREAS, the Company has executed and delivered to the Trustee the following additional Supplemental Trust Indentures which, in addition to conveying, assigning, transferring, mortgaging, pledging, setting over, and confirming to the Trustee, and its respective successors in said trust, additional property acquired by it subsequent to the preparation of the next preceding Supplemental Trust Indenture and adding to the covenants, conditions, and agreements contained in the 1947 Indenture certain additional covenants, conditions, and agreements to be observed by the Company, created the following series of Bonds:

<u>Date of Supplemental Trust Indenture</u>	<u>Designation of Series</u>
March 1, 1949	Series due March 1, 1979 (retired)
June 1, 1957	Series due June 1, 1987 (retired)
August 1, 1964	Series due August 1, 1994
December 1, 1969	Series due December 1, 1999
September 1, 1973	Series due October 1, 2003
February 1, 1982	Pollution Control Series A (redeemed)
March 1, 1982	Series due March 1, 2012 (redeemed)
June 1, 1986	Series due July 1, 2016
March 1, 1988	Series due March 1, 2018

The 1947 Indenture and the foregoing Supplemental Trust Indentures are collectively referred to herein as the “Original Indenture.” The Original Indenture, this Restated Indenture, any Subsequent Supplemental Trust Indentures and any Supplemental Trust Indentures executed after the Effective Date are collectively referred to herein as the “Indenture”; and

WHEREAS, the Company has deemed it necessary and desirable to amend, restate and supplement the Original Indenture as provided in Article I of this Restated Indenture; and

WHEREAS, this Restated Indenture shall become and be effective as provided in Article I hereof; and

WHEREAS, each Holder of a Bond of any series not now Outstanding, which series shall be originally authenticated by the Trustee and originally issued by the Company under the Indenture on or subsequent to the date of this Restated Indenture, by the acquisition, holding or ownership of such Bond, thereby consents and agrees to, and shall be bound by, the provisions of this Restated Indenture on and after the Effective Date; and

WHEREAS, the execution and delivery of this Restated Indenture have been duly authorized by the Company; and

WHEREAS, this Restated Indenture is supplemental to the Original Indenture and shall not in any way extinguish or otherwise adversely affect the lien of the Original Indenture on the mortgaged and pledged property of the Company; and

WHEREAS, capitalized terms previously used in these recitals or hereafter used in the granting clauses (and not otherwise defined herein or therein) shall have the meanings assigned to them by Section 1.03; and

WHEREAS, all things necessary to make this Restated Indenture a valid, binding and legal instrument for the security of the Bonds have been done and performed;

GRANTING CLAUSES

NOW, THEREFORE, THIS INDENTURE WITNESSETH: The Company, in consideration of the premises and of one dollar to it duly paid by the Trustee at or before the ensembling and delivery of these presents, the receipt of which is hereby acknowledged, and in order to secure the payment, both of the principal and interest, of all Bonds at any time Outstanding according to their tenor and effect and the performance of and compliance with the covenants and conditions in this Indenture, has granted, bargained, sold, warranted, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed, and by these presents does grant, bargain, sell, warrant, release, convey, assign, transfer, mortgage, pledge, set over and confirm unto the Trustee, and to its successors in said trust forever, all property, real, personal and mixed now owned or hereafter acquired or to be acquired by the Company, and wherever situated (except as hereinafter excepted from the Lien Hereof) subject to the rights reserved by the Company and by other provisions of the Indenture, including (without in any manner limiting or impairing by the enumeration of the same the scope and intent of the foregoing or of any general description contained in this Indenture) all lands, rights of way, other land rights, flowage and other water rights, reservoirs, dams, waterways, docks, roads, and other land improvements; fossil, nuclear, hydro and other electric generating plants, including buildings and other structures, turbines, generators, boilers, reactors, nuclear fuel, other boiler plant equipment, condensing equipment and all other generating equipment; substations; electric transmission and distribution systems, including structures, poles, towers, fixtures, conduits, insulators, wires, cables, transformers, services and meters; steam heating mains and equipment; gas transmission and distribution systems, including structures, storage facilities, mains, compressor stations, purifier stations, pressure holders, governors, services and meters; office, shop and other buildings and structures, furniture and equipment; apparatus and equipment of all

other kinds and descriptions; all municipal and other franchises, all leaseholds, licenses, permits, privileges, patents and patent rights; parts or parcels of such real property and items of other property being more specifically described and mentioned or enumerated in Schedule A, and in schedules marked Schedule A and annexed to the Original Indenture and to all Subsequent Supplemental Trust Indentures, except all Permanent Additions owned by the Company on or after April 1, 1947, which have been removed, sold, abandoned, destroyed or which for any cause have been permanently withdrawn from service or property described in such schedules which has been released by the Trustee from the Lien Hereof (reference to such schedules for a more specific description and enumeration of the property therein described and enumerated being hereby made with the same force and effect as if the same were incorporated herein at length);

TOGETHER WITH all and singular the tenements, hereditaments and appurtenances belonging or in any way appertaining to the aforesaid property or any part thereof with the reversion and reversions, remainder and remainders, tolls, rents and revenues, issues, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

THERE ARE HEREBY EXCEPTED from the Lien of the Indenture, whether now owned or hereafter acquired by the Company, anything herein contained to the contrary notwithstanding, (1) all shares of stock, bonds, notes, evidence of indebtedness and other securities other than such as may be or are required to be deposited with the Trustee in accordance with the provisions of the Indenture; (2) cash on hand and in banks other than such as may be or is required to be deposited with the Trustee in accordance with the provisions of the Indenture; (3) contracts, claims, bills and accounts receivable and choses in action other than such as may be or are required to be assigned to the Trustee in accordance with the provisions of the Indenture; (4) motor vehicles; (5) any stock of goods, wares and merchandise, equipment and supplies acquired for the purpose of sale or lease in the usual course of business or for the purpose of consumption in the operation, construction or repair of any of the properties of the Company; and (6) parts or parcels of real property specifically described in a schedule marked Schedule B and annexed to the 1947 Indenture.

It is hereby agreed by the Company that, except as hereinabove excepted from the Lien Hereof, all the property, rights and franchises acquired by the Company after the Effective Date shall be as fully embraced within the Lien Hereof as if such property were now owned by the Company and were specifically described herein and conveyed hereby.

The foregoing provisions, as they purport to subject to the Lien Hereof property hereafter acquired by any Successor Corporation, are subject to the provisions of Article XVI relating to the effect of a consolidation or merger into another corporation or sale or lease of substantially all of the property of the Company.

TO HAVE AND TO HOLD all said properties, real, personal and mixed, mortgaged, pledged, or conveyed by the Company as aforesaid, or intended so to be, unto the Trustee and its successors and assigns forever; subject, however, to Permitted Encumbrances.

IN TRUST NEVERTHELESS, for the equal pro rata benefit and security of each and every Bond issued and to be issued hereunder in accordance with the provisions of the Indenture, without preference, priority or distinction as to lien of any over the others by reason of priority in time of the issue, negotiation or maturity thereof; subject, however, to the provisions of the Indenture and of any Supplemental Trust Indenture relating to any sinking fund or similar fund for the benefit of the Bonds of any particular series or of any portion of the Bonds of any series; it being intended that the lien and security for all Bonds shall take effect from the execution and delivery of the Indenture, and that the security and Lien of the Indenture shall take effect from the date of execution and delivery thereof as though all of the Bonds of all series were actually authenticated and delivered upon such date.

PROVIDED, that if the Company, its successors, or assigns, shall pay or cause to be paid unto the Holders of the Bonds the principal and interest to become due in respect thereof, at the times and in the manner stipulated therein and herein, and shall keep, perform and observe each and every covenant and promise expressed in the Bonds and expressed in the Indenture to be maintained, performed and observed by or on the part of the Company, then the Indenture and the estate and rights granted, shall cease, determine and be void, otherwise to be and remain in full force and effect.

IT IS HEREBY COVENANTED, DECLARED AND AGREED, by the Company, that, after the Effective Date, all Bonds previously or hereafter issued are to be issued, authenticated and delivered in accordance with, and that, after the Effective Date, all property subject or to become subject hereto is to be held subject to, the covenants, conditions, uses and trusts set forth herein. The Company, for itself and its successors and assigns, does hereby declare, covenant and agree to and with the Trustee and its successor or successors in said trust, for the benefit of those who shall hold Bonds after the Effective Date, as follows:

ARTICLE I.

**EFFECTIVE DATE; AMENDMENT AND RESTATEMENT OF
ORIGINAL INDENTURE; DEFINITIONS.**

SECTION 1.01. The term “Effective Date” as used herein shall mean the date selected by the Company that is no earlier than the date on which a Supplemental Trust Indenture is first recorded and filed in such manner and to such extent as may be required by law and which states that: (a) the Original Indenture Bonds shall have been retired through payment or redemption (including those Original Indenture Bonds “deemed to be paid” within the meaning of that term as used in Article XVIII of the Original Indenture) at, before or after the maturity thereof, or (b) the Holders or Registered Holders of the Original Indenture Bonds not so retired through payment or redemption (or deemed to be paid within the meaning of Article XVIII of the Original Indenture) in accordance with the requirements of Article XIX of the Original Indenture, as amended pursuant to Article IV of the Supplemental Trust Indenture dated June 1, 1986, shall have approved and agreed to be bound by Section 1.02, Section 1.03, Article II and Articles IV through XXI of this Restated Indenture.

SECTION 1.02. (a) Upon the Effective Date, Articles I through XXI of the 1947 Indenture shall be deleted and replaced by Section 1.03, Article II and Articles IV through XXI of this Restated Indenture.

(b) Upon the Effective Date, the General Form of Coupon Bond, the General Form of Coupon, the General Form of Registered Bond without Coupons, the Form of Trustee’s Certificate, the Form of Coupon Bond of Series due April 1, 1977, the Form of Coupon for Coupon Bonds of Series due April 1, 1977, and the Form of Registered Bond without Coupons of Series due April 1, 1977, in the 1947 Indenture are deleted.

(c) Upon the Effective Date, the Articles of the Supplemental Trust Indentures listed below shall be deleted:

<u>Date of Supplemental Trust Indenture</u>	<u>Articles Deleted</u>
March 1, 1949	Art. II Art. III
June 1, 1957	Art. II Art. III
December 1, 1969	Art. IV
February 1, 1982	Art. II Art. III Art. IV
March 1, 1982	Art. II Art. III Art. IV

June 1, 1986

Art. IV

March 1, 1988

Art. IV

(d) on the Effective Date, the following clause in the recitals of the Supplemental Trust Indentures dated March 1, 1949, June 1, 1957, August 1, 1964, December 1, 1969, September 1, 1973, February 1, 1982, March 1, 1982, June 1, 1986 and March 1, 1988 is deleted:

“**WHEREAS**, Section 2.01 of the Original Indenture provides that bonds may be issued thereunder in one or more series, each series to have such distinctive designation as the Board of Directors of the Company may select for such series; and”

is replaced by the following clause:

“**WHEREAS**, the Indenture provides that bonds may be issued thereunder in one or more series, each series to have such distinctive designation as the Board of Directors of the Company may select for such series; and”.

(e) On the Effective Date, the following clause in the recitals of the Supplemental Trust Indenture dated March 1, 1949 is deleted:

“**WHEREAS**, Sections 2.01, 4.01 and 21.03 of the Original Indenture provide in substance that the Company and the Trustee may enter into indentures supplemental thereto for the purposes, among others, of creating and setting forth the particulars of any new series of bonds and of providing the terms and conditions of the issue of the bonds of any series not expressly provided for in the Original Indenture and of assigning, conveying, mortgaging, pledging and transferring unto the Trustee additional property of the Company, and for any other purpose not inconsistent with the terms of the Original Indenture; and”

is replaced by the following clause:

“**WHEREAS**, the Indenture provides in substance that the Company and the Trustee may enter into indentures supplemental thereto for the purposes, among others, of creating and setting forth the particulars of any new series of bonds and of providing the terms and conditions of the issue of the bonds of any series not expressly provided for in the Original Indenture and of conveying, assigning, transferring, mortgaging, pledging, setting over, and confirming to the Trustee additional property of the Company, and for any other purpose not inconsistent with the terms of the Indenture; and”.

(f) On the Effective Date, the following clause in the recitals of the Supplemental Trust Indentures dated June 1, 1957, August 1, 1964, December 1, 1969, September 1, 1973, February 1, 1982, March 1, 1982, June 1, 1986 and March 1, 1988 is deleted:

“**WHEREAS**, Sections 4.01 and 21.03 of the Original Indenture provide in substance that the Company and the Trustee may enter into indentures supplemental thereto for the purposes, among others, of creating and setting forth the particulars of any

new series of bonds and of providing the terms and conditions of the issue of the bonds of any series not expressly provided for in the Original Indenture and of assigning, conveying, mortgaging, pledging and transferring unto the Trustee additional property of the Company, and for any other purpose not inconsistent with the terms of the Original Indenture; and”.

and is replaced by the following clause:

“**WHEREAS**, the Indenture provides in substance that the Company and the Trustee may enter into indentures supplemental thereto for the purposes, among others, of creating and setting forth the particulars of any new series of bonds and of providing the terms and conditions of the issue of the bonds of any series not expressly provided for in the Original Indenture and of conveying, assigning, transferring, mortgaging, pledging, setting over, and confirming to the Trustee additional property of the Company, and for any other purpose not inconsistent with the terms of the Indenture; and”.

(g) On the Effective Date, the phrase “permissible encumbrances as defined in Section 1.09 of the Original Indenture” referenced in Section 1.01 of the Supplemental Trust Indentures dated March 1, 1949, June 1, 1957, August 1, 1964, December 1, 1969, September 1, 1973, February 1, 1982, March 1, 1982, June 1, 1986 and March 1, 1988 is deleted and the following phrase is inserted in lieu thereof:

“Permitted Encumbrances as defined in the Indenture”.

(h) On the Effective Date, the phrase “shall be dated as in Section 2.09 of the Original Indenture provided.” referenced in Section 2.01 of the Supplemental Trust Indenture dated August 1, 1964 is deleted and the following phrase is inserted in lieu thereof:

“shall be dated as of the interest payment date of the Bonds of said series, next preceding the date of issue thereof, unless issued on an interest payment date, in which event they shall be dated as of such date and shall bear interest from their date or if issued prior to an interest payment date in which event they shall be dated as of the date of coupon bonds of such series.”

(i) On the Effective Date, the phrase “Section 10.02 of the Original Indenture” referenced in Section 2.02 of the Supplemental Trust Indentures dated August 1, 1964, December 1, 1969, September 1, 1973, June 1, 1986 and March 1, 1988 is deleted wherever it appears and the following phrase is inserted in each instance in lieu thereof:

“Section 10.02 of the Indenture”.

(j) On the Effective Date, the phrase “Article XIII of the Original Indenture” referenced in Section 2.02 of the Supplemental Trust Indentures dated August 1, 1964, December 1, 1969, September 1, 1973, June 1, 1986 and March 1, 1988 is deleted wherever it appears and the following phrase is inserted in each instance in lieu thereof:

“ Article XIII of the Indenture”.

(k) On the Effective Date, the phrase “bearing interest as provided in Section 2.09 of the Original Indenture thereupon” referenced in Section 2.03 of the Supplemental Trust Indentures dated December 1, 1969, September 1, 1973, June 1, 1986 and March 1, 1988 is deleted and the following phrase is inserted in lieu thereof:

“bearing interest as provided in Section 2.01 hereof,”

(l) On the Effective Date the phrase “dated and bearing interest as provided in Section 2.09 of the Original Indenture; and upon payment, if the Company shall so require, of the charge therefor as provided in Section 2.11 of the Original Indenture.” referenced in Section 2.05 of the Supplemental Trust Indenture dated August 1, 1964 is deleted and the following phrase inserted in lieu thereof:

“dated and bearing interest as provided in Section 2.01 hereof, and upon payment, if the Company shall so require, of a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge required to be paid by the Company by reason of such exchange and in addition may charge a sum not exceeding five dollars (\$5.00) for each bond issued upon any such exchange, which shall be paid by the party requesting such exchange as a condition precedent to the exercise of the privilege of making such exchange.”

(m) On the Effective Date, the phrase “bearing interest as provided in Section 2.09 of the Original Indenture, and upon payment, if the Company shall so require, of the charge therefor provided in Section 2.11 of the Original Indenture;” referenced in Section 2.06 of the Supplemental Trust Indenture dated August 1, 1964 is deleted and the following phrase is inserted in lieu thereof:

“bearing interest as provided in Section 2.01 hereof, and upon payment, if the Company shall so require, of a charge therefor sufficient to reimburse it for any tax or taxes or other governmental charge required to be paid by the Company by reason of such exchange and in addition may charge a sum not exceeding five dollars (\$5.00) for each bond issued upon any such exchange, which shall be paid by the party requesting such exchange as a condition precedent to the exercise of the privilege of making such exchange.”

(n) On the Effective Date, Section 2.05 of the Supplemental Trust Indenture dated March 1, 1988 is deleted.

SECTION 1.03. Definitions.

Certain terms, as used specifically in particular Articles of the Indenture, are defined in those Articles.

For all purposes of the Indenture, except as otherwise expressly provided or unless the context otherwise requires:

A. The terms defined in this Section have the meanings assigned to them in this Section and include the plural as well as the singular.

B. If the Indenture is qualified under the Trust Indenture Act, all other terms used herein which are defined in said Act, either directly or by reference therein, have the meanings assigned to them therein.

C. All accounting terms not otherwise defined herein have the meanings assigned to them, and all computations herein provided for, shall be made in accordance with generally accepted accounting principles, except that the Company may conform to any order, rule or regulation of any regulatory authority having jurisdiction over the Company.

D. Unless otherwise indicated, all references in this instrument to designated Articles, Sections, subsections, paragraphs and clauses are to the designated Articles, Sections, subsections, paragraphs and clauses of this instrument as originally executed.

E. Unless indicated, all references in this instrument to a particular article and section of the Original Indenture are intended to refer to the specified article and section of the 1947 Indenture, subject to any amendments thereto contained in a Supplemental Trust Indenture.

F. The words “herein”, “hereof” and “hereunder” and other words of similar import refer to the Indenture as a whole and not to any particular Article, Section, subsection, paragraph or clause unless specifically stated to the contrary.

“**Accountant**” means a Person engaged in the practice of accounting who (except as otherwise expressly provided in the Indenture) may be employed by or affiliated with the Company.

“**Accountant’s Certificate**” means a certificate, conforming to the applicable requirements of Sections 21.08 and 21.09, signed and verified by the President or a Vice President of the Company and by an Accountant, who may be such President or Vice President (in which case only one signature shall be required), or who may otherwise be employed by the Company.

“**Acquired Facility**” means any property which, within six months prior to the date of its acquisition by the Company, has been used or operated by a Person other than the Company in a business similar to that in which such property has been or is to be used or operated by the Company.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control”, when used with respect to any specified Person, means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Amount of Established Permanent Additions**” means the balance stated in each Engineer’s Certificate delivered pursuant to paragraph (8) of subdivision (a) of Section 5.04.

“Application” means an application for the authentication and delivery of Bonds, the release of property or the withdrawal of cash under any provision of the Indenture and shall consist of, and shall not be deemed complete until there shall have been delivered to the Trustee, such cash, Bonds, securities and documents as are required by such provision to establish the right of the Company to the action applied for. The date of a particular Application shall be deemed to be the date of completion of such deliveries to the Trustee and not the date of any particular document so delivered.

“Authenticating Agent”, when used with respect to any particular series of Bonds, means any Person named as authenticating agent for said series in the provisions of the Indenture relating to said series and any successor authenticating agent.

“Board of Directors” means either the Board of Directors of the Company or any committee of the Company appointed by the Board of Directors of the Company, provided that such committee of the Company has been properly elected or appointed in accordance with law and the by-laws of the Company and has the power requisite to take the action in question.

“Bondholder” means a Registered Holder of a Bond or, when used with respect to a Coupon Bond, means the bearer of such Bond or, when used with respect to any coupon, shall mean the bearer thereof.

“Bond Register” and **“Bond Registrar”** have the respective meanings stated in Section 2.12.

“Bond” means any bond authenticated and delivered under the Indenture and, if applicable unless the context otherwise requires, any coupons applicable thereto.

“Commission” means the Securities and Exchange Commission, created under the Securities Exchange Act of 1934, or, if at any time after the execution of this instrument such Commission is not existing and performing the duties theretofore assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

“Company” means the party of the first part hereto, Northern States Power Company, a Wisconsin corporation, until a Successor Corporation shall have become such pursuant to the Indenture, and thereafter, “Company” shall mean such Successor Corporation.

“Company Consent”, **“Company Order”** and **“Company Request”** mean, respectively, a written consent, order or request signed in the name of the Company by the President, a Vice President, the Treasurer, an Assistant Treasurer or the Controller and attested by the Secretary or an Assistant Secretary of the Company, and delivered to the Trustee.

“Completed Default” has the meaning stated in Section 14.01.

“Completed Depreciable Property” means, as of any specified time of computation, an amount, determined in accordance with generally accepted accounting principles, equal to the cost, as shown on the books of the Company, of the portion of the properties subject to the Lien Hereof that are currently depreciable.

“Cost”, as applied to Permanent Additions and used in any certificate herein provided for, shall be computed as of any particular date to be the amounts paid, expended or incurred by the Company for such Permanent Additions and added to the utility plant or fixed capital accounts of the Company according to the pertinent classification of accounts prescribed by any commission or other governmental authority to whose jurisdiction the Company at the time may be subject (or, in the absence of such a system, in accordance with generally accepted accounting principles), and, in the case of an Acquired Facility, shall be deemed to include the cost of any franchises, contracts, operating agreements, other rights or intangible property acquired simultaneously therewith and related thereto, even though no separate or distinct consideration shall have been paid for or apportioned to such franchises, contracts, operating agreements or other rights or property; provided that:

(1) there shall be included in the Cost of Permanent Additions the principal amount of any monetary obligations incurred or assumed by the Company which is directly related to the construction, acquisition or erection thereof or subject to which such Permanent Additions are acquired.

(2) if the Company acquires any Permanent Additions in consideration, in whole or in part, of its own capital stock, the reasonable value of such stock may, at the option of the Company, be included in the Cost of such Permanent Additions. The reasonable value of such stock shall be the value thereof as found or determined by a commission or other governmental authority to whose jurisdiction the Company may be subject or, if no such finding or determination shall have been made, then the reasonable value of such stock shall be ascertained as follows: The Company shall appoint one or more Independent appraisers, approved by the Trustee, to determine the reasonable value of such stock on the date or dates of its delivery, which determination shall be evidenced by a certificate, conforming to the requirements of Sections 21.08 and 21.09, signed by such Person so appointed and filed with the Trustee, stating the reasonable value of such stock in the opinion of such Person. Such certificate shall be conclusive evidence of the reasonable value of such stock for purposes of the Indenture.

(3) if Permanent Additions consist of property owned by a Successor Corporation immediately prior to the time it shall become such by consolidation, merger or sale, as provided in Section 16.01, the Cost to the Company shall be the ledger value of such property on the books of such Successor Corporation, less applicable reserves for depreciation, retirements and depletion immediately prior to such consolidation, merger or sale.

“Coupon Bond” means any coupon bond of the Series due August 1, 1994.

“Date Hereof” means March 1, 1991.

“Default” means any event which has occurred and is continuing which, with the lapse of time or giving of notice, or both, would constitute a Completed Default.

“Defaulted Interest” has the meaning stated in Section 2.03.

“Depreciable Property” means, as of any specified time of computation, an amount, determined in accordance with generally accepted accounting principles, equal to the cost, as

shown on the books of the Company, of (i) the Completed Depreciable Property and (ii) properties subject to the Lien Hereof that are in the process of being constructed and will be depreciable upon completion.

“Earnings Applicable to Bond Interest” for any applicable period means an amount computed as follows: From Gross Revenues of the Company, plus losses sustained from the disposition, write down or write off of capital assets, subtract (1) all profit realized from the sale of capital assets; (2) deductions (other than taxes measured by income and interest charges) for all operating expenses and other income deductions (including, to the extent not otherwise deducted, all losses sustained from the disposition, write down or write off of capital assets); and (3) any amount by which the actual expenditures or charges of the Company for ordinary repairs and maintenance and charges for reserves, renewals, replacements, retirements depreciation and depletion are less than 2.50% of Completed Depreciable Property, as of the end of such period.

“Effective Date” means that date defined in Section 1.01.

“Engineer” means a Person who is (1) engaged in the engineering profession, (2) an appraiser or (3) other expert who (except as otherwise expressly provided in the Indenture) may be employed by or affiliated with the Company and who shall be duly authorized to make such certificate or opinion.

“Engineer’s Certificate” means a certificate, conforming to the applicable requirements of Sections 21.08 and 21.09, signed and verified by the President or a Vice President of the Company and by an Engineer who may be such President or Vice President (in which case only one signature shall be required), or who may otherwise be employed by the Company.

“Fair Value”, when used with respect to any property (including obligations for the payment of money or other securities), means the fair value thereof to the Company in the opinion of the Person making the determination. The Fair Value to the Company of any Permanent Additions consisting of an Acquired Facility (i) shall include an amount for any franchises, contracts, operating agreements or other rights acquired simultaneously therewith and related thereto, even though no separate or distinct consideration shall have been paid for or apportioned to such franchises, contracts, operating agreements or other rights, and (ii) shall include as an element of the value of such Permanent Additions a proper amount for the earnings capability of such Permanent Additions.

If the Fair Value of any property, obligation or securities shall be stated both in an Engineer’s Certificate and in an Independent Engineer’s Certificate, the Fair Value stated in the Independent Engineer’s Certificate shall be deemed to be the Fair Value of such property, obligations or securities for all purposes of the Indenture.

“Government Obligations” means obligations which are full faith and credit obligations of the United States of America or payment of which has been unconditionally guaranteed by the United States of America.

“Gross Revenues” means and includes all operating revenues, other revenues and other income of the Company determined in accordance with generally accepted accounting principles.

“Holder”, when used with respect to any Bond, means a Bondholder.

“Indenture” means the 1947 Indenture, as supplemented: (i) by Supplemental Trust Indentures thereto dated March 1, 1949, June 1, 1957, August 1, 1964, December 1, 1969, September 1, 1973, February 1, 1982, March 1, 1982, June 1, 1986 and March 1, 1988, (ii) by this Supplemental and Restated Trust Indenture dated March 1, 1991, (iii) by any Subsequent Supplemental Trust Indentures, and (iv) by any other Supplemental Trust Indentures or instruments supplemental to the Indenture entered into pursuant to the applicable provisions hereof.

“1947 Indenture” means the Trust Indenture dated April 1, 1947, from the Company to First Wisconsin Trust Company.

“Independent”, when used with respect to any specified Person, means such a Person who (1) is in fact independent, (2) does not have any direct financial interest or any material indirect financial interest in the Company or in any other obligor upon the Bonds or in any Affiliate of the Company or such other obligor and (3) is not connected with the Company, or such other obligor or any Affiliate of the Company or such obligor as an officer, employee, promoter, underwriter, trustee, partner, director or Person performing similar functions. The term “employee” in this definition of Independent shall not include any Person, otherwise independent, by reason of having been employed for any purpose for which an Independent Person is necessary under the provisions of the Indenture. Whenever it is herein provided that any Independent Person’s opinion or certificate shall be furnished to the Trustee, such Person shall be appointed by a Company Order and approved by the Trustee in the exercise of reasonable care. Such opinion or certificate shall state that the signer has read this definition and that the signer is Independent within the meaning hereof.

“Independent Accountant’s Certificate” means a certificate, conforming to the applicable requirements of Sections 21.08 and 21.09, signed by an Independent Accountant or a firm of Independent Accountants who are Independent and are appointed by a Company Order and approved by the Trustee in the exercise of reasonable care.

“Independent Engineer’s Certificate” means a certificate, conforming to the applicable requirements of Sections 21.08 and 21.09, signed by an Independent Engineer appointed by a Company Order and approved by the Trustee in the exercise of reasonable care.

“Interest Payment Date” means the Stated Maturity of an installment of interest on the Bonds.

“Land” means, as of any specified time of computation, an amount, determined in accordance with generally accepted accounting principles, equal to the cost, as shown on the books of the Company, of the portion of the properties subject to the Lien Hereof that consist of any interest in real property and are not currently depreciable.

“Lien Hereof” and **“Lien of the Indenture”** mean the lien created by the Indenture (including the after acquired property clauses of the Indenture) and the lien created by any concurrent or subsequent conveyance to the Trustee hereunder (whether made by the Company or any other Person), of any property which is a part of the security held by the Trustee pursuant to the terms, trusts and conditions specified in the Indenture.

“Maintenance Fund” means the fund created in Section 9.01.

“Maturity”, when used with respect to any Bond, means the date on which the principal of such Bond becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration or call for redemption or otherwise.

“Net Earnings Certificate” means an Accountant’s Certificate stating the amount of Earnings Applicable to Bond Interest for a specified period, computed as provided herein, and describing, in reasonable detail, how the same has been calculated and, to that end, specifying the amounts deducted from Gross Revenues on account of the items required to be deducted pursuant to the definition of Earnings Applicable to Bond Interest. When applicable the following rules shall be applied:

(1) for purposes of calculating: (i) the interest requirements applicable to any Bonds, Prior Lien Obligations or Permitted Indebtedness bearing interest at adjustable, floating or variable rates and (ii) the interest requirements applicable to any Bonds, Prior Lien Obligations or Permitted Indebtedness on which interest charges attributable to such Bonds, Prior Lien Obligations or Permitted Indebtedness will not become payable until a date more than one year after the date of such calculation, the interest rate used shall be the higher of (x) the interest rate applicable to such Bonds, Prior Lien Obligations or Permitted Indebtedness on the date of such calculation, or (y) the average interest rate payable on all Bonds Outstanding, Prior Lien Obligations and Permitted Indebtedness during the 12-month period immediately preceding the date of such calculation.

(2) if any property is owned by the Company at the time of: (i) the authentication and delivery of any Bonds applied for or (ii) the withdrawal of any cash, either or both of which require a Net Earnings Certificate, then, although not owned during the whole, or any part, of the period for which the computation of Earnings Applicable to Bond Interest is made, the net earnings or income of such property during the whole of such period (computed in the same manner as Earnings Applicable to Bond Interest is computed), may at the option of the Company be included in Earnings Applicable to Bond Interest for all purposes of the Indenture; provided that if any such property has been acquired in exchange or substitution for property released from the Lien Hereof or through the use of cash deposited with the Trustee under any of the provisions released from the Lien Hereof or through the use of cash deposited with the Trustee under any of the provisions hereof (other than cash deposited in accordance with the provisions of Article VII as a basis for the issuance of Bonds) then the earnings from the property released or which is represented by such cash shall be excluded from Earnings Applicable to Bond Interest.

“Officer’s Certificate” means a certificate, conforming to the applicable requirements of Sections 21.08 and 21.09, signed by the President, a Vice President, the Treasurer or an Assistant Treasurer, or the Controller and attested by the Secretary or an Assistant Secretary of the Company, and delivered to the Trustee. Whenever the Indenture requires that an Officer’s Certificate also be signed by an Engineer or an Accountant or other expert, such Engineer, Accountant or other expert (except as otherwise expressly provided in the Indenture) may be employed by the Company and shall be acceptable to the Trustee.

“Opinion of Counsel” means a written opinion of counsel, conforming to the applicable requirements of Sections 21.08 and 21.09, and who (except as otherwise expressly provided in the Indenture) may be counsel for the Company, and shall be acceptable to the Trustee. Any

Opinion of Counsel given as to title to property may be based, in whole or in part, upon the documents and opinions described in Section 21.17.

“Original Indenture” means the 1947 Indenture, as supplemented by Supplemental Trust Indentures thereto dated March 1, 1949, June 1, 1957, August 1, 1964, December 1, 1969, September 1, 1973, February 1, 1982, March 1, 1982, June 1, 1986 and March 1, 1988.

“Original Indenture Bonds” means all the Bonds of each series authenticated by the Trustee and originally issued under the Original Indenture prior to the date of this Restated Indenture and the coupons, if any, pertaining to such Bonds.

“Outstanding”, when used with respect to Bonds, means, as of the date determination, all Bonds theretofore authenticated and delivered under the Indenture, except:

(1) Bonds theretofore cancelled by the Trustee or delivered to the Trustee for cancellation;

(2) Bonds for which provisions for payment or redemption shall have been made in accordance with Section 6.03 or for whose payment or redemption money, in the necessary amount, has been deposited with the Trustee or any Paying Agent in trust for the Holders of such Bonds, provided that, if such Bonds are to be redeemed, notice of such redemption has been duly given pursuant to the Indenture or provision therefor, satisfactory to the Trustee, has been made; and

(3) Bonds in exchange for or in lieu of which other Bonds have been authenticated and delivered under the Indenture;

provided that, in determining whether the Holders of the requisite principal amount of Bonds Outstanding have given any request, demand, authorization, direction, notice, consent or waiver hereunder, Bonds owned by the Company or any other obligor upon the Bonds or any Affiliate of the Company or of such other obligor shall be disregarded and deemed not Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Bonds which the Trustee knows to be so owned shall be so disregarded. Bonds so owned which have been pledged in good faith may be regarded as Outstanding for such purposes if the pledgee establishes to the satisfaction of the Trustee the pledgee’s right so to act independently with respect to such Bonds and that the pledgee is not the Company or any obligor upon the Bonds or any Affiliate of the Company or of such other obligor.

“Paying Agent” means any Person meeting the requirements established by Section 17.20 who is authorized by the Company to pay the principal of, premium, if any, or interest on any Bonds on behalf of the Company.

“Permanent Additions” means all interests (fractional or otherwise) in property, real, personal or mixed (including therein, without in any way limiting or impairing, by the enumeration of the same, the scope and intent of the foregoing except as hereinafter specifically limited, all lands, buildings, plants, power houses, dams, facilities that process raw materials or waste materials into fuel for the purpose of producing energy, nuclear fuel, reservoirs, stations, lines, pipes, mains, conduits, cables, machinery, pumps, transmission lines, pipelines, rights-of-

way, distribution systems, storage facilities, sub-stations, transformers, service systems, supply systems, wires, poles, cross-arms, apparatus of all kinds and descriptions, improvements, extensions and additions, including operating public utility properties acquired as an entirety) which shall have been made, acquired, constructed or erected by the Company subsequent to April 1, 1947, or which shall be in the process of construction or erection insofar as actually constructed or erected subsequent to April 1, 1947, and used or to be used in the business of (1) generating, manufacturing, storing, transporting, transmitting, distributing or supplying electricity or other forms of energy, including but not limited to gas for light, heat, power, refrigeration or other purposes or steam for heating, processing or other energy purposes, or other forms of energy; (2) acquiring, storing, transporting, transmitting, distributing or supplying water for use in generation of power; (3) selling, granting, leasing or licensing the right to use water (but not for the purpose of irrigation) or (4) providing telephone or other communications services.

(a) Permanent Additions, as described above, need not consist of a specific or completed development, plant, betterment, addition, extension, improvement or enlargement, but may include construction work in progress and property in the process of purchase insofar as the Company shall have acquired title to such property, and may include the following:

(1) fractional interests in poles or other property used for transmission or distribution;

(2) other interests (fractional or otherwise) in property owned jointly or in common with any other Person or in other property used in connection with or relating to any such property owned jointly or in common, whether there are or are not other agreements or obligations on the part of the Company with respect to any such property;

(3) engineering, economic, environmental, financial, geological and legal or other studies, surveys and reports, preliminary to or associated with the acquisition or construction of any property included in the calculation of Depreciable Property.

(b) The term Permanent Additions shall not include:

(1) any property not subject to the Lien of the Indenture;

(2) any land or equipment acquired, leased or used by the Company for the purpose of producing gas, oil, coal, or natural gas or oil rights owned or under lease or gas wells or oil wells or equipment therefor, or coal mines or equipment therefor;

(3) any shares of stock, bonds, notes, evidences or certificates of indebtedness or other securities;

(4) goodwill, going concern value, contracts, agreements, franchises, licenses or permits, whether acquired as such, separate and distinct from the property operated in connection therewith, or acquired as an incident thereto;

(5) any stock of goods, wares and merchandise acquired for the purpose of consumption in the operation, construction or repair of any of the properties of the Company and not chargeable to capital investment be generally accepted accounting

principles or any merchandise or appliances held by the Company for sale to customers or others;

(6) any property acquired, made or constructed by the Company for keeping or maintaining the property subject to the Lien Hereof in good repair, working order and condition or merely to renew, replace or substitute for Retired Property or any property whose cost has not been charged, or is not properly chargeable, to a utility plant or fixed capital account;

(7) any plant or system or other property in which the Company shall acquire only a leasehold interest or any betterments, extensions or improvements or additions of, upon or to any plant or system or other property in which the Company shall own only a leasehold interest, unless the same shall be movable physical personal property which the Company has the right to remove; or

(8) any property that is subject to an encumbrance of the type described in paragraph (20) of the definition of Permitted Encumbrances.

“Permanent Additions of the Company” means and includes property owned by the Company within the definition of Permanent Additions.

“Permitted Encumbrances,” prior to the retirement through payment or redemption of the Original Indenture Bonds (including those Original Indenture Bonds “deemed to be paid” within the meaning of that term as used in Article XVIII of the 1947 Indenture) means “permissible encumbrances” as defined in Section 1.09 of the 1947 Indenture, and thereafter means:

(1) as to the property specifically described in Granting Clauses of the Indenture as of the Effective Date, the restrictions, exceptions, reservations, conditions, limitations and interests which are set forth or referred to in such descriptions and each of which fits one or more of the descriptions in the following paragraphs of this definition, provided that such exceptions do not, in the aggregate, materially detract from the value of the property affected thereby and do not materially impair the use of such property for the purposes for which it is held by the Company;

(2) liens for taxes, assessments and other governmental charges that are not delinquent;

(3) liens for taxes, assessments and other governmental charges already delinquent which are currently being contested in good faith by appropriate proceedings, provided that the Company shall have set aside on its books any reserves with respect thereto that are required by generally accepted accounting principles;

(4) mechanics’ and materialmen’s liens not filed of record and similar charges, not delinquent, that are incident to current construction and mechanics’ and materialmen’s liens incident to such construction which are filed of record but which are being contested in good faith and have not proceeded to judgment, provided that the Company shall have set aside on its books any reserves with respect thereto that are required by generally accepted accounting principles;

(5) mechanics', workmen's, repairmen's, materialmen's, warehousemen's and carriers' liens and other similar liens arising in the ordinary course of business for charges which are not delinquent, or which are being contested in good faith and have not proceeded to judgment, provided that the Company shall have set aside on its books any reserves with respect thereto that are required by generally accepted accounting principles;

(6) liens in respect of attachments, judgments or awards with respect to which the Company shall in good faith currently be prosecuting an appeal or proceedings for review and with respect to which the Company shall have secured a stay of execution pending such appeal or proceedings for review, provided that the Company shall have set aside on its books any reserves with respect thereto that are required by generally accepted accounting principles;

(7) easements or reservations in any property of the Company for roads, public utilities or similar purposes, rights-of-way and easements over or in respect of any real property owned by the Company and zoning ordinances, regulations and restrictions, provided that they do not materially impair the use of such property in the operation of the business of the Company;

(8) minor defects, liens and encumbrances as to which an Opinion of Counsel states: (1) that they will not interfere with the proper operation of the Company's business and (2) (a) that any effect thereof upon the security of the Indenture, is adequately guarded against by bond or other designated indemnity or (b) that any effect thereof does not materially affect the marketability of title to such property and does not materially impair the use of such property for the purposes for which it is held by the Company;

(9) rights of Persons who are parties to agreements with the Company relating to property owned or used jointly (in common) by the Company with such Persons, provided (a) that such rights do not materially impair the use of such jointly owned or used property in the normal operation of the Company's business and do not materially affect the security afforded by the Indenture for the Bonds Outstanding and (b) that such rights are not inconsistent with the rights of the Trustee under Article XIV (a waiver of a right to partition by all joint owners is binding upon the Trustee and is not inconsistent with the provisions of Article XIV);

(10) liens existing at the Effective Date that secure indebtedness neither created, assumed nor guaranteed by the Company nor on account of which it customarily pays interest, or, at the time of acquisition of property by the Company after the Effective Date, liens upon lands over which easements or rights-of-way are acquired by the Company, provided: (a) that such liens do not materially impair the use of such easements or rights-of-way for the purposes for which they are held by the Company or (b) that, in the Opinion of Counsel, the Company has power under eminent domain, or similar statutes, to remove such liens;

(11) (a) leases existing at the Effective Date affecting property owned by the Company on the Effective Date; (b) leases permitting the lessee to occupy or use any of

the mortgaged and pledged property in any manner that does not interfere in any material respect with the use of such property for the purpose for which it is held by the Company and which will not have a material adverse impact on the security afforded by the Indenture; or (c) other leases relating to not more than 5% of the sum of (i) Depreciable Property and (ii) Land;

(12) terminable or short-term leases or permits for occupancy, which leases or permits expressly grant to the Company the right to terminate them at any time on not more than six months' notice and which occupancy does not interfere with the operation of the business of the Company;

(13) liens or privileges vested in any lessor, licensor or permittor for rent to become due or for other obligations or acts to be performed, the payment of which rent or the performance of which other obligations or acts is required under leases, subleases, licenses or permits, so long as the payment of such rent or the performance of such other obligations or acts is not delinquent;

(14) liens or privileges of any employees of the Company for salary or wages earned but not yet payable;

(15) burdens of any law or governmental regulation or permit requiring the Company to maintain certain facilities or perform certain acts as a condition of its occupancy of or interference with any public lands or any river or stream or navigable waters;

(16) irregularities in or deficiencies of title to any right-of-way for telephone, telegraph or other communications lines, pipelines, power lines or appurtenances thereto, or other improvements thereon, and to any real estate used or to be used primarily for right-of-way purposes, provided that, in the Opinion of Counsel, the Company shall have obtained from the apparent owner of the lands or estates therein covered by any such right-of-way a sufficient right, by the terms of the instrument granting such right-of-way, to the use thereof for the construction, operation or maintenance of the lines, appurtenances or improvements for which the same are used or are to be used, or provided that, in the Opinion of Counsel, the Company has power under eminent domain, or similar statutes, to remove such irregularities or deficiencies;

(17) rights reserved to, or vested in, any municipality or governmental or other public authority to control or regulate any property of the Company, or to use such property in any manner, which rights do not materially impair the use of such property for the purposes for which it is held by the Company;

(18) obligations or duties, affecting the property of the Company, to any municipality or governmental or other public authority with respect to any franchise, grant, license or permit;

(19) rights which any municipal or governmental authority may have by virtue of any franchise, license, contract or statute to terminate any franchise, license or other rights or to regulate the property and business of the Company;

(20) any mortgage, lien, charge or encumbrance prior or equal to the Lien of the Indenture, other than a Prepaid Lien, existing at the date any property is acquired by the Company, provided that at the date of acquisition of such property: (a) no Default has occurred and is continuing; (b) the principal amount of indebtedness outstanding under and secured by such mortgage, lien, charge or encumbrance shall not exceed 66-2/3% of the lesser of the Cost or Fair Value of the property so acquired (determined in the same manner as the Cost or Fair Value to the Company of Permanent Additions); (c) each such mortgage, lien, charge or encumbrance shall apply only to the property originally subject thereto and fixed improvements erected on such real property or affixed to such personal property or equipment used in connection with such real or personal property and that the Company shall cause to be closed all mortgages or other liens existing at the time of acquisition of any property hereafter acquired by the Company and will permit no additional indebtedness to be issued thereunder or secured thereby, except for the replacement of any mutilated, lost or destroyed notes or bonds or to effect exchanges of notes or bonds of different denominations or transfer of such notes or bonds, as may be permitted by the mortgage, lien, charge or encumbrance securing such notes or bonds;

(21) Prepaid Liens; and

(22) reservations of minerals and mineral rights existing at the time any real property is acquired by the Company.

“Permitted Indebtedness” means any outstanding indebtedness which is secured by a mortgage, lien, charge or encumbrance described in paragraph (20) of the definition of Permitted Encumbrances.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization or government or any agency or political subsection thereof.

“Place of Payment,” when used with respect to Bonds of any series, means a city or any political subdivision thereof in which the Company is required, by the Indenture, to maintain an office or agency for the payment of the principal of, premium, if any, or interest on the Bonds of such series.

“Prepaid Lien” means any Prior Lien Obligation or Permitted Indebtedness, for which the Company has deposited or caused to be deposited in trust, with the Trustee, or other banking institution specified in the documentation pertaining to such Prior Lien Obligation or Permitted Indebtedness, any combination:

(i) of cash and

(ii) of Government Obligations (which shall not contain provisions permitting the redemption thereof at the option of the issuer), maturing as to principal and interest (without any regard to the reinvestment thereof) in such amounts and at such times as will assure the availability of cash

that is necessary to pay and discharge the entire principal of, premium, if any, and interest on such Prior Lien Obligation or Permitted Indebtedness to the date of maturity thereof

or the redemption date, as the case may be; and, if such Prior Lien Obligation or Permitted Indebtedness is to be redeemed, the Company has made arrangements satisfactory to the Trustee for the giving of notice of redemption at the expense of the Company. Upon the filing with the Trustee of an Accountant's Certificate and an Opinion of Counsel stating that such Prior Lien Obligation or Permitted Indebtedness has been paid or reduced or has been ascertained by judicial determination otherwise to be in whole or in part invalid, and specifying the amount of such payment, reduction or the extent of such invalidity, as the case may be, any cash and Government Obligations so deposited shall be repaid to the Company proportionately to the extent of such payment, reduction or invalidity, as the case may be.

"Prior Lien" means any mortgage, lien, charge or encumbrance on or pledge of or security interest in any of the property of the Company subject to the Lien of the Indenture prior to or upon a parity with the Lien of the Indenture, other than Permitted Encumbrances.

"Prior Lien Obligation" means any indebtedness and any evidence thereof secured by a Prior Lien.

"Redemption Date," when used with respect to any Bond to be redeemed, means the date fixed for such redemption.

"Registered Bond" means any Bond registered in the Bond Register.

"Registered Holder," when used with respect to any Registered Bond, means the Person in whose name such Bond is registered in the Bond Register.

"Regular Record Date" for the interest payable on any Interest Payment Date on the Bonds of any series means the date specified in the provisions of the Supplemental Trust Indenture creating such series.

"Release Fund" means the fund created by Section 11.09.

"Resolution" means a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

"Responsible Officer," when used with respect to the Trustee, means the chairman or vice-chairman of the board of directors of the Trustee, the chairman or vice-chairman of the executive committee of said board, the president, any vice-president, the secretary, any assistant secretary, the treasurer, any assistant treasurer, the cashier, any assistant cashier, any trust officer or assistant trust officer, the controller, any assistant controller or any other officer of the Trustee customarily performing functions similar to those performed by any of the above-designated officers and also means, with respect to a particular corporate trust matter, any other officer of the Trustee to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Restated Indenture" means the Supplemental and Restated Trust Indenture dated March 1, 1991.

“Retired Property” shall mean (a) all Permanent Additions owned by the Company on or after April 1, 1947, which have been removed, sold, abandoned, destroyed or which for any cause have been permanently withdrawn from service and (b) after the Date Hereof, the portion of all Permanent Additions for which reductions have been made in the Cost at which such Permanent Additions have been recorded on the books of the Company, except reductions resulting from the transfer of any portion of the Cost of such Permanent Additions to some other property account of the Company (until the Permanent Additions so transferred shall be retired from such other account) and except reductions, if any, resulting from depreciation or similar charges.

“Sinking Fund” means any sinking fund or similar fund created pursuant to Section 2.07 or Article XIII.

“Special Record Date” for the payment of any Defaulted Interest on Bonds means a date fixed by the Trustee pursuant to Section 2.03.

“Stated Maturity,” when used with respect to any Bond, means each date specified in such Bond as the fixed date on which the principal of and installments of interest on such Bond are due and payable.

“Subsequent Supplemental Trust Indenture” means any indenture supplemental to the Indenture that is dated, executed by the Company and delivered to the Trustee after the Date Hereof and prior to the Effective Date.

“Successor Corporation” has the meaning stated in Section 16.02.

“Supplemental Trust Indenture” means an indenture supplemental to the Indenture executed by the Company and delivered to the Trustee.

“Trust Indenture Act” means the Trust Indenture Act of 1939, as in force at the Date Hereof.

“Trustee” means the party of the second part hereto, First Wisconsin Trust Company, until a successor Trustee shall have become such pursuant to the applicable provisions of the Indenture, and thereafter “Trustee” shall mean such successor Trustee.

“Vice President,” when used with respect to the Company or the Trustee, means any vice president, whether or not designated by a number or a word added to the title.

ARTICLE II.

FORM AND EXECUTION OF BONDS.

SECTION 2.01. The Indenture creates a continuing lien to secure the full and final payment of the principal of, premium, if any, and interest on all Bonds which may be Outstanding. The aggregate principal amount of Bonds which may be issued, authenticated, delivered and Outstanding under the Indenture is not limited except as provided in Articles IV through VII and the provisions of any Supplemental Trust Indenture creating any series of Bonds and except as may be limited by law.

At the option of the Company, Bonds may be issued in one or more series. All Bonds of any one series shall be identical in form and language except for necessary or proper variation between temporary Bonds, Registered Bonds and Coupon Bonds or bonds of different denominations and, in the case of Bonds of any series of serial maturity as to the date of maturity, and the prices, terms, and conditions of redemption thereof. Each series shall have such distinctive designation as the Board of Directors may select for such series, and each Bond shall bear upon the face thereof the designation so selected for the series to which it belongs. Each series may bear interest at a fixed or variable rate or may bear no interest or may bear interest only upon the occurrence of certain events described in the Bonds or the Supplemental Trust Indenture relating to the Bonds of that series. The form of the Bonds of each series created before the Effective Date shall conform to the applicable provisions of the Original Indenture or any Subsequent Supplemental Trust Indenture relating thereto. The form of the Bonds of each series that is created on or after the Effective Date shall be established at the time of creation of the series by Resolution. Subject to the qualifications contained in the preceding sentence and in Sections 2.02 through 2.17, the text of the Bonds and of the certificate of the Trustee upon all Bonds shall be as described in Section 2.02. The Bonds of any series, whether temporary, Registered or Coupon, may contain such other terms, provisions, specifications and descriptive words, and may have such letters, words, numbers or other marks of identification or designation and such legends or endorsements printed, lithographed or engraved thereon not inconsistent with the provisions hereof, as may be necessary or proper to comply with the rules of any broker's board or exchange or with the order of any governmental body having jurisdiction, or to conform to usage with respect thereto or as may be desired by the Board of Directors.

Before any Bonds of any series that is created on or after the Effective Date shall be authenticated or delivered by the Trustee, a copy of the Resolutions creating the series shall be delivered by the Company to the Trustee. The Company also shall deliver to the Trustee a Supplemental Trust Indenture in recordable form, which contains the particulars of the new series of Bonds as above set forth, and also contains provisions appropriate to give such Bonds the protection and security of the Indenture.

SECTION 2.02. The form of Bonds of each series that is created on or after the Effective Date and the form of the Trustee's certificate of authentication shall be set forth in a Supplemental Trust Indenture. The Bonds of any one or more series that is created on or after the Effective Date may be expressed in one or more foreign languages, if also expressed in the English language. The English text shall govern the construction thereof and both or all texts shall constitute only a single obligation. The English text of the Bonds and the Trustee's certificate of authentication shall be in the form set forth in a Supplemental Trust Indenture;

provided that the form of each series of Bonds shall specify the descriptive title of such series of Bonds (which title shall contain the words "First Mortgage Bonds"), the designation of such series, the rate or rates of interest, if any (or the method by which such rate or rates are determined), to be borne by the Bonds of such series, the coin or currency in which payable (which need not be coin or currency of the United States of America), the Stated Maturities of principal and interest, and a place or places (which need not be in the United States of America), and the means (which may include mail) for the payment of principal of, premium, if any, and interest on such Bonds, and the record dates for the payment of interest. Any series of Bonds that is created on or after the Effective Date also may have such omissions or modifications or contain such other provisions not prohibited by the Indenture as may be set forth in a Supplemental Trust Indenture. Any portion of the text of any Bond may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds of each series shall be printed, lithographed, engraved or produced by any combination of these methods or produced in any other manner permitted by the rules of any securities exchange on which the Bonds may be listed or, if not so listed, as determined by the Company but is subject to the provisions of subdivision (c) of Section 2.12, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

SECTION 2.03. The principal of and interest on the Bonds shall be payable at the option of the Company at such place or places as shall be set forth in such Bonds.

Interest on any Bond of any series that was created prior to the Effective Date shall be payable to the Person specified in such Bond or in the provisions of the Supplemental Trust Indenture creating such series.

Interest on any Bond of any series that is created on or after the Effective Date which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Bond is registered at the close of business on the Regular Record Date for such interest. At the option of the Company, interest on any such Bond may be paid by check mailed to the Person entitled to such interest.

Any interest on any Bond of any series that is created on or after the Effective Date which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called "Defaulted Interest") shall forthwith cease to be payable to the Registered Holder on the relevant Regular Record Date solely by virtue of such Holder having been such Holder; and such Defaulted Interest shall be paid by the Company, at its election, as provided in subdivision (a) or (b) below:

(a) The Company may elect to make payment of any Defaulted Interest on the Bonds of any series to the Persons in whose names such Bonds are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. Prior to the Trustee establishing any Special Record Date, the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit on or prior to the date of the proposed payment. Such money, when deposited, shall be held in trust for the benefit of the Persons entitled to such Defaulted Interest as provided in this subdivision (a) and

shall not be deemed part of the mortgaged and pledged property hereunder. The Company also shall notify the Trustee, in writing, of the amount of Defaulted Interest proposed to be paid on each Bond and the date of the proposed payment. Such date of proposed payment shall enable the Trustee to comply with the next sentence hereof. Thereupon, the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be (i) not more than 15 nor less than 10 days prior to the date of the proposed payment and (ii) not less than 10 days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of a Bond of such series at his address, as it appears in the Bond Register not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest shall be paid to the Registered Holders of the Bonds of such series on such Special Record Date and shall no longer be payable pursuant to the following subdivision (b).

(b) The Company may make payment of any Defaulted Interest on the Bonds of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Bonds may be listed (or, if not so listed, in any other lawful manner) and upon such notice as may be or would be required by such exchange, if, after written notice given by the Company to the Trustee of the proposed payment pursuant to this subdivision (b), such payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section 2.03, each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bond.

SECTION 2.04. At the option of the Company, provision may be made with respect to the Bonds of any series for (a) the payment of the principal thereof, interest thereon or both without deduction for taxes and (b) any taxes which shall be reimbursed by the Company in case of payment by the Bondholder, provided that the obligation to make any such reimbursement shall not be deemed to be a part of the indebtedness secured by the Lien of the Indenture. Such provision may be limited to taxes imposed by any taxing authorities of a specified class and may exclude from its operation, or be limited to, any specified tax or taxes or any portion thereof.

SECTION 2.05. The dates of issue, Stated Maturities of principal and interest and rates of interest of the Bonds of each series, the designation of the series, and the descriptive title of the Bonds included therein and the terms and conditions, if any, upon which the Company may redeem any of such Bonds before its Stated Maturity, shall be as designated in the form established for such series in accordance with the provisions hereof.

SECTION 2.06. The Company may, in the Bonds of each series that is created on or after the Effective Date, stipulate and agree that the principal of such bonds may be converted, at the option of the Holders, into the capital stock or other securities, of any class of the Company, or of any Successor Corporation, upon such terms and conditions as the Board of Directors may determine and may cause appropriate insertions to be made in the text of such Bonds for the

purpose of stating such agreement with respect to the conversion and the terms and conditions thereof.

SECTION 2.07. In addition to the requirements of Article XIII applicable to any series of Bonds issued prior to the Effective Date, the Company may, at the time of creation of any series of Bonds issued on or after the Effective Date, make suitable provision, in such manner as may be determined by the Board of Directors not inconsistent with the provisions hereof, for the payment to the Trustee as or toward a sinking fund or similar fund for the payment, redemption, acquisition or retirement in any manner of the Bonds of such series or any portion thereof, and the Company also may provide, at any time, in such suitable manner as may be determined by the Board of Directors not inconsistent with the provisions hereof, for the creation of an additional sinking fund or similar fund for the payment, redemption, acquisition or retirement in any manner of the Bonds, or any portion thereof.

SECTION 2.08. Except as otherwise provided in any Supplemental Trust Indenture creating a series of Bonds, the Bonds of any series shall be executed, authenticated and delivered as Registered Bonds without coupons and may be issued in denominations of \$1,000 and such multiples thereof as the Board of Directors may authorize.

SECTION 2.09. All Bonds of each series that is created on or after the Effective Date shall be dated their date of authentication. Bonds of each series created prior to the Effective Date shall be dated in the manner specified in the Supplemental Trust Indenture creating such series.

SECTION 2.10. The Bonds of any series, at the option of the Company, may contain provisions permitting the exchange or interchange of Bonds, to wit: the exchange or interchange of Bonds for or with Bonds of other denominations; and the exchange of Bonds of one series for Bonds of another series of the same or later maturity. Such privileges of exchange or interchange may be made subject to any conditions, limitations or restrictions which the Company shall cause to be specified in the Bonds so made exchangeable or interchangeable in the Supplemental Trust Indenture creating the series. The privilege of exchange or interchange may be conferred upon the Holders of Bonds of one or more denominations and withheld from the Holders of Bonds of other denominations of the same series.

Each Bond issued in exchange for or upon transfer of any other Bond shall be a valid obligation of the Company, evidence the same debt, secured by the Lien Hereof and entitled to all benefits and protection hereof to the same extent as the Bond surrendered for such exchange or transfer.

SECTION 2.11. In all cases of exchanges of Bonds contemplated by Section 2.10, the Bonds to be exchanged shall be surrendered at the office or agency of the Company in such place or places as shall be designated for the purpose in such Bonds or in the Indenture or any Supplemental Trust Indenture and the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor the Bonds which the Bondholder making the exchange shall be entitled to receive. All Bonds so surrendered for exchange shall be cancelled by the Trustee. After the Effective Date, and before the Effective Date if so provided in a Supplemental Trust Indenture creating a series of Bonds prior to the Effective Date, the Company may impose a reasonable service charge to cover its costs incurred in connection with any registration, transfer,

or exchange, including registrations and transfers of Bonds under the provisions of Section 2.12. The Company may make a charge sufficient to reimburse it for any tax or taxes or other governmental charge required to be paid by the Company by reason of such exchange or transfer. The Company shall not be obligated (a) to exchange any Bonds of any series that is created on or after the Effective Date for the 15-day period next preceding the day of the first mailing of a notice of redemption of Bonds of such series under Section 10.02 or (b) to exchange any such Bond so selected for redemption in whole or in part.

SECTION 2.12. (a) The Company shall keep at the office of the Trustee and the Company's office or agency in such other place as shall be designated for the purpose in any Bond, books for the registration and transfer of Bonds (the "Bond Register"), which, at all reasonable times, shall be open for inspection by the Trustee, and, upon presentation for such purpose at any office or agency, the Company will register or cause to be registered therein, and permit to be transferred thereon, under such reasonable regulations as it may prescribe, any Bonds entitled to be transferred at such office or agency.

(b) The Trustee is hereby appointed "Bond Registrar" for the purposes of registering and transferring Bonds. Upon the transfer of any Bond, the Company shall issue, in the name of the transferee or transferees, a new Bond of like form and the Trustee shall authenticate and deliver the same to him or them. The Company shall not be required (1) to issue or transfer any Bond of any series that is created on or after the Effective Date during the 15 days next preceding the day of the first mailing of a notice of redemption of Bonds of such series under Section 10.02 or (2) to issue or transfer any such Bond so selected for redemption in whole or in part.

(c) The Company may, at its option, provide for alternative methods or forms for evidencing and recording the ownership of Bonds. As provided in Section 19.01, the Company may amend the Indenture to establish such alternative methods or forms.

SECTION 2.13. All Bonds shall be executed on behalf of the Company by its President or one of its Vice Presidents and its corporate seal shall be affixed thereunto, or printed, lithographed, or engraved thereon, in facsimile, and attested by its Secretary or one of its Assistant Secretaries. Any such signatures may be manual or facsimile signatures and may be imprinted or otherwise reproduced. In case any of the officers who shall have signed any Bonds or attested the seal thereon shall cease to be such officers of the Company before the Bonds so signed and sealed shall have been authenticated by the Trustee or delivered by the Company, such Bonds nevertheless may be issued, authenticated and delivered with same force and effect as though the Persons who signed such Bonds and attested the seal thereon had not ceased to be such officers of the Company. Any Bond may be signed or attested on behalf of the Company by a person who at the actual date of the execution of such Bond shall be the proper officer of the Company, although at the date of such Bond such Person shall not have been an officer of the Company.

SECTION 2.14. Until definitive Bonds are ready for delivery, there may be authenticated, delivered and issued in lieu thereof, temporary printed, lithographed or typewritten Bonds in registered form substantially of the tenor of the Bonds described herein with appropriate variations, omissions or insertions. Such temporary Bonds may be of such denominations, as the Company may determine. Until exchanged for definitive Bonds, such

temporary Bonds shall be entitled to the benefit and Lien of the Indenture. Without unnecessary delay, the Company will execute and furnish definitive Bonds to be exchanged for such temporary Bonds upon surrender thereof to the Trustee or, at the option of the Holder, at the office of any Authenticating Agent appointed in accordance with Section 17.15. Upon such exchange, which the Company shall make without any charge therefor, such temporary Bonds shall be destroyed by the Trustee. Upon the exchange and destruction of said Bonds, a certificate of such destruction shall be delivered to the Company pursuant to Section 21.07. Until such definitive Bonds are ready for delivery, the Holder of temporary Bonds may, if provided by the terms thereof, exchange the same by surrendering such temporary Bonds to the Trustee for a like aggregate principal amount of temporary Bonds in such denominations as the Company may determine to issue in exchange.

SECTION 2.15. Upon receipt by the Company and the Trustee of evidence satisfactory to them of the loss, destruction, mutilation or theft of any Outstanding Bond and of indemnity satisfactory to them and upon surrender and cancellation of any mutilated Bond, the Company may execute, and the Trustee may authenticate and deliver, a new Bond of the same series and maturity and of like tenor, to be issued in lieu of such lost, stolen, destroyed or mutilated Bond. Such new Bond in the discretion of the Company or the Trustee may bear the same serial number as the lost, destroyed, mutilated or stolen Bond in lieu of which it is issued (in which case the new Bond may be marked "Duplicate" or be otherwise distinguished) or may bear a different serial number and such endorsement as may be agreed upon by the Company and the Trustee, and which at the time may be necessary to conform to the requirements of any securities exchange. The Company and the Trustee may require the payment of a sum sufficient to reimburse them for all expenses in connection with the issue of each new Bond under this Section 2.15.

SECTION 2.16. Subject to the qualifications herein set forth, the Bonds to be secured hereby shall be substantially of the tenor and effect herein recited. No Bonds shall be secured hereby unless there shall be endorsed thereon the certificate by the Trustee that it is one of the Bonds described herein; and such certificate on any such Bond shall be conclusive evidence that such Bond has been duly authenticated and delivered and is secured hereby.

SECTION 2.17. (a) If the Company, pursuant to Article XVI, shall be consolidated with or merged into any other corporation or shall sell the mortgaged and pledged property as an entirety or substantially as an entirety, and the Successor Corporation resulting from such consolidation, or into which the Company shall have been merged, or which shall have received a conveyance or transfer as aforesaid, shall have executed with the Trustee and caused to be recorded an indenture pursuant to Article XVI, any of the Bonds issued prior to such consolidation, merger, conveyance or transfer may, at the request of the Successor Corporation, be exchanged for other Bonds of the same series and Maturity executed in the name and under the seal of the Successor Corporation, with such changes in phraseology and form as may be appropriate but in substance of like tenor as the Bonds surrendered for such exchange, and of like principal amount; and the Trustee, upon the request of the Successor Corporation, shall authenticate Bonds as specified in such request for the purpose of such exchange and shall deliver them upon surrender of the Bonds to be exchanged therefor. In case of any such exchange the Trustee shall forthwith cancel the surrendered Bonds and, on the written request of

the Company, deliver the same to the Company. All bonds so executed in the name and under the seal of the Successor Corporation and authenticated and delivered shall in all respects have the same legal rank and security as the Bonds executed in the name of the Company and surrendered upon such exchange with like effect as if the Bonds so delivered in the name of the Successor Corporation had been made, authenticated and issued hereunder on the Date Hereof.

(b) The Company covenants and agrees that, if additional Bonds of any particular series of which Bonds are at the time Outstanding shall at any time be authenticated and delivered in the name of a Successor Corporation, the Company will provide for the exchange of any Bonds of any such series previously issued for Bonds issued in the name of such Successor Corporation, at the option of and without expense to the Holder.

ARTICLE III.

[Omitted]

ARTICLE IV.

**PROVISIONS APPLICABLE GENERALLY TO ISSUANCE OF
ALL ADDITIONAL BONDS.**

SECTION 4.01. No Bonds shall be authenticated and delivered by the Trustee under Articles V, VI or VII unless the Trustee shall have received prior to or at the time of the authentication and delivery thereof:

(a) a written Application, dated not more than 90 days preceding the date of the authentication and delivery of Bonds then applied for, executed in the name of the Company by the President or a Vice President stating the aggregate principal amount, the series thereof, the denomination and form of the Bonds requested to be authenticated and delivered, and the Persons to whom or upon whose order such Bonds are to be delivered;

(b) a Resolution authorizing such Application;

(c) An Opinion of Counsel that (i) no consent of any governmental authority is requisite to the legal issue of the Bonds, the authentication and delivery of which have been applied for, or that the issue of such Bonds has been duly authorized by any and all governmental authorities, the consent of which is requisite to the legal issue of such Bonds and specifying any officially authenticated certificates or other documents by which such consent is or may be evidenced, (ii) all mortgage, registration and other similar taxes applicable to the Bonds applied for have been paid, or that provision for the payment thereof has been made or that no such payment is required by law, (iii) the amount of indebtedness which may be incurred by the Company is not then limited by law or by any corporate action limiting the total authorized indebtedness of the Company, or that the total amount of outstanding indebtedness of the Company, stated in the accompanying Accountant's Certificate provided for in subdivision (d) of this Section 4.01, plus the aggregate principal amount of the Bonds applied for in the accompanying Application, does not exceed the amount of indebtedness of the Company as then limited by law or by such corporate action, and (iv) all corporate action necessary to be taken by the Company to permit the legal and valid issue and authentication and delivery of the Bonds which have been applied for has been duly had and taken;

(d) Unless the Opinion of Counsel provided for in the foregoing subdivision (c) shall state that the amount of indebtedness which may be incurred by the Company is not then limited by law or by such corporate action, an Accountant's Certificate stating the total amount of indebtedness of the Company including the aggregate face amount of Bonds Outstanding;

(e) The officially authenticated certificates or other documents, if any, specified in the Opinion of Counsel provided for in the foregoing subdivision (c), and evidence satisfactory to the Trustee of the payment or provision for payment of any taxes therein referred to;

(f) The Resolution and Supplemental Trust Indenture creating the series of which such Bonds are a part, if the Bonds, the authentication and delivery of which are applied for, are not a part of any series then existing;

(g) An Officer's Certificate stating that no Default has occurred and is continuing and that the granting of such Application will not result in a Default.

SECTION 4.02. The Trustee shall authenticate and deliver Bonds only in accordance with the provisions of the Indenture.

ARTICLE V.

ISSUANCE OF BONDS UPON THE BASIS OF PERMANENT ADDITIONS.

SECTION 5.01. Subject to the provisions of Article IV, Bonds may be executed by the Company and delivered to the Trustee and shall be authenticated and delivered by the Trustee upon the basis of the acquisition or construction of Permanent Additions. Such additional Bonds shall be authenticated and delivered only in accordance with and subject to the conditions, provisions and limitation set forth in Sections 5.02 through 5.07.

SECTION 5.02. No Bonds shall be authenticated and delivered under the provisions of this Article V upon the basis of the acquisition or construction by the Company of any Permanent Additions until the Cost and Fair Value of such Permanent Additions shall have been certified to the Trustee as provided in Section 5.04. The aggregate principal amount of Bonds that may be authenticated and delivered under the provisions of the Article V is limited to 66-2/3% of the Cost or Fair Value, whichever is less, of the Permanent Additions forming the basis of the authentication and delivery thereof, provided that: (a) in each case, there shall be deducted from such Cost or Fair Value, as the case may be, the amounts removed from the fixed capital accounts of the Company as and for the Cost of any Retired Property during the period from April 1, 1947 to a date not more than 90 days preceding the date of authentication and delivery of the Bonds applied for; (b) in the case of Retired Property lost or destroyed by fire, or sold and released from the Lien of the Indenture, which is offset in whole or in part by cash, purchase money obligations deposited with the Trustee or property received in exchange for such Retired Property and made subject to the Lien of the Indenture, the amount deducted on account of such Retired Property and made subject to the Lien of the Indenture, which in exchange for such Retired Property shall be only the amount by which the Cost therefor shall exceed the aggregate amount of cash, the Fair Value of the purchase money obligations so deposited and the property received in such exchange; and (c) any such amounts which shall have been once deducted from the Cost or Fair Value of Permanent Additions included in any certificate previously delivered to the Trustee (including certificates delivered, prior to the Effective Date, pursuant to the Original Indenture or any Subsequent Supplemental Trust Indenture), for the authentication and delivery of Bonds, the withdrawal of cash or the release of property under any of the provisions of the Indenture, for the establishment of a credit to the Maintenance Fund or for the satisfaction of any sinking fund requirement relating to any series of Bonds, need not be deducted again on any such subsequent Application.

In no event shall the Indenture be construed to require the Company to deduct the Cost of Retired Property which was constructed, acquired or erected on or subsequent to April 1, 1947, but which has not at any time been included as a Permanent Addition in any Engineer's Certificate delivered to the Trustee under subdivision (a) of Section 5.04.

SECTION 5.03. No Bonds shall be authenticated and delivered under this Article unless, as shown by a Net Earning's Certificate, the Earnings Applicable to Bond Interest for a period of 12 consecutive calendar months within the 15 calendar months immediately preceding the date of any Application for the authentication and delivery of Bonds is made shall have been, in the aggregate, at least twice the interest requirements for a period of one year upon (a) the Bonds

applied for, (b) the Bonds Outstanding on the date of such Application and (c) all Prior Lien Obligations and Permitted Indebtedness maturing more than one year after the date of such calculation.

SECTION 5.04. The Company may deliver to the Trustee the documents described in the following subdivisions (a), (c) and (d) and when applicable (b) or (e), each accompanied by the others, for the purpose of establishing the Cost and Fair Value of Permanent Additions and the Amount of Established Permanent Additions to be used for any of the following purposes:

- (i) authentication and delivery of Bonds under the provisions of this Article V;
 - (ii) withdrawal of cash under Section 7.02;
 - (iii) taking a credit to the Maintenance Fund under the provisions of subdivision (d) of Section 9.01;
 - (iv) withdrawal of cash from the Maintenance Fund based on the Cost or Fair Value of any Permanent Additions under the provisions of Section 9.04;
 - (v) withdrawal under the provisions of Section 11.10 of moneys in the Release Fund or moneys which are required by any provision of the Indenture to be held, applied or disposed of by the Trustee in the same manner as moneys in the Release Fund; or
 - (vi) application to a Sinking Fund of the Bonds of any series as and to the extent set forth in the subdivision (c) of Section 13.01 for applications made pursuant thereto or as provided in the Supplemental Trust Indenture creating such series of Bonds.
- (a) An Engineer's Certificate dated not more than 90 days preceding the delivery thereof to the Trustee:
- (1) stating, with respect to the first Engineer's Certificate delivered on or after the Effective Date: (i) the amount of Permanent Additions that has been certified to the Trustee prior to the Effective Date in accordance with the Original Indenture as supplemented by any Subsequent Supplemental Trust Indenture and that could have been used immediately prior to the Effective Date as a basis for the authentication of Bonds under the Original Indenture as supplemented by Subsequent Supplemental Trust Indentures and (ii) that none of such Permanent Additions has been used for any of the purposes set forth in Section 5.04 of the Original Indenture as supplemented by Subsequent Supplemental Trust Indentures and the amount set forth shall be the initial Amount of Established Permanent Additions;
 - (2) stating that between dates specified in the certificate, the Company has made, acquired, constructed or erected the Permanent Additions therein described;
 - (3) specifying such Permanent Additions and briefly describing the same in such manner as to show conformity thereof with the definition of Permanent Additions set

forth in Section 1.03 and stating that no part of the Permanent Additions so described was included in any Engineer's Certificate previously delivered to the Trustee under this subdivision (a);

(4) stating that the signers, either personally or through one or more competent assistants, have examined the Permanent Additions so specified; that such properties conform to the definition of Permanent Additions; that they are used or to be used in a business specified in said definition and that they do not include any property excluded from the definition of Permanent Additions;

(5) stating the Cost and the Fair Value to the Company of the property described in the Engineer's Certificate and that the Cost, so stated, was the amount stated in the Accountant's Certificate provided for in subdivision (c) of this Section 5.04;

(6) stating whether or not any of the property described in the Engineer's Certificate is an Acquired Facility and specifying each such Acquired Facility and if the Fair Value of said Acquired Facility is, or are, as the case may be, not less than \$25,000 and not less than 1% of the aggregate principal amount of Bonds then Outstanding, that such Fair Value in the Independent Engineer's Certificate provided for in subdivision (b) of this Section 5.04 was included in the aggregate amount stated pursuant to paragraph (5) of this subdivision (a);

(7) stating the amount removed from the utility plant or fixed capital accounts of the Company as and for the Cost of all Retired Property (to the extent provided in Section 5.02) subsequent to April 1, 1947, to a date specified in the certificate, which shall be not more than 90 days preceding the date of the delivery of the certificate (exclusive of amounts in respect of which appropriate deduction has been made in an Engineer's Certificate or certificates or an Accountant's Certificate or certificates previously delivered to the Trustee under this Section 5.04 or under subdivision (d) of Section 5.06 or under another provision of the Indenture containing the statements and calculation required by subdivision (d) of Section 5.06 or, prior to the Effective Date, under the Original Indenture as supplemented by Subsequent Supplemental Trust Indentures); and stating that such amount stated pursuant to this paragraph (7) was taken at the amount stated in the Accountant's Certificate provided for in subdivision (c) of this Section 5.04;

(8) stating an "Amount of Established Permanent Additions," which is the balance remaining after deducting from the lesser of Cost or Fair Value (as stated pursuant to paragraph (5) of this subdivision (a)), the amounts removed from the utility plant or fixed capital accounts (as stated pursuant to paragraph (7) of this subdivision (a)).

(b) If any portion of the Permanent Additions described in the accompanying Engineer's Certificate, delivered pursuant to subdivision (a) of this Section 5.04, consists of an Acquired Facility of a Fair Value not less than \$25,000 and not less than 1% of the aggregate principal amount of Bonds then Outstanding, then there shall be delivered to the Trustee an Independent Engineer's Certificate, stating, in the opinion of the signer, the Fair Value of such Acquired

Facility (together with the Fair Value of any Acquired Facility which has been subjected to the Lien of the Indenture since the commencement of the then current calendar year, and for which an Independent Engineer's Certificate has not previously been furnished), determined as of a date not more than 90 days preceding the date of the delivery of the Independent Engineer's Certificate to the Trustee.

(c) An Accountant's Certificate, dated not earlier than the date of the accompanying Engineer's Certificate provided for in subdivision (a) of this Section 5.04 stating in substance:

(1) the Cost of the Permanent Additions described in such Engineer's Certificate, pursuant to paragraph (3) of subdivision (a) of this Section 5.04; and if any portion of such Permanent Additions is stated in such Engineer's Certificate to consist of an Acquired Facility, the Cost of such Acquired Facility shall be specified;

(2) the amount removed from the utility plant or fixed capital accounts of the Company as and for the Cost of all Retired Property (to the extent provided in Section 5.02) subsequent to April 1, 1947, to a date specified in the certificate which shall be the date specified in the accompanying Engineer's Certificate (exclusive of amounts in respect of which appropriate deduction has been made in an Engineer's Certificate or certificates or an Accountant's Certificate or certificates previously delivered under this Section 5.04, under subdivision (d) of Section 5.06 or under another provision of the Indenture containing the statements and calculation required by subdivision (d) of Section 5.06 or, prior to the Effective Date, under the Original Indenture as supplemented by Subsequent Supplemental Trust Indentures); and specifying by classes the amount of Retired Property previously characterized as Permanent Additions which has not been included in a certificate previously delivered to the Trustee; and

(3) that no part of the Permanent Additions described in the accompanying Engineer's Certificate and no part of the Cost or Fair Value thereof, was included in any Engineer's Certificate previously delivered to the Trustee under subdivision (a) of this Section 5.04.

(d) An Opinion of Counsel, stating in the opinion of the signer that:

(1) except for all Permanent Additions owned by the Company on or after April 1, 1947, which have been removed, sold, abandoned, destroyed or which for any cause have been permanently withdrawn from service, the Company has title to all of the Permanent Additions specified in the accompanying Engineer's Certificate, subject to Permitted Encumbrances, or that, upon the delivery of instruments of conveyance, assignment or transfer specified in the Opinion of Counsel, it will have title to such properties, subject to Permitted Encumbrances;

(2) except for all Permanent Additions owned by the Company on or after April 1, 1947, which have been removed, sold, abandoned, destroyed or which for any cause have been permanently withdrawn from service, and subject to Permitted Encumbrances, all of the Permanent Additions specified in the accompanying Engineer's Certificate are

subject to the Lien of the Indenture and that none of such Permanent Additions is subject to any Prior Lien or, in the alternative, stating what, if any, documents should be delivered, recorded or filed to subject such property to the Lien of the Indenture;

(3) except for all Permanent Additions owned by the Company on or after April 1, 1947, which have been removed, sold, abandoned, destroyed or which for any cause have been permanently withdrawn from service, the Company has corporate authority to own the Permanent Additions specified in the accompanying Engineer's Certificate, subject to Permitted Encumbrances; and

If any of the Permanent Additions specified in the accompanying Engineer's Certificate include any property which is subject to any Permitted Encumbrances of the character described in paragraphs (8), (10), or (16) of the definition of Permitted Encumbrances, an Opinion of Counsel also shall be provided as required in such paragraphs.

(e) The instruments of conveyance, assignment and transfer, if any, specified in the Opinion of Counsel provided for in subdivision (d) of this Section 5.04 in accordance with paragraph (1) of said subdivision (d) or evidence satisfactory to the Trustee of the delivery thereof to the Company and the documents, if any, stated in such Opinion of Counsel in accordance with paragraph (2) of said subdivision (d) or evidence satisfactory to the Trustee of the delivery or recording or filing.

SECTION 5.05. (a) No Permanent Additions specified or described in any Engineer's Certificate provided for in subdivision (a) of Section 5.04 shall thereafter be included in any similar Engineer's Certificate subsequently delivered to the Trustee.

(b) No Amount of Established Permanent Additions used or applied for any of the purposes specified in Section 5.04 shall be used or applied again for any such purposes, except to the extent permitted by Section 9.05.

SECTION 5.06. (a) No Application by the Company to the Trustee for the authentication and delivery of Bonds under this Article shall be granted by the Trustee unless the Trustee shall have received:

(a) The documents provided for in Section 4.01.

(b) A Net Earnings Certificate stating the Amount of Earnings Applicable to Bond Interest for a specified period of 12 consecutive calendar months within the 15 calendar months immediately preceding the first day of the calendar month in which the accompanying Application for the authentication and delivery of Bonds is made and stating separately: (1) the aggregate principal amount of (i) the Bonds applied for, (ii) all Bonds Outstanding at the date of said Application and (iii) the aggregate principal amount of all Prior Lien Obligations and Permitted Indebtedness maturing more than one year after the date of such calculation; (2) the interest requirements for a period of one year on all such Bonds, Prior Lien Obligations and Permitted Indebtedness maturing more than one year after the date of such calculation; and (3) the aggregate principal amount of Bonds authenticated and delivered since the commencement of

the then current calendar year, exclusive of (i) Bonds in connection with the authentication and delivery for which no Net Earnings Certificate was required and (ii) Bonds in connection with the authentication and delivery for which an Independent Accountant's Certificate has been previously delivered to the Trustee.

(c) an Independent Accountant's Certificate containing the statements required by subdivision (b) of this Section 5.06, if (1) the aggregate principal amount of the Bonds stated in the Net Earnings Certificate provided for in subdivision (b) of this Section 5.06 to have been authenticated and delivered since the commencement of the current calendar year, plus the principal amount of Bonds applied for, is equal to or exceeds 10% of the aggregate principal amount of all Bonds Outstanding, as stated in such Net Earnings Certificate, and (2) the 12-month period in respect of which Earnings Applicable to Bond Interest are stated in such Net Earnings Certificate is a period with respect to which an annual report is required to be filed by the Company pursuant to Section 8.18.

(d) An Accountant's Certificate containing a statement of the Amount of Established Permanent Additions remaining available for the purposes set forth in Section 5.04 and stating;

(1) The unapplied balance, if any, of the Amount of Established Permanent Additions (including any amounts attributable to subdivision (b) of Section 9.05) stated in the next preceding similar Accountant's Certificate, if any, delivered to the Trustee under the provisions of this subdivision (d) or under another provision of the Indenture containing the statements and calculation required by this subdivision (d);

(2) The Amount of Established Permanent Additions stated in such of the Engineer's Certificates delivered to the Trustee under the provisions of subdivision (a) of Section 5.04 as have not been included in any similar Accountant's Certificate previously delivered to the Trustee under this subdivision (d) or under another provision of the Indenture containing the statements and calculation required by this subdivision (d), which it is desired then to include in the Accountant's Certificate, taking such Engineer's Certificates consecutively according to the dates thereof; and specifying the respective dates of such Engineer's Certificates;

(3) The aggregate of the unapplied balance stated under paragraph (1) above and the Amount of Established Permanent Additions stated under paragraph (2) above;

(4) The amount removed from the utility plant or fixed capital accounts of the Company as and for the Cost of all Retired Property (to the extent provided in Section 5.02) subsequent to April 1, 1947, to a date specified in the Engineer's certificate which shall be not more than 90 days preceding the authentication and delivery of the Bonds applied for in the accompanying Application, exclusive of amounts in respect of which appropriate deduction has been made in an Engineer's Certificate or a similar Accountant's Certificate previously delivered to the Trustee under Section 5.04, or this Section 5.06 or under another provision of the Indenture containing the statements and calculation required by this subdivision (d) or, prior to the Effective Date, under the Original Indenture as supplemented by Subsequent Supplemental Trust Indentures;

(5) The balance remaining after deducting the amount stated under paragraph (4) above from the aggregate amount stated under paragraph (3) above, which remaining balance shall be the amount available to be applied for any of the purposes stated in Section 5.04 at the time of the delivery of the Accountant's Certificate to the Trustee;

(6) Such portion (determined pursuant to Section 5.07) of the amount stated under paragraph (5) above that is to be applied to the authentication and delivery of Bonds (or, as the case may be, any other purpose permitted by Section 5.04) applied for in the accompanying Application;

(7) The balance remaining after deducting the amount stated under paragraph (6) above from the balance stated under paragraph (5) above, which remaining balance shall be the amount included in the next similar Accountant's Certificate delivered to the Trustee as the unapplied balance of the Amount of Established Permanent Additions to be stated therein in accordance with paragraph (1) of this subdivision (d);

(8) that no part of any unapplied balance of the Amount of Established Permanent Additions included under paragraph (1) above, or of any Amount of Established Permanent Additions included under paragraph (2) above, has theretofore been applied for any of the purposes stated in clauses (i) through (vi) in Section 5.04, except to the extent permitted by Section 9.05.

SECTION 5.07. In each case of the application of any Amount of Established Permanent Additions on account of items specified in paragraphs (i) or (ii) of Section 5.04, the amount so applied shall be 150% of the aggregate principal amount of Bonds applied for and authenticated and delivered under this Article V, or of the cash applied for and withdrawn under Section 7.02, on any particular application; in each case of the application of any Amount of Established Permanent Additions for any items specified in paragraphs (iii) through (v) of Section 5.04, the amount so applied shall be 100% of the amount of cash applied for and withdrawn on any particular application or credit taken at any particular time and, in the case of the application of any such amount for any items specified in clause (vi) of Section 5.04, the amounts so applied shall be (a) 150% of the amount of credit to a Sinking Fund applied under subdivision (c) of Section 13.01 and (b) the percentage set forth in the Supplemental Trust Indenture creating the series of Bonds for any additional sinking fund requirement established for such series.

ARTICLE VI.

ISSUANCE OF BONDS UPON RETIREMENT OF BONDS.

SECTION 6.01. Subject to the provisions of Article IV, the Company may issue and the Trustee shall authenticate and deliver Bonds, in addition to those provided for in any other Section hereof, in an aggregate principal amount not exceeding the aggregate principal amount of any previously issued Bonds which shall have been retired, if the Trustee shall have received an Officer's Certificate stating the aggregate principal amount of Bonds in respect of whose retirement the Bonds applied for in the accompanying Application are to be authenticated and delivered and that such retired Bonds do not include the Bonds retired or used as subsequently specified in this Section 6.01; provided that no Bond shall be issued in respect of any such retired Bond (a) which shall have been retired (1) through the use of cash deposited with the Trustee pursuant to the provisions of Article VII, (2) through the use of cash constituting any part of the Release Fund, or which pursuant to the Indenture is to be held or disposed of or applied in the same manner as moneys in the Release Fund, or (3) through the use of cash constituting a part of, or in lieu of the deposit of any such cash in, or through the operation of, the Maintenance Fund, or the Sinking Fund or other similar fund applicable to its retirement if the provisions establishing such other similar fund prohibit such issuance or (b) whose retirement was previously used as a basis for the issuance of Bonds under this Section 6.01, or (c) which shall have been retired prior to the Effective Date and which the Company would not have been permitted under Section 6.01 of the Original Indenture to use as a basis for the issuance of additional Bonds.

SECTION 6.02. No Bond shall be issued in respect of any retired Bond more than one year prior to the final Stated Maturity of such retired Bond unless: the Bond so issued bears no greater rate of interest than such retired Bond or, if the Bond so issued bears a greater rate of interest than such retired Bond, unless the Trustee shall have received a Net Earnings Certificate complying with subdivision (b) of Section 5.06 and, when required, an Independent Accountant's Certificate pursuant to subdivision (c) of Section 5.06 showing that the Earnings Applicable to Bond Interest meets the requirements of Section 5.03.

SECTION 6.03. Any Bond (including, if applicable, any unmatured Coupons appertaining thereto) shall be deemed retired if it shall have been paid or redeemed or surrendered to the Trustee and cancelled or destroyed (unless such surrender shall have been made in exchange for another Bond of the same series and evidencing the same indebtedness) or if provision for the payment or redemption of such Bond shall have been made in the following manner:

(a) if the Bond has been selected for redemption, the Trustee shall have given (or the Company shall have given to the Trustee, in form satisfactory to it, irrevocable instructions to give), on a date in accordance with the provisions of Section 10.02 and the terms of such Bond notice of redemption of such Bond or portions thereof;

(b) there shall have been deposited with the Trustee any combination:

(i) of cash and

(ii) of Government Obligations (which shall not contain provisions permitting the redemption thereof at the option of the issuer), maturing as to principal and interest (without any regard to the reinvestment thereof) in such amounts and at such times as will assure the availability of cash

that is necessary to pay when due the principal of, premium, if any, and interest due and to become due on such Bond on or prior to the Redemption Date or Stated Maturity thereof, as the case may be; and

(c) if the Bond does not mature and is not to be redeemed within the next succeeding 30 days, the Company shall have given the Trustee, in form satisfactory to the Trustee, irrevocable instructions to give, as soon as practicable, in the same manner as a notice of redemption is given pursuant to Section 10.02, a notice to the Holder of such Bond stating that: (1) the deposit required by paragraph (b) above has been made with the Trustee; (2) such Bond is deemed to have been paid in accordance with this Section 6.03; and (3) the Stated Maturity or Redemption Date upon which moneys are to be available for payment of the principal of, premium, if any, and interest on such Bond.

ARTICLE VII.

ISSUANCE OF BONDS UPON DEPOSIT OF CASH WITH TRUSTEE.

SECTION 7.01. Subject to the provisions of Article IV, the Trustee shall authenticate and deliver Bonds if the Company shall deposit cash with the Trustee in an amount equal to the principal amount of the Bonds requested to be authenticated and delivered and if the Trustee shall have received a Net Earnings Certificate as described in Section 5.03 showing that the Earnings Applicable to Bond Interest for a period of 12 consecutive calendar months within the 15 calendar months immediately preceding the date of the Application for authentication and delivery of Bonds shall have been in the aggregate at least equivalent to twice the interest requirements for a period of one year upon (a) the Bonds applied for, (b) all Bonds Outstanding on the date of such Application and (c) all Prior Lien Obligations and Permitted Indebtedness maturing more than one year after the date of such calculation.

SECTION 7.02. All cash deposited with the Trustee under the provisions of Section 7.01 shall be held by the Trustee as a part of the mortgaged and pledged property, but, whenever the Company shall become entitled to the authentication and delivery of Bonds under Articles V or VI, the Trustee, upon application by the Company, evidenced by a Resolution, shall pay to the Company, in lieu of the Bonds to which the Company may then be so entitled, such cash equal to the aggregate principal amount of such Bonds without any limitation by reason of the amount of Earnings Applicable to Bond Interest; and for such purpose (a) the requisite certificates and other documents delivered to the Trustee may contain such variations, omissions or insertions as may be appropriate in the light of the purpose for which they are used, (b) Section 5.03 shall be inapplicable to the withdrawal of such cash pursuant to this Section 7.02 and (c) it shall not be necessary to deliver to the Trustee any Net Earnings Certificate or any Independent Accountant's Certificate with respect to Earnings Applicable to Bond Interest, or any of the documents provided for in Section 4.01 except subdivision (g).

ARTICLE VIII.

PARTICULAR COVENANTS OF THE COMPANY.

The Company hereby covenants as follows:

SECTION 8.01. That it lawfully possesses all the aforesaid mortgaged and pledged property; that it will maintain and preserve the Lien of the Indenture on such mortgaged and pledged property in accordance with the terms hereof so long as any of the Bonds are Outstanding; that it has good right and lawful authority to mortgage and pledge such mortgaged and pledged property, as provided by the Indenture; and that the mortgaged and pledged property is free and clear of all liens and encumbrances, except Permitted Encumbrances, and except as otherwise provided herein.

SECTION 8.02. That it will duly and punctually pay the principal of, premium, if any, and interest on all the Bonds Outstanding according to the terms thereof and of the Indenture.

SECTION 8.03. That it will maintain an office or agency (approved by the Trustee), while any of the Bonds are Outstanding, at each Place of Payment, where notices, presentations and demands to or upon the Company in respect of the Bonds or the Indenture may be given or made, and for the payment of the principal of, premium, if any, and interest on the Bonds. The Company will give the Trustee prompt written notice of any change in location of such office or agency. If the Company shall fail to maintain such office or agency in each Place of Payment, or to give the Trustee written notice of the location thereof, the Trustee shall appoint in each such Place of Payment an agent of the Company for the foregoing purposes and the Trustee is hereby authorized and empowered to make such appointment on behalf of the Company. In case of any such failure of the Company, any such notice, presentation or demand in respect of the Bonds or the Indenture may be given or made, unless other provision is expressly made herein, to or upon the Trustee at its principal corporate trust office, and the Company hereby authorizes such presentation and demand to be made to and such notice to be served on the Trustee in such event.

SECTION 8.04. That it will pay, when the same shall become payable, all taxes, assessments and other governmental charges lawfully levied or assessed upon the mortgaged and pledged property, or upon any part thereof or upon any income therefrom, or upon the interest of the Trustee in the mortgaged and pledged property when the same shall become due, and will duly observe and conform to all valid requirements of any governmental authority relative to any of the mortgaged and pledged property, and all covenants, terms and conditions upon or under which any of the mortgaged and pledged property is held and that, except as herein otherwise provided, it will not permit, create or incur any lien to be existing hereafter upon the mortgaged and pledged property whether now owned or hereafter acquired, or any part thereof, or the income therefrom, equal to or prior to the Lien of the Indenture, except Permitted Encumbrances.

SECTION 8.05. (a) That it will keep all the mortgaged and pledged property of a character usually insured by companies engaged in a similar business and similarly situated, and which is at any time subject to the Lien of the Indenture, insured with reasonable deductibles and retentions against loss or damage by fire or extended coverage perils, to such amount as such property is usually insured by companies similarly situated, either by means of policies issued by

reputable insurance companies or, in lieu of or supplementing such insurance in whole or in part, at the Company's election, by means of some other method or plan of protection including an insurance fund maintained by the Company alone or in conjunction with any other Person. All such insurance policies or alternative methods or plans of protection upon any part of the mortgaged and pledged property shall provide that the proceeds thereof shall be payable to the Trustee. The Company agrees to deposit with the Trustee all proceeds from any insurance or alternative method or plan of protection received by the Company with respect to any such loss relating to the mortgaged and pledged property.

Upon request, the Company will furnish to the Trustee a statement signed by the President, a Vice President, the Treasurer or an Assistant Treasurer and attested by the Secretary or an Assistant Secretary of the Company showing:

- (i) the number of the policies of insurance in effect and the names of the issuing companies,
- (ii) the amount of such policies,
- (iii) the nature of the property covered by such policies, and

stating that each such insurance policy or alternative method or plan of protection provides that losses thereunder for fire or extended coverage perils are payable to the Trustee. In lieu of the statement described in the preceding sentence, the Company may deliver to the Trustee a certificate of one or more nationally known insurance brokers that he or they have examined the fire and extended coverage insurance policies and alternative method or plans of protection in effect upon the property of the Company and that in his or their opinion the Company has fully complied with the provisions of this subdivision (a).

(b) That all proceeds of any insurance or alternative method or plan of protection received by the Trustee, shall be held and applied by the Trustee in the same manner and for the same purposes and shall be subject to the same conditions as moneys held in the Release Fund, except that, until a Completed Default shall occur and be continuing, any such proceeds received by the Trustee for any single loss not exceeding \$1,000,000 shall be paid promptly to the Company upon receipt by the Trustee of a Company Order directing such payment.

(c) That all proceeds of any insurance or alternative method or plan of protection paid to the Company by the Trustee pursuant to subdivision (b) of this Section 8.05 promptly shall be expended for Permanent Additions, or be applied to the rebuilding, renewal or replacement of the property damaged or destroyed.

(d) That subject to Section 17.01, in case of any loss covered by any insurance policy or alternative method or plan of protection, any appraisal or adjustment of such loss and settlement and payment of indemnity therefor, which shall be approved in an Officer's Certificate, may be consented to and accepted by the Trustee, and the Trustee shall in no way be liable or responsible for the collection of any insurance in case of any loss nor for consenting to or accepting any such appraisal, adjustment, settlement or payment of indemnity.

SECTION 8.06. That the business of the Company will be continuously carried on and conducted in an efficient manner; that all property, plants, appliances and equipment of the

Company classified as Permanent Additions subject to the Lien of the Indenture and used and useful in the carrying on of its business will be maintained in adequate repair, working order and condition to the extent, in the Company's opinion, it is economical to do so, and, if worn out, obsolete or severely damaged, it will be replaced or offset by other property of the character of Permanent Additions of at least equal value; that, except as permitted under the provisions of Section 11.02, none of the rights, powers, franchises or privileges of the Company, subject to the Lien of the Indenture, whether now owned or hereafter acquired, will be allowed to lapse other than by expiration of the term of duration thereof or be forfeited so long as the same shall be necessary for the carrying on of the business of the Company; that, except as permitted by Article XVI, it will maintain its corporate existence and right to carry on business in the states in which its property and plants subject to the Lien of the Indenture, or any part thereof, may be located and will use reasonable efforts to obtain all necessary renewals and extensions thereof, and subject to the provisions hereof, will diligently endeavor to maintain, preserve and renew all such rights, powers, privileges and franchises owned by it and necessary for carrying on the business of the Company; that it will at all times use all reasonable diligence to provide service adequate to meet the reasonable requirements of the communities in which it may be operating; that, except to the extent herein expressly permitted, it will at no time commit or allow to be committed, any waste upon the mortgaged and pledged property of the character of Permanent Additions, or do, or permit to be done, about, in or upon the mortgaged property, anything that may in any way tend to impair the value thereof, or to weaken, diminish or impair the security afforded by the Indenture, and that it will fully and in due time comply with all laws and ordinances applicable to the Company or the mortgaged and pledged property. However, nothing herein contained shall be construed to prevent the Company (a) from contesting in good faith the validity of any such laws or ordinances by necessary and appropriate legal proceedings or in such other manner as may be deemed advisable by the Company; (b) from ceasing to operate any of its plants or any other properties if, in the judgment of the Company, it is advisable not to operate or maintain the same; (c) from selling or otherwise disposing of its mortgaged and pledged property subject to the provisions of Article XI; or (d) from dismantling or taking such other action with respect to such plant or such other property as it deems proper and customary under the circumstances.

SECTION 8.07. [Omitted]

SECTION 8.08. That it will cause the Indenture and all indentures and instruments supplemental hereto to be kept, recorded and filed in such manner and to such extent as may be required or permitted by law and in such places as may be required by law in order to make effective and maintain the Lien Hereof and to fully preserve and protect the security of the Bondholders and all rights of the Trustee.

SECTION 8.09. That it will execute and deliver such further instruments and do such further acts as may be necessary or proper to carry out the purposes of the Indenture, and to make subject to the Lien Hereof any property hereafter acquired and intended to be subject to the Lien of the Indenture, and to transfer to any new trustee the estate, powers, instruments and any funds held in trust under the Indenture.

SECTION 8.10. That it will, at all times, keep or cause to be kept, proper books of record and account in which full, true and correct entries will be made of all dealings or transactions of or in relation to the Bonds, plants, properties, business and affairs of the

Company; that it will at any and all reasonable times, upon the written request of the Trustee, permit it, or its clerks, agents, or auditors, for that purpose duly authorized, to inspect the books, accounts, papers, documents and memoranda of the Company, as well as its plants and properties, and to take from its books, accounts, papers, documents and memoranda such extracts as may be deemed necessary; that it will at any time, upon the written request of the Trustee, furnish to the Trustee a full and complete statement of the property covered by the Lien Hereof or intended to be covered.

SECTION 8.11. That it will not go into voluntary bankruptcy or insolvency, or apply for or consent to the appointment of a receiver of itself or its property or make any general assignment for the benefit of its creditors, or allow any order adjudicating it to be bankrupt or insolvent or appointing a receiver of it or of its property, to be made and remain unvacated for a period of 90 days.

SECTION 8.12. That it is duly authorized under the laws of Wisconsin and under all other applicable provisions of law to create and issue the Bonds and to execute and deliver the Indenture; that all corporate action required for the creation and issue of said Bonds and the execution of the Indenture has been duly and effectually taken, and that said Bonds when issued and in the hands of the Holders thereof are and will be valid and enforceable obligations of the Company, and that the Indenture is and always will be a valid mortgage or deed of trust to secure the payment of said Bonds.

SECTION 8.13. That upon the issue of each Bond it will pay all such taxes (which may legally be paid by the Company) as may be imposed by any law, then in force applicable to and imposed upon the issue of such Bond, of the United States of America, of the States of Wisconsin and Michigan or of the several states in which its property and plants, or any part thereof may be located.

SECTION 8.14. That it will not issue, or permit to be issued, any Bonds in any manner other than in accordance with the provisions of the Indenture and that it will faithfully observe and perform all the conditions, covenants and requirements of the Indenture.

SECTION 8.15. That it will duly and punctually perform all the conditions and obligations imposed on it by the terms of any Prior Lien or any mortgage, lien, charge or encumbrance described in paragraph (20) of the definition of Permitted Encumbrances to the extent necessary to keep the security afforded by the Indenture substantially unimpaired and that it will not permit any default under any such Prior Lien or mortgage, lien, charge or encumbrance to occur and continue for any grace period specified therein, if thereby the security afforded by the Indenture would be materially impaired or endangered.

SECTION 8.16. That, if it shall act as its own Paying Agent, it will, on or before each due date of the principal of, premium, if any, or interest on the Bonds, set aside and segregate and hold in trust for the benefit of Holders of such Bonds or the Trustee a sum sufficient to pay such principal of, premium, if any, or interest so becoming due, and the Company promptly will notify the Trustee of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents, it will, on or prior to each due date of the principal of, premium, if any, or interest on any Bonds, deposit with a Paying

Agent a sum sufficient to pay the principal of, premium, if any, or interest so becoming due, such sum to be held in trust for the benefit of the Holders of such Bonds or the Trustee, and (unless such Paying Agent is the Trustee) the Company promptly will notify the Trustee of its action or failure so to act.

Moneys so segregated or deposited and held in trust shall not be a part of the mortgaged and pledged property but shall constitute a separate trust fund for the benefit of the Persons entitled to such principal, premium or interest. Except in the case of moneys so segregated by the Company when acting as its own Paying Agent, moneys held in trust by the Trustee or any other Paying Agent for the payment of the principal of, premium, if any, or interest on the Bonds need not be segregated from other funds, except to the extent required by law.

The Company will cause each Paying Agent other than the Trustee, to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section 8.16, that such Paying Agent will:

(a) hold all sums held by it for the payment of principal of, premium, if any, or interest on Bonds in trust for the benefit of the Holders of such Bonds or the Trustee until such sums shall be paid to the Holders or withdrawn for deposit with a successor Paying Agent or with the Trustee or until disposed of as herein provided;

(b) give the Trustee notice of any default by the Company (or any other obligor upon the Bonds) in the making of any such payment of principal, premium, if any, or interest; and

(c) at any time during the continuance of any such default, upon the written request of the Trustee, promptly pay to the Trustee all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of the Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustee all money held in trust by the Company or such Paying Agent pursuant to this Section 8.16, such money to be held by the Trustee upon the same trusts as those upon which such money was held by the Company or such Paying Agent; and, upon such payment by the Company, the Company shall be discharged from such trust, and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Anything in this Section 8.16 to the contrary notwithstanding, any money deposited with the Trustee or any Paying Agent or held by the Company in trust for the payment of the principal of, premium, if any, or interest on any Bond shall be subject to the provisions of Section 21.03.

SECTION 8.17. That it will furnish or cause to be furnished to the Trustee between May 1 and May 31 in each year beginning with the May following the Effective Date, and also between November 1 and November 30 in each year beginning with the November following the Effective Date, and at such other times as the Trustee may request in writing, a statement in such form as the Trustee may reasonably require, containing all the information in the possession or control of the Company or of any of its Paying Agents as to the names and addresses of the Holders of Bonds obtained since the date as of which the next previous statement, if any, was furnished, excluding from any such list the names and addresses received by the Trustee in its capacity as Bond Registrar. Each such statement shall be dated as of a date not earlier than the

tenth day of the month next preceding the month during which said statement is furnished, and need not include information received after such date.

SECTION 8.18. That it will:

(a) file with the Trustee within 15 days after the Company is required to file the same with the Commission, copies of the annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may prescribe from time to time by rules and regulations) which the Company may be required to file with the Commission pursuant to section 13 or section 15 (d) of the Securities Exchange Act of 1934, as amended; or, if the Company is not required to file information, documents or reports pursuant to either of such sections, that it will file with the Trustee and the Commission, in accordance with any rules and regulations that may be prescribed by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to section 13 of the Securities Exchange Act of 1934, as amended, in respect of a security listed and registered on a national securities exchange as may be prescribed in such rules and regulations;

(b) file with the Trustee and the Commission, in accordance with such rules and regulations as may be prescribed by the Commission and to which the Company shall be subject, such additional information, documents and reports with respect to compliance by the Company with the conditions and covenants provided for in the Indenture as may be required from time to time by such rules and regulations, including in the case of annual reports (if required by such rules and regulations), certificates or opinions of independent public accountants (conforming to the requirements of Sections 21.08 and 21.09) as to compliance with conditions or covenants (which compliance is subject to verification by accountants), but no such certificate or opinion shall be required as to any matter specified in clause (A), (B) or (C) of paragraph (3) of subsection (c) of Section 314 of the Trust Indenture Act; and

(c) transmit to the Holders of Bonds in the manner and to the extent provided in subdivision (c) of Section 17.18, such summaries of any information, documents and reports required to be filed by the Company pursuant to subdivisions (a) and (b) of this Section 8.18 as may be required by rules and regulations prescribed by the Commission; and

(d) furnish to the Trustee, not less than annually, a brief certificate from the principal executive officer, principal financial officer or principal accounting officer as to his knowledge of the Company's compliance with all conditions and covenants under the Indenture. For purposes of this subdivision (d), such compliance shall be determined without regard to any period of grace or requirement of notice provided under the Indenture.

SECTION 8.19. That it will furnish to the Trustee: (a) promptly after the Effective Date and promptly after the execution of any Supplemental Trust Indenture after the Effective Date, an Opinion of Counsel either stating that the Indenture has been properly recorded and filed so as to make effective the Lien of the Indenture intended to be created thereby, and reciting the details of such action, or stating that no such action is necessary to make such Lien of the Indenture effective; and (b) by May 1 in each year after the Effective Date, an Opinion of Counsel either stating that such action has been taken with respect to the recording, filing, re-recording and refiling of the Indenture as is necessary to maintain the Lien Hereof, and reciting the details of such action, or stating that no such action is necessary to maintain such Lien of the

Indenture. Compliance with clauses (a) and (b) of this Section 8.19 shall be achieved if (1) the Opinion of Counsel herein required to be delivered to the Trustee shall state for details: the time, place, and manner of such recording, re-recording, filing and re-filing as the case might be and that, in the Opinion of Counsel (if such is the case) such receipt for record of filing makes the Lien of the Indenture intended to be created thereby effective and (2) such Opinion of Counsel is delivered to the Trustee within such time, following the date and execution of this Restated Indenture and each Supplemental Trust Indenture, as shall be practicable, giving due regard to the number and distance of the jurisdictions in which the Indenture or such Supplemental Trust Indenture is required to be recorded or filed.

ARTICLE IX.

MAINTENANCE FUND.

SECTION 9.01. The Company covenants that, for each calendar year while any of the Bonds remain Outstanding, it will pay to the Trustee on the next succeeding May 1, as a "Maintenance Fund," an amount equal to 2.50% of Completed Depreciable Property as of the end of such calendar year; less, to the extent that the Company desires to include the same, the following credits:

(a) all amounts expended during such calendar year for maintenance of all property included in the calculation of Completed Depreciable Property owned by the Company;

(b) all expenditures or charges during such calendar year for renewals or replacements of property included in the calculation of Completed Depreciable Property owned by the Company, or for retirements of property included in the calculation of Completed Depreciable Property owned by the Company to the extent that the charges for such retirements have been offset by expenditures for acquisition, construction or erection of Permanent Additions;

(c) the principal amount of all Bonds which have been retired or redeemed, except Bonds which have been retired or used in any manner set forth in clause (a), (b) or (c) of Section 6.01; and

(d) any portion of an Amount of Established Permanent Additions determined in accordance with Article V if it has not been previously applied to any other purpose specified in Section 5.04.

The credits provided for in this Section 9.01 shall not include any amounts reserved for or accrued for depreciation or obsolescence on the books of the Company in any such calendar year, except to the extent that charges or expenditures in paragraph (a) or (b) above include depreciation or charges related to equipment or materials used for maintenance, renewals or replacements of property included in the calculation of Completed Depreciable Property.

SECTION 9.02. By May 1 of each year, the Company shall deliver to the Trustee

(a) an Accountant's Certificate stating (i) the amount of Completed Depreciable Property of the Company at the end of the previous calendar year; (ii) the amount equal to 2.50% of the amount stated pursuant to clause (i) of this subdivision (a); (iii) to the extent that the Company desires to include the same, the credits (separately stated) that are provided for under subdivisions (a), (b), (c) and (d) of Section 9.01; (iv) the credit balance, if any, provided for in Section 9.05; and (v) the remaining balance, if any, of the amount set forth under clause (ii) of this subdivision (a) remaining after deducting the credits set forth under paragraphs (iii) and (iv);

(b) if the Company includes in the Accountant's Certificate provided for in subdivision (a) of this Section 9.02 any credit under subdivision (d) of Section 9.01, the Accountant's Certificate also shall contain the statements and calculation provided for in subdivision (d)

of Section 5.06, with such changes therein as may be necessary to adapt the same to the purposes of this Section 9.02 and Section 9.01; and

(c) an amount of cash or an aggregate principal amount of Bonds (except Bonds which have been retired or used in any manner set forth in clause (a), (b) or (c) of Section 6.01), equal to the balance, if any, stated in the Accountant's Certificate provided for in subdivision (a) of this Section 9.02 pursuant to clause (v) of said subdivision (a).

SECTION 9.03. Any cash balance held in the Maintenance Fund, at the option and upon the request of the Company, expressed by a Resolution, shall be applied by the Trustee to the purchase or redemption of Bonds in the manner provided for with reference to cash in the Release Fund as provided in Sections 11.13 and 11.14 but in no event shall such cash be considered as part of the Release Fund for purposes of Section 11.15. At the option of the Company, any monies constituting any part of the Maintenance Fund may be withdrawn by the Company upon the delivery to the Trustee of Bonds (except Bonds which have been used or retired in a manner set forth in clause (a), (b) or (c) of Section 6.01), of an aggregate principal amount equal to the amount of moneys so withdrawn.

All Bonds purchased or otherwise acquired by or delivered to the Trustee for the Maintenance Fund shall forthwith be cancelled, and the Trustee shall thereupon destroy such Bonds and deliver evidence of the destruction thereof to the Company, pursuant to Section 21.07.

SECTION 9.04. Any cash deposited by the Company with the Trustee in the Maintenance Fund may be withdrawn by the Company upon the basis of the Cost or Fair Value, whichever is less (after making the deductions provided for in Section 5.02 because of Retired Property), of Permanent Additions certified to the Trustee as provided in Article V and subject to the conditions of Sections 5.05 and 5.07, but only upon delivery to the Trustee of:

(a) a Company Request, authorized by Resolution;

(b) an Officer's Certificate stating that no Default has occurred and is continuing, and that the granting of such Company Request will not result in a Default; and

(c) an Accountant's Certificate containing the statements and calculation provided for in subdivision (d) of Section 5.06 with such changes therein as may be necessary to adapt the same to the purposes of this Section 9.04.

SECTION 9.05. If the total amount of credits, applicable to the Maintenance Fund, specified in any Accountant's Certificate filed for any calendar year after 1990 shall exceed an amount equal to 2.50% of Completed Depreciable Property as of the end of such calendar year, the excess, if any, may be used:

(a) as a credit balance to offset any deficiency for expenditures or charges as shown by any subsequent Accountant's Certificate or Certificates submitted pursuant to Section 9.02; or

(b) to increase the Amount of Established Permanent Additions available for any of the purposes described in paragraphs (i) through (vi) of Section 5.04, but only in an aggregate amount equal to the lesser of: (i) such excess credits or (ii) the Amount of Established Permanent Additions used, after calendar year 1990, as a credit to the Maintenance Fund or for the withdrawal of cash from the Maintenance Fund.

The amount of excess Maintenance Fund credits shall be reduced by the amount of any such excess credits applied for either of the purposes described in the foregoing clauses (a) and (b).

SECTION 9.06. If the mortgaged and pledged property shall be sold either under the power of sale herein provided, or under decree of court in a suit for the foreclosure of the Indenture, then any moneys at the time remaining in the Maintenance Fund shall be added to and dealt with as if it were a part of the proceeds of such sale.

ARTICLE X.

REDEMPTION OF BONDS.

SECTION 10.01. Bonds that are, by their terms, redeemable before maturity may, at the option of the Company, be redeemed at such times, in such amounts and at such prices as may be specified therein and in accordance with Sections 10.02 through 10.07.

SECTION 10.02. In case of redemption of only part of the Bonds of any series, the particular Bonds so to be redeemed shall be selected by the Trustee by lot, in such manner as it shall elect. In any such selection by lot under this Section 10.2, each Bond shall be represented by a separate number for each \$1,000 of its principal amount.

Notice of intention to redeem Bonds of any series, wholly or in part, shall be given, by or on behalf of the Company, by first class mail, postage prepaid, at least 30 days before the Redemption Date, to the Trustee and each Holder of a Bond to be redeemed at the address shown on the Bond Register; but the failure to give such notice, or any defect in such notice so given, shall not affect the validity of the proceedings for the redemption of any Bond not affected by such failure or defect. All notices of redemption shall state the Redemption Date and redemption price, the portion, if less than all, of the Bonds to be redeemed, the place at which the Bonds are to be surrendered for payment, which, unless otherwise stated, shall be the principal corporate trust office of the Trustee, and that on the Redemption Date the redemption price will become due and payable on each such Bond (or the portion thereof to be redeemed) and interest thereon shall cease to accrue on and after such date.

If only part of the Bonds of any particular series is to be redeemed, said notice of redemption shall specify the number of such Registered Bonds to be redeemed in whole or in part. If any Bond is to be redeemed in part only, said notice shall specify the portion of the principal amount thereof to be redeemed and shall state that, upon presentation of such Bond for redemption, a new Bond of the same series, of the same maturity and of an aggregate principal amount equal to the unredeemed portion of such Bond, will be issued in lieu thereof.

In case of a redemption of any Bonds that are Coupon Bonds, such written notice of redemption shall also be given, by or on behalf of the Company, by publication at least once in each of not less than three successive calendar weeks preceding the Redemption Date and in each case on any day in the week (the first publication to be at least thirty days, or such other number of days as shall be fixed by the terms of the Bonds to be redeemed, before the Redemption Date) in one daily newspaper, in the English language, of general circulation published in Chicago, Illinois, and in one newspaper, in the English language, of general circulation published in each other city, if any, in which the principal of any of the Bonds to be redeemed may be payable.

In case only a portion of any Bond shall be called for redemption (it being understood that no Coupon Bond shall be called for redemption in part absent contrary provisions in such Coupon Bond or the Supplemental Trust Indenture creating such Coupon Bond), the Company at its expense shall execute and the Trustee shall authenticate and deliver to the Holder of such

Bond a new Bond of the same series and of the same maturity for the principal amount of the surrendered Bond, less the principal amount redeemed and paid.

SECTION 10.03. If the Company shall give and complete notice of its intention to redeem any of the Bonds, the Company shall, and it hereby covenants that it will, on or before the Redemption Date specified in such notice, deposit with the Trustee a sum of cash, Government Obligations or a combination thereof, which will provide sufficient cash to redeem all of such Bonds on such Redemption Date.

SECTION 10.04. Cash, Government Obligations or a combination thereof deposited by the Company with the Trustee under the provisions of this Article X for the redemption of any of the Bonds shall be deposited and held in a trust fund for the account of the respective Holders of the Bonds to be redeemed and shall be paid to them respectively, upon presentation and surrender of such Bonds (including, if applicable, unmatured coupons appertaining thereto); and on and after such Redemption Date if the moneys for the redemption of said Bonds shall be on deposit as aforesaid, such Bonds shall cease to bear interest, and such Bonds shall cease to be entitled to the benefits and security of and the Lien of the Indenture, and, if applicable, all unmatured coupons relating to such Bonds shall be void and deemed paid.

SECTION 10.05. All Bonds paid, retired or redeemed under any of the provisions of this Article X shall be cancelled forthwith, and the Trustee shall thereupon destroy such Bonds and deliver evidence of the destruction thereof to the Company in accordance with Section 21.07.

SECTION 10.06. If there shall have been deposited with the Trustee any combination:

(i) of cash and

(ii) of Government Obligations (which shall not contain provisions permitting the redemption thereof at the option of the issuer), maturing as to principal and interest (without any regard to the reinvestment thereof) in such amounts and at such times as will assure the availability of cash

that is necessary to pay when due the principal of, premium, if any, and interest due and to become due on such Bond on or prior to the Redemption Date thereof; and either the notice provided for in respect of the redemption of such Bonds shall have been duly given by the Trustee or irrevocable authorization shall have been given by the Company to the Trustee to give notice, on behalf of the Company, as provided in Section 10.02, then the Company and the Trustee shall consider such Bonds (including, if applicable, all unmatured coupons appertaining thereto) redeemed from the Holder thereof and paid for purposes of release and satisfaction of the Indenture.

SECTION 10.07. In case any question shall arise as to whether proper and sufficient action shall have been taken for the redemption of Bonds, such question shall be decided by the Trustee and the decision of the Trustee shall, subject to Section 17.01, be final and binding upon all parties in interest.

ARTICLE XI.

POSSESSION, USE AND RELEASE OF MORTGAGED PROPERTY.

SECTION 11.01. Until a Completed Default shall occur and be continuing, the Company shall be permitted, subject to the provisions of this Article XI, to possess, use, manage, operate and enjoy the mortgaged and pledged property (except money and securities which are expressly required to be deposited with the Trustee); to collect, receive, use, invest and dispose of the rents, issues, income, product and profits from all the mortgaged and pledged property, with power (in the ordinary course of business freely and without permission from or hindrance by the Trustee or the Bondholders) to use, consume and dispose of materials and supplies; and, except as herein otherwise expressly provided to the contrary, to exercise any and all rights under or in relation to choses in action, leases and contracts.

SECTION 11.02. (a) Until a Completed Default shall occur and be continuing, the Company may, without any release or consent by the Trustee, or accountability thereto for any consideration received by the Company:

(1) sell or otherwise dispose of, free from the Lien of the Indenture, any machinery, equipment, tools, implements or similar property subject to the Lien Hereof which may have become obsolete or unfit for use or no longer useful, necessary or profitable in the conduct of business of the Company, upon replacing the same by or substituting for the same, other machinery, equipment, tools or implements, not necessarily of the same character but of at least equal value to that of such property disposed of;

(2) cancel, or make changes or alterations in, or substitutions of, any and all contracts, leases, rights of way and easements;

(3) surrender or assent to the modification of any franchise, license, governmental consent or permit under which it may be operating, provided that, in the event of any such surrender or modification, the Company shall have (under some other franchise, license, governmental consent, permit or right, or under the modified franchise, license, governmental consent or permit, or under a new franchise, license, governmental consent or permit) received in exchange therefor, authority which is sufficient, in the Opinion of Counsel, for the conduct of the same or an extended business in the same or substantially the same or an extended territory for the same or substantially the same or an extended or unlimited period of time or until the maturity date of the last maturing series of Bonds at the time Outstanding or for the most extended period or term then possible under existing laws or regulations or until it is no longer necessary or expedient to continue in the territory affected thereby;

(4) surrender any franchise, license or governmental consent or permit now held or which may be held hereafter by the Company or under which it now may be operating or may operate hereafter any of its properties or assent to or arrange for any modification or alteration of any of the terms hereof, provided that the Board of Directors determines by Resolution that it is either no longer necessary or no longer in the best

interests of the Company and the Bondholders and that the value and efficiency of the mortgaged and pledged property as an entirety will not be impaired thereby, and a copy of such Resolution shall be filed with the Trustee, and provided further that the Company shall still have power and authority, in the Opinion of Counsel, sufficient for the conduct of its business in the same or substantially the same territory;

(5) grant rights-of-way and easements over or in respect of any of the mortgaged and pledged property, of the nature described in the definition of Permitted Encumbrances, provided that such grant will not impair the use of such property for the purposes for which it is held by the Company and will not have a material adverse impact on the security afforded by the Indenture;

(b) Until a Completed Default shall occur and be continuing, and following the retirement through payment or redemption of the Original Indenture Bonds (including those Original Indenture Bonds “deemed to be paid” within the meaning of that term as used in Article XVIII of the Original Indenture), the Company may, without any release or consent by the Trustee, or accountability thereto for any consideration received by the Company:

(1) sell or otherwise dispose of, free of the Lien of the Indenture:

(A) all vessels, boats, barges and other marine equipment, all railroad engines, cars and related equipment, all airplanes, airplane engines and other flight equipment, and all accessories and supplies used in connection with any of the foregoing;

(B) all office furniture and all leasehold interests in property owned by Persons other than the Company for office purposes; and

(2) enter into leases permitting the lessee to occupy or use any of the mortgaged and pledged property in any manner that does not interfere in any material respect with the use of such property for the purpose for which it is held by the Company and will not have a material adverse impact on the security afforded by the Indenture; and

(3) surrender any franchise, license or governmental consent or permit now held or which may be held hereafter by the Company or under which it now may be operating or may operate hereafter any of its properties or assent to or arrange for any modification or alteration of any of the terms thereof, provided that the Board of Directors determines by Resolution that it is either no longer necessary or no longer in the best interest of the Company to continue to operate in the territory affected thereby or to comply with the terms and provisions of the franchise or governmental consent or permit and such surrender or modification will not materially impair the value and efficiency of the mortgaged and pledged property as an entirety or be prejudicial in any material respect to the interests of the Bondholders.

(c) The Trustee shall execute a written instrument to confirm any action taken by the Company under this Section 11.02, upon receipt by the Trustee of (1) a Resolution requesting such written instrument and expressing any required opinions, (2) an Officer’s Certificate stating that no Default has occurred and is continuing and that said action was duly taken in conformity with a designated subdivision of this Section 11.02 and (3) an Opinion of Counsel stating that said

action was duly taken by the Company in conformity with said subdivision and that the execution of such written instrument is appropriate to confirm such action under this Section 11.02.

SECTION 11.03. Until a Completed Default shall occur and be continuing, the Company may sell, exchange or otherwise dispose of any other of the mortgaged and pledged property, and the Trustee shall release the same from the Lien Hereof upon the submission by the Company to the Trustee of an Application and delivery to the Trustee of an Application and delivery to the Trustee of the items listed in either (i) subdivisions (a) through (j) or (ii) subdivision (k) of this Section 11.03, as applicable:

(a) A Resolution requesting such release and describing the applicable property;

(b) An Officer's Certificate stating that no Default has occurred and is continuing, and that the granting of such Application will not result in a Default;

(c) An Engineer's Certificate, dated not more than 90 days preceding the date of the delivery of the Application for such release, stating in substance that the Company has sold, exchanged, or otherwise disposed of or intends to sell, exchange or otherwise dispose of the property or securities to be released, and stating:

(1) a brief description of the property or securities, if any, to be released (which may be given by reference to the Resolution requesting the release if such property is described therein) and stating whether such property is of the character of Permanent Additions;

(2) a brief description of the consideration, if any, received or to be received by the Company for the property or securities, if any, to be released, which consideration may consist in whole or in part of one or more of the following:

(A) cash;

(B) obligations secured by purchase money first mortgages upon the property to be released, provided that the principal amount of such obligations does not exceed (i) individually, 66 2/3% of the Fair Value of the property to be released, and (ii) when added to the aggregate principal amount of all other such obligations theretofore received for property released pursuant to this clause (B), and then held by the Trustee, 15% of the aggregate principal amount of the Bonds then Outstanding; or

(C) any other property;

provided that if the property to be released is of the character of Permanent Additions, then such other property referred to in this clause (C) shall be of the character of Permanent Additions;

(3) the amount of cash, if any, to be deposited by the Company pursuant to subdivision (j) of this Section 11.03;

(4) the Fair Value of the property and securities to be released and stating, if such is the case, that the Fair Value of such property and securities is taken at the amount

stated in the Independent Engineer's Certificate provided for in subdivision (d) of this Section 11.03;

(5) the Fair Value of the property (other than cash) to be received in consideration for the property to be released and (A) if such property is of the character of Permanent Additions, stating that the Fair Value of such property is taken at the amount stated in the Engineer's Certificate provided for in paragraph (1) of subdivision (g) of this Section 11.03 (or, if applicable, an Independent Engineer's Certificate provided for in paragraph (2) of subdivision (g) of this Section 11.03), and (B) if any portion of such property to be received consists of securities, stating that the Fair Value of such securities is taken at the amount stated in the Engineer's Certificate provided for in subdivision (e) of this Section 11.03 (or, if applicable, at the amount stated in the Independent Engineer's Certificate provided for in subdivision (f) of this Section 11.03); and

(6) that, in the opinion of the signer, such release will not impair the security under the Indenture in contravention of the provisions thereof.

(d) If the Fair Value of the property or securities to be released, the amount of any award or consideration received under Section 11.06, and the Fair Value of any other property or securities theretofore released under this Section 11.03, since the beginning of the then current calendar year, is shown by the Engineer's Certificates filed in connection with such releases to be 10% or more of the aggregate principal amount of Bonds at the time Outstanding, an Independent Engineer's Certificate making the statements required by paragraphs (4) and (6) of subdivision (c) of this Section 11.03; but no such Independent Engineer's Certificate shall be required in the case of any release of property or securities, the Fair Value of which, as set forth in the Engineer's Certificate required by subdivision (c) of this Section 11.03, is less than \$25,000 or less than 1% of the aggregate principal amount of the Bonds at the time Outstanding;

(e) If any portion of the property to be received in consideration for the property to be released is shown by the Engineer's Certificate provided for in subdivision (c) of this Section 11.03 to consist of securities, an Engineer's Certificate stating (1) the Fair Value of such securities; and (2) since the commencement of the current calendar year, the Fair Value of all other securities made the basis for the (i) authentication and delivery of Bonds, (ii) the withdrawal of cash constituting part of the mortgaged and pledged property, and (iii) the release of property or securities subject to the Lien of the Indenture.

(f) If any portion of the property to be received in consideration for the property to be released is shown by the Engineer's Certificate provided for in subdivision (c) of this Section 11.03 to consist of securities, and if the Fair Value of such securities, together with the Fair Value of all other securities made the basis for the authentication and delivery of Bonds, withdrawal of cash, and release of property or securities since the beginning of the then current calendar year, as shown by the Engineer's Certificate provided for in subdivision (e) of this Section 11.03, is 10% or more of the aggregate principal amount of Bonds at the time Outstanding, then, in addition to the Engineer's Certificate provided for in subdivision (e) of this Section 11.03, the Company shall furnish to the Trustee an Independent Engineer's Certificate stating, in the opinion of the signer, the Fair Value of such securities at the date of the Engineer's Certificate provided for in subdivision (c) of this Section 11.03; but no such Independent

Engineer's Certificate shall be required if the Fair Value of the securities constituting consideration for the property then to be released, as set forth in the Engineer's Certificate provided for in subdivision (e) of this Section 11.03, is less than \$25,000 or less than 1% of the aggregate principal amount of Bonds at the time Outstanding;

(g) If the property to be received in consideration for the property to be released is of a character which would be included within the definition of Permanent Additions:

(1) an Engineer's Certificate containing the statements required by paragraphs (3), (4), (5), and (6) of subdivision (a) of Section 5.04 with such changes therein as may be necessary to adapt the same to the purposes of this Article XI;

(2) if any portion of such property described in the Engineer's Certificate provided for in paragraph (1) above consists of an Acquired Facility of a Fair Value of not less than \$25,000 and not less than 1% of the aggregate principal amount of Bonds at the time Outstanding, an Independent Engineer's Certificate containing the statements required by subdivision (b) of Section 5.04 with such changes therein as may be necessary to adapt the same to the purposes of this Article XI; and

(3) an Opinion of Counsel and the instruments and documents or evidence respectively required by subdivisions (d) and (e) of Section 5.04, with such changes therein as may be necessary to adapt the same to the purposes of this Article XI.

(h) an Opinion of Counsel, with respect to any of the property consisting of an obligation to be received by the Company in consideration for the property to be released, stating that such obligation is a valid obligation and, if such obligation is secured by a purchase money mortgage, that such mortgage is sufficient to afford a first lien (subject to Permitted Encumbrances) upon the property to be released; and if the property to be released consists of or includes any franchise, an Opinion of Counsel that such release will not impair the right of the Company to operate any of its remaining properties constituting the mortgaged and pledged properties;

(i) any cash, obligations or other securities or other property capable of manual delivery described in the Engineer's Certificate provided for in subdivision (c) of this Section 11.03, pursuant to paragraph (2) of said subdivision (c), to be the consideration for the property to be released; and

(j) cash and Bonds delivered pursuant to Section 11.16, which taken together, equal the amount, if any, by which the Fair Value of the property and securities, if any, to be released as stated in the Engineer's Certificate provided for in subdivision (c) of this Section 11.03, pursuant to paragraph (4) of such subdivision (c), exceeds the total of the cash received by the Trustee pursuant to subdivision (i) of this Section 11.03 and the Fair Value of the property and securities to be received in consideration therefor as described in said Engineer's Certificate pursuant to paragraph (5) of said subdivision (c).

(k) following the retirement through payment or redemption of the Original Indenture Bonds (including those Original Indenture Bonds "deemed to be paid" within the meaning of that term as used in Article XVIII of the Original Indenture), and if the Fair Value of all mortgaged and pledged property of the character of Permanent Additions, excluding Retired Property,

equals or exceeds an amount equal to 150% of the aggregate principal amount of Bonds Outstanding at the time of such release, the following:

(1) a Resolution requesting such release and describing the applicable property;

(2) an Officer's Certificate, stating that no Default has occurred and is continuing, and that the granting of such Application will not result in a Default;

(3) an Engineer's Certificate, dated not more than 90 days preceding the date of delivery of the Application for such release, stating:

(A) a brief description of the property to be released (which may be given by reference to the Resolution requesting the release if such property is described therein) and stating whether such property is of the character of Permanent Additions;

(B) a brief description of the consideration, if any, to be received by the Company for the property to be released;

(C) the Fair Value of:

(i) all of the mortgaged and pledged property that are Permanent Additions, excluding Retired Property, and

(ii) the property to be released; and

(D) that, in the opinion of the signer, such release will not impair the security under the Indenture in contravention of the provisions thereof;

(4) if the aggregate of the Fair Value of the property to be released, the amount of any award or consideration received under Section 11.06, and the Fair Value of any other property or securities theretofore released under this Section 11.03, since the beginning of the then current calendar year, is shown by the Engineer's Certificates filed in connection with such releases to be 10% or more of the aggregate principal amount of Bonds at the time Outstanding, an Independent Engineer's Certificate making the statements required by clause (ii) of subparagraph (C) and subparagraph (D) of paragraph (3) of this subdivision (k), but no such Independent Engineer's Certificate shall be required in the case of any release of property or securities, the Fair Value of which, as set forth in the Engineer's Certificate required by paragraph (3) of this subsection (k), is less than \$25,000 or less than 1% of the aggregate principal amount of the Bonds at the time Outstanding;

(5) if any of the property to be received in consideration for the property to be released is of a character which would be included within the definition of Permanent Additions:

(A) an Engineer's Certificate containing the statements required by paragraphs (3), (4), (5) and (6) of subdivision (a) of Section 5.04 with such

changes therein as may be necessary to adapt the same to the purposes of this Article XI;

(B) if any portion of such property described in the Engineer's Certificate provided for in subparagraph (A) of this paragraph (5) consists of an Acquired Facility of a Fair Value of not less than \$25,000 and not less than 1% of the aggregate principal amount of Bonds at the time Outstanding, an Independent Engineer's Certificate containing the statements required by subdivision (b) of Section 5.04 with such changes therein as may be necessary to adapt the same to the purposes of this Article XI; and

(C) an Opinion of Counsel and the instruments and documents or evidence respectively required by subsections (d) and (e) of Section 5.04, with such changes therein as may be necessary to adapt the same to the purposes of this Article XI; and

(6) an Accountant's Certificate stating the aggregate principal amount of Bonds Outstanding at the time of such release, and stating that the Fair Value of all of the Permanent Additions (excluding the mortgaged and pledged property to be released but including any Permanent Additions to be acquired by the Company with the proceeds of, or otherwise in connection with, such release) stated in the Engineer's Certificate filed pursuant to paragraph (3) or the Independent Engineer's Certificate filed pursuant to paragraph (4), both of this subdivision (k), equals or exceeds an amount equal to 150% of such aggregate principal amount of Bonds Outstanding.

SECTION 11.04. Until a Completed Default shall occur and be continuing and upon receipt of a Company Request, the Trustee, without requiring compliance with any of the foregoing provisions of Section 11.03, shall release from the Lien Hereof any property, the Fair Value of which shall be stated in an Engineer's Certificate delivered to the Trustee simultaneously with said Company Request, provided that such Fair Value is less than \$25,000 or less than 1% of the aggregate principal amount of Bonds Outstanding at the date of the Engineer's Certificate and which property, as stated in such Engineer's Certificate, is not useful or necessary in the conduct of the business of the Company. Said Engineer's Certificate shall also state that such release will not in any material respect impair the security under the Indenture. The aggregate Fair Value of all property released pursuant to this Section 11.04 in any calendar year shall not exceed \$500,000. The Company covenants that it will deposit with the Trustee the consideration, if any, received by it upon the sale or other disposition of any property so released. The provisions of this Section 11.04 shall not be available if any portion of the property to be received in consideration for the property of the Company to be released consists of securities.

SECTION 11.05. Interest on and principal of any obligation received by the Trustee pursuant to the provisions of Section 11.03 may be collected by it, but, until a Completed Default shall occur and be continuing, interest as received by the Trustee on any such obligation thereof shall be paid over to the Company.

Any new property acquired by exchange or purchase (other than cash received pursuant to subdivision (k) of Section 11.03) to take the place of any property released under any

provision of this Article XI shall forthwith and without further conveyance become subject to the Lien of the Indenture; and the Company covenants that if so requested by the Trustee, it will convey the same, or cause the same to be conveyed, to the Trustee by appropriate instruments of conveyance upon the trusts and for the purposes of the Indenture.

SECTION 11.06. Should any of the mortgaged and pledged property be taken by exercise of the power of eminent domain or should any governmental body or agency, at any time, exercise any right which it may have to require the Company to sell to it any part of said property, the Trustee shall accept any cash award therefor, and at the request of the Company, shall release the property so taken or purchased, upon being furnished with an Opinion of Counsel to the effect that such property has been taken by exercise of the power of eminent domain or purchased by a governmental body or agency in the exercise of a right which it had to purchase the same. The proceeds of all property so taken or purchased shall be paid over to the Trustee, to be held and applied by the Trustee in the same manner and on the same basis as moneys received by the Trustee pursuant to Section 11.03.

SECTION 11.07. If all or substantially all of the mortgaged and pledged property, other than any money and securities deposited by the Trustee, shall be in the possession of a trustee or receiver, lawfully appointed in any action or judicial proceeding for the foreclosure of the Indenture or for the enforcement of the rights of the Trustee or of the Bondholders, the powers conferred upon the Company with respect to the sale or other disposition of the mortgaged and pledged property may be exercised by such trustee or receiver, and any request, certificate or appointment made or signed by such receiver for such purpose shall be as effective as if made by the Company or Board of Directors or any of the officers of the Company herein provided. If the Trustee shall be in possession of the mortgaged and pledged property under any provision of the Indenture, then such powers may be exercised by the Trustee in its discretion.

SECTION 11.08. No Person purchasing in good faith property purporting to have been released hereunder shall be bound to ascertain the authority of the Trustee to execute the release, or to inquire as to the existence of any conditions herein prescribed for the exercise of such authority; nor shall any purchaser or grantee of any property or rights permitted by Sections 11.02, 11.03 or 11.04 to be sold, granted, exchanged or otherwise disposed of by the Company, be under obligation to ascertain or inquire into the authority of the Company to make any such sale, grant, exchange or other disposition. Any release executed by the Trustee under this Article XI shall be sufficient for the purpose of the Indenture and shall constitute a good and valid release of the property therein described from the Lien Hereof.

SECTION 11.09. The Release Fund shall consist of all moneys deposited with or received by the Trustee pursuant to any Section of this Article XI (excluding any cash received by the Company pursuant to subsection (k) of Section 11.03) or in payment of or in exchange for any of the obligations deposited with or received by the Trustee pursuant to the provisions of Sections 11.03 or 11.04 (except interest or dividends on said obligations or other securities) or which under any of the provisions of the Indenture are to be held, applied, or disposed of by the Trustee in the same manner as moneys or cash in the Release Fund. The Release Fund shall be held by the Trustee in trust for the security of the Bonds Outstanding until withdrawn or paid out as provided in Sections 11.10 through 11.17.

SECTION 11.10. Until a Completed Default shall occur and be continuing, at the option of the Company any moneys constituting all or any part of the Release Fund shall be paid over to the Company by the Trustee in an amount equal to the Cost or Fair Value, whichever is less, of Permanent Additions certified to the Trustee as provided in Article V, after making the deductions provided for in Section 5.02 for Retired Property and subject to the conditions of Sections 5.05 and 5.07 but only upon the delivery to the Trustee of:

(a) A Company Order;

(b) A Resolution authorizing such Company Order;

(c) An Officer's Certificate stating that no Default has occurred and is continuing, and that the granting of such Company Order will not result in a Default; and

(d) An Accountant's Certificate containing the statements and calculation provided for in subdivision (d) of Section 5.06 with the changes necessary to adapt the same to the purposes of this Section 11.10.

SECTION 11.11. Upon receipt of a Company Request in the form of an Officer's Certificate and without requiring compliance with any of the provisions of Section 11.10 (except subdivision (c) of Section 11.10), the Trustee shall pay over to the Company the proceeds of any sale of property, for which the consideration was less than \$25,000, and the Company covenants that moneys so paid over pursuant to this Section 11.11, promptly will be expended for property of the character of Permanent Additions. The aggregate amount withdrawn pursuant to this Section 11.11 in any calendar year shall not exceed (i) \$100,000 prior to the retirement through payment or redemption of the Original Indenture Bonds (including those Original Indenture Bonds "deemed to be paid" within the meaning of that term as used in Article XVIII of the Original Indenture) and (ii) \$500,000 thereafter. Withdrawals under this Section 11.11 shall be deducted from the Amount of Established Permanent Additions in the next succeeding Accountant's Certificate filed under Section 11.10.

SECTION 11.12. If the mortgaged and pledged property shall be sold, either under the power of sale herein provided, or under decree of court in a suit for the foreclosure of the Indenture, then the Release Fund shall be added to and dealt with as if it were part of the proceeds of such sale.

SECTION 11.13. Until a Completed Default shall have occurred and be continuing, upon Company Request, authorized by Resolution, the Trustee shall to the extent that such Bonds are available for such purpose, apply all or any part of the cash held by it in the Release Fund to the purchase of Outstanding Bonds of one or more series as the Company may designate at the lowest price obtainable, but such purchase price shall not exceed the current regular redemption price applicable to such Bonds. Upon the purchase by the Trustee of any Bond, as hereinabove provided, the Trustee shall notify the Company in writing thereof, specifying the serial numbers and principal amount of the Bonds purchased and any amount of the accrued interest thereon paid or to be paid by the Trustee on such purchase, and the Company covenants that, upon the receipt by it of any such notice, it immediately will pay to the Trustee, as an additional payment to the Release Fund, an amount in cash equal to such accrued interest on the

Bonds so purchased, or to be purchased, as specified in such notice to the end that the Release Fund shall not be diminished by the payment therefrom of interest.

SECTION 11.14. Until a Completed Default shall have occurred and be continuing, and upon Company Request, authorized by Resolution, the Trustee shall as soon as practicable apply all or any part of the cash held by it in the Release Fund to the redemption of Bonds, which are by their terms then redeemable, of one or more series as may be designated by the Company in the manner and as provided for redemption of Bonds in Article X. In the event of each such redemption the Trustee promptly shall notify the Company in writing of the Bonds selected for redemption, specifying the amount of accrued interest payable in respect of the Bonds to be redeemed upon such redemption. The Company covenants that it will give or cause to be given the notice provided for in respect of the redemption of such Bonds and will, on or prior to the date fixed for such redemption, deposit with the Trustee an additional amount of cash equal to such accrued interest, to the end that the Release Fund shall not be diminished by the payment of interest therefrom.

The provisions of this Section 11.14 and of Section 11.15 shall not grant the Company the power to redeem any Bond that is not otherwise redeemable or to redeem any Bond at a price less than the price at which such Bond could be redeemed pursuant to Article X or pursuant to the terms of such Bond.

SECTION 11.15. Until a Completed Default shall have occurred and be continuing, if the Release Fund exceeds \$300,000 for a period of 24 months or more, and during that period the Company shall not have made a proper request for reimbursement pursuant to Section 11.10 or for the application of such balance to the purchase or redemption of Bonds pursuant to Section 11.13 or 11.14, respectively, then the balance in the Release Fund shall be applied by the Trustee without further action by, or election of, the Company to the purchase or redemption of Bonds (subject to the last paragraph of Section 11.14) in the manner specified in Sections 11.13 and 11.14, choosing for such purpose Bonds of the series of the lowest current redemption price that may be then Outstanding and available for such purpose. In the event of each such application and upon written notice from the Trustee, the Company shall give or cause to be given the notice provided for in respect of the redemption of such Bonds and shall pay to the trustee additional cash equal to any accrued interest that will be payable upon such redemption.

SECTION 11.16. Until a Completed Default shall have occurred and be continuing, delivery by the Company to the Trustee of Bonds (except Bonds which have been retired or used in any manner set forth in clause (a), (b) or (c) of Section 6.01), shall be deemed equivalent under this Article XI to payment of cash under Sections 11.03 and 11.04 equal to the aggregate principal amount of the Bonds so delivered.

SECTION 11.17. Until a Completed Default shall have occurred and be continuing, any moneys constituting part of the Release Fund may be withdrawn by the Company upon the delivery to the Trustee of Bonds (except Bonds which have been retired or used in any manner set forth in clause (a), (b) or (c) of Section 6.01), of an aggregate principal amount equal to the amount of moneys so withdrawn.

SECTION 11.18. All Bonds purchased or otherwise acquired by, or delivered to the Trustee for the Release Fund shall be cancelled forthwith, and the Trustee thereupon shall

destroy such Bonds and deliver evidence of such destruction to the Company, pursuant to Section 20.07.

ARTICLE XII

MEETINGS OF BONDHOLDERS.

SECTION 12.01. A meeting of Holders of Bonds of any or all series may be called at any time pursuant to the provisions of this Article XII for any of the following purposes:

(1) to give any notice to the Company or to the Trustee, or to give any directions to the Trustee, or to waive any Completed Default and its consequences, or to take any other action authorized to be taken by Holders pursuant to any of the provisions of Article XIV;

(2) to remove the Trustee and appoint a successor Trustee pursuant to the provisions of Article XVII;

(3) to consent to the execution of a Supplemental Trust Indenture pursuant to the provisions of Section 19.02; or

(4) to take any other action authorized to be taken by or on behalf of the Holders of any specified percentage in aggregate principal amount of the Bonds of any or all series, as the case may be, under any other provisions of the Indenture or under applicable law.

SECTION 12.02. The Trustee at any time may call a meeting of Holders of Bonds of any or all series to take any action specified in Section 12.01, such meeting to be held at such time and at such place as the Trustee shall determine. Notice of every meeting of the Holders, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given to Holders of Bonds of each series affected, in the manner and to the extent provided in subdivision (c) of Section 17.18, not less than 20 nor more than 180 days prior to the date fixed for the meeting; provided that, if there shall be Outstanding any Coupon Bonds not registered as to principal, publication of such notice in the newspapers specified in Section 10.02 for a redemption of Coupon Bonds shall occur at least twice, with each publication to be not less than 20 or more than 180 days prior to the date fixed for the meeting.

SECTION 12.03. If the Company, pursuant to a Resolution, or the Holders of at least 25% in aggregate principal amount of the Bonds then Outstanding, shall have requested the Trustee in writing to call a meeting of Holders to take any action authorized in Section 12.01, which request shall set forth in reasonable detail the action proposed to be taken at the meeting, and the Trustee shall not have mailed the notice of such meeting within 20 days after receipt of such request, then the Company or the Holders of at least 25% in aggregate principal amount of the Bonds then Outstanding may determine the time and the place for such meeting and may call such meeting by mailing (and, if applicable, publishing) notice thereof as provided in Section 12.02. The Trustee shall be required to attend any such meeting properly called by the Company or Bondholders.

SECTION 12.04. To be entitled to vote at any meeting of Holders, a Person shall be a Holder of one or more Outstanding Bonds, of any or all series, as the case may be, with respect to which such meeting is being held or be a Person appointed by an instrument in writing as

proxy by such Holder. The only Persons who shall be entitled to be present or to speak at any meeting of Holders shall be the Persons entitled to vote at such meeting and their counsel and any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 12.05. Notwithstanding any other provisions of the Indenture, the Trustee may establish such reasonable rules as it may deem advisable for any meeting of Holders in regard to: (a) proof of the holding of Bonds and of the appointment of proxies; (b) the appointment and duties of inspectors of votes; (c) the submission and examination of proxies, certificates and other evidence of the right to vote; and (d) such other matters concerning the conduct of the meeting as the Trustee shall determine. Except as otherwise permitted or required by any such rules, the holding of Bonds shall be proved in the manner specified in Section 15.02 and the appointment of any proxy shall be proved in the manner specified in Section 15.02 or by having the signature of the Person executing the proxy witnessed or guaranteed by any bank or trust company satisfactory to the Trustee.

The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or the Holders as provided in Section 12.03, in which case the Company or the Holders calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by majority vote of the meeting.

Subject to the provisions of Section 12.04, at any meeting each Holder of Outstanding Bonds, with respect to which such meeting is being held, or proxy therefor shall be entitled to one vote for each \$1,000 principal amount of Outstanding Bonds held or represented by each Holder; provided that no vote shall be cast or counted at any meeting in respect of any Bonds challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote except as a Holder or proxy. At any meeting of Holders, the presence of Persons holding or representing Bonds in an aggregate principal amount sufficient to take action on any business for which such meeting was called shall constitute a quorum.

Any meeting of Holders duly called pursuant to the provisions of Section 12.02 or 12.03 may be adjourned from time to time by vote of the Holders of a majority in aggregate principal amount of the Bonds represented at the meeting and entitled to vote, whether or not a quorum is then present at such meeting, and any meeting so adjourned may be continued without further notice.

SECTION 12.06. The vote upon any resolution submitted to any meeting of Holders of Bonds with respect to which such meeting is being held or represented by them shall be by written ballots on which shall be subscribed the signatures of the Holders or proxies and, if deemed appropriate by the Trustee, the serial number or numbers and principal amount of the Bonds of each series held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their notarized and sworn written reports in duplicate of all votes cast at the meeting. A record in duplicate of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote

taken by ballot and affidavits by one or more Persons having knowledge of the facts, setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 12.02. The record shall be signed and verified by the permanent chairman and secretary of the meeting. One of the duplicates shall be delivered to the Company. The other duplicate, with the ballots voted at the meeting attached thereto, shall be delivered to the Trustee to be preserved by the Trustee.

Any record so signed and verified shall be conclusive evidence of the matters therein stated.

ARTICLE XIII.

SINKING FUNDS.

SECTION 13.01. (a) The Company covenants that on the first day of April of each year commencing one year after the date of the issuance of the first Bonds of each series originally issued prior to the Effective Date, and so long as any of the Bonds of such series originally issued prior to the Effective Date are Outstanding, it will pay or cause to be paid to the Trustee for and as a fund for the use and benefit of the Holders of Bonds of that series, a sum in lawful money of the United States of America equal to the amount required to redeem on the first day of June next following the date of such payment in accordance with Section 13.02 one percent of the highest aggregate principal amount of Bonds of that series at any time Outstanding. Each such fund shall be the Sinking Fund for Bonds of the respective series originally issued prior to the Effective Date for which it was or is to be paid and the aggregate of the Sinking Funds for all series shall be the Sinking Fund Requirement. On or after the Effective Date, the Company may, at the time of creation of any series of Bonds, establish a Sinking Fund having similar or different terms as provided in Section 2.07.

(b) The delivery by the Company to the Trustee of Bonds of any series (including, if applicable, unmatured coupons appertaining thereto), shall, for the purposes of a Sinking Fund for Bonds of that series, be deemed equivalent under this Section to the payment of cash equal to the amount required to effect the redemption of the Bonds, so delivered on the first day of June next following such delivery. If any Bonds of any series have been redeemed or retired and no Bonds have been issued, cash withdrawn or credit taken under any of the provisions of the Indenture on account of the redemption or retirement of such Bonds, the Company may deduct from any payment for the Sinking Fund for Bonds of that series an amount equivalent to the amount required to effect the redemption of a like amount of Bonds of that series for the Sinking Fund for Bonds of that series on the first day of June next following, provided that the Company shall not thereafter issue any Bonds, withdraw any cash or take any credit under any of the provisions of the Indenture on account of the redemption or retirement of such Bonds and such Bonds shall be cancelled.

(c) The delivery by the Company to the Trustee of an Application to apply an Amount of Established Permanent Additions which has not previously been applied to any other purpose specified in Section 5.04 or to a Sinking Fund established pursuant to this Article XIII shall for the purposes of such a Sinking Fund be deemed equivalent under this Section 13.01 to the payment of cash equal to the amount required to effect the redemption on the first day of June next following, of Bonds of the series to which the Sinking Fund is applicable in an amount equal to 66-2/3% of the Amount of Established Permanent Additions so applied.

SECTION 13.02. (a) As soon as possible, after each payment to a Sinking Fund is made, the Trustee shall apply the moneys in such Sinking Fund to the purchase of Bonds of the series to which it is applicable in the open market, at the lowest price or prices obtainable, but not to exceed the price at which the Bonds of such series are then redeemable for the Sinking Fund for Bonds of that series as hereinafter provided. If within 20 days after each payment to a Sinking Fund, the Trustee shall be unable to purchase Bonds of the series to which it is applicable as aforesaid sufficient to reduce the amount of money held in the Sinking Fund for Bonds of that series to less than \$10,000, the Trustee shall apply the Sinking Fund for Bonds of

that series or the balance thereof to the redemption, on the first day of June next following the receipt of such cash by the Trustee, of Bonds of such series.

(b) The particular Bonds of any series to be redeemed for the Sinking Fund for Bonds of that series shall be selected by the Trustee by lot, in such method as it shall elect. In any such selection by lot under this Section 13.02, each Bond shall be represented by a separate number for each \$1,000 of its principal amount. The Trustee shall notify the Company in writing of the series and the distinctive numbers of the Bonds to be redeemed for any Sinking Fund. The Trustee is hereby authorized and empowered to give or cause to be given on behalf of the Company, the notice required by Section 10.02 in order to redeem Bonds for Sinking Fund purposes.

(c) On and after the commencement of notice of redemption of Bonds pursuant to this Section 13.02, the Trustee shall (subject to the provision of Section 21.05 hereof) hold the moneys necessary to redeem the Bonds so to be redeemed as a separate trust fund for the account of the respective Holders thereof and such moneys shall be paid to them respectively upon presentation and surrender of such Bonds (including, if applicable, unmatured coupons appertaining thereto); and after the Redemption Date, such Bonds shall cease to be entitled to the benefits and security of and the Lien of Indenture, and, if applicable, all unmatured coupons relating to such Bonds shall be void and deemed paid. This section is in all respects subject to the provisions of Section 21.05, provided that on and after commencement of notice of redemption of Bonds pursuant to this Section 13.02, such Bonds (including if applicable, unmatured coupons appertaining thereto) shall be deemed to have been redeemed from the Holders thereof and paid for the purpose of release and satisfaction of the Indenture.

(d) If only a portion of any Bond shall be called for redemption by operation of a Sinking Fund (it being understood that no Coupon Bond shall be called for redemption in part absent contrary provisions in such Coupon Bond or the Supplemental Trust Indenture creating such Coupon Bond), the Company at its expense shall execute and the Trustee shall authenticate and deliver to the Holder of such Bond a new Bond of the same series and of the same maturity for the principal amount of the surrendered Bond, less the principal amount redeemed and paid.

SECTION 13.03. All Bonds delivered to the Trustee in lieu of cash, or purchased by the Trustee, or redeemed by operation of a Sinking Fund in accordance with the provisions of this Article XIII (including, if applicable unmatured coupons appertaining thereto) shall be cancelled by the Trustee. Bonds so cancelled shall not be reissued and no additional Bonds shall be authenticated and delivered in substitution therefor or on account of the retirement thereof and no credit shall be taken or cash withdrawn under the provisions of the Indenture on the basis thereof.

ARTICLE XIV.

REMEDIES OF TRUSTEE AND BONDHOLDERS UPON DEFAULT.

SECTION 14.01. Upon the occurrence of any one or more of the following events, a “Completed Default” shall exist:

- (a) default in the payment of the principal of or premium, if any, on any Bond when the same shall become due and payable, whether at Stated Maturity or by declaration, or otherwise; or
- (b) default continued for 30 days in the payment of any interest upon any Bond; or
- (c) default continued for 60 days in any Sinking Fund payment; or
- (d) default in the covenants of the Company with respect to bankruptcy, insolvency, assignment or receivership contained in Section 8.11; or
- (e) default continued for 60 days after notice to the Company from the Trustee in the performance of any other covenant, agreement or condition contained herein;

and the Trustee may, and upon the written request of the Holders of 25% or more in principal amount of the Bonds then Outstanding shall, declare the principal of all Bonds then Outstanding and the interest accrued thereon immediately due and payable, and such principal and interest thereupon shall be due and payable immediately; subject to the right of the Holders of a majority in principal amount of the Bonds then Outstanding, by written notice to the Company and to the Trustee, to rescind and annul such declaration and destroy its effect at any time before any sale hereunder if, before any such sale, (1) all agreements with respect to which default shall have been made shall be fully performed and (2) the reasonable expenses and charges of the Trustee, its agents and attorneys, all arrears of interest upon all Bonds Outstanding and of all other indebtedness secured hereby (except (i) the principal of any Bonds not then due by their terms, and (ii) interest accrued on such Bonds since the last Interest Payment Date) shall have been paid, or the amount thereof shall have been paid to the Trustee for the benefit of those entitled thereto.

No rescission or annulment and no waiver of Completed Default shall extend to or affect any subsequent Completed Default or impair any right subsequently accruing with respect thereto.

SECTION 14.02. Upon the occurrence of one or more Completed Defaults, the Company, upon demand of the Trustee, forthwith shall surrender to the Trustee the actual possession of, and it shall be lawful for the Trustee, by such officer or agent as it may appoint, to take possession of all the mortgaged and pledged property (with the books, papers and accounts of the Company) and to hold, operate and manage the same, and from time to time make all necessary repairs, and such alterations, additions and improvements as the Trustee shall deem appropriate, and to receive the rents, income, issues and profits thereof, and out of the same to pay all proper costs and expenses of so taking, holding, operating and managing the same, including reasonable compensation to the Trustee, its agents and counsel, and any charges of the Trustee under the Indenture, and any taxes and assessments and other charges prior to the Lien of

the Indenture, which the Trustee may deem it appropriate to pay, and all expenses of all such repairs, alterations, additions and improvements, and to apply the remainder of the moneys so received by the Trustee, as follows:

(a) in case the principal of none of the Bonds shall have become due, to the payment of the interest in default, in chronological order of the Stated Maturity of the installments of such interest, with interest (to the extent permitted by law) on the overdue installments thereof at the same rate that the Bonds themselves bear; such payments to be made ratably to the Persons entitled thereto, without discrimination or preference, and thereafter, to the payment of all Sinking Fund payments then due and payable;

(b) in case the principal of any Bonds shall have become due, by declaration or otherwise, first to the payment of interest in default, in chronological order of the Stated Maturity of the installments of such interest, with interest (to the extent permitted by law) on the overdue installments of interest at the same rate that the Bonds themselves bear, and thereafter to the payment of the principal of all Bonds then due, such payments to be made ratably to the persons entitled thereto without discrimination or preference.

Whenever all that is due upon such installments of interest, and the principal of such Bonds and under any of the terms of the Indenture shall have been paid and all defaults made good, the Trustee shall surrender possession to the Company, its successors or assigns; but with the same right of entry to exist upon any subsequent default.

SECTION 14.03. Upon the occurrence of one or more Completed Defaults: (a) it shall be lawful for the Trustee by such officer or agent as it may appoint, with or without entry (i) to sell all property subject to the Lien Hereof as an entirety, or in such parcels as the Holders of a majority in principal amount of the Bonds Outstanding shall in writing request, or in the absence of such request, as the Trustee may determine, at public auction, at some convenient place in Milwaukee, Wisconsin, or such other place as may be required by law, or by order of court (having first given notice of such sale by publication at least once on any day in each of not less than four successive calendar weeks immediately preceding the date fixed for any such sale in at least one daily newspaper of general circulation printed in the English language, published in Milwaukee, Wisconsin, and in at least one daily newspaper of general circulation printed in the English language, published in the City and State of New York, and any other notice which may be required by law) (ii) to adjourn such sale in its discretion by announcement at the time and place fixed for such sale without further notice, and upon such sale to make and deliver to the purchaser or purchasers a good and sufficient deed or deeds for the same, which sale shall be a perpetual bar, both at law and in equity, against the Company, and all Persons lawfully claiming or who may claim by, through or under it and (b) the Trustee and its successors are irrevocably appointed the true and lawful attorney or attorneys of the Company, in its name and stead, for the purpose of effectuating any such sale to execute and deliver all necessary deeds, bills of sale, assignments and transfers, and to substitute one or more Persons with like power, the Company hereby ratifying and confirming all that the Trustee's attorney or attorneys, or such substitute or substitutes, shall lawfully do by virtue hereof. Nevertheless, if so requested by the Trustee or by any purchaser, the Company shall ratify and confirm any such sale or transfer by executing and delivering to the Trustee or to such purchaser or purchasers all proper conveyances, assignments, instruments of transfer and releases as may be designated in any such request.

SECTION 14.04. In the event of a Completed Default, the Trustee shall have the right and power to take appropriate judicial proceedings for the enforcement of its rights and the rights of the Bondholders. In case of a Completed Default, the Trustee may after entry, or without entry, proceed by suit or suits at law or in equity to enforce payment of the Bonds then Outstanding and to foreclose the Indenture and to sell the property subject to the Lien of the Indenture under the judgment or decree of a court of competent jurisdiction; and it shall be obligatory upon the Trustee to take action, either by such proceedings or by the exercise of its powers with respect to entry or sale, upon being requested to do so by the Holders of a majority in principal amount of the Bonds then Outstanding and upon being indemnified as hereinafter provided.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Bonds or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Bonds shall then be due and payable, as therein expressed or by declaration or otherwise, and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal, premium or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal of, premium, if any and interest owing and unpaid in respect of the Bonds Outstanding and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel) and of the Bondholders allowed in such judicial proceeding; and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Bondholder to make such payments to the Trustee, and in the event that the Trustee shall consent to the making of such payments directly to the Bondholders, to pay to the Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, and any other amounts due the Trustee under Section 17.07.

Nothing contained herein shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Bondholder any plan or reorganization, arrangement, adjustment or composition affecting the Bonds or the rights of any Holder thereof, or to authorize the Trustee to vote in respect of the claim of any Bondholder in any such proceeding.

No remedy by the terms of the Indenture conferred upon or reserved for the Trustee or for the Bondholders, is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or by statute.

No delay or omission to exercise any right or power accruing upon any Completed Default shall impair any such right or power or shall be construed to be a waiver of any such Completed Default or acquiescence therein; and every such right and power may be exercised from time to time and as often as expedient.

SECTION 14.05. Anything in the Indenture to the contrary notwithstanding, the Holders of a majority in principal amount of the Bonds then Outstanding, at any time, by a written instrument, executed and delivered to the Trustee, may reasonably direct the method and place of conducting all proceedings to be taken for any sale of the property subject to the Lien of the Indenture, or for the foreclosure of the Indenture, or for the appointment of a receiver or for the taking of any action authorized hereby or refraining therefrom; provided that such direction shall not be contrary to the provisions of law or of the Indenture.

SECTION 14.06. In case of a Completed Default and upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bondholders, the Trustee shall be to the extent permitted by law, entitled as a matter of right to the appointment of a receiver or receivers of the property subject to the Lien of the Indenture, and of the income, rents, issues and profits thereof, pending such proceedings, with such powers as the court making such appointment shall confer.

SECTION 14.07. Upon any sale being made either under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or otherwise for the enforcement of the Indenture, the principal of all Bonds then Outstanding, if not previously due, shall immediately be due and payable.

SECTION 14.08. Upon any sale made under the power of sale hereby given or under judgment or decree in any judicial proceedings for foreclosure or otherwise for the enforcement of the Indenture, any Bondholder or Bondholders, or the Trustee, may bid for and purchase the property subject to the Lien of the Indenture and upon compliance with the terms of sale may hold, retain, possess and dispose of such property without further accountability. To the extent permitted by law, any purchaser at any such sale may deliver any of the Bonds Outstanding in lieu of cash in a principal amount equal to the cash payable upon the distribution of the net proceeds from such sale. Said Bonds, in case the amounts so available for payment to the Holders thereof shall be less than the amount due upon the Bonds, shall be returned to the Holders thereof after being properly stamped to show partial payment of the Bonds.

SECTION 14.09. Upon any sale made under the power of sale hereby given or under judgment or decree in any judicial proceedings for the foreclosure or otherwise for the enforcement of the Indenture, a receipt from the Trustee or the officer making such sale shall be a sufficient discharge to the purchaser for his purchase money. Such purchaser, his assigns or personal representatives, after paying such purchase money and receiving such receipt of the Trustee or of such officer therefor, shall not be obliged to see to the application of such purchase money, or be in any way answerable for any loss, misapplication or nonapplication thereof.

SECTION 14.10. Any sale made under the power of sale hereby given or under judgment or decree in any judicial proceedings for foreclosure or otherwise for the enforcement of the Indenture, shall operate to divest all right, title, interest, claim and demand whatsoever,

either at law or in equity, of the Company, of, in and to the property so sold, and shall be a perpetual bar both at law and in equity against the Company, its successors and assigns and against any and all Persons claiming or who may claim the property sold or any part thereof, from, through or under the Company, its successors or assigns. The purchaser of the Company's interest in properties owned jointly or in common with others shall have the same right and status as possessed by the Company prior to any such sale, but only to the extent permitted by law and subject to the provisions of any such judgment or decree.

SECTION 14.11. The proceeds of any sale made under the power of sale hereby given, or under judgment or decree in any judicial proceeding for the foreclosure or otherwise for the enforcement of the Indenture, together with any other amounts of cash which may then be held by the Trustee, as part of the mortgaged and pledged property, and which by any other provision hereof are to be added to or treated as a part of the proceeds of sale, shall be applied in the following order:

First. To the payment of all taxes, assessments or Prior Liens, except those taxes, assessments or Prior Liens subject to which such sales shall have been made, and of all the costs and expenses of such sale, including reasonable compensation to the Trustee, its agents and attorneys, and of all other sums payable to the Trustee as compensation for other services hereunder and by reason of any expenses or liabilities incurred or advances made in connection with the management or administration of the trusts hereby created;

Second. To the payment in full of the amounts then due and unpaid for principal and interest upon the Bonds then Outstanding; and in case such proceeds shall be insufficient to pay in full the amounts so due and unpaid, then to the payment thereof ratably, with interest on the overdue principal and interest (to the extent permitted by law) at the rates that the Bonds themselves bear, without preference or priority of principal over interest, or of interest over principal, or of any installment of interest over any other installment of interest;

Third. To the Company, its successors or assigns, or to whomsoever may be lawfully entitled to receive the same.

SECTION 14.12. In case of a Completed Default, neither the Company nor any one claiming through or under it shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force in any locality where any of the property subject to the Lien of the Indenture may be situated, in order to prevent or hinder the enforcement or foreclosure of the Indenture, or the absolute sale of the mortgaged and pledged property, or any part thereof, or the possession thereof by any purchaser, at any sale under this Article XIV, but the Company, for itself and all who may claim through or under it, hereby waives (to the extent it may lawfully do so) the benefit of all such laws. The Company, to the extent it may lawfully do so, for itself and all who may claim through or under it, hereby waives any and all right to have the mortgaged and pledged property marshalled upon any foreclosure hereof, and agrees that any court having jurisdiction to foreclose the Indenture may sell the mortgaged and pledged property subject to the Lien Hereof as an entirety.

SECTION 14.13. The Company covenants that if default shall be made in the payment of the principal of or interest on any of the Bonds when the same shall become payable,

whether at the Stated Maturity or by declaration as authorized by the Indenture, or in case of a sale as provided in Sections 14.03, 14.04 or 14.07, or otherwise, then, upon demand of the Trustee, the Company will pay to the Trustee, for the benefit of the Holders of such Bonds so due and payable the whole amount due and payable on all such Bonds for principal and interest, with interest upon the overdue principal and interest. If the Company shall fail to pay the same promptly upon such demand, the Trustee in its own name and as trustee of an express trust shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid.

The Trustee shall be entitled to sue for and recover judgment as aforesaid, either before, after or during the pendency of any proceedings for the enforcement of the Lien of the Indenture, or otherwise for the enforcement of any of its rights, or the rights of the Bondholders. In case of a sale of any of the property subject to the Lien of the Indenture, and of the application of the proceeds of sale to the payment of the debt hereby secured, the Trustee in its own name and as trustee of an express trust, shall be entitled to enforce payment of and to receive all amounts then remaining due and unpaid upon any and all the Bonds then Outstanding, for the benefit of the Holders thereof, and the Trustee shall be entitled to recover judgment for any portion of the debt remaining unpaid, with interest. No recovery of any such judgment by the Trustee and no levy of any execution upon any such judgment upon any of the property subject to the Lien of the Indenture or upon any other property shall affect, in any manner or to any extent, the Lien of the Indenture upon the mortgaged and pledged property, or any rights, powers or remedies of the Trustee, or any lien, rights, powers or remedies of the Holders of the said Bonds, but such lien, rights, powers and remedies of the Trustee and of the Bondholders shall continue unimpaired.

Any moneys collected or received by the Trustee under this Section 14.13, shall be applied by it first, to the payment of its expenses, disbursements and compensation and the expenses, disbursements and compensation of its agents and attorneys, and, second, toward payment of the amounts then due and unpaid upon such Bonds, with respect to which such moneys shall have been collected, ratably and without preference or priority of any kind, according to the amounts due and payable upon such Bonds at the date fixed by the Trustee for the distribution of such moneys, upon presentation of the several Bonds and upon notation of such payment thereon, if partly paid, and upon surrender thereof, if fully paid.

SECTION 14.14. All rights of action in favor of the Trustee, in respect of the Bonds or otherwise, may be enforced by the Trustee without the possession of any of the Bonds or the production thereof at any trial or other proceedings relative thereto. Any suit or proceeding instituted by the Trustee shall be brought in its name as Trustee and any recovery of judgment shall be for the equal benefit of the Holders of the Bonds.

SECTION 14.15. (a) No Holder of any Bond shall have any right to institute any suit, action or proceeding in equity or at law for the foreclosure of the Indenture or for the execution of any trust hereof or for the appointment of a receiver or any other remedy hereunder, unless (i) such Holder shall have previously given to the Trustee written notice of the existence of a Completed Default as herein provided; (ii) the Holders of 25% in principal amount of the Bonds then Outstanding also shall have made written request to the Trustee and shall have afforded it reasonable opportunity to proceed to exercise the powers herein granted or to institute such action, suit or proceeding in its own name; and (iii) the Trustee shall have been offered adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, provided that such liabilities do not arise as the result of the Trustee's negligence or

bad faith. No Bondholder shall be entitled to institute any such suit if and to the extent that the institution or prosecution of such suit or the entry of judgment therein would result, under applicable law, in the surrender, impairment, waiver or loss of the Lien of the Indenture upon the mortgaged and pledged property, or any part thereof, as security for Bonds held by any other Bondholder.

(b) In any suit for the enforcement of any right or remedy under the Indenture, or in any suit against the Trustee for any action taken or omitted by it as Trustee, the court may in its discretion require any litigant party in such suit to file an undertaking to pay the costs of such suit and the court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any litigant party in such suit, having due regard to the merits and good faith of the claims or defenses made by such litigant party; provided that the provisions of this subdivision (b) shall not apply to: (i) any suit instituted by the Trustee, (ii) any suit instituted by any Bondholder, or group of Bondholders, holding in the aggregate more than 10% in principal amount of the Bonds Outstanding, or (iii) any suit instituted by any Bondholder for the enforcement of the payment of the principal of or interest on any Bond, on or after the respective due dates expressed in such Bond.

(c) Nothing contained in the Indenture shall affect or impair the absolute and unconditional obligation of the Company to pay the principal of and interest on the Bonds in accordance with the terms thereof, to the respective Holders thereof (whether by lapse of time or call for redemption), nor affect or impair the right of action of each such Holder to enforce such payment.

SECTION 14.16. The Company may, if permitted by law, waive any period of grace provided for in this Article XIV.

SECTION 14.17. In case the Trustee shall have proceeded to enforce any right under the Indenture by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee, then and in every such case the Company and the Trustee shall be restored to their former positions and rights hereunder with respect to the property subject to the Lien of the Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

SECTION 14.18. All rights, remedies and powers provided for in this Article XIV may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Article XIV are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render the Indenture invalid, unenforceable or not entitled to be recorded or filed under the provisions of any applicable law.

ARTICLE XV.

EVIDENCE OF RIGHTS OF BONDHOLDERS AND OWNERSHIP OF BONDS.

SECTION 15.01. Whenever the Holders of a specified percentage in aggregate principal amount of Bonds are entitled to take any action (including the making of any demand or request, the giving of any notice, consent or waiver or the taking of any other action), the fact that at the time of taking any such action, the Holders of such specified percentage have joined therein may be evidenced: (a) by any instrument or any number of substantially concurrent instruments of similar tenor executed by the Holders in person or by agent or proxy, appointed in writing; (b) by the record of the Holders voting in favor thereof at any meeting of such Holders duly called and held in accordance with the provisions of Article XII; or (c) by a combination of such instrument or instruments and any such record of such a meeting of such Holders.

SECTION 15.02. Subject to the provisions of Sections 17.01 and 12.05, the fact and date of the execution of any instrument by a Holder of Bonds or his agent or proxy may be proved by the certificate of any notary public or other officer authorized to take acknowledgements of deeds to be recorded within the United States of America or territories, commonwealths, or possessions thereof that the Person executing such instrument acknowledged to him the execution thereof, or by an affidavit of a witness to such execution sworn to before any such notary or other such officer, provided that the Trustee may require such additional proof as it shall deem reasonable. Where such execution is by or on behalf of any legal entity other than an individual, such certificate or affidavit also shall constitute sufficient proof of the authority of the Person executing the same. Subject to Sections 17.01 and 12.05, the fact and date of the execution of any such instrument and the amount and numbers of Bonds of any series held by the Person so executing such instrument and the amount and numbers of any Bond for such series also may be proved in accordance with such reasonable rules and regulations as may be prescribed by the Trustee or in any other manner which the Trustee may deem sufficient.

The ownership and proof of holding of Registered Bonds shall be proved by the Bond Register or by a certificate of the Bond Registrar. The fact of the holding by any Holder of a Bond of any series, and the identifying number of such Bond and the date of his holding the same, may be proved by the production of such Bond or by a certificate executed by any trust company, bank, banker or recognized securities dealer satisfactory to the Trustee, wherever situated, if such certificate shall be deemed by the Trustee to be satisfactory. Each such certificate shall be dated and shall state that on the date thereof a Bond of such series bearing a specified identifying number was deposited with or exhibited at such trust company, bank, banker or recognized securities dealer by the Person named in such certificate. Any such certificate may be issued in respect of one or more Bonds of one or more series specified therein. The holding by the Person named in any such certificate of any Bonds or any series specified therein shall be presumed to continue for a period of one year from the date of such certificate unless at the time of any determination of such holding (1) another certificate bearing a later date issued in respect of the same Bonds shall be produced, or (2) the Bond of such series specified in such certificate shall be produced by some other Person, or (3) the Bond of such series specified in such certificate shall have ceased to be Outstanding. Subject to Section 17.01 and 12.05, the fact and date of the execution of any such instrument and the amount and number of Bonds of any series held by the Person so executing such instrument and the amount and numbers of Bonds for such series also may be proved in accordance with such reasonable rules and

regulations as may be prescribed by the Trustee or in any other manner which the Trustee may deem sufficient.

The record of a Holders' meeting shall be proved in the manner provided in Section 12.06.

SECTION 15.03. Prior to presentation for registration of transfer of any Bond, the Company, the Trustee, any Authenticating Agent, any Paying Agent or any Bond Registrar may deem and treat the Holder of any coupon and the Holder of any Bond other than a Registered Bond, and the Person in whose name any Bond shall be registered upon the Bond Register as the absolute owner of such Bond or coupon (whether or not such Bond or coupon shall be overdue) for the purpose of receiving payment of or interest on account thereof and for all other purposes. Neither the Company nor the Trustee nor any Authenticating Agent nor any Paying Agent nor the Bond Registrar shall be affected by any notice to the contrary. All such payments made to any such Person, or upon his order, shall be valid, and, to the extent of the sum or sums so paid, effectual to satisfy and discharge the liability for moneys payable upon any such Bond.

SECTION 15.04. At any time prior to, but not after, evidence is provided to the Trustee, pursuant to Section 15.01, of the taking of any action by the Holders of the percentage in aggregate principal amount of the Bonds specified in the Indenture in connection with any such action, any Holder of a Bond which is included in the Bonds the Holders of which have joined in such action may, by filing a written notice with the Trustee at its office and upon proof of holding as provided in Section 15.02, revoke, such action so far as concerns such Bond. Except as aforesaid in this Section 15.04, any such action taken by the Holder of any Bond pursuant to this Article XV shall be conclusive and binding upon such Holder, upon all future Holders and owners of such Bond and of any Bond issued in exchange or substitution therefor, irrespective of whether any notation is regard thereto is made upon such Bond. Any action taken by the Holder of the percentage in aggregate principal amount of the Bond specified in the Indenture in connection with such action shall be conclusively binding upon the Company, the Trustee and the Holders of the Bonds.

SECTION 15.05. The Company may establish, by Resolution, a record date for purposes of determining the identity of Bondholders entitled to take any action under the Indenture (including the making of any demand or request, the giving of any notice, consent, vote or waiver or the taking of any other action). The record date established by the Company under this Section 15.05 shall not be more than 90 days prior to the meeting or action requiring a determination of Bondholders. If no record date is established by the Company under this Section 15.05, the record date for determining the identity of Bondholders entitled to take any action under the Indenture shall be 15 days prior to the date of mailing of the first notice to Bondholders relating to such meeting or action. A determination of Bondholders entitled to notice of or to vote at a Bondholders' meeting is effective for any adjournment of the meeting unless the Company, by Resolution, establishes a new record date, which must be done if the meeting is adjourned to a date more than 120 days after the date fixed for the original meeting.

ARTICLE XVI.

EFFECT OF MERGER, CONSOLIDATION, ETC. ON THE LIEN OF THE INDENTURE

SECTION 16.01. Nothing in the Indenture shall prevent any lawful consolidation or merger of the Company with or into any other corporation, or any conveyance, transfer or lease, subject to the Lien of the Indenture, of all or substantially all of the mortgaged and pledged property as an entirety, to any corporation lawfully entitled to acquire or lease and operate the same; provided (and the Company covenants and agrees), that such consolidation, merger, conveyance, transfer or lease shall be only upon terms that fully preserve and in no respect impair the efficiency or security of the Indenture or the Lien Hereof, or any of the rights or powers of the Trustee or the Bondholders; and provided that any such lease shall be made expressly subject to immediate termination by: (i) the Company or the Trustee at any time during the continuance of a Completed Default, and (ii) by the purchaser of the property so leased at any sale thereof, whether such sale be made under the power of sale hereby conferred or under judicial proceedings; and provided, further, that, upon any such consolidation, merger, conveyance, transfer, or lease, the term of which extends beyond the Stated Maturity of any of the Bonds Outstanding, the due and punctual payment of the principal of and interest on all said Bonds according to their tenor and the due and punctual performance and observance of all the covenants and conditions of the Indenture to be kept or performed by the Company, shall be assumed by the corporation formed by such consolidation or into which such merger shall have been made, or acquiring all the mortgaged and pledged property as an entirety, as aforesaid, or by the lessee under any such lease the term of which extends beyond the Stated Maturity of any of the Bonds Outstanding.

SECTION 16.02. If the Company, pursuant to Section 16.01, shall be consolidated with or merged into any other corporation, or shall convey or transfer (subject to the Lien of the Indenture), all, or substantially all, the mortgaged and pledged property, as an entirety, then the successor corporation, formed by such consolidation, or into which the Company shall have been merged, or which shall have received a conveyance or transfer as aforesaid (the "Successor Corporation"), upon executing an indenture with the Trustee, satisfactory to the Trustee, and causing the same to be recorded, whereby such Successor Corporation shall assume and agree to pay, duly and punctually, the principal of and interest on the Bonds, and agree to perform and fulfill all the covenants and conditions of the Indenture binding upon the Company, shall (a) succeed to and be substituted for the Company, with the same effect as if it had been named herein, and in the Bonds as the mortgagor or obligor company, (b) have and may exercise under the Indenture and the Bonds the same powers and rights as the Company, and (without in any way limiting or impairing by the enumeration of the same the scope and intent of the foregoing general powers and rights) such Successor Corporation thereupon may cause to be executed, issued and delivered, either in its own name or in the name of the Company, any or all of such Bonds which shall not theretofore have been executed by the Company and authenticated by the Trustee, and upon the order of such Successor Corporation in lieu of the Company, and subject to the terms, conditions and restrictions prescribed in the Indenture, concerning the authentication and delivery of Bonds, the Trustee shall authenticate and deliver any such Bonds which shall have been previously signed and delivered by the officers of the Company to the Trustee for authentication, and any such Bonds which such Successor Corporation shall

thereafter, in accordance with the provisions of the Indenture, cause to be executed and delivered to the Trustee for authentication. All the Bonds so issued shall in all respects have the same legal right and security as the Bonds theretofore issued in accordance with the terms of the Indenture as though all of said Bonds had been authenticated and delivered at the date of the execution hereof; provided that as a condition precedent to the execution by such Successor Corporation and the authentication and delivery by the Trustee of any such additional Bonds in respect of the construction or acquisition by the Successor Corporation of Permanent Additions, the indenture with the Trustee to be executed and caused to be recorded by the Successor Corporation, as provided in this Section 16.02, shall contain a conveyance or transfer and mortgage in terms sufficient to include such Permanent Additions; and provided further that the Lien of the Indenture and of the indenture so created and to be executed by such Successor Corporation shall have similar force, effect and standing as the Lien of the Indenture would have if the Company had not been consolidated with or merged into such other corporation or had not conveyed or transferred, subject to the Indenture, all the mortgaged and pledged property as an entirety, as aforesaid, to such Successor Corporation, and had itself acquired or constructed such Permanent Additions, and requested the authentication and delivery of Bonds under the provisions of the Indenture.

Until a Completed Default shall occur and be continuing and subject to the provisions of Section 17.01, the Trustee may receive an Opinion of Counsel as conclusive evidence that any such indenture complies with the foregoing conditions and provisions of this Section 16.02.

SECTION 16.03. If the Company, pursuant to Section 16.01, shall be consolidated with or merged into any other corporation, or shall convey or transfer, subject to the Indenture, all or substantially all of the mortgaged and pledged property as an entirety as aforesaid, neither the Indenture nor the indenture with the Trustee to be executed and caused to be recorded by the Successor Corporation as provided in Section 16.02, shall, unless such latter indenture shall otherwise provide (anything in the Indenture contained to the contrary notwithstanding), become or be a lien upon any of the properties or franchises of the Successor Corporation except those acquired by it from the Company, and extensions and additions appurtenant to the property acquired from the Company, and such franchises, repairs and additional property as may be acquired by the Successor Corporation in pursuance of the covenants herein contained to maintain, renew and preserve the franchises covered by the Indenture and to keep and maintain the mortgaged and pledged property in adequate repair, working order and condition.

SECTION 16.04. At any time prior to the exercise of any power reserved by this Article XVI for the Company or a purchasing or Successor Corporation, the Company may surrender any such power by delivery to the Trustee of an instrument in writing executed by its President or a Vice President under its corporate seal attested by its Secretary or an Assistant Secretary, accompanied by the affidavit of its Secretary or an Assistant Secretary, that the execution of such instrument was duly authorized by its Board of Directors. Upon such delivery, the power so surrendered shall cease.

ARTICLE XVII.

THE TRUSTEE.

SECTION 17.01. (a) Except during the continuance of a Completed Default:

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in the Indenture, and no implied covenants or obligations shall be read into the Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee which conform to the requirements of the Indenture; but in the case of any such certificate or opinion which by any provision hereof is specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not it conforms as to form to the requirements of the Indenture.

(b) If a Completed Default has occurred and is continuing, the Trustee shall exercise the rights and powers vested in it by the Indenture and use the same degree of care and skill in their exercise as a prudent man would exercise or use, under the circumstances, in the conduct of his own affairs.

(c) No provision of the Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this subdivision (c) shall not be construed to limit the effect of subdivision (a) of this Section 17.01;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Bonds relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or for exercising any trust or power conferred upon the Trustee; and

(4) no provision of the Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties or in the exercise of any of its rights or powers if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it. Before taking any action under the Indenture, the Trustee may require that satisfactory indemnity be furnished to it for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful default, by reason of any action so taken.

(d) the Trustee shall use reasonable care in the selection or approval of any Engineer, appraiser or other expert, counsel or Accountant required to be selected or approved by the Trustee.

(e) every provision of the Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section 17.01.

SECTION 17.02. Within 90 days after the occurrence of any Default, the Trustee shall transmit notice of such Default, unless such Default shall have been cured or waived, to the Bondholders in the manner and to the extent provided in subdivision (c) of Section 17.18; provided that (except in the case of a Default in the payment of the principal of, premium, if any, or interest on any Bond or in the payment of any Sinking Fund installment), the Trustee shall be protected in withholding such notice if and so long as its board of directors, its executive committee or a trust committee of its board of directors or Responsible Officers of the Trustee in good faith determine that the withholding of such notice is in the interests of the Bondholders, and provided that in the case of any Default of the character specified in subdivision (d) of Section 14.01, no such notice to Bondholders shall be given until at least 90 days after the occurrence thereof.

SECTION 17.03. Except as otherwise provided in Section 17.01:

(a) the Trustee may rely; and shall be protected in acting or refraining from acting, upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document believed by it to be genuine and to have been signed or presented by the proper party;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Resolution;

(c) whenever in the administration of the Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, permitting or omitting any action, the Trustee (unless other evidence be specifically prescribed herein) may, in the absence of bad faith on its part, rely upon an Officer's Certificate;

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, permitted or omitted by the Trustee in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Indenture at the request or direction of any of the Bondholders, unless such Bondholders shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by the Trustee in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, coupon or other paper or document but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may

see fit. If the Trustee shall make such further inquiry or investigation, it shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(h) the Trustee shall not be personally liable, in case of entry by it upon the mortgaged and pledged property, for debts contracted or liabilities or damages incurred in the management or operation of the mortgaged and pledged property.

SECTION 17.04. The recitals contained herein and in the Bonds, except the certificate of authentication on the Bonds, shall be taken as the statements of the Company, and the Trustee assumes no responsibility for their correctness. The Trustee makes no representations as to the value or condition of the Mortgaged and pledged property or any part thereof, or as to the title of the Company thereto or as to the security afforded thereby or hereby, or as to the validity or genuineness of any securities at any time pledged and deposited with the Trustee hereunder, or as to the validity or genuineness of any securities at any time pledged and deposited with the Trustee hereunder, or as to the validity or sufficiency of the Indenture or of the Bonds. The Trustee shall not be accountable for the use or application by the Company of Bonds or the proceeds thereof or of any money paid to the Company upon Company Order.

SECTION 17.05. The Trustee, any Paying Agent, Bond Registrar, Authenticating Agent or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Bonds and, subject to Sections 17.08 and 17.13, if operative, may otherwise deal with the Company with the same rights it would have if it were not Trustee, Paying Agent, Bond Registrar, Authenticating Agent or such other agent.

SECTION 17.06. Money held by the Trustee in trust hereunder need not be segregated from other funds except to the extent provided herein or requested by the Company or required by law. The Trustee shall be under no liability for interest on any money received by it hereunder except as provided elsewhere herein and except as otherwise agreed with the Company.

SECTION 17.07. The Company agrees:

(a) to pay to the Trustee reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise provided herein, to reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances incurred or made by the Trustee in accordance with the Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel) except any such expense, disbursement or advance as may be attributable to the Trustee's negligence or bad faith;

(c) to indemnify the Trustee for, and to hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with

the acceptance or administration of this trust, including the costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder; and

(d) that all such payments and reimbursements shall be made with interest at the rate of six percent per annum, accruing from the date such payments and reimbursements are billed by the Trustee, unless paid by the Company on or before a subsequent due date established by such billing.

As security for the performance of the obligations of the Company under this Section 17.07, the Trustee shall be secured under the Indenture by a lien prior to the Bonds, and for the payment of such compensation, expenses, reimbursements and indemnity the Trustee shall have the right to use and apply any moneys held by it under the Indenture as part of the mortgaged and pledged property.

SECTION 17.08. Certain terms used in this Section 17.08 are defined in subsections (c) and (d).

(a) If the Trustee has or shall acquire any conflicting interest, as defined in this Section 17.08,

(1) then, within 90 days after ascertaining that it has such conflicting interest, and if the Default to which such conflicting interest relates has not been cured or duly waived or otherwise eliminated before the end of such 90-day period, the Trustee shall either eliminate such conflicting interest or, except as otherwise provided in this subdivision (a), resign, and the Company shall take prompt steps to have a successor appointed in the manner provided in Section 17.10;

(2) if the Trustee shall fail to comply with the provisions of clause (1) of this subdivision (a), the Trustee shall, within 10 days after the expiration of such 90-day period, transmit notice of such failure to the Bondholders in the manner and to the extent provided in subdivision (c) of Section 17.18; and

(3) subject to the provisions of subdivision (b) of Section 14.15, unless the Trustee's duty to resign is stayed as provided in this subdivision (a), any Bondholder who has been a bona fide holder of Bonds for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee, and the appointment of a successor, if the Trustee fails, after written request thereof by such Bondholder to comply with the provisions of clause (1) of this subdivision (a).

(b) For the purposes of this Section 17.08, the Trustee shall be deemed to have a conflicting interest if a Default exists and

(1) the Trustee is trustee under another indenture under which any other securities of the Company, or certificates of interest or participation in any other securities of the Company, are Outstanding or is trustee for more than one Outstanding series of securities, under a single indenture of the Company (unless such other indenture is a collateral trust indenture under which the only collateral consists of Bonds issued

under the Indenture). There shall be excluded from the operation of this paragraph any indenture or indentures under which (A) other securities of the Company, or (B) certificates of interest or participation in other securities of the Company, are Outstanding, if the Company shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that trusteeship under the Indenture and such other indenture or under more than one Outstanding series under a single indenture is not so likely to involve a material conflict of interest as to make it necessary in the public interest or for the protection of investors to disqualify the Trustee from acting as such under one of such indentures or with respect to such series; or

(2) the Trustee or any of its Directors or Executive Officers is an obligor upon the Bonds or an Underwriter for the Company; or

(3) the Trustee directly or indirectly controls or is directly or indirectly controlled by or is under direct or indirect common control with the Company or an Underwriter for the Company; or

(4) the Trustee or any of its Directors or Executive Officers is a Director, officer, partner, employee, appointee or representative of the Company or of an Underwriter for the Company (other than the Trustee itself) who is currently engaged in the business of underwriting, except that: (A) one individual may be a Director or an Executive Officer, or both, of the Trustee and a Director or an Executive Officer, or both, of the Company but may not be at the same time an Executive Officer of both the Trustee and the Company; (B) if and so long as the number of Directors of the Trustee in office is more than nine, one additional individual may be a Director or an Executive Officer, or both, of the Trustee and a Director of the Company; and (C) the Trustee may be designated by the Company or by any Underwriter for the Company to act in the capacity of transfer agent, registrar, custodian, paying agent, fiscal agent, escrow agent, or depository, or in any other similar capacity, or, subject to the provisions of paragraph (1) of this subdivision (b) to act as trustee, whether under an indenture or otherwise; or

(5) 10% or more of the Voting Securities of the Trustee is beneficially owned either by the Company or by any Director, partner, or Executive Officer thereof, or 20% or more of such Voting Securities is beneficially owned, collectively, by any two or more of such Persons; or 10% or more of the Voting Securities of the Trustee is beneficially owned either by an Underwriter for the Company or by any Director, partner or Executive Officer thereof, or is beneficially owned, collectively, by any two or more such Persons; or

(6) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default in payment of principal for 30 days or more and such default shall not have been cured, (A) 5% or more of the Voting Securities or 10% or more of any other class of Security of the Company (not including the Bonds and Securities issued under any other indenture under which the Trustee is also trustee) or (B) 10% or more of any class of Security of an Underwriter for the Company; or

(7) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default in payment of principal for 30 days or more and such default shall not have been cured, 5% or more of the Voting Securities of any Person who, to the knowledge of the Trustee, owns 10% or more of the Voting Securities of, or controls directly or indirectly or is under direct or indirect common control with, the Company; or

(8) the Trustee is the beneficial owner of, or holds as collateral security for an obligation which is in default in payment of principal for 30 days or more and such default shall not have been cured, 10% or more of any class of Security or any Person who, to the knowledge of the Trustee, owns 50% or more of the Voting Securities of the Company; or

(9) the Trustee owns, on the date of any Default or any anniversary of such Default while such Default continues, in the capacity of executor, administrator, testamentary or inter vivos trustee, guardian, committee or conservator, or in any other similar capacity, an aggregate of 25% or more of the Voting Securities, or of any class of Security, of any Person, the beneficial ownership of a specified percentage of which would have constituted a conflicting interest under paragraph (6), (7) or (8) of this subdivision (b). As to any such Securities of which the Trustee acquired ownership through becoming executor, administrator, or testamentary trustee of an estate which included them, the provisions of the preceding sentence shall not apply, for a period of not more than two years from the date of such acquisition, to the extent that such Securities included in such estate do not exceed 25% of such Voting Securities or 25% of any such class of Securities. Promptly after the dates of any such Default and annually in each succeeding year that such Default continues, the Trustee shall make a check of its holding of such Securities in any of the above-mentioned capacities as of such dates. If the Company fails to make payments in full of the principal of, the premium, if any, or interest on, any of the Bonds when and as the same become due and payable, and such failure continues for 30 days thereafter, the Trustee shall make a prompt check of its holdings of such Securities in any of the above-mentioned capacities as of the date of the expiration of such 30-day period, and after such date, notwithstanding the foregoing provisions of this paragraph (9), all such Securities so held by the Trustee, with sole or joint control over such Securities vested in it, shall, but only so long as such failure shall continue, be considered as though beneficially owned by the Trustee for the purposes of paragraphs (6), (7) and (8) of this subdivision (b).

(10) except under the circumstances described in paragraphs (1), (3), (4), (5) or (6) of subdivision (b) of Section 17.13, the Trustee shall become a creditor of the Company.

For purposes of paragraph (1) of this subdivision (b), the term "series of securities" or "series" means a series, class or group of securities issuable under an indenture pursuant to whose terms holders of one such series may vote to direct the indenture trustee, or otherwise take action pursuant to a vote of such holders, separately from holders of another such series; provided that "series of securities" or "series" shall not include any series of securities issuable under an indenture if all such series rank equally and are wholly unsecured.

The specification of percentages in paragraphs (5) through (9) of this subdivision (b), shall not be construed to indicate that ownership of such percentages of the Securities of a Person is or is not necessary or sufficient to constitute direct or indirect control for the purposes of paragraph (3) or (7) of this subdivision (b).

For the purposes of paragraphs (6), (7), (8) and (9) of this subdivision (b) only, "Security" and "Securities," shall include only such securities as are generally known as corporate securities, but shall not include any note or other evidence of indebtedness issued to evidence an obligation to repay moneys lent to a Person by one or more banks, trust companies or banking firms, or any certificate of interest or participation in any such note or evidence of indebtedness. The Trustee shall be deemed not to be the owner or holder of (i) any Security which it holds as collateral security, as trustee or otherwise, for an obligation which is not in default in the payment of principal for 30 days or more, or (ii) any Security which it holds as collateral security under the Indenture, irrespective of any Default, or (iii) any Security which it holds as agent for collection, or as custodian, escrow agent, or depository, or in any similar representative capacity.

(c) For the purposes of this Section 17.08 only:

(1) "Company" means any obligor upon the Bonds.

(2) "Director" means any director of a corporation, or any individual performing similar functions with respect to any organization whether incorporated or unincorporated.

(3) "Executive Officer" means the president, every vice president, every trust officer, the cashier, the secretary, or the treasurer of a corporation, and any individual customarily performing similar functions with respect to any organization whether incorporated or unincorporated, but shall not include the chairman of the board of directors if not also one of the foregoing officers.

(4) "Person" means an individual, a corporation, a partnership, an association, a joint-stock company, a trust, an unincorporated organization, or a government or political subdivision thereof. As used in this paragraph, the term "trust" shall include only a trust where the interest or interests of the beneficiary or beneficiaries are evidenced by a security.

(5) "Trustee" includes any separate or co-trustee appointed under Section 17.14.

(6) "Underwriter," when used with reference to the Company, means every Person who, within one year prior to the time as of which the determination is made, was an underwriter of any security of the Company Outstanding at the time of the determination.

(7) "Voting Security" means any security presently entitling the owner or holder thereof to vote in the direction or management of the affairs of a Person, or any security issued under or pursuant to any trust, agreement or arrangement whereby a trustee or trustees or agent or agents for the owner or holder of such security are presently entitled to vote in the direction or management of the affairs of a Person.

(d) The percentages of Voting Securities and other securities specified in this Section 17.08 shall be calculated in accordance with the following provisions:

(1) A specified percentage of the Voting Securities of any Person referred to in this Section 17.08 (including the Trustee and the Company) means such amount of the Outstanding Voting Securities of such Person as entitles the holder thereof to cast such specified percentage of the aggregate votes which the holders of all the Outstanding Voting Securities for such Person are entitled to cast in the direction or management of the affairs of such Person.

(2) A specified percentage of a class of securities of a Person means such percentage of the aggregate amount of securities of the class Outstanding.

(3) "Amount," when used in regard to securities, means the principal amount if relating to evidences of indebtedness, the number of shares if relating to capital shares, and the number of units if relating to any other kind of security.

(4) "Outstanding," means issued and not held by or for the account of the issuer. The following securities shall be deemed not Outstanding within the meaning of this definition:

(A) securities of an issuer held in a sinking fund for securities of the issuer of the same class;

(B) securities of an issuer held in a sinking fund for another class of securities of the issuer, if the obligation evidenced by such other class of securities is not in default as to principal or interest or otherwise;

(C) securities pledged by the issuer thereof as security for an obligation of the issuer not in default as to principal or interest or otherwise; and

(D) securities held in escrow if placed in escrow by the issuer thereof;

provided that any Voting Securities of an issuer shall be deemed Outstanding if any Person other than the issuer is entitled to exercise the voting rights thereof.

(5) A security shall be deemed to be of the same class as another security if both securities confer upon the holder thereof substantially the same rights and privileges; provided that, in the case of secured evidences of indebtedness, all of which are issued under a single indenture, differences only in the interest rates or maturity dates of various series thereof shall not be deemed sufficient to constitute such series as different classes and provided that, in the case of unsecured evidences of indebtedness, differences in the interest rates or maturity dates thereof shall not be deemed sufficient to constitute them securities of different classes, whether or not they are issued under a single indenture.

(e) Except in the case of a default in the payment of the principal of or interest on any Bonds, or in the payment of any Sinking Fund or similar fund, the Trustee shall not be required to resign as provided by this Section 17.08 if the Trustee shall have sustained the burden of proving, on application to the Commission and after opportunity for hearing thereon, that (1) the Default may be cured or waived during a reasonable period and under the procedures described in such applications, and (2) a stay of the Trustee's duty to resign will not be inconsistent with

the interests of Holders of the Bonds. The filing of such an application shall automatically stay the performance of the duty to resign until the Commission orders otherwise.

SECTION 17.09. There shall be at all times a Trustee which shall be a corporation organized and doing business under the laws of the United States of America or of any state thereof or a corporation or other Person permitted to act as Trustee by the Commission, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$5,000,000, and subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section 17.09, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

No obligor under the Bonds or Person directly or indirectly controlling, controlled by, or under common control with such obligor shall serve as Trustee.

If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section 17.09, it shall resign immediately in the manner and with the effect specified in this Article XVII.

SECTION 17.10. (a) No resignation or removal of the Trustee and no appointment of a successor Trustee shall become effective until the acceptance of appointment by the successor Trustee under Section 17.11.

(b) The Trustee may resign at any time by giving written notice to the Company. If an executed instrument of acceptance by a successor Trustee shall not have been delivered to the Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by the Holders of a majority in principal amount of the Outstanding Bonds.

(d) If at any time:

(1) the Trustee, after this Indenture has been qualified under the Trust Indenture Act, shall fail to comply with subdivision (a) of Section 17.08 after written request therefor by the Company or by any Bondholder who has been a bona fide Holder of a Bond for at least six months; or

(2) the Trustee shall cease to be eligible pursuant to Section 17.09 and shall fail to resign after written request therefor by the Company or by any such Bondholder; or

(3)(A) the Trustee shall become incapable of acting; or (B) the Trustee shall be adjudged a bankrupt or insolvent; or (C) a receiver for the Trustee or of its property shall be appointed; or (D) any public offer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation;

then, (i) the Company by Resolution may remove the Trustee, or (ii) subject to subdivision (b) of Section 14.15, any Bondholder who has been a bona fide Holder of a Bond for at least six months may (on behalf of himself and all others similarly situated), petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause, the Company, by Resolution, shall promptly appoint a successor Trustee. If all or substantially all of the mortgaged and pledged property shall be in the possession of a lawfully appointed receiver or trustee, such receiver or Trustee, by written instrument, may similarly appoint a successor Trustee to fill such vacancy until a new Trustee shall be so appointed by the Bondholders. If, within one year after such resignation, removal, incapability or the occurrence of such vacancy, a successor Trustee shall be appointed by the Holders of a majority in principal amount of the Outstanding Bonds, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee and supersede the successor Trustee appointed by the Company or by such receiver or trustee. If no successor Trustee shall have been so appointed by the Company or the Bondholders and accepted appointment as hereinafter provided, then, subject to subdivision (b) of Section 14.15, any Bondholder who has been a bona fide Holder of a Bond for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) The Company shall give written notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by first-class mail, postage prepaid, to the Bondholders as their names and addresses appear in the Bond Register. Each notice shall include the name of the successor Trustee and the address of its principal corporate trust office.

SECTION 17.11. Every successor Trustee shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment and thereupon the resignation or removal of the retiring Trustee shall become effective. Such successor Trustee, without any further act, deed or conveyance, shall become vested with all the estate, properties, rights, powers, trusts and duties of the retiring Trustee. On request of the Company or the successor Trustee, such retiring Trustee shall, upon payment by the Company to the retiring Trustee for its charges, execute and deliver an instrument conveying and transferring to such successor Trustee upon the trusts herein expressed all the estates, properties, rights, powers and trusts of the retiring Trustee, and shall duly assign, transfer and deliver to such successor Trustee all property and money held hereunder by such retiring Trustee, subject nevertheless to the Trustee's lien, if any, provided for in Section 17.07. Upon request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all such estates, properties, rights, powers and trusts.

No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article XVII.

SECTION 17.12. Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding

to all or substantially all of the corporate trust business of the Trustee, shall be the successor of the Trustee, provided that such corporation shall be otherwise qualified and eligible under this Article XVII, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

If any Bonds shall have been authenticated, but not delivered, by the Trustee then in office, any successor to such authenticating Trustee (by merger, conversion or consolidation) may adopt such authentication and deliver the Bonds so authenticated with the same effect as if such successor Trustee had authenticated such Bonds.

SECTION 17.13. Certain terms used in this Section 17.13 are defined in subdivision (c) of this Section 17.13.

(a) Subject to subdivision (b) of this Section 17.13, if the Trustee shall be or shall become a secured or unsecured creditor of the Company (either directly or indirectly) within three months prior to a Payment Default, or subsequent to such a Payment Default, then, unless and until such Payment Default shall be cured, the Trustee shall set apart and hold in a special account for the benefit of the Trustee individually, the Bondholders and the holders of Other Indenture Securities:

(1) an amount equal to any and all reductions in the amount due and owing upon any claim of the Trustee as such creditor in respect to principal or interest, effected after the beginning of such three month period and valid against the Company and its other creditors, except any such reduction resulting from the receipt or disposition of any property described in paragraph (2) of this subdivision (a), or from the exercise of any right of setoff which the Trustee could have exercised if a petition in bankruptcy has been filed by or against the Company upon the date of such Payment Default; and

(2) all property received by the Trustee in respect to any claim as such creditor, either as security therefor, or in satisfaction or composition thereof, or otherwise, after the beginning of such three month period, or an amount equal to the proceeds of any such property, if disposed of, subject, however, to the rights, if any, of the Company and its other creditors in such property or such proceeds.

Nothing contained herein shall affect the right of the Trustee:

(A) to retain for its own account (i) payments made on account of any such claim by any Person (other than the Company) who is liable thereof, (ii) the proceeds from the bona fide sale of any such claim by the Trustee to a third Person and (iii) distributions made in cash, securities or other property in respect to claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable state law; or

(B) to realize, for its own account, upon any property held by it as security for any such claim, if such property was so held prior to the beginning of such three month period; or

(C) to realize, for its own account, but only to the extent of the claim hereinafter mentioned, upon any property held by it as security for any such claim, if such claim was created after the beginning of such three month period and such property was received as security therefor simultaneously with the creation thereof, and if the Trustee shall sustain the burden of proving that at the time such property was so received the Trustee had no reasonable cause to believe that a Payment Default would occur within three months; or

(D) to receive payment on any claim referred to in the foregoing subparagraph (B) or (C), against the release of any property held as security for such claim as provided in the foregoing subparagraph (B) or (C), as the case may be, to the extent of the fair value of such property.

For the purposes of the foregoing subparagraphs (B), (C) and (D), property substituted after the beginning of such three month period for property held as security at the time of such substitution shall, to the extent of the fair value of the property released, have the same status as the property released and, to the extent that any claim referred to in any of such subparagraphs is created in renewal of or in substitution for or for the purpose of repaying or refunding any pre-existing claim of the Trustee as such creditor, such claim shall have the same status as such pre-existing claim.

If the Trustee shall be required to account for the funds and property held in such special account and the proceeds thereof, they shall be apportioned between the Trustee, the Bondholders and the holders of Other Indenture Securities in such manner that the Trustee, Bondholders and holders of such Other Indenture Securities realize, as a result of payments from such special account and payments of "dividends" (as defined below) on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable state law, the same percentage of their respective claims, figured before crediting to the claim of the Trustee anything on account of the receipt by it from the Company of the funds and property in such special account and before crediting to the respective claims of the Trustee, Bondholders and holders of Other Indenture Securities dividends on claims filed against the Company in bankruptcy or receivership or in proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable state law, but after crediting thereon receipt on account of the indebtedness represented by their respective claims from all sources other than from such dividends and from the funds and property so held in such special account. As used in this paragraph, with respect to any claim, the term "dividends" shall include any distribution with respect to such claim, in bankruptcy or receivership or proceedings for reorganization pursuant to the Federal Bankruptcy Act or applicable state law, whether such distribution is made in cash, securities, or other property, but shall not include any such distribution with respect to the secured portion, if any, of such claim. The court in which such bankruptcy, receivership or proceeding for reorganization is pending shall have jurisdiction (A) to apportion between the Trustee, Bondholders and holders of Other Indenture Securities, in accordance with the provisions of this paragraph, the funds and property held in such special account and proceeds thereof, or (B) in lieu of such apportionment, in whole or in part, to give to the provisions of this paragraph due consideration in determining the fairness of the distributions to be made to the Trustee, Bondholders and holders of Other Indenture Securities with respect to their respective claims, in which event it shall not be necessary to liquidate or to appraise the

value of any securities or other property held in such special account or as security for any such claim, or to make a special allocation of such distributions as between the secured and unsecured portions of such claims, or otherwise to apply the provisions of this paragraph as a mathematical formula.

Any Trustee which has resigned or been removed after the beginning of such three month period shall be subject to the provisions of this subdivision (a) as though such resignation or removal had not occurred. If any Trustee has resigned or been removed prior to the beginning of such three month period, it shall be subject to the provisions of this subdivision (a) if and only if the following conditions exist:

(i) the receipt of property or reduction of claim which would have given rise to the obligation to account if such Trustee had continued as Trustee, occurred after the beginning of such three month period; and

(ii) such receipt of property or reduction of claim occurred within three months after such resignation or removal.

(b) There shall be excluded from the operation of subdivision (a) of this Section 17.13 a creditor relationship arising from:

(1) the ownership or acquisition of securities issued under any indenture, or any security or securities having a maturity of one year or more at the time of acquisition by the Trustee; or

(2) advances authorized by a receivership or bankruptcy court of competent jurisdiction, or by the Indenture, for the purpose of preserving any property which shall at any time be subject to the Lien Hereof, or of discharging tax liens, or other Prior Liens or encumbrances on the mortgaged and pledged property, if notice of such advance and of the circumstances surrounding the making thereof is given to the Bondholders at the time and in the manner provided in paragraph (2) of subdivision (a) of Section 17.18 or paragraph (2) of subdivision (b) of Section 17.18; or

(3) disbursements made in the ordinary course of business in the capacity of trustee under the Indenture or another Indenture or as transfer agent, registrar, custodian, paying agent, fiscal agent, depository or other similar capacity; or

(4) an indebtedness created as a result of services rendered or premises rented, or an indebtedness created as a result of goods or securities sold in a Cash Transaction; or

(5) the ownership of stock or of the other securities of a corporation organized under the provisions of Section 25(a) of the Federal Reserve Act, as amended, which is directly or indirectly a creditor of the Company; or

(6) the acquisition, ownership, acceptance or negotiation of any drafts, bills of exchange, acceptances or obligations which fall within the classification of Self-liquidating Paper.

(c) For purposes of this Section 17.13 only:

(1) “Cash Transaction” means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand.

(2) “Company” means any obligor under the Bonds.

(3) “Other Indenture Securities” means securities, upon which the Company is an obligor, outstanding under any other indenture (A) under which the Trustee is also trustee, (B) which contains provisions substantially similar to the provisions of this Section 17.13 and (C) under which a Payment Default exists at the time of the apportionment of the funds and property held in such special account.

(4) “Payment Default” means any failure to make payment in full of the principal of or interest on any of the Bonds or upon the Other Indenture Securities when and as such principal or interest becomes due and payable.

(5) “Self-liquidating Paper” means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided that the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation.

(6) “Trustee” includes any separate or co-trustee appointed under Section 17.14.

SECTION 17.14. For the purpose of meeting the legal requirements of any jurisdiction in which any of the mortgaged and pledged property may at the time be located, the Company and the Trustee shall have power to appoint and, upon the written request of the Trustee or of the Holders of at least 25% in principal amount of the Bonds Outstanding, the Company shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee either to act jointly with the Trustee as co-trustee of all or any part of the mortgaged and pledged property, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section 17.14. If the Company does not join in such appointment within 15 days after the receipt by it of a request so to do, or if a Completed Default has occurred and is continuing, the Trustee alone shall have power to make such appointment

Should any written instrument from the Company be required by any such co-trustee or separate trustee for more fully confirming to such co-trustee or separate trustee such property, title, right or power, then on request, it shall be executed, acknowledged and delivered by the Company.

Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following terms:

(a) The Bonds shall be authenticated and delivered, and all rights, powers, duties and obligations under the Indenture in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee, shall be exercised by the Trustee.

(b) The rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee.

(c) The Trustee at any time by a written instrument executed by it, and with the concurrence of the Company evidenced by a Resolution, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section 17.14. If a Completed Default has occurred and is continuing, the Trustee, by a written instrument executed by it, shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Company. Upon the written request of the Trustee, the Company shall join with the Trustee in the execution, delivery and performance of all instruments and agreements necessary or proper to effect any such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section 17.14.

(d) No co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Trustee, or any other such trustee.

(e) Any act of Bondholders delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

SECTION 17.15. The Trustee shall, upon receipt of a Company Request, promptly appoint an Authenticating Agent with power to act on its behalf and subject to its direction in the authentication and delivery of the Bonds of each series designated for such authentication by the Company and such appointment shall contain provisions for such authentication in connection with transfers and exchanges under Sections 2.11, 2.12, 2.17, 10.02 and 16.02 or otherwise, as though the Authenticating Agent had been expressly authorized by those Sections or otherwise to authenticate and deliver Bonds of such series. For all purposes of the Indenture, the authentication and delivery of Bonds by the Authenticating Agent pursuant to this Section 17.15 shall be deemed to be the authentication and delivery of Bonds by the Trustee. Such Authenticating Agent shall at all times be a corporate bank or trust company organized and doing business under the laws of the United States or of any of its states, have a combined capital and surplus of at least \$5,000,000, be authorized under such laws to exercise corporate trust powers and be subject to supervision or examination by federal or state authority. If such corporation publishes reports of condition at least annually pursuant to law or the requirements of such

authority, then for the purposes of this Section 17.15, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent published report of condition.

Any corporation into which any Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, consolidation or conversion to which any Authenticating Agent shall be a party, or any corporation succeeding to the corporate trust business of any Authenticating Agent, shall be the successor of the Authenticating Agent, if such successor corporation is otherwise eligible under this Section 17.15, without the execution or filing of any paper or further act on the part of the parties hereto, the Authenticating Agent or such successor corporation.

Any Authenticating Agent may at any time resign by giving written notice of resignation to the Trustee and the Company. The Trustee may at any time and, upon Company Request, shall terminate the agency of any Authenticating Agent by giving written notice of termination to such Authenticating Agent and the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time any Authenticating Agent shall cease to be eligible under this Section 17.15, the Trustee, unless otherwise requested in writing by the Company, shall promptly appoint a successor Authenticating Agent, shall give written notice of such appointment to the Company and shall mail notice of such appointment to all Bondholders of the applicable series as the names and addresses of such Bondholders appear on the Bond Register.

The Trustee agrees to pay reasonable compensation to any Authenticating Agent for its services and the Trustee shall be entitled to be reimbursed by the Company for such payments, subject to Section 17.07. The provisions of Sections 15.03, 17.04 and 17.05 shall be applicable to any Authenticating Agent.

SECTION 17.16. Except as herein otherwise provided, any notice or demand which by any provision of the Indenture is required or permitted to be given or served by the Trustee on the Company shall be deemed to have been sufficiently given and served, by being deposited, postage prepaid, in a post office letter box, addressed (until another address is filed by the Company with the Trustee) as follows: to Northern States Power Company, 100 North Barstow Street, Eau Claire, Wisconsin 54702, Attention: Secretary or to the most recent address which shall have been filed by the Company with the Trustee.

The Trustee shall promptly notify the Company in writing of any change of address of the Trustee's principal corporate trust office. Upon receipt of such notice, the Company shall give written notice of each change of address by first-class mail, postage prepaid, to the Bondholders as their names and addresses appear in the Bond Register.

SECTION 17.17. (a) The Trustee shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Bondholders furnished to it as provided in Section 8.17 or received by it in the capacity of Paying Agent or Bond Registrar or filed with it by Bondholders pursuant to paragraph (2) of subdivision (c) of Section 17.18; provided that the Trustee may; (1) destroy any statement furnished to it as provided in Section 8.17, upon receipt of a new statement so furnished to it in substitution therefor, (2) destroy any information received by it as Paying Agent upon delivery to itself as Trustee, not earlier than 45 days after an Interest Payment Date, of a statement containing the

names and addresses of the Bondholders obtained from such information since the delivery of the next previous statement, if any, (3) destroy any statement delivered to itself as Trustee which was compiled from information received by it as Paying Agent upon the receipt of a new statement so delivered and (4) destroy any information received by it from any Bondholder pursuant to paragraph (2) of subdivision (c) of Section 17.18, but not until two years after receipt by the Trustee of such information.

(b) In case three or more Bondholders (hereinafter in this Section 17.17 referred to as "Applicants") apply in writing to the Trustee, and furnish to the Trustee reasonable proof that each such Applicant has owned a Bond for at least six months preceding the date of such application, and such application states that the Applicants desire to communicate with the other Bondholders with respect to their rights under the Indenture or under the Bonds, and each such application is accompanied by a copy of the form of proxy or other communication which such Applicants proposed to transmit, then the Trustee shall, within five business days after the receipt of such application at its election, either:

(1) afford to such Applicants access to the information preserved at the time by the Trustee in accordance with the provisions of subdivision (a) of this Section 17.17; or

(2) inform such Applicants with the approximate number of Bondholders whose names and addresses appear in the information preserved at the time by the Trustee, in accordance with the provisions of subdivision (a), of this Section 17.17, and the approximate cost of mailing to such Bondholders the form of proxy or other communication, if any, specified in such application.

If the Trustee shall elect not to afford such Applicants access to such information, the Trustee shall, upon the written request of such Applicants, mail to each Bondholder whose name and address appears in the information, preserved at the time by the Trustee in accordance with the provisions of subdivision (a) of this Section 17.17, copies of the form of proxy or other communication which is specified in such request, with reasonable promptness after a tender to the Trustee of the materials to be mailed and of payment or provision for the payment of the reasonable expenses of mailing, unless within five days after such tender the Trustee shall mail to such Applicants, and file with the Commission together with a copy of the material to be mailed, a written statement to the effect that, in the opinion of the Trustee, such mailing would be contrary to the best interests of the Bondholders, or would be in violation of applicable law. Such written statement shall specify the basis of such opinion. After opportunity for hearing upon the objections specified in the written statements so filed, the Commission may, and if demanded by the Trustee or such Applicants shall, enter an order either sustaining one or more of such objections or refusing to sustain any of them. If the Commission, after opportunity for a hearing upon objections specified in the written statement so filed, shall enter an order refusing to sustain any of such objections or if, after the entry of an order sustaining one or more of such objections, the Commission shall find, after notice and opportunity for a hearing, that all the objections so sustained have been met and shall enter an order so declaring, the Trustee shall mail copies of such material to all such Bondholders with reasonable promptness after the entry of such order and the renewal of such tender; otherwise the Trustee shall be relieved of any obligations or duty respecting such application.

(c) The Trustee shall not be held accountable by reason of the mailing of any material pursuant to any request made under subsection (b) of this Section 17.17.

SECTION 17.18. (a) Within 60 days after each May 15, the Trustee shall transmit to the Bondholders (as specified in subdivision (c) of this Section 17.18) a brief report, dated not more than 60 days prior to such transmission, with respect to any of the following events which have occurred within the previous 12 months (but if no such event has occurred within such period no report need be transmitted):

(1) any change to the eligibility and the qualifications of the Trustee under Sections 17.08 and 17.09;

(2) the creation of or any material change to a relationship specified in subdivision (b) of Section 17.08;

(3) the character and amount of any advances (and, if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee in its capacity as Trustee which remain unpaid on the date of such report, and for the reimbursement of which it claims or may claim a lien or charge, prior to that of the Bonds, on the mortgaged and pledged property (including property or funds held or collected by it as Trustee) if such remaining unpaid advances aggregate more than 1/2% of the principal amount of the Bonds Outstanding on the date of the report;

(4) any change to the amount, interest rate, and maturity date of all other indebtedness owing by the Company to the Trustee in its individual capacity on the date of the report, with a brief description of any property held as collateral security therefor, but excluding any indebtedness based upon a creditor relationship arising in any manner described in paragraphs (2), (3), (4) or (6) of subdivision (b) of Section 17.13;

(5) any change to the property and funds physically in the possession of the Trustee, in its capacity as Trustee, on the date of such report;

(6) any release, or release and substitutions, of property subject to the Lien of the Indenture (and the consideration therefor, if any) which the Trustee has not previously reported; except that if the aggregate value of such property released from the Lien of the Indenture as shown by the documents delivered to the Trustee in connection with the release or release and substitution does not exceed an amount equal to 1% of the principal amount of the Bonds then Outstanding, the report need indicate only the number of such releases, the total value of property released as shown by said documents, the aggregate amount of cash received and the aggregate value of property received in substitution therefor as shown by said documents;

(7) any additional issue of Bonds which the Trustee had not reported previously; and

(8) any action taken by the Trustee in the performance of its duties under the Indenture which it has not previously reported and which in its opinion materially affects the Bonds or the mortgaged and pledged property; except for action related to a Default,

notice of which has been or is to be withheld by the Trustee in accordance with the provisions of Section 17.02.

For purposes of this subdivision (a), the term "Company" means any obligor under the Bonds.

(b) The Trustee shall transmit to the Bondholders as hereinafter provided, a brief report with respect to:

(1) any release, or release and substitution, of property subject to the Lien Hereof (and the consideration therefor, if any) unless the Fair Value of such property, as set forth in the Engineer's Certificate or Independent Engineer's Certificate delivered pursuant to the requirements of Section 11.03, is less than 10% of the principal amount of Bonds Outstanding as stated in said Engineer's Certificate, at the time of such release or such release and substitution; such report to be transmitted within 90 days after such release or such release and substitution, except that this paragraph (1) shall not require transmission of a separate report with respect to any transaction which shall be reported, within 90 days after its consummation, pursuant to subdivision (a) of this Section 17.18; and

(2) the character and amount of any advances (and, if the Trustee elects so to state, the circumstances surrounding the making thereof) made by the Trustee since the date of the last report transmitted pursuant to the provisions of subdivision (a) of this Section 17.18 (or if no such report has yet been so transmitted, since the date of execution of the Indenture), for the reimbursement of which the Trustee claims or may claim a lien or charge, prior to that of the Bonds on the mortgaged and pledged property (including property or funds held or collected by it as Trustee), and which it has not previously reported pursuant to this paragraph (2), if such advances remaining unpaid, at any time, aggregate more than 10% of the principal amount of Bonds Outstanding at such time. Such report shall be transmitted within 90 days after such time.

(c) Reports, pursuant to this Section 17.18, shall be transmitted by mail:

(1) to all Bondholders, as their names and addresses appear in the Bond Register;

(2) to all Holders of Bonds that have, within two years preceding such transmission, filed their names and addresses with the Trustee for the purpose of receiving such reports; and

(3) except in the case of reports pursuant to subdivision (b) of this Section 17.18, to each Bondholder whose name and address are preserved at the time by the Trustee, as provided in subdivision (a) of Section 17.17.

(d) A copy of each report transmitted to Bondholders under the requirements of subdivision (a) or (b) of this Section 17.18, at the time of such transmission, shall be filed with each stock exchange upon which the Bonds are then listed and with the Commission.

SECTION 17.19. Upon submission of any Application by the Company for the payment of any moneys held by the Trustee, or for the execution by the Trustee of any release, or upon any other Application submitted by the Company to the Trustee, or at any reasonable time, the Trustee, or its agent or attorneys shall be entitled to examine the books, records and premises of the Company.

Unless satisfied, with or without such examination, of the truth and accuracy of the matters stated in any Resolution, certificate, statement, opinion, report or order required to be delivered to the Trustee as a condition precedent to the granting of any Application, it shall be under no obligation to grant such Application.

The reasonable expense of every such examination shall be paid by the Company or, if paid by the Trustee, shall be repaid by the Company upon demand, with interest at the rate of six percent per annum, accruing from the date such expenses are billed by the Trustee unless paid by the Company or before a subsequent due date established by such billing. Until such repayment, the Trustee shall have the benefit of the Lien Hereof in priority to the Bonds.

SECTION 17.20. The Trustee is authorized to deposit, subject to recall, in trust for payment of the principal of, premium, if any, and interest on any Bonds, with any Paying Agent appointed by the Company for that purpose in accordance with the provisions of the Indenture (provided that such Paying Agent shall be a corporation that is engaged in the business of banking or exercising corporate trust powers, shall have a capital and surplus of not less than \$5,000,000, and shall be subject to supervision or examination by federal, state, or District of Columbia authorities) such part of any moneys furnished to the Trustee for the purpose as shall, in the opinion of the Trustee, be necessary or desirable to provide for the payment by any such Paying Agent of the principal of, premium, if any, or interest on any of the Bonds. The Trustee, subject to Section 17.01, shall be relieved of responsibility for the safety and application of such moneys while in the possession of the Paying Agent. In the event that part of such moneys is recalled by the Trustee, it shall thereafter be held by the Trustee in trust as in the Indenture provided. Pursuant to an agreement between the Company and Trustee, the Trustee may credit to the Company interest upon any such funds held by or deposited with the Trustee.

SECTION 17.21. Any notice, request or other writing, by or on behalf of the Bondholders, delivered solely to the Trustee shall be deemed to have been delivered to all of the then trustees as if delivered to each of them. Every instrument appointing any trustee or trustees, other than a successor to the Trustee, shall refer to the Indenture and the conditions expressed in this Section 17.21. Upon acceptance in writing by such trustee or trustees, he, they or it shall be vested with the rights, powers, estates or property specified in such instrument, either jointly with the Trustee or separately, as may be provided therein, subject to all the trusts, conditions and provisions of the Indenture. Every such instrument shall be filed with the Trustee in the trust. Any separate trustee or trustees or any co-trustee or co-trustees may at any time by an instrument in writing appoint the Trustee, his, their or its agent, or attorney-in-fact, with full power and authority, to the extent which may be authorized by law, to do all acts and things and exercise all discretion authorized or permitted by him, them or it, for and on behalf of him, them or it, and in his, their or its name. Any co-trustee may, as to the execution of releases or as to any action hereunder, whether discretionary or otherwise, act by attorney-in-fact.

SECTION 17.22. In case of any receivership, insolvency, bankruptcy, or other judicial proceedings affecting the Company, its creditors, its property or any other obligor on the Bonds, the Trustee shall be entitled to take the actions described in Section 14.04, without prejudice, however, to the right of any Bondholder to file a claim on his own behalf.

SECTION 17.23. Whenever it is provided in the Indenture that the Trustee shall take any action upon the happening of a specified event or upon the fulfillment of any condition or upon the request of the Company or of Bondholders, the Trustee in taking such action shall have full power to give any and all notices and to do any and all acts necessary and incidental to such action.

SECTION 17.24. The Trustee shall execute a written instrument to confirm the existence of a specific Permitted Encumbrance, upon receipt by the Trustee of: (i) a Resolution requesting such written instrument and expressing any required opinions, (ii) an Officer's Certificate stating that no Default has occurred and is continuing, specifying the particular paragraph of the definition of Permitted Encumbrances pursuant to which such written instrument is being requested and stating that the requirements of such paragraph have been satisfied; and (iii) an Opinion of Counsel stating that the subject of the Company's request constitutes a Permitted Encumbrance as described by such paragraph and that the execution by the Trustee of such written instrument is appropriate to confirm the existence of such Permitted Encumbrance.

ARTICLE XVIII.

DEFEASANCE.

SECTION 18.01. Whenever the following conditions shall exist, namely:

(a) all Bonds theretofore authenticated and delivered have been cancelled by the Trustee or delivered to the Trustee for cancellation, excluding:

(1) Bonds for the payment of which money has been previously deposited in trust with the Trustee or a Paying Agent or segregated and held in trust by the Company, and thereafter such money was repaid to the Company or discharged from such trust as provided in Section 21.03,

(2) Bonds alleged to have been destroyed, lost or stolen which have been replaced as provided in Section 2.15, and

(3) Bonds, other than those referred to in the foregoing clauses (1) and (2), for whose payment or redemption (under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company) the Company has deposited or caused to be deposited with the Trustee in trust for the purpose any combination:

(i) of cash and

(ii) of Government Obligations (which shall not contain provisions permitting the redemption thereof at the option of the issuer), maturing as to principal and interest (without any regard to the reinvestment thereof) in such amounts and at such times as will assure the availability of cash

that is necessary to pay and discharge the entire indebtedness of such Bonds for principal, premium, if any, and interest to the date of maturity thereof in the case of Bonds which have become due and payable or to the Stated Maturity or Redemption Date thereof, as the case may be;

(b) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

(c) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each of which shall state that all conditions precedent relating to the satisfaction and discharge of the Indenture have been complied with; then, upon Company Request authorized by a Resolution, the Indenture and the Lien Hereof, rights and interests created hereby shall cease and become null and void (except as to any surviving rights of conversion, transfer or exchange of Bonds herein or therein provided for) and the Trustee and each co-trustee and separate trustee, if any, then acting as such, and at the expense of the Company, shall execute and deliver a termination statement and such instruments of satisfaction and discharge as may be necessary and pay, assign, transfer and deliver to the Company all cash, securities and other personal property then held by it as part of the mortgaged and pledged property.

In the absence of a Company Request authorized by a Resolution as aforesaid, the payment of all Outstanding Bonds shall not render the Indenture inoperative or prevent the Company from issuing Bonds thereafter as herein provided.

Notwithstanding the satisfaction and discharge of the Indenture, the obligations of the Company to the Trustee under Section 17.07 shall survive.

SECTION 18.02. Moneys deposited with the Trustee, pursuant to Section 18.01, shall not be a part of the mortgaged and pledged property but shall constitute a separate trust fund for the benefit of the Persons entitled thereto. Subject to the provisions of Section 21.03, such moneys shall be applied by the Trustee for payment (either directly or through any Paying Agent, including the Company acting as its own Paying Agent, as the Trustee may determine) to the Persons entitled thereto, of the principal, premium, if any, and interest for whose payment such moneys have been deposited with the Trustee.

ARTICLE XIX.

SUPPLEMENTAL TRUST INDENTURES; MODIFICATION OF INDENTURE.

SECTION 19.01. Without the consent of the Holders of any Bonds, the Company, when authorized by a Resolution, and the Trustee may enter into one or more Supplemental Trust Indentures, in form satisfactory to the Trustee, for any of the following purposes:

(a) to correct or amplify the description of any property at any time subject to the Lien of the Indenture, or to better assure, convey and confirm unto the Trustee any property subject or required to be subjected to the Lien of the Indenture, or to subject to the Lien of the Indenture, additional property; or

(b) to close the Indenture against the issuance of additional Bonds or to add to the conditions, limitations and restrictions on the authorized amount, terms or purposes of issue, authentication and delivery of Bonds or of any series of Bonds, as set forth herein, or to add additional conditions, limitations and restriction to be observed thereafter; or

(c) to create any series of Bonds and make such other provisions as provided in Section 2.01 and 2.02; or

(d) to modify or eliminate any of the terms of the Indenture; provided that:

(1) such Supplemental Trust Indenture shall expressly provide that any such modifications or eliminations shall become effective only when there is no Bond Outstanding of any series created prior to the execution of such Supplemental Trust Indenture or when such modification or elimination are approved in accordance with Section 19.02; and

(2) the Trustee may, in its discretion, decline to enter into any such Supplemental Trust Indenture which, in its opinion, may not afford adequate protection to the Trustee when the same becomes operative; or

(e) to evidence the succession of another corporation to the Company pursuant to Article XVI and the assumption by any such Successor Corporation of the Company's covenants contained herein and in the Bonds; or

(f) to add to the covenants of the Company for the benefit of the Holders of all or any series of Bonds or to surrender any right or power herein conferred upon the Company; or

(g) to cure any ambiguity, to correct or supplement any provision herein which may be inconsistent with any other provision herein or to make any other provisions, with respect to matters or questions arising under the Indenture, which shall not be inconsistent with the provisions of the Indenture, provided that such action shall not have a material adverse impact on the security afforded by the Indenture; or

(h) to provide for alternative methods or forms for evidencing and recording the ownership of Bonds and matters related thereto; or

(i) to modify, eliminate or add to the provisions of the Indenture:

(1) to such extent as shall be necessary to effect the qualification of the Indenture under the Trust Indenture Act or under any similar federal statute hereafter enacted, or

(2) to conform with any amendments to the Trust Indenture Act enacted after the Date Hereof which, in the Opinion of Counsel would permit the provisions of the Indenture to be less restrictive or which would offer the Company greater flexibility or to add to the Indenture (A) such other provisions as may be expressly permitted by the Trust Indenture Act, excluding, however, the provisions referred to in Section 316(a)(2) of the Trust Indenture Act as in effect at the Date Hereof or (B) any corresponding provision in any similar federal statute hereafter enacted; or

(j) to provide for the issuance of coupon Bonds and to permit the exchange of Bonds from fully registered form to coupon form and vice versa; or

(k) to provide the terms and conditions of the exchange or conversion, at the option of the Holders of the Bonds of any series, of the Bonds of such series for or into Bonds of other series or stock or other securities of the Company or any other corporation; or

(l) to reflect changes in generally accepted accounting principles; or

(m) to provide for the joining of an individual trustee in order to comply with any legal requirements respecting trustees under mortgages or deeds of trust of property in any state in which the mortgaged and pledged property is or may be situated in the future.

SECTION 19.02. With consent of the Holders of not less than 66-2/3% (70% prior to the retirement through payment or redemption of the Bonds of each series created and issued prior to June 1, 1986, including such Bonds “deemed to be paid” within the meaning of that term as used in Article XVIII of the Original Indenture) in principal amount of the Bonds Outstanding (determined as provided in Article XV) which are affected by such Supplemental Trust Indenture, the Company, when authorized by a Resolution, and the Trustee may enter into a Supplemental Trust Indenture for the purpose of (i) adding any provisions to or changing in any manner or eliminating any of the provisions of the Indenture, (ii) modifying in any manner the rights of the Holders of the Bonds under the Indenture, or (iii) before any sale of the mortgaged and pledged property has been made under Article XIV or any judgment or decree for payment of money due has been obtained by the Trustee under Article XIV, waiving any Completed Default and its consequences; provided that without the consent of the Holder of each Outstanding Bond affected thereby, no such Supplemental Trust Indenture shall:

(a) change the Stated Maturity of the principal of, or any installment of interest on, any Bond, or reduce the principal amount thereof or the interest thereon or any premium payable upon the redemption thereof, or change the coin or currency in which, any Bond, or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption, on or after the Redemption Date); or

(b) reduce the percentage in principal amount of the Outstanding Bonds, the consent of whose Holders is required for (1) any Supplemental Trust Indenture, or (2) any waiver

provided for in the Indenture of compliance with certain provisions of the Indenture or certain Completed Defaults hereunder and their consequences; or

(c) modify any of the provisions of this Section 19.02 except to increase any percentage provided thereby or to provide that certain other provisions of the Indenture cannot be modified or waived without the consent of the Holder of each Bond affected thereby; or

(d) modify, in the case of the Bonds of any series convertible into other securities, any of the provisions of the Indenture in such manner as to affect the conversion rights of the Holders of such Bonds; or

(e) (1) prior to the payment or redemption of the Original Indenture Bonds (including those Original Indenture Bonds “deemed to be paid” within the meaning of that term as used in Article XVIII of the Original Indenture), permit the creation or existence of any Prior Lien with respect to the mortgaged and pledged property or deprive any non-assenting Bondholder of the Lien of the Indenture upon the mortgaged and pledged property for the security of his Bonds; and (2) after the payment or redemption of the Original Indenture Bonds (including those Original Indenture Bonds “deemed to be paid” within the meaning of that term as used in Article XVIII of the Original Indenture), permit the creation or existence of any Prior Lien with respect to more than 50% of the sum of (i) Depreciable Property and (ii) Land after giving effect to the creation of such Prior Lien and the acquisition by the Company of the property subject to such Prior Lien, or terminate the Lien of the Indenture on more than 50% of the sum of (i) Depreciable Property and (ii) Land; or

(f) modify, in the case of Bonds of any series for which a Sinking Fund is provided, any of the provisions of the Indenture in such manner as to effect the rights of the Holders of such Bonds to the benefits of such Sinking Fund.

The Trustee may, in its discretion, determine whether or not any Bonds would be affected by any Supplemental Trust Indenture. Any such determination shall be conclusive upon the Holder of all Bonds, whether theretofore or thereafter authenticated and delivered. Subject to Section 17.01, the Trustee shall not be liable for any such determination made in good faith.

It shall not be necessary for any Bondholders under this Section 19.02 to approve the particular form of any proposed Supplemental Trust Indenture, but it shall be sufficient if they shall approve the substance thereof.

SECTION 19.03. In executing, or accepting the additional trusts created by, any Supplemental Trust Indenture permitted by this Article XIX or the modification thereby of the trusts created by the Indenture, the Trustee shall be entitled to receive, and, subject to Section 17.01, shall be fully protected in relying upon an Opinion of Counsel stating that the execution of such Supplemental Trust Indenture is authorized or permitted by the Indenture. The Trustee may, but except to the extent required in the case of a Supplemental Trust Indenture entered into under subsection (i) of Section 19.01, shall not be obligated to enter into any such Supplemental Trust Indenture which affects the Trustee’s own rights, duties or immunities under the Indenture or otherwise.

SECTION 19.04. Upon the execution of any Supplemental Trust Indenture pursuant to this Article XIX, the Indenture shall be modified in accordance therewith and such Supplemental Trust Indenture shall form a part of the Indenture for all purposes; and every Holder of Bonds theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 19.05. No Supplemental Trust Indenture pursuant to this Article XIX shall be entered into pursuant to any authorization contained in the Indenture which shall not comply with the provisions of the Trust Indenture Act as then in effect unless no Bonds are then Outstanding and all Bonds to be issued under the Indenture as supplemented by such Supplemental Trust Indenture either shall be themselves exempt from the provisions of the Trust Indenture Act or shall be issued in a transaction exempt therefrom.

SECTION 19.06. Bonds authenticated and delivered after the execution of any Supplemental Trust Indenture pursuant to this Article XIX may, and if required by the Trustee shall, bear a notation in form approved by the Trustee as to any matter provided for in such Supplemental Trust Indenture. If the Company shall so determine, new Bonds modified to conform, in the opinion of the Trustee and the Board of Directors, to any such Supplemental Trust Indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Bonds.

ARTICLE XX.

IMMUNITY OF STOCKHOLDERS, OFFICERS AND DIRECTORS.

No recourse under or upon any obligation, covenant or agreement contained in the Indenture or in any Bond, or under or upon any indebtedness hereby secured, or because of the creation of any indebtedness hereby secured, shall be available against any incorporator or past, present, or future stockholder, officer or director of the Company, or of any predecessor or successor company or companies, or of any company or companies which may assume or guarantee the payment of the principal of or interest on any of the Bonds, either directly or through the Company by the enforcement of any assessment, or through any receiver, or assignee, or through any trustee in bankruptcy or by any other legal or equitable proceedings, whether for amounts unpaid on stock subscriptions or for stock liability or any other liability or penalty, or on the ground of any representation, implication or inference, arising from or concerning the capitalization of the Company, or of any predecessor, assignee, grantee, or successor company or companies, or otherwise, and whether by virtue of any statute, constitution, contract, express or implied, rule of law, or otherwise; it being expressly agreed and understood that this Indenture and the obligations hereby secured are solely corporate obligations, and that no personal liability whatever shall attach to, or be incurred by, the incorporators or past, present or future stockholders, officers or directors of the Company, or of any predecessor or successor company or companies, or of any company which may assume or guarantee the payment of the principal of or interest on the Bonds because of the incurring of the indebtedness hereby authorized, or under or by reason of any of the obligations, covenants or agreements contained in the Indenture or in any of the Bonds, or to be implied therefrom; and that any and all personal liability of every name and nature, and any and all rights and claims against every such incorporator and past, present or future stockholder, officer or director, whether arising at common law or in equity, or created or to be created by statute or constitution, are hereby expressly released and waived as a condition of, and as a part of the consideration for, the execution of this Indenture and the issue of the Bonds and interest obligations hereby secured.

ARTICLE XXI.

MISCELLANEOUS.

SECTION 21.01. Nothing in this Indenture, expressed or implied, is intended or shall be construed, to confer upon, or to give to, any Person, other than the parties hereto and the Holders of the Bonds Outstanding, any right, remedy, or claim under or by reason of the Indenture or any covenant, condition or stipulation hereof. All of the covenants, conditions and stipulations, contained in the Indenture, by and on behalf of the Company, shall be for the sole and exclusive benefit of the parties hereto, and of the Holders of the Bonds Outstanding.

SECTION 21.02. Any power, privilege or right expressly or impliedly reserved to or in any way conferred upon the Company by any provision of the Indenture, whether such power, privilege or right is in any way restricted or is unrestricted, may be waived or surrendered, in whole or in part, or subjected to any restriction (if at any time unrestricted) or to additional restriction (if already restricted) by a Resolution and a written instrument executed and acknowledged by the Company in such manner as would be necessary to entitle a conveyance of real estate to be recorded in all of the states in which any real property, at the time subject to the Lien Hereof, shall be situated. Such Resolution and instrument, executed and acknowledged as aforesaid, shall be delivered to the Trustee. Thereupon, any modification of the provisions of these presents therein set forth, authorized by this Section 21.02 shall be binding upon the parties hereto, their successors and assigns, and the Holders of the Bonds.

SECTION 21.03. If any Bond shall not be presented for payment when the principal thereof becomes due, either at Stated Maturity or otherwise, or at the Redemption Date, and the Company, shall have deposited, with the Trustee, in trust for the purpose, or left with it if previously so deposited, any combination:

(i) of cash and

(ii) of Government Obligations (which shall not contain provisions permitting the redemption thereof at the option of the issuer), maturing as to principal and interest (without any regard to the reinvestment thereof) in such amounts and at such times as will assure the availability of cash

that is necessary to pay when due the principal of, premium, if any, and interest due and to become due on such Bond on or prior to the Redemption Date or Stated Maturity thereof, as the case may be, and for the use and benefit of the Holder thereof, then, interest on said Bond, and all liability of the Company to the Holder of said Bond for the payment of the principal of, premium, if any and interest thereon, shall forthwith cease, determine and be completely discharged, subject to the provisions of the last paragraph of this Section 21.03. It shall be the duty of the Trustee to hold such funds, in trust, for the benefit of the Holder of such Bond who, so long as funds remain on deposit with the Trustee shall be restricted exclusively to said funds for any claim of whatsoever nature on the part of such Holder under the Indenture or on said Bond by any Holder of any such Bond.

If the Holder of any such Bond shall not claim, within five years after such Bond shall have become due and payable, such deposited funds, for the payment thereof, the Trustee shall, upon Company Request and if it shall so require upon being furnished indemnity satisfactory to

it, shall pay to the Company such amount so deposited, if no Default has occurred and is continuing. The Trustee thereupon shall be relieved from all responsibility to the Holder thereof and the Company shall be liable to the Holder only to the extent of the funds so returned to it.

SECTION 21.04. If the principal of any of the Bonds shall not be punctually paid when due at Maturity, whether by declaration or a lapse of time, or if any installment of interest thereon shall not be punctually paid when due, then upon deposit with or receipt by the Trustee of moneys sufficient to pay such overdue principal or any such overdue installment or installments of interest thereon, to the extent permitted by law, moneys sufficient to pay interest due and to become due thereon up to the date when interest upon such overdue principal or installment or installments of interest shall cease (as herein provided), then interest on such overdue principal or installment or installments of interest thereon shall cease to accrue 15 days after the date of mailing a notice by the Company by first class mail postage prepaid to each Holder of such Bonds, stating that said moneys have been so deposited or received.

SECTION 21.05. Whenever the Company is required to deposit cash with the Trustee, it shall have the right, at the time of such deposit, to specify that such cash is to be held by the Trustee in trust for the particular purpose for which it is deposited.

SECTION 21.06. Any cash which has been deposited with the Trustee for the purpose of paying the principal of, premium, if any, or interest on Bonds, for the purpose of securing the authentication of Bonds, for the purpose of effecting payment or redemption of any Bonds, or which has been delivered to the Trustee by the Company for any of the purposes provided under the Indenture, upon Company Request, authorized by a Resolution, shall be invested or reinvested by the Trustee, as designated by the Company and not disapproved by the Trustee, in any bonds or other general obligations (excluding revenue bonds) of the United States of America, any state, city or county thereof, which at the time of investment are lawful investments for banks and trust companies under the laws of the state in which the Trustee has its principal corporate trust office and in other types of investments the Trustee has determined to be lawful, secure and efficient for the short-term investment of deposits held in trust under the Indenture, including commingling with deposits under other trusts administered by the Trustee. Until a Completed Default shall have occurred and be continuing, interest on such bonds, obligations and investments which may be received by the Trustee shall be paid forthwith to the Company. The Trustee shall not be required to make any such investment (a) after it has cancelled and discharged the Lien of the Indenture, (b) on or after the Stated Maturity of any Bonds, with respect to any cash held to pay such Bonds, or (c) on or after the Redemption Date of any Bonds, with respect to any cash held for such redemption. In no event, shall the Trustee make any such investment or take any of the actions pursuant to and permitted by this Section 21.06 with any cash or proceeds of any Government Obligations, which, in accordance with Sections 6.03, 10.06, 17.01 and 21.03, would cause Bonds to be deemed paid upon such cash or Governmental Obligations or combination thereof being deposited with the Trustee.

Such bonds and obligations shall be held by the Trustee subject to the same provisions and in the same manner as the cash used to purchase the same, but upon Company Request, the Trustee shall sell all or any designated part of the bonds, obligations and investments and the proceeds of such sale shall be held by the Trustee subject to the same provisions hereof as the cash used by it to purchase the bonds, obligations and investments so sold. If, at any time, by reason of decrease in the market value of such bonds, obligations or investments, or the financial

condition of the issuer, the Trustee shall be of the opinion that there is danger of the fund or funds invested in and represented by such bonds, obligations or investments being impaired, the Trustee may notify the Company of its intention to sell all or certain of the bonds, obligations or investments so held by it and unless, within five days after the date of such notice, the Company shall deliver to the Trustee cash equal to the price paid by the Trustee for such bonds, obligations or investments, the Trustee, without or despite a Company Request, may proceed to sell the bonds, or obligations or investments described in said notice, at public or private sale, for the best price reasonably obtainable. The Trustee shall also be entitled, without request of or notice to the Company, to sell any bonds, or obligations or investments purchased with moneys deposited for the payment or redemption of Bonds and held by it in order that the Trustee has the necessary funds available on the day prior to the date on which said Bonds are to be paid or redeemed. If such sale shall produce a sum less than the principal amount invested in the bonds, obligations or investments so sold, the Company covenants that it will pay promptly to the Trustee such amount of cash, which combined with the net proceeds from such sale, will equal the principal amount invested in the bonds, obligations or investments so sold. If such sale shall produce a sum greater than the principal amount invested in the bonds, obligations or investments so sold, the Trustee shall pay promptly to the Company an amount of cash equal to such excess.

SECTION 21.07. The Trustee shall, on Company Request, destroy any Bonds cancelled by the Trustee and make duplicate certificates of such destruction, retaining one such certificate and delivering the other to the Company. Each such certificate shall state the method of destruction and, subject to Section 17.01, shall be conclusive evidence of the payment and cancellation of the Bonds therein mentioned for all purposes.

SECTION 21.08. Each certificate or opinion with respect to compliance with a condition or covenant provided for in the Indenture (other than certificates provided pursuant to subdivision (d) of Section 8.18) shall include: (a) a statement that the Person making such certificate or opinion has read such covenant or condition; (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based; and (c) a statement that, in the opinion of such Person, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether such condition, provision or covenant has been complied with; and (d) a statement as to whether or not, in the opinion of such Person, such condition or covenant has been complied with.

SECTION 21.09. (a) Any certificate or opinion of an officer of the Company or an Accountant or Engineer may be based, in so far as it relates to legal matters, upon a certificate or opinion of or upon representations by counsel, unless such officer, employee, Accountant or Engineer knows that the certificates or opinion or representations with respect to the matters upon which his opinion may be based as aforesaid are erroneous, or in the exercise of reasonable care should have known were erroneous.

(b) Any certificate or Opinion of Counsel may be based, in so far as it relates to factual matters or information which is in possession of the Company, upon the certificate or opinion of or representations by an officer or employee of the Company, unless such counsel knows that the certificate or opinion or representations with respect to the matters upon which

his opinion may be based as foresaid are erroneous, or in the exercise of reasonable care should have known were erroneous.

(c) Prior to the Trustee taking of any action under the Indenture upon the request or the submission of an Application by the Company, the Company shall deliver to the Trustee, in addition to or as part of any certificates herein required, an Officer's Certificate and an Opinion of Counsel each stating that, in the opinion of the signer all conditions precedent to such action which are required by the Indenture have been satisfied.

SECTION 21.10. Nothing in this Article XXI is intended or shall be construed as relieving the Company from furnishing any certificate or other evidence required by the Indenture.

SECTION 21.11. Each Holder of a Bond of any series which shall be originally authenticated by the Trustee and originally issued by the Company on or subsequent to the Date Hereof, by the acquisition, holding or ownership of such Bond, thereby consents and agrees to, and shall be bound by, the provisions of this Restated Indenture on and after the Effective Date.

SECTION 21.12. This Restated Indenture shall be construed in connection with and as a part of the 1947 Indenture, as supplemented by Supplemental Trust Indentures dated March 1, 1949; June 1, 1957; August 1, 1964; December 1, 1969; September 1, 1973; February 1, 1982; March 1, 1982; June 1, 1986; and March 1, 1988 and as supplemented prior to the Effective Date.

SECTION 21.13. (a) If any provision of the Indenture limits, qualifies, or conflicts with the duties imposed by Sections 310 through 317 of the Trust Indenture Act, the imposed duties shall control.

(b) In case any one or more of the provisions contained in the Indenture or in the Bonds should be invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in anyway be affected, impaired, prejudiced, or disturbed anyway thereby.

SECTION 21.14. (a) This Restated Indenture may be executed simultaneously in several counterparts, and all said counterparts executed and delivered, each as an original, shall constitute but one and the same instrument.

(b) The table of contents and the descriptive headings of the several Articles of this Restated Indenture were formulated, used and inserted in this Indenture for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

SECTION 21.15. Whenever in the Indenture either of the parties hereto is named or referred to, such reference shall be deemed to include the successors or assigns of such party, and all the covenants and agreements in the Indenture by or on behalf of the Company or by or on behalf of the Trustee shall bind and inure to the benefit of the respective successors and assigns of such parties, whether so expressed or not.

SECTION 21.16. The amount of obligations to be issued immediately under this Restated Indenture is none.

SECTION 21.17. To the extent permitted by Sections 21.08, and 21.09, any Opinion of Counsel given as to title to property may be based, in whole or in part (a) upon a certified abstract of title or any Torrens certificate, or upon any guaranty policy or certificate or opinion issued or rendered by any reputable Person engaged in the business of examining or insuring or guaranteeing titles to property or upon the opinion of other counsel (provided that in such case such Opinion of Counsel shall state that the signer believes such other counsel giving such certificate or opinion is reputable and one upon whom he may properly rely), (b) upon an Officer's Certificate stating (1) what, if any, conditional sales contracts and chattel mortgages exist against any personal property as to which such Opinion of Counsel is to be rendered, and what, if any, levies of execution or attachment or similar proceedings exist or are pending with respect to any thereof, and describing the property, if any, subject to such contracts or mortgages or as to which such levies or proceedings exist or are pending, and (2) that all personal property as to which such Opinion of Counsel is to be rendered (other than the property, if any, described pursuant to clause (1) above) is owned by the Company free and clear of all liens and encumbrances prior to or on a parity with the Lien of the Indenture (other than Permitted Encumbrances) and, if such property is affixed or attached to real estate, that such real estate has been acquired by the Company and that an Opinion of Counsel as to title in respect thereto has been or is concurrently being furnished to the Trustee, or that such personal property is located on a street, road or highway, or upon other public property pursuant to a franchise, license or permit, or upon private property pursuant to an easement or permit not expiring without the default or consent of the Company within 10 years following the date of such certificate or is so located on property of others under contractual arrangement permitting its removal, (3) the location of any real or personal property of the Company, and (4) whether any Permitted Encumbrances of the kind referred to in paragraph (8) of the definition of Permitted Encumbrances in Section 1.03 interfere with the proper operation of the Company's business or (c) upon a duly executed and recorded deed of real estate or easement or interest therein, where such real estate, easement or interest therein is not required as an integral part of the property of the Company or indispensable to its operations, if an Officer's Certificate also states that no other Person is in possession of such real estate, easement or interest therein and that the loss of the title thereto would not interfere with any of the necessary operations of the Company.

SECTION 21.18. Wherever the Trustee is required to accept or approve, in the exercise of reasonable care, pursuant to subdivision (d) of Section 17.01 or otherwise, an Engineer, appraiser or other expert, counsel or Accountant, who is to furnish evidence of compliance with conditions precedent in the Indenture for the authentication and delivery of additional Bonds, the withdrawal of cash or the release and substitution of property secured by the Lien of the Indenture or who is to furnish an opinion for any other purpose under the Indenture, such approval or acceptance by the Trustee shall be deemed to have been given upon the taking of any action by the Trustee pursuant to and in accordance with the certificate or opinion so furnished by such Engineer, appraiser, expert, counsel or Accountant.

SECTION 21.19. Whenever notice is required to be transmitted to the Bondholders by the Trustee, or by the Company, unless otherwise herein specifically provided for, such notice shall be deemed to have been transmitted, and such requirements for the transmission of notice satisfied, upon the deposit by the transmitter with or in a depository of the United States Postal Service of notice in a sealed envelope with prepaid first-class postage, and addressed to the

Person required to be notified in accordance with the last known address of that Person on the records of the transmitter as required to be kept pursuant to the Indenture.

SECTION 21.20. Whenever in the Indenture provision is made for the delivery to the Trustee of any Officer's Certificate, Engineer's Certificate, Accountant's Certificate (including, where applicable, such certificate by an Independent Engineer or an Independent Accountant) or Opinion of Counsel, such provision may be satisfied by the delivery of more than one certificate or opinion certifying separately to the various matters of fact or opinion required to be included in the certificate or opinion so provided for, and different Persons may certify as to different matters of fact or opinion so shown; provided, that such separate certificates or opinions shall, taken together, contain all of the statements herein required and be signed by officers or Persons, by whom the certificate or opinions are required and authorized to be signed. Whenever provision is made for the delivery to the Trustee of more than one such certificate or opinion such provision may be satisfied by the delivery of a single certificate or opinion by such Person certifying as to all the matters required to be shown by any particular Section hereof or by separate certificates or opinions by two or more such Persons certifying separately the various matters of fact or opinion so required to be shown.

SECTION 21.21. The Indenture shall be governed exclusively by the applicable laws of the State of Wisconsin.

IN WITNESS WHEREOF, NORTHERN STATES POWER COMPANY, party of the first part, has caused its corporate name and seal to be hereunto affixed and this Supplemental and Restated Trust Indenture to be signed by its President or a Vice President, and attested by its Secretary or an Assistant Secretary, for and in its behalf, and FIRST WISCONSIN TRUST COMPANY, as Trustee, party of the second part, to evidence its acceptance of the trust hereby created, has caused its corporate name and seal to be hereunto affixed, and this Supplemental and Restated Trust Indenture to be signed by its President, a Vice President, and attested by its Secretary or an Assistant Secretary, for and in its behalf, all done as of this 4th day of April, 1991.

NORTHERN STATES POWER COMPANY,

/s/ E.J. McIntyre
By E.J. McIntyre, President

Attest: /s/ J.P. Moore, Jr.
J.P. Moore, Jr. Secretary

Executed by Northern States Power Company
in the presence of:

(CORPORATE SEAL)

/s/

/s/

FIRST WISCONSIN TRUST COMPANY,

/s/ Eugene R. Lee
By Eugene R. Lee, Assistant Vice President.

Attest: /s/ Robert D. Hertenberg
Robert D. Hertenberg, Assistant Secretary

Executed by First Wisconsin Trust
Company in the presence of:

(CORPORATE SEAL)

/s/ Pamela Warner
Pamela Warner

STATE OF WISCONSIN)
) SS.
EAU CLAIRE COUNTY)

E.J. McIntyre and J.P. Moore, Jr. being severally sworn, each for himself deposes and says that he, the said E.J. McIntyre is President, and he, the said J.P. Moore, Jr. is the Secretary, of Northern States Power Company, the corporation described in and which executed the within and foregoing mortgage or deed of trust; and each for himself further says that said mortgage or deed of trust was executed in good faith, and not for the purpose of hindering, delaying or defrauding any creditor of the said mortgagor.

/s/ E.J. McIntyre
E.J. McIntyre, President

/s/ J.P. Moore, Jr.
J.P. Moore, Jr., Secretary

Subscribed and sworn to before me 4th day of April 1, 1991.

/s/ Elizabeth L. Grahek
Elizabeth L. Grahek

Notary Public in and for Eau Claire County,
State of Wisconsin

My commission expires April 24, 1994.
(notarial seal)

SCHEDULE A

The property referred to in the Granting Clauses in the foregoing Supplemental and Restated Trust Indenture from Northern States Power Company to First Wisconsin Trust Company, as Trustee, dated March 1, 1991, includes parts or parcels of real property and other property hereinafter more specifically described. Such description, however, is not intended to limit or impair the scope or intention of the general description contained in the Granting Clauses or elsewhere in this Restated Indenture.

I.

PROPERTIES IN THE STATE OF WISCONSIN

Site of Melby Centre

A parcel of land in the Northeast Quarter (NE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) and the Northwest Quarter (NW $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$) of Section 34 Township 28 North of Range 9 West described as follows:

Commencing at the Northeast corner of the Northeast Quarter (NE $\frac{1}{4}$) of the Southeast Quarter (SE $\frac{1}{4}$), thence North 88 degrees West 724.7 feet; thence South 1 degree West 33 feet to the point of beginning; thence continuing South 1 degree West 733.63 feet; thence North 89 degrees West 660.09 feet; thence North 7 degrees 8 minutes East 362.80 feet; thence North 23 degrees 56 minutes West 198.50 feet; thence North 44 degrees West 145.1 feet; thence North 65 degrees West 114.40 feet to the Easterly line of Highway 53; thence North 44 degrees East along the Highway 110.75 feet to the Southerly line of Melby Street; thence East along Melby Street to the point of beginning.

Together with all rights of grantor pursuant to a Pipeline easement granted by National Presto Industries, Inc., to Phillips of Wisconsin, Inc., dated May 15, 1978 and recorded on June 23, 1978, in volume 474 of Records, page 2, as document number 399526.

Exhibit 4(d)(3)

**PUBLIC SERVICE COMPANY
OF COLORADO**

TO

**MORGAN GUARANTY TRUST COMPANY
OF NEW YORK**

Trustee

Indenture

Dated as of October 1, 1993

PUBLIC SERVICE COMPANY OF COLORADO

**Reconciliation and Tie between Trust Indenture Act of 1939
and Indenture, dated as of October 1, 1993**

<u>Trust Indenture Act Section</u>	<u>Indenture Section(s)</u>
§310(a)(1)	1109
(a)(2)	1109
(a)(3)	1114(b)
(a)(4)	Not Applicable
(b)	1108, 1110
§311(a)	1113
(b)	1113
(c)	1113
§312(a)	1201
(b)	1201
(c)	1201
§313(a)	1202
(b)	1202
(c)	1202
(d)	1202
§314(a)	1202, 610
(b)	608
(c)(1)	105
(c)(2)	105
(c)(3)	103
(d)	803, 804, 810
(e)	105
§315(a)	1101, 1103
(b)	1102
(c)	1101
(d)	1101
(e)	1018
§316(a)	1016, 1017
(a)(1)(A)	1002, 1016
(a)(1)(B)	1017
(a)(2)	Not Applicable
(b)	1012
§317(a)(1)	1006
(a)(2)	1009
(b)	603
§318(a)	110

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INDENTURE, dated as of October 1, 1993, between **PUBLIC SERVICE COMPANY OF COLORADO**, a corporation organized and existing under the laws of the State of Colorado (herein called the “Company”), and **MORGAN GUARANTY TRUST COMPANY OF NEW YORK**, a banking corporation organized and existing under the laws of the State of New York, Trustee.

Recital of the Company

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its bonds, notes or other evidences of indebtedness (herein called the “Securities”), to be issued in one or more series as contemplated herein, and to provide security for the payment of the principal of and premium, if any, and interest, if any, on the Securities; and all acts necessary to make this Indenture a valid agreement of the Company have been performed. For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires, capitalized terms used herein shall have the meanings assigned to them in Article One of this Indenture.

Granting Clauses

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that, in consideration of the premises and of the purchase of the Securities by the Holders thereof, and in order to secure the payment of the principal of and premium, if any, and interest, if any, on all Securities from time to time Outstanding and the performance of the covenants therein and herein contained and to declare the terms and conditions on which such Securities are secured, the Company hereby grants, bargains, sells, releases, conveys, assigns, transfers, mortgages, pledges, sets over and confirms to the Trustee, and grants to the Trustee a security interest in, the following:

Granting Clause First

All right, title and interest of the Company, as of the date of the execution and delivery of this Indenture, in and to property (other than Excepted Property), real, personal and mixed and wherever situated, in any case used or to be used in or in connection with the Electric Utility Business (whether or not such use is the sole use of such property), including without limitation (a) all lands and interests in land used or to be used in or in connection with the Electric Utility Business which are subject to the Lien of and described or referred to in the PSCO 1939 Mortgage, which mortgage (including the indentures supplemental thereto) is referred to in Exhibit A to this Indenture, except land and interests in land which have been specifically released from such Lien from time to time or are specifically excepted therefrom, and in any event excluding all lands, interests in land and other properties described or referred to in Part Fifth, Part Sixth, Part Ninth and Part Tenth of the granting clauses of the PSCO 1939 Mortgage (including the indentures supplemental thereto); (b) all other lands, easements, servitudes, licenses, permits, rights of way and other rights and interests in or relating to real property used or to be used in or in connection with the Electric Utility Business or relating to the occupancy or use of such real property, subject,

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however, to the exceptions and exclusions set forth in clause (a) above; (c) all plants, generators, turbines, engines, boilers, fuel handling and transportation facilities, air and water pollution control and sewage and solid waste disposal facilities and other machinery and facilities for the generation of electric energy; (d) all switchyards, lines, towers, substations, transformers and other machinery and facilities for the transmission of electric energy; (e) all lines, poles, conduits, conductors, meters, regulators and other machinery and facilities for the distribution of electric energy; (f) all buildings, offices, warehouses and other structures used or to be used in or in connection with the Electric Utility Business; (g) all pipes, cables, insulators, ducts, tools, computers and other data processing and/or storage equipment and other equipment, apparatus and facilities used or to be used in or in connection with the Electric Utility Business; (h) any or all of the foregoing properties in the process of construction; and (i) all other property, of whatever kind and nature, ancillary to or otherwise used or to be used in conjunction with any or all of the foregoing or otherwise, directly or indirectly, in furtherance of the Electric Utility Business;

Granting Clause Second

Subject to the applicable exceptions permitted by Section 810(c), Section 1303 and Section 1305, all property (other than Excepted Property) of the kind and nature described in Granting Clause First which may be hereafter acquired by the Company, it being the intention of the Company that all such property acquired by the Company after the date of the execution and delivery of this Indenture shall be as fully embraced within and subjected to the Lien hereof as if such property were owned by the Company as of the date of the execution and delivery of this Indenture;

Granting Clause Third

Any Excepted Property, and any other property of the Company, real, personal or mixed, not described in Granting Clauses First or Second, which may, from time to time after the date of the execution and delivery of this Indenture, by delivery or by an instrument supplemental to this Indenture, be subjected to the Lien hereof by the Company, the Trustee being hereby authorized to receive the same at any time as additional security hereunder; it being understood that any such subjection to the Lien hereof of any Excepted Property and/or other property as additional security may be made subject to such reservations, limitations or conditions respecting the use and disposition of such property or the proceeds thereof as shall be set forth in such instrument; and

Granting Clause Fourth

All other property of whatever kind and nature subjected or required to be subjected to the Lien of this Indenture by any of the provisions hereof;

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Excepted Property

Expressly excepting and excluding, however, from the Lien of this Indenture the following property of the Company, whether now owned or hereafter acquired (herein sometimes called "**Excepted Property**"):

(a) all cash on hand or in banks or other financial institutions, shares of stock, bonds, notes, evidences of indebtedness and other securities not hereafter paid or delivered to, deposited with or held by the Trustee hereunder or required so to be;

(b) all contracts, leases and other agreements of whatsoever kind and nature, contract rights, bills, notes and other instruments, accounts receivable, claims, credits, demands and judgments, governmental and other permits, allowances, licenses and franchises, patents, patent licenses and other patent rights, patent applications, trade names, trademarks, copyrights, claims, credits, chooses in action and other intangibles, including, but not limited to, computer software;

(c) all automobiles, buses, trucks, truck cranes, tractors, trailers and similar vehicles and movable equipment; all rolling stock, rail cars and other railroad equipment, all vessels, boats, barges and other marine equipment, all airplanes, helicopters, aircraft engines and other flight equipment; and all parts, accessories and supplies used in connection with any of the foregoing;

(d) all goods, stock in trade, wares and merchandise held for the purpose of sale or lease in the ordinary course of business; all materials and supplies and other personal property which are consumable (otherwise than by ordinary wear and tear) in their use in the operation of the Mortgaged Property; all fuel, including nuclear fuel, whether or not any such fuel is in a form consumable in the operation of the Mortgaged Property, including separate components of any fuel in the forms in which such components exist at any time before, during or after the period of the use thereof as fuel; all hand and other portable tools and equipment; all furniture and furnishings; and all computers, machinery and telecommunication and other equipment used exclusively for corporate administrative or clerical purposes;

(e) all coal, ore, gas, oil and other minerals and all timber, and all rights and interests in any of the foregoing, whether or not such minerals or timber shall have been mined or extracted or otherwise separated from the land; and all electric energy, gas (natural or artificial), steam, water and other products generated, produced, manufactured, purchased or otherwise acquired by the Company;

(f) all leasehold interests held by the Company as lessee;

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(g) all property, real, personal and mixed, which is:

- (i) located outside the State of Colorado;
- (ii) not specifically described or referred to in the Granting Clauses of this Indenture; and
- (iii) not specifically subjected or required to be subjected to the Lien of this Indenture by any provision hereof;

provided, however, that (x) if, at any time after the occurrence of an Event of Default, the Trustee, or any separate trustee or co-trustee appointed under Section 1114 or any receiver appointed pursuant to statutory provision or order of court, shall have entered into possession of all or substantially all of the Mortgaged Property, all the Excepted Property described or referred to in the foregoing clauses (b), (c) and (d), then owned or held or thereafter acquired by the Company, to the extent that the same is used in connection with, or otherwise relates or is attributable to, the Mortgaged Property, shall immediately, and, in the case of any Excepted Property described or referred to in clause (f), to the extent that the same is used in connection with, or otherwise relates or is attributable to, the Mortgaged Property, upon demand of the Trustee or such other trustee or receiver, become subject to the Lien of this Indenture to the extent permitted by law, and the Trustee or such other trustee or receiver may, to the extent permitted by law, at the same time likewise take possession thereof, and (y) whenever all Events of Default shall have been cured and the possession of all or substantially all of the Mortgaged Property shall have been restored to the Company, such Excepted Property shall again be excepted and excluded from the Lien hereof to the extent set forth above; it being understood that the Company may, however, pursuant to Granting Clause Third, subject to the Lien of this Indenture any Excepted Property, whereupon the same shall cease to be Excepted Property;

TO HAVE AND TO HOLD all such property, real, personal and mixed, unto the Trustee, its successors in trust and their assigns forever;

SUBJECT, HOWEVER, to (a) Liens existing at the date of the execution and delivery of this Indenture (including, but not limited to, the Lien of the PSCO 1939 Mortgage), (b) as to property acquired by the Company after the date of the execution and delivery of this Indenture, Liens existing or placed thereon at the time of the acquisition thereof (including, but not limited to, the Lien of any Class A Mortgage and purchase money Liens), (c) with respect to any property, real, personal or mixed, which is, at the date of the execution and delivery of this Indenture, used or to be used in or in connection with both (i) the business or businesses in which the Mortgaged Property is used and (ii) any other business or businesses, or is hereafter acquired for or dedicated to such common use, such non-exclusive rights and interests in and to such property, which are hereby retained by the Company and reserved to the Company and its successors and their assigns forever, as shall be requisite to, and commensurate with, the use of such property in or in connection with such other business and as shall not impair in any material respect the use of such property in or in connection with the business or businesses in which the

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Mortgaged Property is used, including, but not limited to, in the case of real property, the right to place or retain thereon or thereunder all apparatus, equipment, facilities and other property (including fixtures), of whatever kind and nature, necessary, desirable or appropriate for the conduct of such other business or businesses and the right to enter and remain upon such real property for the purpose of operating, maintaining, repairing, renewing, replacing, improving, storing and/or removing any and all such apparatus, equipment, facilities and other property (such non-exclusive rights and interests, so retained and reserved, being hereinafter called "**Retained Interests**"), and (d) any other Permitted Liens, it being understood that, with respect to any property which is now or hereafter becomes subject to the Lien of any Class A Mortgage, the Lien of this Indenture shall at all times be junior, subject and subordinate to the Lien of such Class A Mortgage;

IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of the Holders from time to time of all Outstanding Securities without any priority of any such Security over any other such Security;

PROVIDED, HOWEVER, that the right, title and interest of the Trustee in and to the Mortgaged Property shall cease, terminate and become void in accordance with, and subject to the conditions set forth in, Article Nine hereof, and if, thereafter, the principal of and premium, if any, and interest, if any, on the Securities shall have been paid to the Holders thereof, or shall have been paid to the Company pursuant to Section 603 hereof, then and in that case this Indenture shall terminate, and the Trustee shall execute and deliver to the Company such instruments as the Company shall require to evidence such termination; otherwise this Indenture, and the estate and rights hereby granted, shall be and remain in full force and effect; and

IT IS HEREBY COVENANTED AND AGREED by and between the Company and the Trustee that all the Securities are to be authenticated and delivered, and that the Mortgaged Property is to be held, subject to the further covenants, conditions and trusts hereinafter set forth, and the Company hereby covenants and agrees to and with the Trustee, for the benefit of all Holders of the Securities, as follows:

ARTICLE ONE

Definitions and Other Provisions of General Application

SECTION 101. General Definitions.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

(a) the terms defined in this Article have the meanings assigned to them in this Article and include the plural as well as the singular;

(b) all terms used herein without definition which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein;

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(c) all accounting terms not otherwise defined herein have the meanings assigned to them in accordance with generally accepted accounting principles in the United States; and, except as otherwise herein expressly provided, the term “generally accepted accounting principles” with respect to any computation required or permitted hereunder shall mean such accounting principles as are generally accepted in the United States at the date of such computation or, at the election of the Company from time to time, at the date of the execution and delivery of this Indenture; provided, however, that in determining generally accepted accounting principles applicable to the Company, effect shall be given, to the extent required, to any order, rule or regulation of any administrative agency, regulatory authority or other governmental body having jurisdiction over the Company; and

(d) the words “herein”, “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision.

“**Accountant**” means a Person engaged in the accounting profession or otherwise qualified to pass on accounting matters (including, but not limited to, a Person certified or licensed as a public accountant, whether or not then engaged in the public accounting profession).

“**Act**”, when used with respect to any Holder of a Security, has the meaning specified in Section 107.

“**Adjusted Net Earnings**” has the meaning specified in Section 103.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “**control**” when used with respect to any specified Person means the power to direct generally the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “**controlling**” and “**controlled**” have meanings correlative to the foregoing.

“**Annual Interest Requirements**” has the meaning specified in Section 103.

“**Authenticating Agent**” means any Person (other than the Company or an Affiliate of the Company) authorized by the Trustee to act on behalf of the Trustee to authenticate one or more series of Securities.

“**Authorized Officer**” means the Chairman of the Board, the President, any Vice President, the Treasurer or the Corporate Secretary or any other duly authorized officer, agent or attorney-in-fact of the Company named in an Officer’s Certificate signed by any of such corporate officers.

“**Authorized Publication**” means a newspaper or financial journal of general circulation, printed in the English language and customarily published on each Business Day, whether or not published on Saturdays, Sundays or holidays; or, in the alternative, shall mean

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such form of communication as may have come into general use for the dissemination of information of import similar to that of the information specified to be published by the provisions hereof. In the event that successive weekly publications in an Authorized Publication are required hereunder they may be made (unless otherwise expressly provided herein) on the same or different days of the week and in the same or in different Authorized Publications. In case, by reason of the suspension of publication of any Authorized Publication, or by reason of any other cause, it shall be impractical without unreasonable expense to make publication of any notice in an Authorized Publication as required by this Indenture, then such method of publication or notification as shall be made with the approval of the Trustee shall be deemed the equivalent of the required publication of such notice in an Authorized Publication.

“**Authorized Purposes**” means the authentication and delivery of Securities, the release of property and/or the withdrawal of cash under any of the provisions of this Indenture.

“**Board of Directors**” means either the board of directors of the Company or any committee thereof duly authorized to act in respect of matters relating to this Indenture.

“**Board Resolution**” means a copy of a resolution certified by the Corporate Secretary or an Assistant Corporate Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustee.

“**Business Day**”, when used with respect to a Place of Payment or any other particular location specified in the Securities or this Indenture, means any day, other than a Saturday or Sunday, which is not a day on which banking institutions or trust companies in such Place of Payment or other location are generally authorized or required by law, regulation or executive order to remain closed, except as may be otherwise specified as contemplated by Section 301.

“**Class A Bondholder’s Certificate**” has the meaning specified in Section 705.

“**Class A Bonds**” means bonds or other obligations now or hereafter issued and Outstanding under the PSCO 1939 Mortgage or any other Class A Mortgage or Mortgages.

“**Class A Mortgage**” means the PSCO 1939 Mortgage and each other mortgage or deed of trust or similar indenture (i) to which any corporation that is subsequently merged into or consolidated with the Company was a party at the time of such merger or consolidation or (ii)(A) which constitutes a Lien on property conveyed or otherwise transferred to the Company and (B) the obligations of the mortgagor under which have been duly assumed by the Company, and, in the case of either (i) or (ii) above, which is hereafter designated an additional Class A Mortgage in an indenture supplemental hereto executed and delivered in accordance with Section 706.

“**Commission**” means the Securities and Exchange Commission, as from time to time constituted, created under the Securities Exchange Act of 1934, or, if at any time after the date of the execution and delivery of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body, if any, performing such duties at such time.

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“**Company**” means the Person named as the “Company” in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Company” shall mean such successor Person.

“**Company Request**” or “**Company Order**” means a written request or order signed in the name of the Company by an Authorized Officer and delivered to the Trustee.

“**Corporate Trust Office**” means the office of the Trustee at which at any particular time its corporate trust business shall be principally administered, which office at the date of the execution and delivery of this Indenture is located at 60 Wall Street, New York, New York 10260.

“**corporation**” means a corporation, association, company, joint stock company or business trust.

“**Cost**” with respect to Property Additions has the meaning specified in Section 104.

“**Defaulted Interest**” has the meaning specified in Section 307.

“**Discount Security**” means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 1002. “**interest**” with respect to a Discount Security means interest, if any, borne by such Security at a Stated Interest Rate.

“**Dollar**” or “**\$**” means a dollar or other equivalent unit in such coin or currency of the United States as at the time shall be legal tender for the payment of public and private debts.

“**Electric Utility Business**” means the business of generating, purchasing, transmitting, distributing and/or selling electric energy.

“**Eligible Obligations**” means:

(a) with respect to Securities denominated in Dollars, Government Obligations; or

(b) with respect to Securities denominated in a currency other than Dollars or in a composite currency, such other obligations or instruments as shall be specified with respect to such Securities as contemplated by Section 301.

“**Event of Default**” has the meaning specified in Section 1001.

“**Excepted Property**” has the meaning specified in the granting clauses of this Indenture.

“**Expert**” means a Person which is an engineer, appraiser or other expert and which, with respect to any certificate to be signed by such Person and delivered to the Trustee, is

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qualified to pass upon the matters set forth in such certificate. For purposes of this definition, (a) “**engineer**” means a Person engaged in the engineering profession or otherwise qualified to pass upon engineering matters (including, but not limited to, a Person licensed as a professional engineer, whether or not then engaged in the engineering profession) and (b) “**appraiser**” means a Person engaged in the business of appraising property or otherwise qualified to pass upon the Fair Value or fair market value of property.

“**Expert’s Certificate**” means a certificate signed by an Authorized Officer and by an Expert (which Expert (a) shall be selected either by the Board of Directors or by an Authorized Officer, the execution of such certificate by such Authorized Officer to be conclusive evidence of such selection, and (b) except as otherwise required in Sections 403, 607, 707 and. 810, may be an employee or Affiliate of the Company duly authorized either by the Board of Directors or by an Authorized Officer) and delivered to the Trustee. The amount stated in any Expert’s Certificate as to the Cost, Fair Value or fair market value of property shall be conclusive and binding upon the Company, the Trustee and the Holders of the Securities.

“**Fair Value**”, with respect to property, means the fair value of such property as may be determined by reference to (a) the amount which would be likely to be obtained in an arm’s-length transaction with respect to such property between an informed and willing buyer and an informed and willing seller, under no compulsion, respectively, to buy or sell, (b) the amount of investment with respect to such property which, together with a reasonable return thereon, would be likely to be recovered through ordinary business operations or otherwise, (c) the Cost, accumulated depreciation and replacement cost with respect to such property and/or (d) any other relevant factors; provided, however, that (x) the Fair Value of property shall be determined without deduction for any Liens on such property prior to the Lien of this Indenture (except as otherwise provided in Section 803) and (y) the Fair Value to the Company of Property Additions shall not reflect any reduction relating to the fact that such Property Additions may be of less value to a Person which is not the owner or operator of the Mortgaged Property or any portion thereof than to a Person which is such owner or operator. Fair Value may be determined, without physical inspection, by the use of accounting and engineering records and other data maintained by the Company or otherwise available to the Expert certifying the same.

“**Funded Cash**” has the meaning specified in Section 102.

“**Funded Property**” has the meaning specified in Section 102.

“**Governmental Authority**” means the government of the United States or of any State or Territory thereof or of the District of Columbia or of any county, municipality or other political subdivision of any thereof, or any department, agency, authority or other instrumentality of any of the foregoing.

“**Government Obligations**” means:

(a) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States entitled to the benefit of the full faith and credit thereof; and

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(b) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (a) above or in any specific interest or principal payments due in respect thereof; provided, however, that the custodian of such obligations or specific interest or principal payments shall be a bank or trust company (which may include the Trustee or any Paying Agent) subject to Federal or State supervision or examination with a combined capital and surplus of at least \$50,000,000; and provided, further, that except as may be otherwise required by law, such custodian shall be obligated to pay to the holders of such certificates, depositary receipts or other instruments the full amount received by such custodian in respect of such obligations or specific payments and shall not be permitted to make any deduction therefrom.

“**Holder**” means a Person in whose name a Security is registered in the Security Register.

“**Indenture**” means this instrument as originally executed and delivered and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of particular series of Securities established as contemplated by Section 301.

“**Independent**”, when applied to any Accountant or Expert, means such a Person who (a) is in fact independent, (b) does not have any direct material financial interest in the Company or in any other obligor upon the Securities or in any Affiliate of the Company or of such other obligor, (c) is not connected with the Company or such other obligor as an officer, employee, promoter, underwriter, trustee, partner, director or any person performing similar functions and (d) is approved by the Trustee in the exercise of reasonable care.

“**Independent Expert’s Certificate**” means a certificate signed by an Independent Expert and delivered to the Trustee.

“**Interest Payment Date**”, when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

“**Investment Securities**” means any of the following obligations or securities on which neither the Company, any other obligor on the Securities nor any Affiliate of either is the obligor: (a) Government Obligations; (b) interest bearing deposit accounts (which may be represented by certificates of deposit) in any national or state bank (which may include the Trustee or any Paying Agent) or savings and loan association which has outstanding securities rated by a nationally recognized rating organization in either of the two highest rating categories (without regard to modifiers) for short term securities or in any of the three highest rating categories (without regard to modifiers) for long term securities; (c) bankers’ acceptances drawn on and accepted by any commercial bank (which may include the Trustee or any Paying Agent) which has outstanding securities rated by a nationally recognized rating organization in either of the two highest rating categories (without regard to modifiers) for short term securities or in any of the three highest rating categories (without regard to modifiers) for long term securities; (d) direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, any State or Territory of the United States or the District of Columbia, or any

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political subdivision of any of the foregoing, which are rated by a nationally recognized rating organization in either of the two highest rating categories (without regard to modifiers) for short term securities or in any of the three highest rating categories (without regard to modifiers) for long term securities; (e) bonds or other obligations of any agency or instrumentality of the United States; (f) corporate debt securities which are rated by a nationally recognized rating organization in either of the two highest rating categories (without regard to modifiers) for short term securities or in any of the three highest rating categories (without regard to modifiers) for long term securities; (g) repurchase agreements with respect to any of the foregoing obligations or securities with any banking or financial institution (which may include the Trustee or any Paying Agent) which has outstanding securities rated by a nationally recognized rating organization in either of the two highest rating categories (without regard to modifiers) for short term securities or in any of the three highest rating categories (without regard to modifiers) for long term securities; (h) securities issued by any regulated investment company (including any investment company for which the Trustee or any Paying Agent is the advisor), as defined in Section 851 of the Internal Revenue Code of 1986, as amended, or any successor section of such Code or successor federal statute, provided that the portfolio of such investment company is limited to obligations or securities of the character and investment quality contemplated in clauses (a) through (f) above and repurchase agreements which are fully collateralized by any of such obligations or securities; and (i) any other obligations or securities which may lawfully be purchased by the Trustee in its capacity as such.

“**Lien**” means any mortgage, deed of trust, pledge, security interest, encumbrance, easement, lease, reservation, restriction, servitude, charge or similar right and any other lien of any kind, including, without limitation, any conditional sale or other title retention agreement, any lease in the nature thereof, any filing of, or agreement to give, any financing statement under the Uniform Commercial Code of any jurisdiction, and any defect, irregularity, exception or limitation in record title.

“**Maturity**”, when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as provided in such Security or in this Indenture, whether at the Stated Maturity, by declaration of acceleration, upon call for redemption or otherwise.

“**Mortgaged Property**” means as of any particular time all property which at such time is subject to the Lien of this Indenture.

“**Net Earnings Certificate**” has the meaning specified in Section 103.

“**Officer’s Certificate**” means a certificate signed by an Authorized Officer and delivered to the Trustee.

“**Opinion of Counsel**” means a written opinion of counsel, who may be counsel for the Company or other counsel acceptable to the Trustee.

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“**Outstanding**”, when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

(a) Securities theretofore canceled or delivered to the Trustee for cancellation;

(b) Securities deemed to have been paid for all purposes of this Indenture in accordance with Section 901 (whether or not the Company’s indebtedness in respect thereof shall be satisfied and discharged for any other purpose); and

(c) Securities which have been paid pursuant to Section 306 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustee proof satisfactory to it and the Company that such Securities are held by a bona fide purchaser or purchasers in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether or not the Holders of the requisite principal amount of the Securities Outstanding under this Indenture, or the Outstanding Securities of any series or Tranche, have given any request, demand, authorization, direction, notice, consent or waiver hereunder or whether or not a quorum is present at a meeting of Holders of Securities,

(x) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor (unless the Company, such Affiliate or such obligor owns all Securities Outstanding under this Indenture, or all Outstanding Securities of each such series and each such Tranche, as the case may be, determined without regard to this clause (x)) shall be disregarded and deemed not to be Outstanding, except that, in determining whether the Trustee shall be protected in relying upon any such request, demand, authorization, direction, notice, consent or waiver or upon any such determination as to the presence of a quorum, only Securities which the Trustee knows to be so owned shall be so disregarded; provided, however, that Securities so owned which have been pledged in good faith may be regarded as Outstanding if it is established to the reasonable satisfaction of the Trustee that the pledgee, and not the Company, any such other obligor or Affiliate of either thereof, has the right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor; and provided, further, that in no event shall any Security which shall have been delivered to evidence or secure, in whole or in part, the Company’s obligations in respect of other indebtedness be deemed to be owned by the Company if the principal of such Security is payable, whether at Stated Maturity or upon mandatory redemption, at the same time as the principal of such other indebtedness is payable, whether at Stated Maturity or upon mandatory redemption or acceleration, but only to the extent of such portion of the principal amount of such Security as does not exceed the principal amount of such other indebtedness; and

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(y) the principal amount of a Discount Security that shall be deemed to be Outstanding for such purposes shall be the amount of the principal thereof that would be due and payable as of the date of such determination upon a declaration of acceleration of the Maturity thereof pursuant to Section 1002; and

provided, further, that, in the case of any Security the principal of which is payable from time to time without presentment or surrender, the principal amount of such Security that shall be deemed to be Outstanding at any time for all purposes of this Indenture shall be the original principal amount thereof less the aggregate amount of principal thereof theretofore paid.

“**Outstanding**”, when used with respect to Class A Bonds, has the meaning specified in the related Class A Mortgage.

“**Paying Agent**” means any Person, including the Company, authorized by the Company to pay the principal of and premium, if any, or interest, if any, on any Securities on behalf of the Company.

“**Periodic Offering**” means an offering of Securities of a series from time to time any or all of the specific terms of which Securities, including without limitation the rate or rates of interest, if any, thereon, the Stated Maturity or Maturities thereof and the redemption provisions, if any, with respect thereto, are to be determined by the Company or its agents at or about the time of the issuance of such Securities, all as contemplated in Section 301 and clause (b) of Section 401.

“**Permitted Liens**” means, at any time, any of the following:

(a) Liens for taxes, assessments and other governmental charges or requirements which are not delinquent or which are being contested in good faith by appropriate proceedings;

(b) mechanics’, workmen’s, repairmen’s, materialmen’s, warehousemen’s and carriers’ Liens, Liens or privileges of any employees of the Company for salary or wages earned, but not yet payable, and other Liens, including without limitation Liens for worker’s compensation awards, arising in the ordinary course of business for charges or requirements which are not delinquent or which are being contested in good faith and by appropriate proceedings;

(c) Liens in respect of attachments, judgments or awards arising out of judicial or administrative proceedings (i) in an amount not exceeding (A) Ten Million Dollars (\$10,000,000) or, if greater, (B) three per centum (3%) of the sum of (1) the principal amount of the Securities then Outstanding and (2) the principal amount of Class A Bonds then Outstanding other than Class A Bonds delivered to and held by the Trustee pursuant to Sections 402 and 701 or (ii) with respect to which the Company shall (X) in good faith be prosecuting an appeal or other proceeding for review and with respect to which the Company shall have secured a stay of execution pending such appeal or other proceeding or (Y) have the right to prosecute an appeal or other proceeding for review;

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(d) easements, leases, reservations or other rights of others in, on, over, and/or across, and laws, regulations and restrictions affecting, and defects, irregularities, exceptions and limitations in title to, the Mortgaged Property or any part thereof; provided, however, that such easements, leases, reservations, rights, laws, regulations, restrictions, defects, irregularities, exceptions and limitations do not in the aggregate materially impair the use by the Company of the Mortgaged Property considered as a whole for the purposes for which it is held by the Company;

(e) defects, irregularities, exceptions and limitations in title to rights-of-way and/or to real estate used or to be used primarily for right-of-way purposes or held under lease, easement, license or similar right; provided, however, that (i) the Company shall have obtained from the apparent owner or owners of the lands or estates therein covered by any such right-of-way a sufficient right, by the terms of the instrument granting such right-of-way, lease, easement, license or similar right, to the use thereof for the purposes for which the Company acquired the same, (ii) the Company has power under eminent domain or similar statutes to remove such defects or irregularities or (iii) such defects, irregularities, exceptions and limitations may be otherwise remedied without undue effort or expense; and defects, irregularities, exceptions and limitations in title to flood lands;

(f) Liens securing indebtedness neither created, assumed nor guaranteed by the Company, nor on account of which it customarily pays interest, existing at the date of the execution and delivery of this Indenture or, as to property hereafter acquired, at the time of the acquisition thereof by the Company, upon real estate or rights in or relating to real estate acquired by the Company for the purpose of the transmission or distribution of electric energy, for the purpose of telephonic, telegraphic, radio, wireless or other electronic communication or otherwise for the purpose of obtaining rights-of-way;

(g) leases existing at the date of the execution and delivery of this Indenture affecting properties owned by the Company at said date and renewals and extensions thereof and, with respect to leases affecting properties acquired by the Company after such date, leases (i) which have respective terms of not more than ten (10) years (including extensions or renewals at the option of the tenant) or (ii) which do not materially impair the use by the Company of such properties for the respective purposes for which they were acquired;

(h) Liens vested in lessors, licensors or permittees for rent to become due or for other obligations or acts to be performed, the payment of which rent or the performance of which other obligations or acts is required under leases, subleases, licenses or permits, so long as the payment of such rent or the performance of such other obligations or acts is not delinquent or is being contested in good faith and by appropriate proceedings;

(i) controls, restrictions, obligations, duties and/or other burdens imposed by federal, state, municipal or other law, or by rules, regulations or

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orders of Governmental Authorities, upon any property of the Company or the operation or use thereof or upon the Company with respect to any of its property or the operation or use thereof or with respect to any franchise, grant, license, permit or public purpose requirement, or any rights reserved to or otherwise vested in Governmental Authorities to impose any such controls, restrictions, obligations, duties and/or other burdens;

(j) rights which Governmental Authorities may have by virtue of franchises, grants, licenses, permits or contracts, or by virtue of law, to purchase, or designate a purchaser of or order the sale of, any property of the Company upon payment of cash or reasonable compensation therefor or to terminate franchises, licenses or other rights or to regulate the property and business of the Company;

(k) rights and interests of Persons other than the Company arising out of contracts, agreements and other instruments to which the Company is a party and which relate to the common ownership or joint use of property; and all Liens on the interests of Persons other than the Company in property owned in common by such Persons and the Company if and to the extent that the enforcement of such Liens would not adversely affect the interests of the Company in such property in any material respect;

(l) any Liens which have been bonded for the full amount in dispute or for the payment of which other adequate security arrangements have been made;

(m) rights and interests granted pursuant to Section 802(c);

(n) Retained Interests; and

(o) Prepaid Liens.

“Person” means any individual, corporation, partnership, joint venture, trust or unincorporated organization or any Governmental Authority.

“Place of Payment”, when used with respect to the Securities of any series, or any Tranche thereof, means the place or places, specified as contemplated by Section 301, at which, subject to Section 602, principal of and premium, if any, and interest, if any, on the Securities of such series or Tranche are payable.

“Predecessor Security” of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 306 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed (to the extent lawful) to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

“Prepaid Lien” means any Lien securing indebtedness for the payment, prepayment or redemption of which there shall have been irrevocably deposited in trust with the

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trustee or other holder of such Lien moneys and/or Investment Securities which (together with the interest reasonably expected to be earned from the investment and reinvestment in Investment Securities of the moneys and/or the principal of and interest on the Investment Securities so deposited) shall be sufficient for such purpose; provided, however, that if such indebtedness is to be redeemed or otherwise prepaid prior to the stated maturity thereof, any notice requisite to such redemption or prepayment shall have been given in accordance with the instrument creating such Lien or irrevocable instructions to give such notice shall have been given to such trustee or other holder; and provided, further, that no Class A Mortgage shall be deemed to be a Prepaid Lien unless it shall have been satisfied and discharged and all Class A Bonds issued thereunder shall be deemed to have been paid, all in accordance with the provisions thereof.

“**Property Additions**” has the meaning specified in Section 104.

“**PSCO 1939 Mortgage**” means the Indenture, dated as of December 1, 1939, between the Company and Guaranty Trust Company of New York, now Morgan Guaranty Trust Company of New York, trustee, as heretofore and hereafter amended and supplemented.

“**Redemption Date**”, when used with respect to any Security to be redeemed, means the date fixed for such redemption by or pursuant to this Indenture.

“**Redemption Price**”, when used with respect to any Security to be redeemed, means the price at which it is to be redeemed pursuant to this Indenture.

“**Regular Record Date**” for the interest payable on any Interest Payment Date on the Securities of any series means the date specified for that purpose as contemplated by Section 301.

“**Required Currency**” has the meaning specified in Section 311.

“**Responsible Officer**”, when used with respect to the Trustee, means any officer of the Trustee assigned by the Trustee to administer its corporate trust matters.

“**Retained Interests**” has the meaning specified in the Habendum of this Indenture.

“**Retired Securities**” means any Securities authenticated and delivered under this Indenture which (a) no longer remain Outstanding by reason of the applicability of clause (a) or (b) in the definition of “Outstanding” (other than any Predecessor Security of any Security), (b) have not been made the basis under any of the provisions of this Indenture of one or more Authorized Purposes and (c) have not been paid, redeemed, purchased or otherwise retired by the application thereto of Funded Cash.

“**Securities**” means any bonds, notes and other evidences of indebtedness authenticated and delivered under this Indenture.

“**Security Register**” and “**Security Registrar**” have the respective meanings specified in Section 305.

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“**Special Record Date**” for the payment of any Defaulted Interest on the Securities of any series means a date fixed by the Trustee pursuant to Section 307.

“**Stated Interest Rate**” means a rate (whether fixed or variable) at which an obligation by its terms is stated to bear simple interest. Any calculation or other determination to be made under this Indenture by reference to the Stated Interest Rate on a Security shall be made without regard to the effective interest cost to the Company of such Security and without regard to the Stated Interest Rate on, or the effective cost to the Company of, any other indebtedness the Company’s obligations in respect of which are evidenced or secured in whole or in part by such Security.

“**Stated Maturity**”, when used with respect to any obligation or any installment of principal thereof or interest thereon, means the date on which the principal of such obligation or such installment of principal or interest is stated to be due and payable (without regard to any provisions for redemption, prepayment, acceleration, purchase or extension).

“**Successor Corporation**” has the meaning set forth in Section 1301.

“**Tranche**” means a group of Securities which (a) are of the same series and (b) have identical terms except as to principal amount and/or date of issuance.

“**Trust Indenture Act**” means, as of any time, the Trust Indenture Act of 1939, or any successor statute, as in effect at such time.

“**Trustee**” means the Person named as the “Trustee” in the first paragraph of this Indenture until a successor trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Trustee” shall mean such successor Trustee, and, if at any time there is more than one Person acting as trustee hereunder, “Trustee” as used with respect to the Securities of any series shall mean the Trustee with respect to Securities of such series.

“**United States**” means the United States of America, its Territories, its possessions and other areas subject to its political jurisdiction.

SECTION 102. Funded Property; Funded Cash.

“**Funded Property**” means:

(a) all Property Additions to the extent that the same shall have been designated in an Expert’s Certificate delivered to the Trustee pursuant to Section 707(c) to be deemed to have been made the basis of the authentication and delivery of Securities then Outstanding;

(b) all Property Additions to the extent that the same shall have been made the basis of the authentication and delivery of Securities under this Indenture pursuant to Section 403;

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(c) all Property Additions to the extent that the same shall have been made the basis of the release of property from the Lien of this Indenture pursuant to Section 803;

(d) all Property Additions to the extent that the same shall have been substituted for Funded Property retired pursuant to Section 802;

(e) all Property Additions to the extent that the same shall have been made the basis of the withdrawal of cash held by the Trustee pursuant to Section 806; and

(f) all Property Additions to the extent that the same shall have been used as the basis of a credit against, or otherwise in satisfaction of, the requirements of any sinking, improvement, maintenance, replacement or similar fund or analogous provision established with respect to the Securities of any series, or any Tranche thereof, as contemplated by Section 301; provided, however, that any such Property Additions shall cease to be Funded Property when all of the Securities of such series or Tranche shall have been paid.

In the event that in any certificate filed with the Trustee in connection with any of the transactions referred to in clauses (a), (b), (c), (e) and (f) of this Section, only a part of the Cost or Fair Value of the Property Additions described in such certificate shall be required for the purposes of such certificate, then such Property Additions shall be deemed to be Funded Property only to the extent so required for the purpose of such certificate.

All Funded Property that shall be abandoned, destroyed, released or otherwise disposed of shall for the purpose of Section 104 hereof be deemed Funded Property retired and for other purposes of this Indenture shall thereupon cease to be Funded Property but as in this Indenture provided may at any time thereafter again become Funded Property. Neither any reduction in the Cost or book value of property recorded in the plant account of the Company, nor the transfer of any amount appearing in such account to intangible and/or adjustment accounts, otherwise than in connection with actual retirements of physical property abandoned, destroyed, released or disposed of, and otherwise than in connection with the removal of such property in its entirety from plant account, shall be deemed to constitute a retirement of Funded Property.

The Company may make allocations, on a pro-rata or other reasonable basis (including, but not limited to, the designation of specific properties or the designation of all or a specified portion of the properties reflected in one or more generic accounts or subaccounts in the Company's books of account), for the purpose of determining the extent to which fungible properties, or other properties not otherwise identified, reflected in the same generic account or subaccount in the Company's books of account constitute Funded Property or Funded Property retired.

"Funded Cash" means:

(a) cash, held by the Trustee hereunder, to the extent that it represents the proceeds of insurance on, or cash deposited in connection with the release of,

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property, or the proceeds of the release of obligations secured by purchase money Lien which obligations have been delivered to the Trustee pursuant to Article Eight and used as a credit in any application for the release of property hereunder, or the proceeds of payment to the Trustee on account of the principal of obligations secured by purchase money Lien which obligations have been delivered to it pursuant to Article Eight and used as a credit in any application for the release of property hereunder, all subject, however, to the provisions of Section 607(c) and Section 806;

(b) any cash deposited with the Trustee under Section 405; and

(c) any cash received by the Trustee from the payment of the principal of Class A Bonds issued and delivered to the Trustee hereunder.

SECTION 103. Net Earnings Certificate; Adjusted Net Earnings; Annual Interest Requirements.

“**Net Earnings Certificate**” means a certificate signed by an Accountant who, except as otherwise required in this Section, may be an employee or Affiliate of the Company, stating:

(a) the “**Adjusted Net Earnings**” of the Company for a period of twelve (12) consecutive calendar months within the eighteen (18) calendar months immediately preceding the first day of the month in which the Company Order requesting the authentication and delivery under this Indenture of Securities is delivered to the Trustee, specifying:

(i) its operating revenues (which may include revenues of the Company subject when collected or accrued to possible refund at a future date), with the principal divisions thereof;

(ii) its operating expenses, with the principal divisions thereof, except that there shall not be required to be included in operating expenses (A) expenses for income, profits and other taxes measured by, or dependent on, net income, (B) provisions for reserves for renewals, replacements, depreciation, depletion or retirement of property (or any expenditures therefor), or provisions for amortization of property, (C) expenses or provisions for interest (including the interest component of rent), for the amortization of debt discount, premium, expense or loss on reacquired debt, for any maintenance and replacement, improvement or sinking fund or other device for the retirement of any indebtedness, or for other amortization, (D) expenses or provisions for any non-recurring charge to income or retained earnings of whatever kind or nature (including without limitation the recognition of expense due to the non-recoverability of investment or expense), whether or not recorded as a non-recurring item in the Company’s books of account, or (E) provisions

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for any refund of revenues previously collected or accrued by the Company subject to possible refund;

(iii) the amount remaining after deducting the amount required to be stated in such certificate by clause (ii) above from the amount required to be stated therein by clause (i) above;

(iv) its other income (net) including, but not limited to, non-utility operating income, net non-operating income and equity in the earnings of subsidiaries, and any allowance for funds used during construction and any allowance for funds used for conservation expenditures (or any amounts analogous to either or both of such allowances, and including any portion of either or both of such allowances, or of any such analogous amounts, not included in "other income" in the Company's books of account);

(v) the sum of the amounts required to be stated in such certificate by clauses (iii) and (iv) above;

(vi) the amount, if any, by which its other income (net) exceeds twenty per centum (20%) of the sum required to be stated by clause (v) above; and

(vii) the Adjusted Net Earnings of the Company for such period of twelve (12) consecutive calendar months (being the amount remaining after deducting in such certificate the amount required to be stated by clause (vi) above from the sum required to be stated by clause (v) above; and

(b) the "**Annual Interest Requirements**", being the interest requirements for one year, at the respective Stated Interest Rates, if any, borne prior to Maturity, upon:

(i) all Securities Outstanding hereunder at the date of such certificate, except any for the payment or redemption of which the Securities applied for are to be issued; provided, however, that, if the Outstanding Securities of any series or Tranche bear interest at a variable rate or rates, then the interest requirement on the Securities of such series or Tranche shall be determined by reference to the rate or rates in effect on the date next preceding the date of such certificate;

(ii) all Securities then applied for in pending Company Orders for new Securities, including the Company Order in connection with which such certificate is made; provided, however, that if the Securities of any series or Tranche are to bear interest at a variable rate or rates, then the interest requirement on the Securities of such series or Tranche shall be determined by reference to the rate or rates to be in effect at the time of the initial authentication and delivery of such Securities; and provided,

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further, that the determination of the interest requirement on Securities of a series subject to a Periodic Offering shall be further subject to the provisions of Section 401(d);

(iii) all Class A Bonds Outstanding under Class A Mortgages at the date of such certificate, except any delivered to and held by the Trustee pursuant to Sections 402 and 701 and except any for the payment or redemption of which the Securities applied for are to be issued; provided, however, that, if the Outstanding Class A Bonds of any series bear interest at a variable rate or rates, then the interest requirement on the Class A Bonds of such series shall be determined by reference to the rate or rates in effect on the date next preceding the date of such certificate; and

(iv) the principal amount of all other indebtedness (except (A) Class A Bonds delivered to and held by the Trustee pursuant to Sections 402 and 701 and (B) indebtedness for the payment of which the Securities applied for are to be issued and indebtedness secured by a Prepaid Lien prior to the Lien of this Indenture upon property subject to the Lien of this Indenture) outstanding on the date of such certificate and secured by Lien prior to the Lien of this Indenture upon property subject to the Lien of this Indenture, if such indebtedness has been issued, assumed or guaranteed by the Company or if the Company customarily pays the interest thereon; provided, however, that if any such indebtedness bears interest at a variable rate or rates, then the interest requirement on such indebtedness shall be determined by reference to the rate or rates in effect on the date next preceding the date of such certificate.

Notwithstanding anything herein to the contrary, in calculating Adjusted Net Earnings in accordance with clause (a) above, (a) neither profits from the sale or other disposition of property, nor other non-recurring items of revenue or income of any kind or nature, shall be taken into account and (b) neither losses from the sale or other disposition of property, nor non-recurring items of expense of any kind or nature, shall be required to be taken into account.

If any of the property of the Company owned by it at the time of the making of any Net Earnings Certificate (a) shall have been acquired during or after any period for which Adjusted Net Earnings of the Company are to be computed, (b) shall not have been acquired in exchange or substitution for property the net earnings of which have been included in the Adjusted Net Earnings of the Company and (c) had been operated as a separate unit and items of revenue and expense attributable thereto are readily ascertainable by the Company, then the net earnings of such property (computed in the manner in this Section provided for the computation of the Adjusted Net Earnings of the Company) during such period or such part of such period as shall have preceded the acquisition thereof, to the extent that the same have not otherwise been included in the Adjusted Net Earnings of the Company, shall be so included.

In any case where a Net Earnings Certificate is required as a condition precedent to the authentication and delivery of Securities, such certificate shall also be made and signed by

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an Independent public Accountant if the aggregate principal amount of Securities then applied for plus the aggregate principal amount of Securities authenticated and delivered hereunder since the commencement of the then current calendar year (other than those with respect to which a Net Earnings Certificate is not required, or with respect to which a Net Earnings Certificate made and signed by an Independent public Accountant has previously been furnished to the Trustee) is ten per centum (10%) or more of the sum of (a) the aggregate principal amount of the Securities at the time Outstanding and (b) the aggregate principal amount of the Class A Bonds at the time Outstanding other than Class A Bonds delivered to and held by the Trustee pursuant to Sections 402 and 701; but no Net Earnings Certificate shall be required to be made and signed by an Independent public Accountant, and any such certificate may be made and signed by any Accountant, if such certificate relates to dates or periods not covered by annual reports required to be filed by the Company, in the case of conditions precedent which depend upon a state of facts as of a date or dates or for a period or periods different from that required to be covered by such annual reports.

SECTION 104. Property Additions; Cost.

(a) “**Property Additions**” means, as of any particular time, any item, unit or element of property which at such time is owned by the Company and is subject to the Lien of this Indenture; provided, however, that Property Additions shall not include:

(i) goodwill, going concern value rights or intangible property except as provided in subsection (c) of this Section; or

(ii) any property the cost of acquisition or construction of which is, in accordance with generally accepted accounting principles, properly chargeable to an operating expense account of the Company.

(b) When any Property Additions are certified to the Trustee as the basis of any Authorized Purpose (except as otherwise provided in Section 803 and Section 806),

(i) there shall be deducted from the Cost or Fair Value to the Company thereof, as the case may be (as of the date so certified), an amount equal to the Cost (or as to Property Additions of which the Fair Value to the Company at the time the same became Funded Property was less than the Cost as determined pursuant to this Section, then such Fair Value in lieu of Cost) of all Funded Property of the Company retired to the date of such certification (other than the Funded Property, if any, in connection with the application for the release of which such certificate is filed) and not theretofore deducted from the Cost or Fair Value to the Company of Property Additions theretofore certified to the Trustee, and

(ii) there may, at the option of the Company, be added to such Cost or Fair Value, as the case may be, the sum of

(A) the principal amount of any obligations secured by purchase money Lien and any cash (other than proceeds of such purchase money obligations), not theretofore so added and which the Company then elects so to add, received by the Trustee representing the proceeds of

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insurance on, or of the release or other disposition of, Funded Property retired;

(B) ten-sevenths (10/7) of the principal amount of any Security or Securities, or portion of such principal amount, not theretofore so added and which the Company then elects so to add, the right to the authentication and delivery of which under the provisions of Section 404 and Section 803(d)(iii) shall at any time theretofore have been waived as the basis of the release of Funded Property retired; and

(C) the Cost to the Company of any Property Additions (including Property Additions subject to the lien of a Class A Mortgage) not theretofore so added and which the Company then elects so to add, to the extent that the same shall have been substituted for Funded Property retired (including Funded Property subject to the lien of a Class A Mortgage);

provided, however, that the aggregate of the amounts added under clause (ii) above shall in no event exceed the amounts deducted under clause (i) above.

(c) Except as otherwise provided in Section 803, the term "Cost" with respect to Property Additions shall mean the sum of (i) any cash delivered in payment therefor or for the acquisition thereof, (ii) an amount equivalent to the fair market value in cash (as of the date of delivery) of any securities or other property delivered in payment therefor or for the acquisition thereof, (iii) the principal amount of any obligations secured by prior Lien (other than a Class A Mortgage) upon such Property Additions outstanding at the time of the acquisition thereof, (iv) the principal amount of any other obligations incurred or assumed in connection with the payment for such Property Additions or for the acquisition thereof and (v) any other amounts which, in accordance with generally accepted accounting principles, are properly charged or chargeable to the plant or other property accounts of the Company with respect to such Property Additions as part of the cost of construction or acquisition thereof, including, but not limited to, any allowance for funds used during construction or any similar or analogous amount; provided, however, that, notwithstanding any other provision of this Indenture,

(x) with respect to Property Additions owned by a successor corporation immediately prior to the time it shall have become such by consolidation or merger or acquired by a successor corporation in or as a result of a consolidation or merger (excluding, in any case, Property Additions owned by the Company immediately prior to such time), Cost shall mean the amount or amounts at which such Property Additions are recorded in the plant or other property accounts of such successor corporation, or the predecessor corporation from which such Property Additions are acquired, as the case may be, immediately prior to such consolidation or merger;

(y) with respect to Property Additions which shall have been acquired (otherwise than by construction) by the Company without any consideration consisting of cash, securities or other property or the incurring or assumption of

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indebtedness, no determination of Cost shall be required, and, wherever in this Indenture provision is made for Cost or Fair Value, Cost with respect to such Property Additions shall mean an amount equal to the Fair Value to the Company thereof or, if greater, the aggregate amount reflected in the Company's books of account with respect thereto upon the acquisition thereof; and

(z) in no event shall the Cost of Property Additions be required to reflect any depreciation or amortization in respect of such Property Additions, or any adjustment to the amount or amounts at which such Property Additions are recorded in plant or other property accounts due to the non-recoverability of investment or otherwise.

If any Property Additions are shown by the Expert's Certificate provided for in Section 403(b)(ii) to include property which has been used or operated by others than the Company in a business similar to that in which it has been or is to be used or operated by the Company, the Cost thereof need not be reduced by any amount in respect of any goodwill, going concern value rights and/or intangible property simultaneously acquired for which no separate or distinct consideration shall have been paid or apportioned, and in such case the term Property Additions as defined herein may include such goodwill, going concern value rights and intangible property.

SECTION 105. Compliance Certificates and Opinions.

Except as otherwise expressly provided in this Indenture, upon any application or request by the Company to the Trustee to take any action under any provision of this Indenture, the Company shall furnish to the Trustee an Officer's Certificate stating that all conditions precedent, if any, provided for in this Indenture relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, it being understood that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a condition or covenant provided for in this Indenture shall include:

- (a) a statement that each Person signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
- (b) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (c) a statement that, in the opinion of each such Person, such Person has made such examination or investigation as is necessary to enable such Person to express an informed opinion as to whether or not such covenant or condition has been complied with; and

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(d) a statement as to whether, in the opinion of each such Person, such condition or covenant has been complied with.

SECTION 106. Form of Documents Delivered to Trustee.

(a) In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons as to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon a certificate or opinion of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous.

Any Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer of the Company and/or upon a certificate or opinion of an Accountant or Expert, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous. If, in order to render any Opinion of Counsel provided for herein, the signer thereof shall deem it necessary that additional facts or matters be stated in any Officer's Certificate or Expert's Certificate provided for herein, then such certificate may state all such additional facts or matters as the signer of such Opinion of Counsel may request. In addition, in rendering any Opinion of Counsel provided for herein, counsel may rely upon (i) opinions of other counsel to the Company, copies of which shall have been delivered to the Trustee, (ii) title insurance policies or commitments and reports, lien search certificates and other similar evidences of the existence of Liens on property and (iii) with respect to any opinion regarding the validity or priority of the Lien of this Indenture on any Property Additions, a certificate or opinion of, or representations by, an officer or officers of the Company regarding the title thereto or the existence of any Liens thereon.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

(b) Whenever, subsequent to the receipt by the Trustee of any Board Resolution, Officer's Certificate, Expert's Certificate, Net Earnings Certificate, Opinion of Counsel or other document or instrument, a clerical, typographical or other inadvertent or unintentional error or omission shall be discovered therein, a new document or instrument may be substituted therefor in corrected form with the same force and effect as if originally filed in the corrected form and, irrespective of the date or dates of the actual execution and/or delivery thereof, such substitute document or instrument shall be deemed to have been executed and/or delivered as of the date or dates required with respect to the document or instrument for which it is substituted. Anything in this Indenture to the contrary notwithstanding, if any such corrective

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document or instrument indicates that action has been taken by or at the request of the Company which could not have been taken had the original document or instrument not contained such error or omission, the action so taken shall not be invalidated or otherwise rendered ineffective but shall be and remain in full force and effect, except to the extent that such action was a result of willful misconduct or bad faith. Without limiting the generality of the foregoing, any Securities issued under the authority of such defective document or instrument shall nevertheless be the valid obligations of the Company entitled to the benefit of the Lien of this Indenture equally and ratably with all other Outstanding Securities, except as aforesaid.

SECTION 107. Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, election, waiver or other action provided by this Indenture to be made, given or taken by Holders may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by an agent duly appointed in writing or, alternatively, may be embodied in and evidenced by the record of Holders voting in favor thereof, either in person or by proxies duly appointed in writing, at any meeting of Holders duly called and held in accordance with the provisions of Article Fifteen, or a combination of such instruments and any such record. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustee and, where it is hereby expressly required, to the Company. Such instrument or instruments and any such record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “**Act**” of the Holders signing such instrument or instruments and so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and (subject to Section 1101) conclusive in favor of the Trustee and the Company, if made in the manner provided in this Section. The record of any meeting of Holders shall be proved in the manner provided in Section 1506.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof or may be proved in any other manner which the Trustee and the Company deem sufficient. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of his authority.

(c) The principal amount (except as otherwise contemplated in clause (y) of the proviso to the definition of Outstanding) and serial numbers of Securities held by any Person, and the date of holding the same, shall be proved by the Security Register.

(d) Any request, demand, authorization, direction, notice, consent, election, waiver or other Act of a Holder shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustee or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

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(e) Until such time as written instruments shall have been delivered to the Trustee with respect to the requisite percentage of principal amount of Securities for the action contemplated by such instruments, any such instrument executed and delivered by or on behalf of a Holder may be revoked with respect to any or all of such Securities by written notice by such Holder or any subsequent Holder, proven in the manner in which such instrument was proven.

(f) Securities of any series, or any Tranche thereof, authenticated and delivered after any Act of Holders may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any action taken by such Act of Holders. If the Company shall so determine, new Securities of any series, or any Tranche thereof, so modified as to conform, in the opinion of the Trustee and the Company, to such action may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series or Tranche.

(g) If the Company shall solicit from Holders any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by Company Order, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. Any such record date shall be not less than ten (10), nor more than sixty (60), days prior to the date of the first solicitation by the Company. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on the record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of the Outstanding Securities have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the Outstanding Securities shall be computed as of the record date.

SECTION 108. Notices, Etc. to Trustee and Company.

Any request, demand, authorization, direction, notice, consent, election, waiver or Act of Holders or other document provided or permitted by this Indenture to be made upon, given or furnished to, or filed with, the Trustee by any Holder or by the Company, or the Company by the Trustee or by any Holder, shall be sufficient for every purpose hereunder (unless otherwise expressly provided herein) if the same shall be in writing and delivered personally to an officer or other responsible employee of the addressee, or transmitted by facsimile transmission, telex or other direct written electronic means to such telephone number or other electronic communications address as the parties hereto shall from time to time designate, or transmitted by registered mail, charges prepaid, to the applicable address set opposite such party's name below or to such other address as either party hereto may from time to time designate:

If to the Trustee, to:

Morgan Guaranty Trust Company of New York
60 Wall Street
New York, New York 10260
Attention: Corporate Trust Administration

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If to the Company, to:

Public Service Company of Colorado
1225 17th Street
Denver, Colorado 80202
Attention: Treasurer

Any communication contemplated herein shall be deemed to have been made, given, furnished and filed if personally delivered, on the date of delivery, if transmitted by facsimile transmission, telex or other direct written electronic means, on the date of transmission, and if transmitted by registered mail, on the date of receipt.

SECTION 109. Notice to Holders of Securities; Waiver.

Except as otherwise expressly provided herein, where this Indenture provides for notice to Holders of any event, such notice shall be sufficiently given, and shall be deemed given, to Holders if in writing and mailed, first-class postage prepaid, to each Holder affected by such event, at the address of such Holder as it appears in the Security Register, not later than the latest date, and not earlier than the earliest date, prescribed for the giving of such notice.

In case by reason of the suspension of regular mail service or by reason of any other cause it shall be impracticable to give such notice to Holders by mail, then such notification as shall be made with the approval of the Trustee shall constitute a sufficient notification for every purpose hereunder. In any case where notice to Holders is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders.

Any notice required by this Indenture may be waived in writing by the Person entitled to receive such notice, either before or after the event otherwise to be specified therein, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustee, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 110. Conflict with Trust Indenture Act.

If any provision of this Indenture limits, qualifies or conflicts with another provision hereof which is required or deemed to be included in this Indenture by, or is otherwise governed by, any provision of the Trust Indenture Act, such other provision shall control; and if any provision hereof otherwise conflicts with the Trust Indenture Act, the Trust Indenture Act shall control.

SECTION 111. Effect of Headings and Table of Contents.

The Article and Section headings in this Indenture and the Table of Contents are for convenience only and shall not affect the construction hereof.

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SECTION 112. Successors and Assigns.

All covenants and agreements in this Indenture by the Company shall bind its successors and assigns, whether so expressed or not.

SECTION 113. Separability Clause.

In case any provision in this Indenture or the Securities shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 114. Benefits of Indenture.

Nothing in this Indenture or the Securities, express or implied, shall give to any Person, other than the parties hereto, their successors hereunder and the Holders, any benefit or any legal or equitable right, remedy or claim under this Indenture.

SECTION 115. Governing Law.

This Indenture and the Securities shall be governed by and construed in accordance with the law of the State of New York (including without limitation Section 5-1401 of the New York General Obligations Law or any successor to such statute), except to the extent that the Trust Indenture Act shall be applicable and except to the extent that the law of any jurisdiction wherein any portion of the Mortgaged Property is located shall mandatorily govern the perfection, priority or enforcement of the Lien of this Indenture with respect to such portion of the Mortgaged Property.

SECTION 116. Legal Holidays.

In any case where any Interest Payment Date, Redemption Date or Stated Maturity of any Security shall not be a Business Day at any Place of Payment, then (notwithstanding any other provision of this Indenture or of the Securities other than a provision in Securities of any series, or any Tranche thereof, or in the indenture supplemental hereto, Board Resolution or Officer's Certificate which establishes the terms of the Securities of such series or Tranche, which specifically states that such provision shall apply in lieu of this Section) payment of interest or principal and premium, if any, need not be made at such Place of Payment on such date, but may be made on the next succeeding Business Day at such Place of Payment with the same force and effect as if made on the Interest Payment Date or Redemption Date, or at the Stated Maturity, and, if such payment is made or duly provided for on such Business Day, no interest shall accrue on the amount so payable for the period from and after such Interest Payment Date, Redemption Date or Stated Maturity, as the case may be, to such Business Day.

SECTION 117. Investment of Cash Held by Trustee.

Any cash held by the Trustee or any Paying Agent under any provision of this Indenture shall, except as otherwise provided in Article Nine, at the request of the Company evidenced by Company Order, be invested or reinvested in Investment Securities designated by the Company, and any interest on such Investment Securities shall be promptly paid over to the

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Company as received free and clear of any Lien. Such Investment Securities shall be held subject to the same provisions hereof as the cash used to purchase the same, but upon a like request of the Company shall be sold, in whole or in designated part, and the proceeds of such sale shall be held subject to the same provisions hereof as the cash used to purchase the Investment Securities so sold. If such sale shall produce a net sum less than the cost of the Investment Securities so sold, the Company shall pay to the Trustee or any such Paying Agent, as the case may be, such amount in cash as, together with the net proceeds from such sale, shall equal the cost of the Investment Securities so sold, and if such sale shall produce a net sum greater than the cost of the Investment Securities so sold, the Trustee or any such Paying Agent, as the case may be, shall promptly pay over to the Company an amount in cash equal to such excess, free and clear of any Lien.

Notwithstanding the foregoing, if an Event of Default shall have occurred and be continuing, interest on Investment Securities and any gain upon the sale thereof shall be held as part of the Mortgaged Property until such Event of Default shall have been cured or waived, whereupon such interest and gain shall be promptly paid over to the Company free and clear of any Lien.

ARTICLE TWO

Security Forms

SECTION 201. Forms Generally.

The definitive Securities of each series shall be in substantially the form or forms established in the indenture supplemental hereto establishing such series, or in a Board Resolution establishing such series, or in an Officer's Certificate pursuant to such a supplemental indenture or Board Resolution, in any case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the officers executing such Securities, as evidenced by their execution of the Securities. If the form or forms of Securities of any series are established in a Board Resolution or in an Officer's Certificate pursuant to a Board Resolution, such Board Resolution and Officer's Certificate, if any, shall be delivered to the Trustee at or prior to the delivery of the Company Order contemplated by Section 401 for the authentication and delivery of such Securities.

The Securities of each series shall be issuable in registered form without coupons. The definitive Securities shall be produced in such manner as shall be determined by the officers executing such Securities, as evidenced by their execution thereof.

SECTION 202. Form of Trustee's Certificate of Authentication.

The Trustee's certificate of authentication shall be in substantially the form set forth below:

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This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

as Trustee

By: _____

Authorized Signatory

ARTICLE THREE

The Securities

SECTION 301 Amount Unlimited; Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series. Subject to the last paragraph of this Section, prior to the authentication and delivery of Securities of any series there shall be established by specification in a supplemental indenture or in a Board Resolution, or in an Officer's Certificate pursuant to a supplemental indenture or a Board Resolution:

(a) the title of the Securities of such series (which shall distinguish the Securities of such series from Securities of all other series);

(b) any limit upon the aggregate principal amount of the Securities of such series which may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer of, or in exchange for, or in lieu of, other Securities of such series pursuant to Section 304, 305, 306, 506 or 1406 and except for any Securities which, pursuant to Section 303, are deemed never to have been authenticated and delivered hereunder);

(c) the Persons (without specific identification) to whom interest on Securities of such series, or any Tranche thereof, shall be payable on any Interest Payment Date, if other than the Persons in whose names such Securities (or one or more Predecessor Securities) are registered at the close of business on the Regular Record Date for such interest;

(d) the date or dates on which the principal of the Securities of such series, or any Tranche thereof, is payable or any formulary or other method or other means by which such date or dates shall be determined, by reference or otherwise (without regard to any provisions for redemption, prepayment, acceleration, purchase or extension);

(e) the rate or rates at which the Securities of such series, or any Tranche thereof, shall bear interest, if any (including the rate or rates at which overdue principal shall bear interest, if different from the rate or rates at which such Securities shall bear interest prior to Maturity, and, if applicable, the rate or rates at which overdue premium or interest shall bear interest, if any), or any formulary or other method or other means by which such rate or rates shall be determined, by reference or otherwise; the date or dates from which such interest shall accrue; the Interest Payment Dates on which such interest shall be payable and the Regular Record Date, if any, for the interest payable on such Securities on any Interest Payment Date; and the basis of computation of interest, if other than as provided in Section 310;

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(f) the place or places at which (i) the principal of and premium, if any, and interest, if any, on Securities of such series, or any Tranche thereof, shall be payable, (ii) registration of transfer of Securities of such series, or any Tranche thereof, may be effected, (iii) exchanges of Securities of such series, or any Tranche thereof, may be effected and (iv) notices and demands to or upon the Company in respect of the Securities of such series, or any Tranche thereof, and this Indenture may be served; the Security Registrar for such series; and, if such is the case, that the principal of such Securities shall be payable without the presentment or surrender thereof;

(g) the period or periods within which or the date or dates on which, the price or prices at which and the terms and conditions upon which the Securities of such series, or any Tranche thereof, may be redeemed, in whole or in part, at the option of the Company;

(h) the obligation or obligations, if any, of the Company to redeem or purchase the Securities of such series, or any Tranche thereof, pursuant to any sinking fund or other mandatory redemption provisions or at the option of a Holder thereof and the period or periods within which or the date or dates on which, the price or prices at which and the terms and conditions upon which such Securities shall be redeemed or purchased, in whole or in part, pursuant to such obligation, and applicable exceptions to the requirements of Section 504 in the case of mandatory redemption or redemption at the option of the holder;

(i) the denominations in which Securities of such series, or any Tranche thereof, shall be issuable if other than denominations of \$1,000 and any integral multiple thereof;

(j) the currency or currencies, including composite currencies, in which payment of the principal of and premium, if any, and interest, if any, on the Securities of such series, or any Tranche thereof, shall be payable (if other than in Dollars); it being understood that, for purposes of calculations under this Indenture (including calculations of Annual Interest Requirements contemplated by Section 103 and calculations of principal amount under Article Four), any amounts denominated in a currency other than Dollars or in a composite currency shall be converted to Dollar equivalents by calculating the amount of Dollars which could have been purchased by the amount of such other currency based (i) on the average of the mean of the buying and selling spot rates quoted by three banks which are members of the New York Clearing House Association selected by the Company in effect at 11:00 A.M. (New York time) in The City of New York on the fifth Business Day preceding the date of such calculation or (ii) on such other quotations or alternative methods of determination as shall be selected by an Authorized Officer;

(k) if the principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, are to be payable, at the election of the Company or a Holder thereof, in a coin or currency other than that in which

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the Securities are stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made; it being understood that, for purposes of calculations under this Indenture (including calculations of Annual Interest Requirements contemplated by Section 103 and calculations of principal amount under Article Four), any such election shall be required to be taken into account, in the manner contemplated in clause (j) of this paragraph, only after such election shall have been made.

(l) if the principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, are to be payable, or are to be payable at the election of the Company or a Holder thereof, in securities or other property, the type and amount of such securities or other property, or the formulary or other method or other means by which such amount shall be determined, and the period or periods within which, and the terms and conditions upon which, any such election may be made; it being understood that all calculations under this Indenture (including calculations of Annual Interest Requirements contemplated by Section 103 and calculations of principal amount under Article Four) shall be made on the basis of the fair market value of such securities or the Fair Value of such other property, in either case determined as of the most recent practicable date, except that, in the case of any amount of principal or interest that may be so payable at the election of the Company or a Holder, if such election shall not yet have been made, such calculations shall be made on the basis of the amount of principal or interest, as the case may be, that would be payable if no such election were made;

(m) if the amount payable in respect of principal of or premium, if any, or interest, if any, on the Securities of such series, or any Tranche thereof, may be determined with reference to an index or other fact or event ascertainable outside of this Indenture, the manner in which such amounts shall be determined (to the extent not established pursuant to clause (e) of this paragraph); it being understood that all calculations under this Indenture (including calculations of Annual Interest Requirements contemplated by Section 103 and calculations of principal amount under Article Four) shall be made on the basis of the amount that would be payable as principal if such principal were due, or on the basis of the interest rates in effect, as the case may be, on the date next preceding the date of such calculation;

(n) if other than the principal amount thereof, the portion of the principal amount of Securities of such series, or any Tranche thereof, which shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 1002;

(o) the terms, if any, pursuant to which the Securities of such series, or any Tranche thereof, may be converted into or exchanged for shares of capital stock or other securities of the Company or any other Person;

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(p) the obligations or instruments, if any, which shall be considered to be Eligible Obligations in respect of the Securities of such series, or any Tranche thereof, denominated in a currency other than Dollars or in a composite currency, and any additional or alternative provisions for the reinstatement of the Company's indebtedness in respect of such Securities after the satisfaction and discharge thereof as provided in Section 901;

(q) if the Securities of such series, or any Tranche thereof, are to be issued in global form, (i) any limitations on the rights of the Holder or Holders of such Securities to transfer or exchange the same or to obtain the registration of transfer thereof, (ii) any limitations on the rights of the Holder or Holders thereof to obtain certificates therefor in definitive form in lieu of temporary form and (iii) any and all other matters incidental to such Securities;

(r) if the Securities of such series, or any Tranche thereof, are to be issuable as bearer securities, any and all matters incidental thereto which are not specifically addressed in a supplemental indenture as contemplated by clause (f) of Section 1401;

(s) to the extent not established pursuant to clause (q) of this paragraph, any limitations on the rights of the Holders of the Securities of such Series, or any Tranche thereof, to transfer or exchange such Securities or to obtain the registration of transfer thereof; and if a service charge will be made for the registration of transfer or exchange of Securities of such series, or any Tranche thereof, the amount or terms thereof;

(t) any exceptions to Section 116, or variation in the definition of Business Day, with respect to the Securities of such series, or any Tranche thereof; and

(u) any other terms of the Securities of such series, or any Tranche thereof.

With respect to Securities of a series subject to a Periodic Offering, the indenture supplemental hereto or the Board Resolution which establishes such series, or the Officer's Certificate pursuant to such supplemental indenture or Board Resolution, as the case may be, may provide general terms or parameters for Securities of such series and provide either that the specific terms of Securities of such series, or any Tranche thereof, shall be specified in a Company Order or that such terms shall be determined by the Company or its agents in accordance with procedures specified in a Company Order as contemplated by clause (b) of Section 401.

Anything herein to the contrary notwithstanding, the Trustee shall be under no obligation to authenticate and deliver Securities of any series the terms of which, established as contemplated by this Section, would affect the Trustee's rights, duties, obligations or immunities.

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SECTION 302. Denominations.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, the Securities of each series shall be issuable in denominations of \$1,000 and any integral multiple thereof.

SECTION 303. Execution, Dating, Certificate of Authentication.

Unless otherwise provided as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, the Securities shall be executed on behalf of the Company by an Authorized Officer, and may have the corporate seal of the Company affixed thereto or reproduced thereon and attested by any other Authorized Officer. The signature of any or all of these officers on the Securities may be manual or facsimile.

Securities bearing the manual or facsimile signatures of individuals who were at the time of execution Authorized Officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, each Security shall be dated the date of its authentication.

Unless otherwise specified as contemplated by Section 301 with respect to any series of Securities, or any Tranche thereof, no Security shall be entitled to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein executed by the Trustee or an Authenticating Agent by manual signature, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder to the Company, or any Person acting on its behalf, but shall never have been issued and sold by the Company, and the Company shall deliver such Security to the Security Registrar for cancellation or shall cancel such Security and deliver evidence of such cancellation to the Trustee, in each case as provided in Section 309, together with a written statement (which need not comply with Section 105 and need not be accompanied by an Officer's Certificate or an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never be entitled to the benefits hereof.

SECTION 304. Temporary Securities.

Pending the preparation of definitive Securities of any series, or any Tranche thereof, the Company may execute, and upon Company Order the Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed, photocopied or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued, with such appropriate insertions, omissions, substitutions and other variations as the officers executing such Securities may

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determine, as evidenced by their execution of such Securities; provided, however, that temporary Securities need not recite specific redemption, sinking fund, conversion or exchange provisions.

Except as otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, after the preparation of definitive Securities of such series or Tranche, the temporary Securities of such series or Tranche shall be exchangeable, without charge to the Holder thereof, for definitive Securities of such series or Tranche upon surrender of such temporary Securities at the office or agency of the Company maintained pursuant to Section 602 in a Place of Payment for such Securities. Upon such surrender of temporary Securities, the Company shall, except as aforesaid, execute and the Trustee shall authenticate and deliver in exchange therefor definitive Securities of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount.

Until exchanged in full as hereinabove provided, temporary Securities shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of the same series and Tranche and of like tenor authenticated and delivered hereunder.

SECTION 305. Registration, Registration of Transfer and Exchange.

The Company shall cause to be kept in each office designated pursuant to Section 602, with respect to the Securities of each series, or any Tranche thereof, a register (all registers kept in accordance with this Section being collectively referred to herein as the “**Security Register**”) in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of Securities of such series or Tranche and the registration of transfer thereof. The Company shall designate one Person to maintain the Security Register for the Securities of each series on a consolidated basis, and such Person is referred to herein, with respect to such series, as the “Security Registrar.” Anything herein to the contrary notwithstanding, the Company may designate one or more of its offices as an office in which a register with respect to the Securities of one or more series, or any Tranche or Tranches thereof, shall be maintained, and the Company may designate itself the Security Registrar with respect to one or more of such series. The Security Register shall be open for inspection by the Trustee and the Company at all reasonable times.

Except as otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, upon surrender for registration of transfer of any Security of such series or Tranche at the office or agency of the Company maintained pursuant to Section 602 in a Place of Payment for such series or Tranche, the Company shall execute, and the Trustee shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Securities of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount.

Except as otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, any Security of such series or Tranche may be exchanged at the option of the Holder, for one or more new Securities of the same series and Tranche, of authorized denominations and of like tenor and aggregate principal amount, upon surrender of the Securities to be exchanged at any such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the Trustee shall

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authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

All Securities delivered upon any registration of transfer or exchange of Securities shall be valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company, the Trustee or the Security Registrar) be duly endorsed or shall be accompanied by a written instrument of transfer in form satisfactory to the Company, the Trustee or the Security Registrar, as the case may be, duly executed by the Holder thereof or his attorney duly authorized in writing.

Unless otherwise specified as contemplated by Section 301 with respect to Securities of any series, or any Tranche thereof, no service charge shall be made for any registration of transfer or exchange of Securities, but the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 304, 506 or 1406 not involving any transfer.

The Company shall not be required to execute or to provide for the registration of transfer of or the exchange of (a) Securities of any series, or any Tranche thereof, during a period of fifteen (15) days immediately preceding the date notice is to be given identifying the serial numbers of the Securities of such series or Tranche called for redemption or (b) any Security so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part.

SECTION 306. Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the Trustee, the Company shall execute and the Trustee shall authenticate and deliver in exchange therefor a new Security of the same series, and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

If there shall be delivered to the Company and the Trustee (a) evidence to their satisfaction of the ownership of and the destruction, loss or theft of any Security and (b) such security or indemnity as may be reasonably required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustee that such Security is held by a Person purporting to be the owner of such Security, the Company shall execute and the Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and Tranche, and of like tenor and principal amount and bearing a number not contemporaneously outstanding.

Notwithstanding the foregoing, in case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, pay such Security.

Upon the issuance of any new Security under this Section, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed

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in relation thereto and any other reasonable expenses (including the fees and expenses of the Trustee) connected therewith.

Every new Security of any series issued pursuant to this Section in lieu of any destroyed, lost or stolen Security shall constitute an original additional contractual obligation of the Company, whether or not the destroyed, lost or stolen Security shall be at any time enforceable by anyone other than the Holder of such new Security, and any such new Security shall be entitled to all the benefits of this Indenture equally and proportionately with any and all other Securities of such series duly issued hereunder.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 307. Payment of Interest; Interest Rights Preserved.

Unless otherwise specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, interest on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid to the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date (herein called “**Defaulted Interest**”) shall forthwith cease to be payable to the Holder on the related Regular Record Date by virtue of having been such Holder, and such Defaulted Interest may be paid by the Company, at its election in each case, as provided in clause (a) or (b) below.

(a) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a date (herein called a “**Special Record Date**”) for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustee in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the Trustee an amount of money equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustee for such deposit prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustee shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than thirty (30) days and not less than ten (10) days prior to the date of the proposed payment and not less than twenty-five (25) days after the receipt by the Trustee of the notice of the proposed payment. The Trustee shall promptly notify the Company of such Special Record

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Date and, in the name and at the expense of the Company, shall, not less than fifteen (15) days prior to such Special Record Date, cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be mailed, first-class postage prepaid, to each Holder of Securities of such series at the address of such Holder as it appears in the Security Register. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so mailed, such Defaulted Interest shall be paid to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on such Special Record Date.

(b) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustee of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustee.

Subject to the foregoing provisions of this Section and Section 305, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 308. Persons Deemed Owners.

The Company, the Trustee and any agent of the Company or the Trustee may treat the Person in whose name any Security is registered as the absolute owner of such Security for the purpose of receiving payment of principal of and premium, if any, and (subject to Sections 305 and 307) interest, if any, on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and neither the Company, the Trustee nor any agent of the Company or the Trustee shall be affected by notice to the contrary.

SECTION 309. Cancellation by Security Registrar.

All Securities surrendered for payment, redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Security Registrar, be delivered to the Security Registrar and, if not theretofore canceled, shall be promptly canceled by the Security Registrar. The Company may at any time deliver to the Security Registrar for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever or which the Company shall not have issued and sold, and all Securities so delivered shall be promptly canceled by the Security Registrar. No Securities shall be authenticated in lieu of or in exchange for any Securities canceled as provided in this Section, except as expressly permitted by this Indenture. All canceled Securities held by the Security Registrar shall be disposed of in accordance with a Company Order delivered to the Security Registrar and the Trustee, and the Security Registrar shall promptly deliver a certificate of disposition to the Trustee and the Company unless, by a Company Order, similarly delivered, the Company shall direct that canceled Securities be returned to it. The Security Registrar shall

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promptly deliver evidence of any cancellation of a Security in accordance with this Section 309 to the Trustee and the Company.

SECTION 310. Computation of Interest.

Except as otherwise specified as contemplated by Section 301 for Securities of any series, or any Tranche thereof, interest on the Securities of each series shall be computed on the basis of a three hundred sixty (360) day year consisting of twelve (12) thirty (30) day months and on the basis of the actual number of days elapsed within any month in relation to the deemed thirty (30) days of such month.

SECTION 311. Payment to Be in Proper Currency.

In the case of the Securities of any series, or any Tranche thereof, denominated in any currency other than United States Dollars or in a composite currency (the "Required Currency"), except as otherwise specified with respect to such Securities as contemplated by Section 301, the obligation of the Company to make any payment of the principal thereof, or the premium, if any, or interest, if any, thereon, shall not be discharged or satisfied by any tender by the Company, or recovery by the Trustee, in any currency other than the Required Currency, except to the extent that such tender or recovery shall result in the Trustee timely holding the full amount of the Required Currency then due and payable. If any such tender or recovery is in a currency other than the Required Currency, the Trustee may take such actions as it considers appropriate to exchange such currency for the Required Currency. The costs and risks of any such exchange, including without limitation the risks of delay and exchange rate fluctuation, shall be borne by the Company, the Company shall remain fully liable for any shortfall or delinquency in the full amount of Required Currency then due and payable, and in no circumstances shall the Trustee be liable therefor except in the case of its negligence or willful misconduct.

ARTICLE FOUR

Issuance of Securities

SECTION 401. General.

Subject to the provisions of Section 402, 403, 404 or 405, whichever may be applicable, the Trustee shall authenticate and deliver Securities of a series, for original issue, at one time or from time to time in accordance with the Company Order referred to below, upon receipt by the Trustee of:

- (a) the instrument or instruments establishing the form or forms and terms of such series, as provided in Sections 201 and 301;
- (b) a Company Order requesting the authentication and delivery of such Securities and, to the extent that the terms of such Securities shall not have been established in an indenture supplemental hereto or in a Board Resolution, or in an Officer's Certificate pursuant to a supplemental indenture or Board Resolution, all as contemplated by Sections 201 and 301, either
 - (i) establishing

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such terms or (ii) in the case of Securities of a series subject to a Periodic Offering, specifying procedures, acceptable to the Trustee, by which such terms are to be established (which procedures may provide for authentication and delivery pursuant to oral or electronic instructions from the Company or any agent or agents thereof, which oral instructions are to be promptly confirmed electronically or in writing), in either case in accordance with the instrument or instruments delivered pursuant to clause (a) above;

(c) the Securities of such series, executed on behalf of the Company by an Authorized Officer;

(d) a Net Earnings Certificate showing the Adjusted Net Earnings of the Company for the period therein specified to have been not less than an amount equal to twice the Annual Interest Requirements therein specified, all in accordance with the provisions of Section 103; provided, however, that the Trustee shall not be entitled to receive a Net Earnings Certificate hereunder with respect to Securities which are to have no Stated Interest Rate prior to Maturity; and provided, further, that, with respect to Securities of a series subject to a Periodic Offering, other than Securities of such series theretofore authenticated and delivered, as to which no Stated Interest Rate shall then have been established, (i) it shall be assumed in such Net Earnings Certificate that none of such Securities shall have a Stated Interest Rate in excess of a maximum rate to be stated therein, and, in such event, no Securities which would have a Stated Interest Rate at the time of the initial authentication and delivery thereof in excess of such maximum rate shall be authenticated and delivered under the authority of such Net Earnings Certificate and (ii) the Trustee shall be entitled to receive such Net Earnings Certificate only once, at or prior to the time of the first authentication and delivery of such Securities;

(e) an Opinion of Counsel to the effect that:

(i) the form or forms of such Securities have been duly authorized by the Company and have been established in conformity with the provisions of this Indenture;

(ii) the terms of such Securities have been duly authorized by the Company and have been established in conformity with the provisions of this Indenture; and

(iii) such Securities, when authenticated and delivered by the Trustee and issued and delivered by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will have been duly issued under this Indenture and will constitute valid obligations of the Company, entitled to the benefit of the Lien of this Indenture equally and ratably with all other Securities then Outstanding;

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provided, however, that, with respect to Securities of a series subject to a Periodic Offering, the Trustee shall be entitled to receive such Opinion of Counsel only once at or prior to the time of the first authentication and delivery of such Securities (provided that such Opinion of Counsel addresses the authentication and delivery of all such Securities) and that, in lieu of the opinions described in clauses (ii) and (iii) above, Counsel may opine that:

(x) when the terms of such Securities shall have been established pursuant to a Company Order or Orders or pursuant to such procedures as may be specified from time to time by a Company Order or Orders, all as contemplated by and in accordance with the instrument or instruments delivered pursuant to clause (a) above, such terms will have been duly authorized by the Company and will have been established in conformity with the provisions of this Indenture; and

(y) such Securities, when authenticated and delivered by the Trustee in accordance with this Indenture and the Company Order or Orders or the specified procedures referred to in paragraph (x) above and issued and delivered by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will have been duly issued under this Indenture and will constitute valid obligations of the Company, entitled to the benefit of the Lien of this Indenture equally and ratably with all other Securities then Outstanding;

(f) an Officer's Certificate to the effect that, to the knowledge of the signer, no Event of Default has occurred and is continuing; provided, however, that with respect to Securities of a series subject to a Periodic Offering, either (i) such an Officer's Certificate shall be delivered at the time of the authentication and delivery of each Security of such series or (ii) the Officer's Certificate delivered at or prior to the time of the first authentication and delivery of the Securities of such series shall state that the statements therein shall be deemed to be made at the time of each, or each subsequent, authentication and delivery of Securities of such series; and

(g) such other Opinions of Counsel, certificates and other documents as may be required under Section 402, 403, 404 or 405, whichever may be applicable to the authentication and delivery of the Securities of such series.

With respect to Securities of a series subject to a Periodic Offering, the Trustee may conclusively rely, as to the authorization by the Company of any of such Securities, the forms and terms thereof, the validity thereof and the compliance of the authentication and delivery thereof with the terms and conditions of this Indenture, upon the Opinion or Opinions of Counsel and the certificates and other documents delivered pursuant to this Article Four at or prior to the time of the first authentication and delivery of Securities of such series until any of such opinions, certificates or other documents have been superseded or revoked or expire by their terms. In connection with the authentication and delivery of Securities of a series subject to a Periodic Offering, the Trustee shall be entitled to assume that the Company's instructions to

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authenticate and deliver such Securities do not violate any applicable law or any applicable rule, regulation or order of any Governmental Authority having jurisdiction over the Company.

SECTION 402. Issuance of Securities on the Basis of Class A Bonds.

(a) Securities of any one or more series may be authenticated and delivered on the basis of, and in an aggregate principal amount not exceeding, the aggregate principal amount of Class A Bonds issued and delivered to the Trustee for such purpose.

(b) Securities of any series shall be authenticated and delivered by the Trustee on the basis of the issuance and delivery to the Trustee of Class A Bonds upon receipt by the Trustee of:

(i) Class A Bonds (A) maturing (or being subject to mandatory redemption) on such dates and in such principal amounts that, at each Stated Maturity of the Securities of such series (or the Tranche thereof then to be authenticated and delivered), there shall mature (or be redeemed) Class A Bonds equal in principal amount to the Securities of such series or Tranche then to mature and (B) containing, in addition to any mandatory redemption provisions applicable to all Class A Bonds Outstanding under the related Class A Mortgage and any mandatory redemption provisions contained therein pursuant to clause (A) above, mandatory redemption provisions correlative to the provisions, if any, for the mandatory redemption (pursuant to a sinking fund or otherwise) of the Securities of such series or Tranche or for the redemption thereof at the option of the Holder; it being expressly understood that such Class A Bonds (X) may, but need not, bear interest, any such interest to be payable at the same times as interest on the Securities of such series or Tranche, (Y) may, but need not, contain provisions for the redemption thereof at the option of the Company, any such redemption to be made at a redemption price or prices not less than the principal amount thereof and (Z) shall be held by the Trustee in accordance with Article Seven;

(ii) the documents with respect to the Securities of such series specified in Section 401; provided, however, that no Net Earnings Certificate shall be required to be delivered if there shall be delivered an Officer's Certificate to the effect that such Class A Bonds have been authenticated and delivered under the related Class A Mortgage on the basis of retired Class A Bonds; and

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(iii) an Opinion of Counsel to the effect that:

(A) the form or forms of such Class A Bonds have been duly authorized by the Company and have been established in conformity with the provisions of the related Class A Mortgage;

(B) the terms of such Class A Bonds have been duly authorized by the Company and have been established in conformity with the provisions of the related Class A Mortgage; and

(C) such Class A Bonds have been duly issued under the related Class A Mortgage and constitute valid obligations of the Company, entitled to the benefit of the Lien of such Class A Mortgage equally and ratably with all other Class A Bonds then Outstanding under such Class A Mortgage.

provided, however, that, with respect to Securities of a series subject to a Periodic Offering, the Trustee shall be entitled to receive such Opinion of Counsel only once at or prior to the time of the first authentication and delivery of such Securities and that, in lieu of the opinions described in clauses (B) and (C) above, Counsel may opine that:

(X) when the terms of such Class A Bonds shall have been established in accordance with the instrument or instruments creating the series of which such Class A Bonds are a part, such terms will have been duly authorized by the Company and will have been established in conformity with the provisions of the related Class A Mortgage; and

(Y) such Class A Bonds, when authenticated and delivered by the trustee under the related Class A Mortgage in accordance with such instrument or instruments and issued and delivered by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will have been duly issued under such Class A Mortgage, and will constitute valid obligations of the Company, entitled to the benefit of the Lien of such Class A Mortgage equally and ratably with all other Class A Bonds then Outstanding under such Class A Mortgage.

SECTION 403. Issuance of Securities on the Basis of Property Additions.

(a) Securities of any one or more series may be authenticated and delivered on the basis of Property Additions which do not constitute Funded Property in a principal amount not exceeding seventy per centum (70%) of the balance of the Cost or the Fair Value to the Company of such Property Additions (whichever shall be less) after making any deductions and any additions pursuant to Section 104(b).

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(b) Securities of any series shall be authenticated and delivered by the Trustee on the basis of Property Additions upon receipt by the Trustee of:

(i) the documents with respect to the Securities of such series specified in Section 401;

(ii) an Expert's Certificate dated as of a date not more than ninety (90) days prior to the date of the Company Order requesting the authentication and delivery of such Securities,

(A) describing all property constituting Property Additions and designated by the Company, in its discretion, to be made the basis of the authentication and delivery of such Securities (such description to be made by reference, at the election of the Company, either to specified items, units and/or elements of property or portions thereof, on a percentage or Dollar basis, or to properties reflected in specified accounts or subaccounts in the Company's books of account or portions thereof, on a Dollar basis), and stating the Cost thereof;

(B) stating that all such property constitutes Property Additions;

(C) stating that such Property Additions are desirable for use in the conduct of the business of the Company;

(D) stating that such Property Additions, to the extent of the Cost or Fair Value to the Company thereof (whichever is less) to be made the basis of the authentication and delivery of such Securities, do not constitute Funded Property;

(E) stating, except as to Property Additions acquired, made or constructed wholly through the delivery of securities or other property, that the amount of cash forming all or part of the Cost thereof was equal to or more than an amount to be stated therein;

(F) briefly describing, with respect to any Property Additions acquired, made or constructed in whole or in part through the delivery of securities or other property, the securities or other property so delivered and stating the date of such delivery;

(G) stating what part, if any, of such Property Additions includes property which within six months prior to the date of acquisition thereof by the Company had been used or operated by others than the Company in a business similar to that in which it has been or is to be used or operated by the Company and stating whether or not, in the judgment of the signers, the Fair Value thereof to the Company, as of the date of such certificate, is less than Twenty-five Thousand Dollars (\$25,000) and whether or not such Fair Value is less than one per centum (1%) of the

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sum of (x) the aggregate principal amount of Securities then Outstanding and (y) the aggregate principal amount of Class A Bonds then Outstanding other than Class A Bonds delivered to and then held by the Trustee pursuant to Sections 402 and 701;

(H) stating, in the judgment of the signers, the Fair Value to the Company, as of the date of such certificate, of such Property Additions, except any thereof with respect to the Fair Value to the Company of which a statement is to be made in an Independent Expert's Certificate pursuant to clause (iii) below;

(I) stating the amount required to be deducted under Section 104(b)(i) and the amount elected to be added under clauses (A), (B) and (C) of Section 104(b)(ii) in respect of Funded Property retired of the Company; and

(J) stating that the Liens, if any, of the character described in clause (d) of the definition of Permitted Liens to which any property included in such Property Additions is subject do not, in the judgment of the signers, materially impair the use by the Company of the Mortgaged Property considered as a whole for the purposes for which it is held by the Company;

(iii) in case any Property Additions are shown by the Expert's Certificate provided for in clause (ii) above to include property which, within six months prior to the date of acquisition thereof by the Company, had been used or operated by others than the Company in a business similar to that in which it has been or is to be used or operated by the Company and such certificate does not show the Fair Value thereof to the Company, as of the date of such certificate, to be less than Twenty-five Thousand Dollars (\$25,000) or less than one per centum (1%) of the sum of (A) the aggregate principal amount of Securities then Outstanding and (B) the aggregate principal amount of Class A Bonds then Outstanding other than Class A Bonds delivered to and then held by the Trustee pursuant to Sections 402 and 701, an Independent Expert's Certificate stating, in the judgment of the signer, the Fair Value to the Company, as of the date of such Independent Expert's Certificate, of (X) such Property Additions which have been so used or operated and (at the option of the Company) as to any other Property Additions included in the Expert's Certificate provided for in clause (ii) above and (Y) in case such Independent Expert's Certificate is being delivered in connection with the authentication and delivery of Securities, any property so used or operated which has been subjected to the Lien of this Indenture since the commencement of the then current calendar year as the basis for the authentication and delivery of Securities and as to which an Independent Expert's Certificate has not previously been furnished to the Trustee;

(iv) in case any Property Additions are shown by the Expert's Certificate provided for in clause (ii) above to have been acquired, made or

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constructed in whole or in part through the delivery of securities or other property, an Expert's Certificate stating, in the judgment of the signers, the fair market value in cash of such securities or other property at the time of delivery thereof in payment for or for the acquisition of such Property Additions;

(v) an Opinion of Counsel to the effect that:

(A) this Indenture constitutes an effective Lien on all the Property Additions to be made the basis of the authentication and delivery of such Securities, and the Lien of this Indenture on such Property Additions is, or upon the delivery of, and/or the filing and/or recording in the proper places and manner of, the instruments of conveyance, assignment or transfer, if any, specified in said opinion, will be, subject to no Lien thereon prior to the Lien of this Indenture except Permitted Liens; and

(B) the Company has corporate authority to operate such Property Additions; and

(vi) copies of the instruments of conveyance, assignment and transfer, if any, specified in the Opinion of Counsel provided for in clause (v) above.

SECTION 404. Issuance of Securities on the Basis of Retired Securities.

(a) Subject to the provisions of subsection (c) of this Section, Securities of any one or more series may be authenticated and delivered on the basis of, and in an aggregate principal amount not exceeding the aggregate principal amount of, Retired Securities.

(b) Securities of any series shall be authenticated and delivered by the Trustee on the basis of Retired Securities upon receipt by the Trustee of:

(i) the documents with respect to the Securities of such series specified in Section 401; provided, however, that no Net Earnings Certificate shall be required to be delivered; and

(ii) an Officer's Certificate stating that:

(A) Retired Securities, specified by series, in an aggregate principal amount not less than the aggregate principal amount of Securities to be authenticated and delivered, have theretofore been authenticated and delivered and, as of the date of such Officer's Certificate, constitute Retired Securities and are the basis for the authentication and delivery of such Securities; and

(B) either (1) such Retired Securities were not authenticated and delivered on the basis of Class A Bonds pursuant to Section 402 or (2) if such Retired Securities were so authenticated and delivered on the basis of Class A Bonds, such Retired Securities did not become such before the

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satisfaction and discharge of the Class A Mortgage under which such Class A Bonds were issued pursuant to the provisions thereof.

SECTION 405. Issuance of Securities on the Basis of Deposit of Cash.

(a) Securities of any one or more series may be authenticated and delivered on the basis of, and in an aggregate principal not exceeding the amount of, any deposit with the Trustee of cash for such purpose.

(b) Securities of any series shall be authenticated and delivered by the Trustee on the basis of the deposit of cash when the Trustee shall have received, in addition to such deposit, the documents with respect to the Securities of such series specified in Section 401.

(c) All cash deposited with the Trustee under the provisions of this Section, and all cash required by Section 702 (a) to be applied in accordance with the provisions of this Section, shall be held by the Trustee as a part of the Mortgaged Property and may be withdrawn from time to time by the Company, upon application of the Company to the Trustee, in an amount equal to the aggregate principal amount of Securities to the authentication and delivery of which the Company shall be entitled under any of the provisions of this Indenture by virtue of compliance with all applicable provisions of this Indenture (except as hereinafter in this subsection (c) otherwise provided).

Upon any such application for withdrawal, the Company shall comply with all applicable provisions of this Indenture relating to the authentication and delivery of Securities except that the Company shall not in any event be required to deliver the documents specified in Section 401.

Any withdrawal of cash under this subsection (c) shall operate as a waiver by the Company of its right to the authentication and delivery of the Securities on which it is based and such Securities may not thereafter be authenticated and delivered hereunder. Any Property Additions which have been made the basis of any such right to the authentication and delivery of Securities so waived shall have the status of Funded Property and shall be deemed to have been made the basis of the withdrawal of such cash; any Retired Securities which have been made the basis of any such right to the authentication and delivery of Securities so waived shall be deemed to have been made the basis of the withdrawal of such cash; and any Class A Bonds which have been made the basis of any such right to the authentication and delivery of Securities so waived shall be deemed to have been made the basis of the withdrawal of such cash.

(d) If at any time the Company shall so direct, any sums deposited with the Trustee under the provisions of this Section may be used or applied to the purchase, redemption or payment of Securities in the manner and subject to the conditions provided in clauses (d) and (e) of Section 806; provided, however, that, none of such cash shall be applied to the payment of more than the principal amount of any Securities so purchased, redeemed or paid, except to the extent that the aggregate principal amount of all Securities theretofore, and of all Securities then to be, purchased, redeemed and/or paid with cash deposited under this Section is not less than the aggregate cost for principal, premium, if any, interest, if any, and brokerage commission, if any,

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on or with respect to all Securities theretofore, and on or with respect to all Securities then to be, purchased, redeemed and/or paid with cash so deposited.

ARTICLE FIVE

Redemption of Securities

SECTION 501. Applicability of Article.

Securities of any series, or any Tranche thereof, which are redeemable before their Stated Maturity shall be redeemable in accordance with their terms and (except as otherwise specified as contemplated by Section 301 for Securities of such series or Tranche) in accordance with this Article.

SECTION 502. Election to Redeem; Notice to Trustee.

The election of the Company to redeem any Securities shall be evidenced by a Board Resolution or an Officer's Certificate. The Company shall, at least forty-five (45) days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustee), notify the Trustee in writing of such Redemption Date and of the principal amount of such Securities to be redeemed. In the case of any redemption of Securities (a) prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture or (b) pursuant to an election of the Company which is subject to a condition specified in the terms of such Securities, the Company shall furnish the Trustee with an Officer's Certificate evidencing compliance with such restriction or condition.

SECTION 503. Selection of Securities to Be Redeemed.

If less than all the Securities of any series, or any Tranche thereof, are to be redeemed, the particular Securities to be redeemed shall be selected by the Security Registrar from the Outstanding Securities of such series or Tranche not previously called for redemption, by such method as shall be provided for any particular series, or, in the absence of any such provision, by such method of random selection as the Security Registrar shall deem fair and appropriate and which may, in any case, provide for the selection for redemption of portions (equal to the minimum authorized denomination for Securities of such series or Tranche or any integral multiple thereof) of the principal amount of Securities of such series or Tranche of a denomination larger than the minimum authorized denomination for Securities of such series or Tranche; provided, however, that if, as indicated in an Officer's Certificate, the Company shall have offered to purchase all or any principal amount of the Securities then Outstanding of any series, or any Tranche thereof, and less than all of such Securities as to which such offer was made shall have been tendered to the Company for such purchase, the Security Registrar, if so directed by Company Order, shall select for redemption all or any principal amount of such Securities which have not been so tendered.

The Security Registrar shall promptly notify the Company and the Trustee in writing of the Securities selected for redemption and, in the case of any Securities selected to be redeemed in part, the principal amount thereof to be redeemed.

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For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Securities redeemed or to be redeemed only in part, to the portion of the principal amount of such Securities which has been or is to be redeemed.

SECTION 504. Notice of Redemption.

Notice of redemption shall be given in the manner provided in Section 109 to the Holders of the Securities to be redeemed not less than 30 nor more than 60 days prior to the Redemption Date.

All notices of redemption shall state:

- (a) the Redemption Date,
- (b) the Redemption Price,
- (c) if less than all the Securities of any series or Tranche are to be redeemed, the identification of the particular Securities to be redeemed and the portion of the principal amount of any Security to be redeemed in part,
- (d) that on the Redemption Date the Redemption Price, together with accrued interest, if any, to the Redemption Date, will become due and payable upon each such Security to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,
- (e) the place or places where such Securities are to be surrendered for payment of the Redemption Price and accrued interest, if any, unless it shall have been specified as contemplated by Section 301 with respect to such Securities that such surrender shall not be required;
- (f) that the redemption is for a sinking or other fund, if such is the case,
- (g) such other matters as the Company shall deem desirable or appropriate.

With respect to any notice of redemption of Securities at the election of the Company, unless, upon the giving of such notice, such Securities shall be deemed to have been paid in accordance with Section 901, such notice may state that such redemption shall be conditional upon the receipt by the Paying Agent or Agents for such Securities, on or prior to the date fixed for such redemption, of money sufficient to pay the principal of and premium, if any, and interest, if any, on such Securities and that if such money shall not have been so received such notice shall be of no force or effect and the Company shall not be required to redeem such Securities. In the event that such notice of redemption contains such a condition and such money is not so received, the redemption shall not be made and within a reasonable time thereafter notice shall be given, in the manner in which the notice of redemption was given, that such money was not so received and such redemption was not required to be made, and the Paying

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Agent or Agents for the Securities otherwise to have been redeemed shall promptly return to the Holders thereof any of such Securities which had been surrendered for payment upon such redemption.

Notice of redemption of Securities to be redeemed at the election of the Company, and any notice of non-satisfaction of a condition for redemption as aforesaid, shall be given by the Company or, at the Company's request, by the Security Registrar in the name and at the expense of the Company. Notice of mandatory redemption of Securities shall be given by the Security Registrar in the name and at the expense of the Company.

SECTION 505. Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, and the conditions, if any, set forth in such notice having been satisfied, the Securities or portions thereof so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified, and from and after such date (unless, in the case of an unconditional notice of redemption, the Company shall default in the payment of the Redemption Price and accrued interest, if any) such Securities or portions thereof, if interest-bearing, shall cease to bear interest. Upon surrender of any such Security for redemption in accordance with such notice, such Security or portion thereof shall be paid by the Company at the Redemption Price, together with accrued interest, if any, to the Redemption Date; provided, however, that no such surrender shall be a condition to such payment if so specified as contemplated by Section 301 with respect to such Security; and provided, further, that, except as otherwise specified as contemplated by Section 301 with respect to such Security, any installment of interest on any Security the Stated Maturity of which is on or prior to the Redemption Date shall be payable to the Holder of such Security, or one or more Predecessor Securities, registered as such at the close of business on the related Regular Record Date according to the terms of such Security and subject to the provisions of Section 307.

SECTION 506. Securities Redeemed in Part.

Upon the surrender of any Security which is to be redeemed only in part at a Place of Payment therefor (with, if the Company or the Trustee so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustee duly executed by, the Holder thereof or his attorney duly authorized in writing), the Company shall execute, and the Trustee shall authenticate and deliver to the Holder of such Security, without service charge, a new Security or Securities of the same series and Tranche, of any authorized denomination requested by such Holder and of like tenor and in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

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ARTICLE SIX

Covenants

SECTION 601. Payment of Securities; Lawful Possession; Maintenance of Lien.

(a) The Company shall pay the principal of and premium, if any, and interest, if any, on the Securities of each series in accordance with the terms of such Securities and this Indenture.

(b) At the date of the execution and delivery of this Indenture, the Company is lawfully possessed of the Mortgaged Property and has good right and lawful authority to mortgage and pledge the Mortgaged Property.

(c) The Company shall maintain and preserve the Lien of this Indenture so long as any Securities shall remain Outstanding.

SECTION 602. Maintenance of Office or Agency.

The Company shall maintain in each Place of Payment for the Securities of each series, or any Tranche thereof, an office or agency where payment of such Securities shall be made, where the registration of transfer or exchange of such Securities may be effected and where notices and demands to or upon the Company in respect of such Securities and this Indenture may be served. The Company shall give prompt written notice to the Trustee of the location, and any change in the location, of each such office or agency and prompt notice to the Holders of any such change in the manner specified in Section 109. If at any time the Company shall fail to maintain any such required office or agency in respect of Securities of any series, or any Tranche thereof, or shall fail to furnish the Trustee with the address thereof, payment of such Securities shall be made, registration of transfer or exchange thereof may be effected and notices and demands in respect thereof may be served at the Corporate Trust Office of the Trustee, and the Company hereby appoints the Trustee as its agent for all such purposes in any such event.

The Company may also from time to time designate one or more other offices or agencies with respect to the Securities of one or more series, or any Tranche thereof, for any or all of the foregoing purposes and may from time to time rescind such designations; provided, however, that, unless otherwise specified as contemplated by Section 301 with respect to the Securities of such series or Tranche, no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency for such purposes in each Place of Payment for such Securities in accordance with the requirements set forth above. The Company shall give prompt written notice to the Trustee, and prompt notice to the Holders in the manner specified in Section 109, of any such designation or rescission and of any change in the location of any such other office or agency.

Anything herein to the contrary notwithstanding, any office or agency required by this Section may be maintained at an office of the Company, in which event the Company shall perform all functions to be performed at such office or agency.

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SECTION 603. Money for Securities Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to the Securities of any series, or any Tranche thereof, it shall, on or before each due date of the principal of and premium, if any, and interest, if any, on any of such Securities, segregate and hold in trust for the benefit of the Persons entitled thereto a sum sufficient to pay the principal and premium or interest so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided. The Company shall promptly notify the Trustee of any failure by the Company (or any other obligor on such Securities) to make any payment of principal of or premium, if any, or interest, if any, on such Securities.

Whenever the Company shall have one or more Paying Agents for the Securities of any series, or any Tranche thereof, it shall, on or before each due date of the principal of and premium, if any, and interest, if any, on such Securities, deposit with such Paying Agents sums sufficient (without duplication) to pay the principal and premium or interest so becoming due, such sums to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is the Trustee) the Company shall promptly notify the Trustee of any failure by it so to act.

The Company shall cause each Paying Agent for the Securities of any series, or any Tranche thereof, other than the Company or the Trustee, to execute and deliver to the Trustee an instrument in which such Paying Agent shall agree with the Trustee, subject to the provisions of this Section, that such Paying Agent shall:

- (a) hold all sums held by it for the payment of the principal of and premium, if any, or interest, if any, on such Securities in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;
- (b) give the Trustee notice of any failure by the Company (or any other obligor upon such Securities) to make any payment of principal of or premium, if any, or interest, if any, on such Securities; and
- (c) at any time during the continuance of any such default, upon the written request of the Trustee, forthwith pay to the Trustee all sums so held in trust by such Paying Agent and furnish to the Trustee such information as it possesses regarding the names and addresses of the Persons entitled to such sums.

The Company may at any time pay, or by Company Order direct any Paying Agent to pay, to the Trustee all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustee upon the same trusts as those upon which such sums were held by the Company or such Paying Agent and, if so stated in a Company Order delivered to the Trustee, in accordance with the provisions of Article Nine; and, upon such payment by any Paying Agent to the Trustee, such Paying Agent shall be released from all further liability with respect to such money.

Any money deposited with the Trustee or any Paying Agent, or then held by the Company, in trust for the payment of the principal of and premium, if any, or interest, if any, on

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any Security and remaining unclaimed for two years after such principal and premium, if any, or interest, if any, has become due and payable shall be paid to the Company on Company Request, or, if then held by the Company, shall be discharged from such trust; and, upon such payment or discharge, the Holder of such Security shall, as an unsecured general creditor and not as the Holder of an Outstanding Security, look only to the Company for payment of the amount so due and payable and remaining unpaid, and all liability of the Trustee or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease; provided, however, that the Trustee or such Paying Agent, before being required to make any such payment to the Company, may at the expense of the Company cause to be mailed, on one occasion only, notice to such Holder that such money remains unclaimed and that, after a date specified therein, which shall not be less than thirty (30) days from the date of such mailing, any unclaimed balance of such money then remaining will be paid to the Company.

SECTION 604. Corporate Existence.

Subject to the rights of the Company under Article Thirteen, the Company shall do or cause to be done all things necessary to preserve and keep its corporate existence in full force and effect.

SECTION 605. Maintenance of Properties.

The Company shall cause (or, with respect to property owned in common with others, make reasonable effort to cause) the Mortgaged Property, as an operating system or systems, to be maintained and kept in good condition, repair and working order and shall cause (or, with respect to property owned in common with others, make reasonable effort to cause) to be made such repairs, renewals, replacements, betterments and improvements thereof, as, in the judgment of the Company, may be necessary in order that the operation of the Mortgaged Property, considered as an operating system or systems, may be conducted in accordance with common industry practice; provided, however, that nothing in this Section shall prevent the Company from discontinuing, or causing the discontinuance of, the operation and maintenance of any of its properties if such discontinuance is, in the judgment of the Company, desirable in the conduct of its business.

SECTION 606. Payment of Taxes; Discharge of Liens.

The Company shall pay all taxes and assessments and other governmental charges lawfully levied or assessed upon the Mortgaged Property, or upon any part thereof, or upon the interest of the Trustee in the Mortgaged Property, before the same shall become delinquent, and shall make reasonable effort to observe and conform in all material respects to all valid requirements of any Governmental Authority relative to any of the Mortgaged Property and all covenants, terms and conditions upon or under which any of the Mortgaged Property is held; and the Company shall not suffer any Lien to be hereafter created upon the Mortgaged Property, or any part thereof, prior to the Lien hereof, other than Permitted Liens and other than, in the case of property hereafter acquired, purchase money Liens and any other Liens existing or placed thereon at the time of the acquisition thereof (including, but not limited to, the Lien of any Class A Mortgage); provided, however, that nothing in this Section contained shall require the Company (i) to observe or conform to any requirement of Governmental Authority or to cause to

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be paid or discharged, or to make provision for, any such Lien, or to pay any such tax, assessment or governmental charge so long as the validity thereof shall be contested in good faith and by appropriate legal proceedings, (ii) to pay, discharge or make provisions for any tax, assessment or other governmental charge, the validity of which shall not be so contested if adequate security for the payment of such tax, assessment or other governmental charge and for any penalties or interest which may reasonably be anticipated from failure to pay the same shall be given to the Trustee or (iii) to pay, discharge or make provisions for any Liens existing on the Mortgaged Property at the date of execution and delivery of this Indenture.

SECTION 607. Insurance.

(a) The Company shall (i) keep or cause to be kept all the property subject to the Lien of this Indenture insured against loss by fire, to the extent that property of similar character is usually so insured by companies similarly situated and operating like properties, to a reasonable amount, by reputable insurance companies, the proceeds of such insurance (except as to any loss of materials and supplies and except as to any particular loss less than (A) Ten Million Dollars (\$10,000,000) or, if greater, (B) three per centum (3%) of the sum of (1) the principal amount of Securities Outstanding on the date of such particular loss and (2) the principal amount of the Class A Bonds Outstanding on the date of such particular loss, other than Class A Bonds delivered to and held by the Trustee hereunder) to be made payable, subject to applicable law, to the Trustee as the interest of the Trustee may appear, to the trustee of a Class A Mortgage, or to the trustee or other holder of any other Lien prior hereto upon property subject to the Lien hereof, if the terms thereof require such payment or (ii) in lieu of or supplementing such insurance in whole or in part, adopt some other method or plan of protection against loss by fire at least equal in protection to the method or plan of protection against loss by fire of companies similarly situated and operating properties subject to similar fire hazards or properties on which an equal primary fire insurance rate has been set by reputable insurance companies; and if the Company shall adopt such other method or plan of protection, it shall, subject to applicable law (and except as to any loss of materials and supplies and except as to any particular loss less than (X) Ten Million Dollars (\$10,000,000) or, if greater, (Y) three per centum (3%) of the sum of (1) the principal amount of Securities Outstanding on the date of such particular loss and (2) the principal amount of the Class A Bonds Outstanding on the date of such particular loss, other than Class A Bonds delivered to and held by the Trustee pursuant to Sections 402 and 701) pay to the Trustee on account of any loss covered by such method or plan an amount in cash equal to the amount of such loss less any amounts otherwise paid to the Trustee, to the trustee of a Class A Mortgage, or to the trustee or other holder of any other Lien prior hereto upon property subject to the Lien hereof, if the terms thereof require such payment. Any cash so required to be paid by the Company pursuant to any such method or plan shall for the purposes of this Indenture be deemed to be proceeds of insurance. In case of the adoption of such other method or plan of protection, the Company shall also furnish to the Trustee a certificate of an actuary or other qualified person appointed by the Company with respect to the adequacy of such method or plan.

Anything herein to the contrary notwithstanding, the Company may have fire insurance policies with (i) a deductible provision in a dollar amount per occurrence not exceeding (A) Ten Million Dollars (\$10,000,000) or, if greater, (B) three per centum (3%) of the sum of (1) the principal amount of the Securities Outstanding on the date such policy goes into

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effect and (2) the principal amount of the Class A Bonds Outstanding on the date such policy goes into effect, other than Class A Bonds delivered to and held by the Trustee pursuant to Sections 402 and 701, and/or (ii) co-insurance or self insurance provisions with a dollar amount per occurrence not exceeding thirty per centum (30%) of the loss proceeds otherwise payable; provided, however, that the dollar amount described in clause (i) above may be exceeded to the extent such dollar amount per occurrence is below the deductible amount in effect as to fire insurance (X) on property of similar character insured by companies similarly situated and operating like property or (Y) on property as to which an equal primary fire insurance rate has been set by reputable insurance companies.

(b) All moneys paid to the Trustee by the Company in accordance with this Section or received by the Trustee as proceeds of any insurance, in either case on account of a loss on or with respect to Funded Property, shall, subject to the requirements of any Class A Mortgage or other Lien prior hereto upon property subject to the Lien hereof, be held by the Trustee and, subject as aforesaid, shall be paid by it to the Company to reimburse the Company for an equal amount expended or committed for expenditure in the rebuilding, renewal and/or replacement of the property destroyed or damaged, upon receipt by the Trustee of:

(i) a Company Request requesting such payment,

(ii) an Expert's Certificate stating the amounts so expended or committed for expenditure and the nature of such rebuilding, renewal and/or replacement and the Fair Value to the Company of the property rebuilt or renewed or to be rebuilt or renewed, and/or of the replacement property, and if

(A) within six months prior to the date of acquisition thereof by the Company, such property has been used or operated, by a person or persons other than the Company, in a business similar to that in which it has been or is to be used or operated by the Company, and

(B) the Fair Value to the Company of such property as set forth in such Expert's Certificate is not less than Twenty-five Thousand Dollars (\$25,000) and not less than one per centum (1%) of the sum of (x) the principal amount of the Securities at the time Outstanding and (y) the principal amount of Class A Bonds Outstanding at the time, other than Class A Bonds delivered to and held by the Trustee pursuant to Sections 402 and 701,

the Expert making such certificate shall be an Independent Expert, and

(iii) an Opinion of Counsel stating that, in the opinion of the signer, the property so rebuilt or renewed or to be rebuilt or renewed, and/or the replacement property, is or will be subject to the Lien hereof to the same extent as was the property so destroyed or damaged.

Any such money not so applied within thirty-six (36) months after its receipt by the Trustee, or in respect of which notice in writing of intention to apply the same to the work of rebuilding or renewal then in progress and uncompleted shall not have been given to the Trustee

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by the Company within such thirty-six (36) months, or which the Company shall at any time notify the Trustee is not to be so applied, shall thereafter be withdrawn, used or applied in the manner, to the extent and for the purposes, and subject to the conditions, provided in Section 806.

Anything in this Indenture to the contrary notwithstanding, if property on or with respect to which a loss occurs constitutes Funded Property in part only, the Company may, at its election, obtain the reimbursement of insurance proceeds attributable to the part of such property which constitutes Funded Property under this subsection (b) and obtain the reimbursement of insurance proceeds attributable to the part of such property which does not constitute Funded Property under subsection (c) of this Section 607.

(c) All moneys paid to the Trustee by the Company in accordance with this Section or received by the Trustee as proceeds of any insurance, in either case on account of a loss on or with respect to property which does not constitute Funded Property, shall, subject to the requirements of any Class A Mortgage or other Lien prior hereto upon property subject to the Lien hereof, be held by the Trustee and, subject as aforesaid, shall be paid by it to the Company upon receipt by the Trustee of:

(i) a Company Request requesting such payment;

(ii) an Expert's Certificate stating:

(A) that such moneys were paid to or received by the Trustee on account of a loss on or with respect to property which does not constitute Funded Property; and

(B) if true, either (I) that the aggregate amount of the Cost or Fair Value to the Company (whichever is less) of all Property Additions which do not constitute Funded Property (excluding, to the extent of such loss, the property on or with respect to which such loss was incurred), after making deductions therefrom and additions thereto of the character contemplated by Section 104, is not less than zero or (II) that the amount of such loss does not exceed the aggregate Cost or Fair Value to the Company (whichever is less) of Property Additions acquired, made or constructed on or after the ninetieth (90th) day prior to the date of the Company Request requesting such payment; or

(C) if neither of the statements contemplated in subclause (B) above can be made, the amount by which zero exceeds the amount referred to in subclause (B)(I) above (showing in reasonable detail the calculation thereof); and

(iii) if the Expert's Certificate required by clause (ii) above contains neither of the statements contemplated in clause (ii)(B) above, an amount in cash, to be held by the Trustee as part of the Mortgaged Property, equal to the amount shown in clause (ii)(C) above.

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To the extent that the Company shall be entitled to withdraw proceeds of insurance pursuant to this subsection (c), such proceeds shall be deemed not to constitute Funded Cash.

(d) Whenever under the provisions of this Section the Company is required to deliver moneys to the Trustee and at the same time shall have satisfied the conditions set forth herein for payment of moneys to the Trustee, there shall be paid to or retained by the Trustee or paid to the Company, as the case may be, only the net amount.

SECTION 608. Recording, Filing, etc.

The Company shall cause this Indenture and all indentures and instruments supplemental hereto (or notices, memoranda or financing statements as may be recorded or filed to place third parties on notice thereof) to be promptly recorded and filed and re-recorded and re-filed in such manner and in such places, as may be required by law in order fully to preserve and protect the security of the Holders of the Securities and all rights of the Trustee, and shall furnish to the Trustee:

(a) promptly after the execution and delivery of this Indenture and of each supplemental indenture, an Opinion of Counsel either stating that in the opinion of such counsel this Indenture or such supplemental indenture (or notice, memorandum or financing statement in connection therewith) has been properly recorded and filed, so as to make effective the Lien intended to be created hereby or thereby, and reciting the details of such action, or stating that in the opinion of such counsel no such action is necessary to make such Lien effective. The Company shall be deemed to be in compliance with this subsection (a) if (i) the Opinion of Counsel herein required to be delivered to the Trustee shall state that this Indenture or such supplemental indenture (or notice, memorandum or financing statement in connection therewith) has been received for record or filing in each jurisdiction in which it is required to be recorded or filed and that, in the opinion of counsel (if such is the case), such receipt for record or filing makes effective the Lien intended to be created by this Indenture or such supplemental indenture, and (ii) such opinion is delivered to the Trustee within such time, following the date of the execution and delivery of this Indenture or such supplemental indenture, as shall be practicable having due regard to the number and distance of the jurisdictions in which this Indenture or such supplemental indenture is required to be recorded or filed; and

(b) on or before June 1 of each year, beginning June 1, 1994, an Opinion of Counsel stating either (i) that in the opinion of the signer such action has been taken, since the date of the most recent Opinion of Counsel furnished pursuant to this subsection (b) or the first Opinion of Counsel furnished pursuant to subsection (a) of this Section, with respect to the recording, filing, re-recording, and re-filing of this instrument and of each indenture supplemental to this Indenture (or notice, memorandum or financing statement in connection therewith), as is necessary to maintain the Lien hereof, and reciting the details of

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such action, or (ii) that in the opinion of such counsel no such action is necessary to maintain such Lien.

The Company shall execute and, deliver such supplemental indenture or indentures and such further instruments and do such further acts as may be necessary or proper to carry out the purposes of this Indenture and to make subject to the Lien hereof any property hereafter acquired, made or constructed, intended to be subject to the Lien hereof, and to transfer to any new trustee or trustees or co-trustee or co-trustees, the estate, powers, instruments or funds held in trust hereunder.

SECTION 609. Waiver of Certain Covenants.

The Company may omit in any particular instance to comply with any term, provision or condition set forth in (a) Section 602 or any additional covenant or restriction specified with respect to the Securities of any series, or any Tranche thereof, as contemplated by Section 301 if before the time for such compliance the Holders of at least a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches with respect to which compliance with Section 602 or such additional covenant or restriction is to be omitted, considered as one class, shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition and (b) Section 604, 605, 606, 607 or 608 or Article Thirteen if before the time for such compliance the Holders of at least a majority in principal amount of Securities Outstanding under this Indenture shall, by Act of such Holders, either waive such compliance in such instance or generally waive compliance with such term, provision or condition; but, in either case, no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustee in respect of any such term, provision or condition shall remain in full force and effect.

SECTION 610. Annual Officer's Certificate as to Compliance.

Not later than June 1 in each year, commencing June 1, 1994, the Company shall deliver to the Trustee an Officer's Certificate which need not comply with Section 105, executed by the principal executive officer, the principal financial officer or the principal accounting officer of the Company, as to such officer's knowledge of the Company's compliance with all conditions and covenants under this Indenture, such compliance to be determined without regard to any period of grace or requirement of notice under this Indenture.

ARTICLE SEVEN

**Class A Bonds; Additional Class A Mortgages;
Discharge of Class A Mortgage**

SECTION 701. Registration and Ownership of Class A Bonds.

Class A Bonds issued and delivered to the Trustee pursuant to Section 402 shall be registered in the name of the Trustee or its nominee and shall be owned and held by the Trustee, subject to the provisions of this Indenture, for the benefit of the Holders of all Securities

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from time to time Outstanding, and the Company shall have no interest therein. The Trustee shall be entitled to exercise all rights of securityholders under each Class A Mortgage either in its discretion or as otherwise provided in this Article or in Article Ten.

SECTION 702. Payments on Class A Bonds.

(a) Any payment by the Company of principal of or premium or interest on any Class A Bonds held by the Trustee shall be applied by the Trustee to the payment of any principal, premium or interest, as the case may be, in respect of the Securities which is then due, and, to the extent of such application, the obligation of the Company hereunder to make such payment in respect of the Securities shall be deemed to have been satisfied and discharged.

If, at the time of any such payment of principal of Class A Bonds, there shall be no principal then due in respect of the Securities, such payment in respect of the Class A Bonds shall be deemed to constitute Funded Cash and shall be held by the Trustee as part of the Mortgaged Property, to be withdrawn, used or applied in the manner, to the extent and for the purposes, and subject to the conditions, provided in Section 405(c); and thereafter the Securities authenticated and delivered on the basis of such Class A Bonds shall, to the extent of such payment of principal, be deemed to have been authenticated and delivered on the basis of the deposit of cash.

If, at the time of any such payment of premium or interest on Class A Bonds, there shall be no premium or interest, as the case may be, then due in respect of the Securities, such payment in respect of the Class A Bonds shall be remitted to the Company upon receipt by the Trustee of a Company Order requesting the same, together with an Officer's Certificate stating that no Event of Default has occurred and is continuing; provided, however, that, if an Event of Default shall have occurred and be continuing, such proceeds shall be held as part of the Mortgaged Property until such Event of Default shall have been cured or waived.

(b) Any payment by the Company hereunder of principal of or premium or interest on Securities which shall have been authenticated and delivered upon the basis of the issuance and delivery to the Trustee of Class A Bonds (other than by the application of the proceeds of a payment in respect of such Class A Bonds) shall, to the extent thereof, be deemed, for all purposes of this Indenture, to satisfy and discharge the obligation of the Company, if any, to make a payment of principal, premium or interest, as the case may be, in respect of such Class A Bonds which is then due.

SECTION 703. Surrender of Class A Bonds.

At the time any Securities which shall have been authenticated and delivered on the basis of the issuance and delivery to the Trustee of Class A Bonds cease to be Outstanding (other than as a result of the application of the proceeds of the payment or redemption of such Class A Bonds), the Trustee shall surrender to, or upon the order of, the Company an equal principal amount of such Class A Bonds.

SECTION 704. No Transfer of Class A Bonds.

Anything in this Indenture to the contrary notwithstanding, the Trustee shall not sell, assign or otherwise transfer any Class A Bonds issued and delivered to it pursuant to Section 402 except to a successor trustee under this Indenture. The Company may take such actions as it shall deem necessary, desirable or appropriate to effect compliance with such restrictions on transfer, including the placing of a legend on each Class A Bond and the issuance of stop-transfer instructions to the trustee under the related Class A Mortgage or any other transfer agent thereunder.

SECTION 705. Voting of Class A Bonds.

The Trustee shall, as the holder of Class A Bonds Outstanding under each Class A Mortgage, attend such meeting or meetings of bondholders under such Class A Mortgage or, at its option, deliver its proxy in connection therewith, as relate to matters with respect to which it is entitled to vote or consent. So long as no Event of Default hereunder shall have occurred and be continuing, either at any such meeting or meetings, or otherwise when the consent of the holders of the Class A Bonds Outstanding under any Class A Mortgage is sought without a meeting, the Trustee shall vote as holder of such Class A Bonds, or shall consent with respect thereto, as follows:

(a) the Trustee shall vote all Class A Bonds Outstanding under the PSCO 1939 Mortgage then held by it, or consent with respect thereto, in favor of any or all amendments or modifications of the PSCO 1939 Mortgage of substantially the same tenor and effect as any or all of those set forth in Exhibit B to this Indenture; and

(b) with respect to any other amendments or modifications of the PSCO 1939 Mortgage and to any amendments or modifications of any other Class A Mortgage, the Trustee shall vote all Class A Bonds Outstanding under such Class A Mortgage then held by it, or consent with respect thereto, proportionately with the vote or consent of the holders of all other Class A Bonds Outstanding under such Class A Mortgage the holders of which are eligible to vote or consent, as indicated in a Class A Bondholder's Certificate delivered to the Trustee; provided, however, that the Trustee shall not so vote in favor of, or so consent to, any amendment or modification of a Class A Mortgage which, if it were an amendment or modification of this Indenture, would require the consent of Holders, without the prior consent, obtained in the manner prescribed in Section 1402, of Holders of Securities which would be required under said Section 1402 for such an amendment or modification of this Indenture.

For purposes of this Section, "Class A Bondholder's Certificate" means a certificate signed by the temporary chairman, the temporary secretary, the permanent chairman, the permanent secretary, or an inspector of votes at any meeting or meetings of bondholders under a Class A Mortgage, or by the trustee under such Class A Mortgage in the case of consents of such bondholders which are sought without a meeting, which states what the signer thereof reasonably believes will be the proportionate votes or consents of the holders of all Class A

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Bonds (other than the Class A Bonds delivered to and held by the Trustee pursuant to Sections 402 and 701) outstanding under such Class A Mortgage and counted for the purposes of determining whether such bondholders have approved or consented to the matter put before them.

SECTION 706. Designation of Additional Class A Mortgages.

(a) In the event that, after the date of the execution and delivery of this Indenture, a corporation which was the mortgagor under a mortgage, deed of trust or similar indenture qualified under the Trust Indenture Act shall have merged into or consolidated with the Company, or shall have conveyed or otherwise transferred property to the Company subject to the Lien of such a mortgage, deed of trust or similar indenture and the Company shall have duly assumed and agreed to perform and pay all the obligations of the mortgagor thereunder, such mortgage, deed of trust or similar indenture may be designated an additional Class A Mortgage upon delivery to the Trustee of the following:

(i) a Company Order authorizing the designation of such mortgage, deed of trust or similar indenture as an additional Class A Mortgage;

(ii) an Officer's Certificate (A) stating that no event has occurred and is continuing which entitles the trustee under such mortgage, deed of trust or similar indenture to accelerate the maturity of the obligations outstanding thereunder, (B) reciting the aggregate principal amount of obligations theretofore issued under such mortgage, deed of trust or similar indenture and the aggregate principal amount of obligations then outstanding thereunder and (C) either (1) stating that all obligations then outstanding under such mortgage, deed of trust or similar indenture that were issued on the basis of property additions were issued in principal amounts that did not exceed seventy per centum (70%) of the balance of the cost or fair value of such property additions to the issuer thereof (whichever was less) after making deductions and additions similar to those provided for in Section 104 hereof or contemplated in Section 4 of Article I and subdivision (3) of Section 6 of Article III of the PSCO 1939 Mortgage, or (2) in the event that the statements contained in clause (1) above cannot be made, stating that the Company has irrevocably waived its right to the authentication and delivery of further obligations under such mortgage, deed of trust or similar indenture (I) on any basis, in a principal amount equal to the excess of (x) the aggregate principal amount of obligations then outstanding under such mortgage, deed of trust or similar indenture which were issued on the basis of property additions or on the basis of the retirement of obligations which were issued (whether directly or indirectly when considered in light of the successive issuance and retirement of obligations) on the basis of property additions over (y) an amount equal to seventy per centum (70%) of the aggregate dollar amount of property additions certified as the basis for the issuance of such obligations then outstanding and (II) on the basis of property additions, in a principal amount exceeding seventy per centum (70%) of the balance of the Cost or Fair Value to the Company thereof (whichever shall be less) after making deductions and additions similar to those provided for in Section 104; and

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(iii) an Opinion or Opinions of Counsel to the effect that (A) the corporation that was the mortgagor under such mortgage, deed of trust or similar indenture has been duly and lawfully merged into or consolidated with the Company or has duly and lawfully conveyed or otherwise transferred property to the Company; (B) such mortgage, deed of trust or similar indenture is qualified under the Trust Indenture Act; (C) the Company has duly assumed and agreed to perform and pay the obligations of the mortgagor under such mortgage, deed of trust or similar indenture; (D) such mortgage, deed of trust or similar indenture constitutes a Lien upon the property described therein prior to the Lien of this Indenture; (E) this Indenture constitutes an effective Lien on the property described in such mortgage, deed of trust or similar indenture of the character described in Granting Clause First, and in any subsequent generic grant of unspecified property as contemplated in Granting Clause Third, acquired by the Company from such corporation by virtue of such merger, consolidation, conveyance or other transfer, and the Lien of this Indenture upon such property is, or upon the delivery of, and/or the filing and/or the recording in the proper places and manner of, the instruments of conveyance, assignment or transfer, if any, specified in such opinion, will be, subject to no Lien thereon prior to the Lien of this Indenture except the Lien of such mortgage, deed of trust or similar indenture, Permitted Liens, the Lien of the PSCO 1939 Mortgage and Liens of the character permitted to exist or to be hereafter created under Section 606; (F) the terms of such mortgage, deed of trust or similar indenture, as then in effect, do not permit the further issuance of obligations thereunder except on the basis of property additions of a character substantially similar to Property Additions, the retirement of outstanding obligations, the deposit of prior lien obligations or the deposit of cash; (G) either (1) such mortgage, deed of trust or similar indenture does not, by its terms, permit the further issuance of obligations thereunder upon the basis of property additions in a principal amount exceeding seventy per centum (70%) of the balance of the Cost or the Fair Value to the Company thereof (whichever shall be less) after making deductions and additions similar to those provided for in Section 104, or, if such is not the case, (2) that the waivers contemplated by clause (ii)(C)(2) above have been duly made; (H) in the case of a conveyance or other transfer to the Company of property subject to the Lien of such mortgage, deed of trust or similar indenture, no Person (other than the Company) has the right to issue or redeem obligations secured by, or to obtain the release of property from the Lien of, such mortgage, deed of trust or similar indenture; and (I) the indenture supplemental hereto referred to in clause (i) of subsection (b) of this Section complies with the requirements of said clause (i), and the indenture supplemental to such mortgage, deed of trust or similar indenture referred to in clause (ii) of subsection (b) of this Section complies with the requirements of said clause (ii).

(b) At such time as there shall have been executed and delivered and properly recorded and filed:

(i) an indenture supplemental hereto (A) in which such mortgage, deed of trust or similar indenture has been designated as an additional Class A

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Mortgage and (B) by which the Company has specifically imposed the Lien of this Indenture upon properties of the character described in Granting Clause First, and in any subsequent generic grant of unspecified property as contemplated in Granting Clause Third, acquired by the Company from such corporation by virtue of the merger, consolidation, conveyance or other transfer (and later improvements, extensions and additions thereto and renewals and replacements thereof) as contemplated by Section 1305(b) and

(ii) an indenture supplemental to such mortgage, deed of trust or similar indenture by which such mortgage, deed of trust or similar indenture has been amended to provide that a matured event of default thereunder shall include an Event of Default hereunder and/or a matured event of default under any other Class A Mortgage (other than any such matured event of default which (A) is of similar kind or character to the Event of Default described in clause (c) of Section 1001 and (B) has not resulted in the acceleration of Class A Bonds Outstanding under such Class A Mortgage); provided, however, that the waiver or cure of such Event of Default or matured event of default and the rescission and annulment of the consequences thereof shall constitute a waiver of the corresponding event of default under such mortgage, deed of trust or similar indenture and a rescission and annulment of the consequences thereof;

then such mortgage, deed of trust or similar indenture and all obligations issued and outstanding thereunder shall for all purposes hereof be treated as a Class A Mortgage and as Class A Bonds, respectively, to the full and same extent as if specifically identified in Article One.

SECTION 707. Discharge of Class A Mortgage.

The Trustee shall surrender for cancellation to the trustee under any Class A Mortgage all Class A Bonds then held by the Trustee issued under such Class A Mortgage upon receipt by the Trustee of:

(a) a Company Order requesting such surrender for cancellation of such Class A Bonds;

(b) an Officer's Certificate to the effect that no Class A Bonds are Outstanding under such Class A Mortgage other than Class A Bonds held by the Trustee hereunder and that promptly upon such surrender such Class A Mortgage will be satisfied and discharged pursuant to the terms thereof;

(c) an Expert's Certificate

(i) describing all property constituting Property Additions designated by the Company, in its discretion, to be deemed, on and after the date of such surrender for cancellation and for all purposes of this Indenture, to have been made the basis of the authentication and delivery of all Securities then Outstanding which shall have been authenticated and delivered under Section 402 on the basis of Class A Bonds authenticated and delivered under such Class A Mortgage, such Property Additions to

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have, in the aggregate, a Cost (or as to Property Additions of which the Fair Value to the Company specified pursuant to subclause (viii) or clause (d) below is less than the Cost thereof, then such Fair Value in lieu of Cost) not less than ten-sevenths (10/7) of the aggregate principal amount of such Securities (such description to be made by reference, at the election of the Company, either to specified items, units and/or elements of property or portions thereof, on a percentage or Dollar basis, or to properties or portions thereof reflected in specified accounts or subaccounts in the Company's books of account, on a Dollar basis), and stating the Cost thereof;

(ii) stating that all such property constitutes Property Additions;

(iii) stating that such Property Additions are desirable for use in the conduct of the business of the Company;

(iv) stating that such Property Additions, to the extent of the Cost (or as to Property Additions of which the Fair Value to the Company specified pursuant to subclause (viii) or clause (d) below is less than the Cost thereof, then such Fair Value in lieu of Cost) to the Company to be deemed to have been made the basis of the authentication and delivery of such Securities, do not constitute Funded Property;

(v) stating, except as to Property Additions acquired, made or constructed wholly through the delivery of securities or other property, that the amount of cash forming all or part of the Cost thereof was equal to or more than an amount to be stated therein;

(vi) briefly describing, with respect to any Property Additions acquired, made or constructed in whole or in part through the delivery of securities or other property, the securities or other property so delivered and stating the date of such delivery;

(vii) stating what part, if any, of such Property Additions included property which within six months prior to the date of acquisition thereof by the Company had been used or operated by others than the Company in a business similar to that in which it has been or is to be used or operated by the Company and stating whether or not, in the judgment of the signers, the Fair Value to the Company thereof, as of the date of such certificate, is less than Twenty-five Thousand Dollars (\$25,000) and whether or not the Fair Value to the Company thereof, as of such date, is less than one per centum (1%) of the sum of (x) the aggregate principal amount of Securities then Outstanding and (y) the aggregate principal amount of Class A Bonds then Outstanding other than Class A Bonds delivered to and then held by the Trustee pursuant to Sections 402 and 701;

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(viii) stating, in the judgment of the signers, the Fair Value to the Company, as of the date of such certificate, of such Property Additions, except any thereof with respect to the Fair Value to the Company of which a statement is to be made in an Independent Expert's Certificate pursuant to clause (d) below; provided, however, that if any such Property Additions shall have theretofore been certified to the trustee under such Class A Mortgage in connection with the authentication and delivery of Class A Bonds

(A) which are held by the Trustee as of the date of such certificate; or

(B) the retirement of which shall have theretofore been made the basis (whether directly or indirectly when considered in light of the issuance and retirement of successive issues of Class A Bonds) of the authentication and delivery of Class A Bonds then held by the Trustee,

then there may be stated, in lieu of the Fair Value to the Company of such Property Additions as of the date of such certificate, the Fair Value to the Company thereof as so certified to the trustee under such Class A Mortgage; and

(ix) stating that the Liens, if any, of the character described in clause (d) of the definition of Permitted Liens to which any property included in such Property Additions is subject do not, in the judgment of the signers, materially impair the use by the Company of the Mortgaged Property considered as a whole for the purposes for which it is held by the Company;

(d) in case any Property Additions are shown by the Expert's Certificate provided for in clause (c) above to include property which, within six months prior to the date of acquisition thereof by the Company, had been used or operated by others than the Company in a business similar to that in which it has been or is to be used or operated by the Company and such certificate does not show the Fair Value to the Company thereof, as of the date of such certificate, to be less than Twenty-five Thousand Dollars (\$25,000) or less than one per centum (1%) of the sum of (i) the aggregate principal amount of Securities then Outstanding and (ii) the aggregate principal amount of Class A Bonds then Outstanding other than Class A Bonds delivered to and then held by the Trustee pursuant to Sections 402 and 701, an Independent Expert's Certificate stating, in the judgment of the signer, the Fair Value to the Company, as of the date of such Independent Expert's Certificate, of (x) such Property Additions which have been so used or operated and (at the option of the Company) as to any other Property Additions included in the Expert's Certificate provided for in clause (c) above and (y) any property so used or operated which has been subjected to the Lien of this Indenture since the commencement of the then current calendar year as the basis

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for the authentication and delivery of Securities and as to which an Independent Expert's Certificate has not previously been furnished to the Trustee;

(e) in case any Property Additions are shown by the Expert's Certificate provided for in clause (c) above to have been acquired, made or constructed in whole or in part through the delivery of securities or other property, an Expert's Certificate stating, in the judgment of the signers, the fair market value in cash of such securities or other property at the time of delivery thereof in payment for or for the acquisition of such Property Additions;

(f) an Opinion of Counsel to the effect that:

(i) this Indenture constitutes an effective Lien on all the Property Additions to be deemed to have been made the basis of the authentication and delivery of Securities then Outstanding which shall have been authenticated and delivered under Section 402 on the basis of Class A Bonds authenticated and delivered under such Class A Mortgage, and the Lien of this Indenture on such Property Additions is, or upon (x) the delivery of, and/or the filing and/or recording in the, proper places and manner of, the instruments of conveyance, assignment or transfer, if any, specified in said opinion and/or (y) the satisfaction and discharge of such Class A Mortgage will be, subject to no Lien thereon prior to the Lien of this Indenture except Permitted Liens; and

(ii) the Company has corporate authority to operate such Property Additions;

(g) an Opinion of Counsel to the effect that upon satisfaction and discharge of such Class A Mortgage the Lien of this Indenture on the property formerly subject to the Lien of such Class A Mortgage, to the extent the same is part of the Mortgaged Property, will be subject to no Lien prior to the Lien of this Indenture except Permitted Liens and Liens of the character permitted to exist or to be hereafter created under Section 606; and

(h) copies of the instruments of conveyance, assignment and transfer, if any, specified in the Opinion of Counsel provided for in clause (f) above.

Upon the surrender by the Trustee of Class A Bonds as contemplated in this Section, the Securities authenticated and delivered on the basis of such Class A Bonds shall be deemed to have been authenticated and delivered upon the basis of Property Additions.

ARTICLE EIGHT

Possession, Use and Release of Mortgaged Property

SECTION 801. Quiet Enjoyment.

Unless one or more Events of Default shall have occurred and be continuing, the Company shall be permitted to possess, use and enjoy the Mortgaged Property (except, to the extent not herein otherwise provided, such cash and securities as are expressly required to be deposited with the Trustee).

SECTION 802. Dispositions without Release.

Unless an Event of Default shall have occurred and be continuing, the Company may at any time and from time to time, without any release or consent by, or report to, the Trustee:

(a) sell or otherwise dispose of, free from the Lien of this Indenture, any machinery, apparatus, equipment, frames, towers, poles, wire, pipe, cable, conduit, mains, tubes, drains, valves, tools, implements or furniture, or any other fixtures or personalty, then subject to the Lien hereof, which shall have become old, inadequate, obsolete, worn out, unfit, unadapted, unserviceable, undesirable or unnecessary for use in the operations of the Company upon replacing the same by, or substituting for the same, similar or analogous property, or other property performing a similar or analogous function or otherwise obviating the need therefor, having a Fair Value at least equal to that of the property sold or otherwise disposed of and subject to the Lien hereof, subject to no Liens prior hereto except Liens to which the property sold or otherwise disposed of was subject and Permitted Liens;

(b) cancel or make changes or alterations in or substitutions for any and all easements, servitudes, rights of way and similar rights and/or interests; and

(c) grant, free from the Lien of this Indenture, easements, ground leases or rights of way in, upon, over and/or across the property or rights of way of the Company for the purpose of roads, pipe lines, transmission lines, distribution lines, communication lines, railways, removal of coal or other minerals or timber, and other like purposes, or for the joint or common use of real property, rights of way, facilities and/or equipment; provided, however, that such grant shall not materially impair the use of the property or rights of way for the purposes for which such property or rights of way are held by the Company.

SECTION 803. Release of Funded Property.

Unless an Event of Default shall have occurred and be continuing, the Company may obtain the release of any part of the Mortgaged Property, or any interest therein, which constitutes Funded Property, except cash then held by the Trustee (provided, however, that obligations secured by purchase money Lien deposited with the Trustee shall not be released except as provided in

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Section 806), and the Trustee shall release all its right, title and interest in and to the same from the Lien hereof, upon receipt by the Trustee of:

- (a) a Company Order requesting the release of such property;
- (b) an Officer's Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing;
- (c) an Expert's Certificate made and dated not more than ninety (90) days prior to the date of such Company Order:
 - (i) describing the property to be released;
 - (ii) stating the Fair Value, in the judgment of the signers, of the property to be released;
 - (iii) stating the Cost of the property to be released (or, if the Fair Value to the Company of such property at the time the same became Funded Property was less than the Cost thereof, then such Fair Value, in the judgment of the signers, in lieu of Cost);
 - (iv) stating that (except in any case where a Governmental Authority has ordered the Company to divest itself of such property) such release is, in the judgment of the signers, desirable in the conduct of business of the Company; and
 - (v) stating that, in the judgment of the signers, such release will not impair the security under this Indenture in contravention of the provisions hereof;
- (d) an amount in cash to be held by the Trustee as part of the Mortgaged Property, equal to the amount, if any, by which the amount referred to in clause (c)(iii) above exceeds the aggregate of the following items:
 - (i) the aggregate principal amount, subject to the limitation stated below in this clause (d), of any obligations delivered to the Trustee, to be held as part of the Mortgaged Property, consisting of obligations secured by purchase money Lien upon the property to be released;
 - (ii) the Cost or Fair Value to the Company (whichever is less), after making any deductions and any additions pursuant to Section 104, of any Property Additions not constituting Funded Property described in an Expert's Certificate, dated not more than ninety (90) days prior to the date of the Company Order requesting such release and complying with Section 403 (b)(ii), delivered to the Trustee; provided, however, that the deductions and additions contemplated by Section 104 shall not be required to be made if such Property Additions were acquired, made or

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constructed on or after the ninetieth (90th) day preceding the date of such Company Order;

(iii) an amount equal to ten-sevenths (10/7) of the aggregate principal amount of Securities to the authentication and delivery of which the Company shall be entitled under the provisions of Section 404, by virtue of compliance with all applicable provisions of Section 404 (except as hereinafter in this Section otherwise provided); provided, however, that such release shall operate as a waiver by the Company of the right to the authentication and delivery of such Securities and, to such extent, no such Securities may thereafter be authenticated and delivered hereunder; and any Securities which were the basis of such right to the authentication and delivery of Securities so waived shall be deemed to have been made the basis of such release of property;

(iv) the aggregate principal amount, subject to the limitations stated below in this clause (d), of any obligations secured by purchase money Lien upon the property to be released and/or any amount in cash that, in either case, is evidenced to the Trustee by a certificate of the trustee or other holder of a Lien prior to the Lien of this Indenture to have been received by such trustee or other holder in accordance with the provisions of such Lien in consideration for the release of such property or any part thereof from such Lien;

(v) an amount equal to ten-sevenths (10/7) of the aggregate principal amount of any Outstanding Securities delivered to the Trustee; and

(vi) any taxes and expenses incidental to any sale, exchange, dedication or other disposition of the property to be released;

provided, however, that (x) no obligations secured by purchase money Lien upon any property being released from the Lien hereof shall be used as a credit in connection with such release unless all obligations secured by such purchase money Lien shall be delivered to the Trustee or to the trustee or other holder of a Lien upon such property prior to the Lien of this Indenture; (y) the aggregate credit which may be used pursuant to subclause (i) and subclause (iv) of this clause (d) in respect of obligations secured by purchase money Lien upon property being released shall not exceed seventy per centum (70%) of the Fair Value of the property to be released, as specified in such Expert's Certificate; and (z) no obligations secured by purchase money Lien shall be used as a credit in connection with the release of property hereunder, if the aggregate credit in respect of such obligations to be used by the Company pursuant to subclause (i) and subclause (iv) of this clause (d) plus the aggregate credits used by the Company pursuant to said subclause (i) and subclause (iv) in connection with all previous releases of property from the Lien hereof on the basis of purchase money obligations theretofore delivered to and then held by the Trustee or the trustee or

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other holder of a Lien prior to the Lien of this Indenture shall, immediately after the release then being applied for, exceed twenty-five per centum (25%) of the sum of (A) the aggregate principal amount of Securities then Outstanding and (B) the aggregate principal amount of Class A Bonds then Outstanding other than Class A Bonds delivered to and then held by the Trustee pursuant to Sections 402 and 701;

(e) if the release is on the basis of Property Additions or on the basis of the right to the authentication and delivery of Securities under Section 404, all documents contemplated by the next following full paragraph in this Section; and

(f) if any obligations secured by purchase money Lien upon the property to be released are included in the consideration for such release and are delivered to the Trustee or to the trustee or other holder of a Lien prior to the Lien of this Indenture in connection with such release, an Opinion of Counsel stating that, in the opinion of the signer, such obligations are valid obligations, entitled to the benefit of such Lien equally and ratably with all other obligations then secured thereby, and that the purchase money Lien securing the same constitutes a valid Lien upon the property to be released, subject to no Lien prior thereto except Permitted Liens and such Liens, if any, as shall have existed thereon immediately prior to such release as Liens prior to the Lien of this Indenture.

If and to the extent that the release of property is, in whole or in part, based upon Property Additions (as permitted under the provisions of clause (d)(ii) of this Section), the Company shall, subject to the provisions of said clause (d)(ii) and except as hereafter in this paragraph provided, comply with all applicable provisions of this Indenture as if such Property Additions were to be made the basis of the authentication and delivery of Securities equal in principal amount to seventy per centum (70%) of the Cost (or, as to property of which the Fair Value to the Company at the time the same became Funded Property was less than the Cost thereof, such Fair Value in lieu of Cost) of that portion of the property to be released which is to be released on the basis of such Property Additions, as shown by the Expert's Certificate required by clause (c) of this Section; provided, however, that the Cost of any Property Additions received or to be received by the Company in whole or in part as consideration in exchange for the property to be released shall for all purposes of this Indenture be deemed to be the amount stated in the Expert's Certificate provided for in clause (c) of this Section to be the Fair Value of the property to be released (x) plus the amount of any cash and the fair market value of any other consideration, further to be stated in such Expert's Certificate, paid and/or delivered or to be paid and/or delivered by, and the amount of any obligations assumed or to be assumed by, the Company in connection with such exchange as additional consideration for such Property Additions and/or (y) less the amount of any cash and the fair market value to the Company of any other consideration, which shall also be stated in such Expert's Certificate, received or to be received by the Company in connection with such exchange in addition to such Property Additions. If and to the extent that the release of property is in whole or in part based upon the right to the authentication and delivery of Securities under Section 404 (as permitted under the provisions of clause (d)(iii) of this Section), the Company shall, except as hereafter in this paragraph provided, comply with all applicable provisions of Section 404 relating to such

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authentication and delivery. Notwithstanding the foregoing provisions of this paragraph, in no event shall the Company be required to deliver the documents specified in Section 401.

If (a) any property to be released from the Lien of this Indenture under any provision of this Article (other than Section 807) is subject to a Lien prior to the Lien hereof and is to be sold, exchanged, dedicated or otherwise disposed of subject to such prior Lien and (b) after such release, such prior Lien will not be a Lien on any property subject to the Lien hereof, then the Fair Value of such property to be released shall be deemed, for all purposes of this Indenture, to be the value thereof unencumbered by such prior Lien less the principal amount of the indebtedness secured by such prior Lien.

Any Outstanding Securities deposited with the Trustee pursuant to clause (d) of this Section shall forthwith be canceled by the Trustee. Any cash and/or obligations so deposited with the Trustee, and the proceeds of any such obligations, shall be held as part of the Mortgaged Property and shall be withdrawn, released, used or applied in the manner, to the extent and for the purposes, and subject to the conditions, provided in Section 806.

All purchase money obligations and the Liens securing the same delivered to the Trustee pursuant to this Section shall be duly assigned to the Trustee. The Company shall cause any such purchase money Lien and the assignment thereof to be promptly recorded and filed in such place or places as shall be required by law in order fully to preserve and protect the security afforded thereby and shall furnish to the Trustee an Opinion of Counsel stating that, in the opinion of the signer, such purchase money Lien and the assignment thereof have been properly recorded and filed so as to make effective the Lien intended to be created thereby. Should any re-recording or re-filing be necessary at any time or from time to time, the Company shall likewise cause the same to be duly effected and shall, in each case, furnish to the Trustee an Opinion of Counsel similar to the foregoing. The Trustee shall deliver to the Company any purchase money Lien and/or assignment thereof whenever required for the purpose of recording or filing or re-recording or re-filing, as evidenced by an Opinion of Counsel, and the same shall be promptly returned to the Trustee when such purposes shall have been accomplished.

Anything in this Indenture to the contrary notwithstanding, if property to be released constitutes Funded Property in part only, the Company shall obtain the release of the part of such property which constitutes Funded Property under this Section 803 and obtain the release of the part of such property which does not constitute Funded Property under Section 804. In such event, (a) the application of Property Additions in the release under this Section 803 as contemplated in clause (d)(ii) in the first paragraph thereof shall be taken into account in clause (v) or clause (vi), whichever may be applicable, of the Expert's Certificate described in clause (c) in Section 804 and (b) the Trustee shall, at the election of the Company, execute and deliver a separate instrument of release with respect to the property released under each of such Sections or a consolidated instrument of release with respect to the property released under both of such Sections considered as a whole.

SECTION 804. Release of Property Not Constituting Funded Property.

Unless an Event of Default shall have occurred and be continuing, the Company may obtain the release of any part of the Mortgaged Property, or any interest therein, which is

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not Funded Property, and the Trustee shall release all its right, title and interest in and to the same from the Lien hereof, upon receipt by the Trustee of:

- (a) a Company Order requesting the release of such property;
- (b) an Officer's Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing;
- (c) an Expert's Certificate, made and dated not more than ninety (90) days prior to the date of such Company Order:
 - (i) describing the property to be released;
 - (ii) stating the Fair Value, in the judgment of the signers, of the property to be released;
 - (iii) stating the Cost of the property to be released;
 - (v) stating that the property to be released is not Funded Property;
 - (vi) if true, stating either (A) that the aggregate amount of the Cost or Fair Value to the Company (whichever is less) of all Property Additions which do not constitute Funded Property (excluding the property to be released), after making deductions therefrom and additions thereto of the character contemplated by Section 104, is not less than zero or (B) that the Cost or Fair Value (whichever is less) of the property to be released does not exceed the aggregate Cost or Fair Value to the Company (whichever is less) of Property Additions acquired, made or constructed on or after the ninetieth (90th) day prior to the date of the Company Order requesting such release;
 - (vi) if neither of the statements contemplated in subclause (v) above can be made, stating the amount by which zero exceeds the amount referred to in subclause (v)(A) above (showing in reasonable detail the calculation thereof);
 - (vii) stating that (except in any case where a Governmental Authority has ordered the Company to divest itself of such property) such release is, in the opinion of the signers, desirable in the conduct of the business of the Company;
 - (viii) stating that, in the judgment of the signers, such release will not impair the security under this Indenture in contravention of the provisions hereof; and
- (d) if the Expert's Certificate required by clause (c) above contains neither of the statements contemplated in clause (c)(v) above, an amount in cash,

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to be held by the Trustee as part of the Mortgaged Property, equal to the amount, if any, by which the lower of (i) the Cost or Fair Value (whichever is less) of the property to be released and (ii) the amount shown in clause (c)(vi) above exceeds the aggregate of items of the character described in subclauses (iii) and (v) of clause (d) of Section 803 then to be used as a credit under this Section 804 (subject, however, to the same limitations and conditions with respect to such items as are set forth in Section 803).

Any Outstanding Securities deposited with the Trustee pursuant to clause (d) above shall forthwith be canceled by the Trustee.

SECTION 805. Release of Minor Properties.

Notwithstanding the provisions of Sections 803 and 804, unless an Event of Default shall have occurred and be continuing, the Company may obtain the release from the Lien hereof of any part of the Mortgaged Property, or any interest therein, and the Trustee shall whenever from time to time requested by the Company in a Company Order, and without requiring compliance with any of the provisions of Section 803 or 804, release from the Lien hereof all the right, title and interest of the Trustee in and to the same provided that the aggregate Fair Value of the property to be so released on any date in a given calendar year, together with all other property released pursuant to this Section 805 in such calendar year, shall not exceed (a) Ten Million Dollars (\$10,000,000) or, if greater, (b) three per centum (3%) of the sum of (i) the aggregate principal amount of Securities then Outstanding and (ii) the aggregate principal amount of Class A Bonds then Outstanding other than Class A Bonds delivered to and then held by the Trustee pursuant to Sections 402 and 701. Prior to the granting of any such release, there shall be delivered to the Trustee (x) an Officer's Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing and (y) an Expert's Certificate stating, in the judgment of the signers, the Fair Value of the property to be released, the aggregate Fair Value of all other property theretofore released pursuant to this Section 805 in such calendar year and, as to Funded Property, the Cost thereof (or, if the Fair Value to the Company of such property at the time the same became Funded Property was less than the Cost thereof, then such Fair Value, in the judgment of the signers, in lieu of Cost), and that, in the judgment of the signers, the release thereof will not impair the security under this Indenture in contravention of the provisions hereof. On or before December 31st of each calendar year, the Company shall deposit with the Trustee an amount in cash equal to the aggregate Cost of the properties constituting Funded Property so released during such year (or, if the Fair Value to the Company of any particular property at the time the same became Funded Property was less than the Cost thereof, then such Fair Value in lieu of Cost); provided, however, that no such deposit shall be required to be made hereunder to the extent that cash or other consideration shall, as indicated in an Officer's Certificate delivered to the Trustee, have been deposited with the trustee or other holder of a Class A Mortgage or other Lien prior to the Lien of this Indenture in accordance with the provisions thereof. Any cash deposited with the Trustee under this Section may thereafter be withdrawn, used or applied in the manner, to the extent and for the purposes, and subject to the conditions, provided in Section 806.

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SECTION 806. Withdrawal or Other Application of Funded Cash; Purchase Money Obligations.

Subject to the provisions of Section 405 and Section 702(a) and except as hereafter in this Section provided, unless an Event of Default shall have occurred and be continuing, any Funded Cash held by the Trustee, and any other cash which is required to be withdrawn, used or applied as provided in this Section,

(a) may be withdrawn from time to time by the Company to the extent of the Cost or the Fair Value to the Company (whichever is less) of Property Additions not constituting Funded Property, after making any deductions and additions pursuant to Section 104, described in an Expert's Certificate, dated not more than ninety (90) days prior to the date of the Company Order requesting such withdrawal and complying with Section 403(b)(ii), delivered to the Trustee; provided, however, that the deductions and additions contemplated by Section 104 shall not be required to be made if such Property Additions were acquired, made or constructed on or after the ninetieth (90th) day preceding the date of such Company Order;

(b) may be withdrawn from time to time by the Company in an amount equal to ten-sevenths (10/7) of the aggregate principal amount of Securities to the authentication and delivery of which the Company shall be entitled under the provisions of Section 404 hereof, by virtue of compliance with all applicable provisions of Section 404 (except as hereinafter in this Section otherwise provided); provided, however, that such withdrawal of cash shall operate as a waiver by the Company of the right to the authentication and delivery of such Securities and, to such extent, no such Securities may thereafter be authenticated and delivered hereunder; and any such Securities which were the basis of such right to the authentication and delivery of Securities so waived shall be deemed to have been made the basis of such withdrawal of cash;

(c) may be withdrawn from time to time by the Company in an amount equal to ten-sevenths (10/7) of the aggregate principal amount of any Outstanding Securities delivered to the Trustee;

(d) may, upon the request of the Company, be used by the Trustee for the purchase of Securities in the manner, at the time or times, in the amount or amounts, at the price or prices (not exceeding ten-sevenths (10/7) of the principal amount thereof) and otherwise as directed or approved by the Company; or

(e) may, upon the request of the Company, be applied by the Trustee to the payment (or provision therefor pursuant to Article Nine) at Stated Maturity of any Securities or to the redemption (or similar provision therefor) of any Securities which are, by their terms, redeemable, in each case of such series as may be designated by the Company, any such redemption to be in the manner and as provided in Article Five.

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Such moneys shall, from time to time, be paid or used or applied by the Trustee, as aforesaid, upon the request of the Company in a Company Order, and upon receipt by the Trustee of an Officer's Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing. If and to the extent that the withdrawal of cash is based upon Property Additions (as permitted under the provisions of clause (a) above), the Company shall, subject to the provisions of said clause (a) and except as hereafter in this paragraph provided, comply with all applicable provisions of this Indenture as if such Property Additions were made the basis for the authentication and delivery of Securities equal in principal amount to seventy per centum (70%) of the cash so to be withdrawn. If and to the extent that the withdrawal of cash is based upon the right to the authentication and delivery of Securities (as permitted under the provisions of clause (b) above), the Company shall, except as hereafter in this paragraph provided, comply with all applicable provisions of Section 404 relating to such authentication and delivery. Notwithstanding the foregoing provisions of this paragraph, in no event shall the Company be required to deliver the documents specified in Section 401.

All obligations secured by a purchase money Lien delivered to the Trustee in consideration of the release of property from the Lien of this Indenture shall be released from the Lien of this Indenture and delivered to or upon the order of the Company, together with the evidence of such purchase money Lien, upon payment by the Company to the Trustee of an amount in cash equal to the amount of credit used by the Company in respect of such obligations in connection with the release of such property from the Lien of this Indenture less the aggregate amount theretofore paid to the Trustee (by the Company, the obligor or otherwise) in respect of the principal of such obligations.

The principal of and interest on any such obligations secured by purchase money Lien held by the Trustee shall be collected by the Trustee as and when the same become payable. The interest received by the Trustee on any such obligations shall be deemed not to constitute Funded Cash and shall be remitted to the Company, and any payments received by the Trustee on account of the principal of any such obligations in excess of the amount of credit used by the Company in respect of such obligations upon the release of any property from the Lien hereof shall be deemed not to constitute Funded Cash and shall also be remitted to the Company; provided, however, that if an Event of Default shall have occurred and be continuing, such proceeds shall be held as part of the Mortgaged property until such Event of Default shall have been cured or waived.

The Trustee shall have and may exercise all the rights and powers of any owner of such obligations and of all substitutions therefor and, without limiting the generality of the foregoing, may collect and receive all insurance moneys payable to it under any of the provisions thereof and apply the same in accordance with the provisions thereof, may consent to extensions thereof at a higher or lower rate of interest, may join in any plan or plans of voluntary or involuntary reorganization or readjustment or rearrangement and may accept and hold hereunder new obligations, stocks or other securities issued in exchange therefor under any such plan. Any discretionary action which the Trustee may be entitled to take in connection with any such obligations or substitutions therefor shall be taken, so long as no Event of Default shall have occurred and be continuing, in accordance with a Company Order, and, during the continuance of an Event of Default, in its own discretion.

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Any Securities received by the Trustee pursuant to the provisions of this Section shall forthwith be canceled by the Trustee.

SECTION 807. Release of Property Taken by Eminent Domain, etc.

Should any of the Mortgaged Property, or any interest therein, be taken by exercise of the power of eminent domain or be sold to an entity possessing the power of eminent domain under a threat to exercise the same, and should the Company elect not to obtain the release of such property pursuant to other provisions of this Article Eight, the Trustee shall, upon request of the Company evidenced by a Company Order, release from the Lien hereof all its right, title and interest in and to the property so taken or sold (or with respect to an interest in property, subordinate the Lien hereof to such interest), upon receiving (a) an Opinion of Counsel to the effect that such property has been taken by exercise of the power of eminent domain or has been sold to an entity possessing the power of eminent domain under threat of an exercise of such power, (b) an Officer's Certificate stating the amount of net proceeds received or to be received for such property so taken or sold, and the amount so stated shall be deemed to be the Fair Value of such property for the purpose of any notice to the Holders of Securities, (c) if any portion of such property constitutes Funded Property, an Expert's Certificate stating the Cost thereof (or, if the Fair Value to the Company of such portion of such property at the time the same became Funded Property was less than the Cost thereof, then such Fair Value, in the judgment of the signers, in lieu of Cost) and (d) if any portion of such property constitutes Funded Property, a deposit by the Company of an amount in cash equal to the amount of the Cost or Fair Value stated in the Expert's Certificate delivered pursuant to clause (c) above; provided, however, that the amount required to be so deposited shall not exceed the portion of the net proceeds received or to be received for such property so taken or sold which is allocable on a pro-rata or other reasonable basis to the portion of such property constituting Funded Property; and provided, further, that no such deposit shall be required to be made hereunder if the proceeds of such taking or sale shall, as indicated in an Officer's Certificate delivered to the Trustee, have been deposited with the trustee or other holder of a Class A Mortgage or other Lien prior to the Lien of this Indenture. Any cash deposited with the Trustee under this Section may thereafter be withdrawn, used or applied in the manner, to the extent and for the purposes, and subject to the conditions, provided in Section 806.

SECTION 808. Alternative Release Provision.

Anything in this Indenture to the contrary notwithstanding, unless an Event of Default shall have occurred and be continuing, the Company may obtain the release of any part of the Mortgaged Property which is subject to the Lien of a Class A Mortgage (except cash or obligations secured by purchase money Lien), without compliance with any of the provisions of Section 803, 804 or 805, by delivery to the Trustee of an Officer's Certificate stating that, to the knowledge of the signer, no Event of Default has occurred and is continuing, an Expert's Certificate as to the Fair Value of the property to be released and a copy of a release of such part of the Mortgaged Property from the Lien of such Class A Mortgage executed by the trustee thereunder.

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SECTION 809. Disclaimer or Quitclaim.

In case the Company has sold, exchanged, dedicated or otherwise disposed of, or has agreed or intends to sell, exchange, dedicate or otherwise dispose of, or a Governmental Authority has ordered the Company to divest itself of, any property of a character excepted from the Lien hereof, or the Company desires to disclaim or quitclaim title to property to which the Company does not purport to have title, the Trustee shall, from time to time, execute such instruments of disclaimer or quitclaim as may be appropriate upon receipt by the Trustee of the following:

(a) an Officer's Certificate describing the property to be disclaimed or quitclaimed; and

(b) an Opinion of Counsel stating the signer's opinion that such property is not subject to the Lien hereof or required to be subject thereto by any of the provisions hereof.

SECTION 810. Miscellaneous.

(a) The Expert's Certificate as to the Fair Value of property to be released from the Lien of this Indenture in accordance with any provision of this Article, and as to the nonimpairment, by reason of such release, of the security under this Indenture in contravention of the provisions hereof, shall be made by an Independent Expert if the Fair Value of such property and of all other property released since the commencement of the then current calendar year, as set forth in the certificates required by this Indenture, is ten per centum (10%) or more of the sum of (a) the principal amount of the Securities at the time Outstanding and (b) the principal amount of the Class A Bonds at the time Outstanding other than Class A Bonds delivered to and held by the Trustee pursuant to Sections 402 and 701; but such Expert's Certificate shall not be required to be made by an Independent Expert in the case of any release of property if the Fair Value thereof, as set forth in the certificates required by this Indenture, is less than Twenty-five Thousand Dollars (\$25,000) or less than one per centum (1%) of the sum of (x) the principal amount of the Securities at the time Outstanding and (y) the principal amount of the Class A Bonds at the time Outstanding other than Class A Bonds delivered to and held by the Trustee pursuant to Sections 402 and 701. To the extent that the Fair Value of any property to be released from the Lien of this Indenture shall be stated in an Independent Expert's Certificate, such Fair Value shall not be required to be stated in any other Expert's Certificate delivered in connection with such release.

(b) If the Mortgaged Property shall be in the possession of a receiver or trustee, lawfully appointed, the powers hereinbefore conferred upon the Company with respect to the release of any part of the Mortgaged Property or any interest therein or the withdrawal of cash may be exercised, with the approval of the Trustee, by such receiver or trustee, notwithstanding that an Event of Default may have occurred and be continuing, and any request, certificate, appointment or approval made or signed by such receiver or trustee for such purposes shall be as effective as if made by the Company or any of its officers or appointees in the manner herein provided; and if the Trustee shall be in possession of the Mortgaged Property under any

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provision of this Indenture, then such powers may be exercised by the Trustee in its discretion notwithstanding that an Event of Default may have occurred and be continuing.

(c) If any property released from the Lien of this Indenture as provided in Section 803, 804 or 805 shall continue to be owned by the Company after such release, this Indenture shall not become or be, or be required to become or be, a Lien upon such property or any improvement, extension or addition to such property or renewals, replacements or substitutions of or for any part or parts of such property unless the Company shall execute and deliver to the Trustee an indenture supplemental hereto, in recordable form, containing a grant, conveyance, transfer and mortgage thereof.

(d) Notwithstanding the occurrence and continuance of an Event of Default, the Trustee, in its discretion, may release from the Lien hereof any part of the Mortgaged Property or permit the withdrawal of cash, upon compliance with the other conditions specified in this Article in respect thereof.

(e) No purchaser in good faith of property purporting to have been released hereunder shall be bound to ascertain the authority of the Trustee to execute the release, or to inquire as to any facts required by the provisions hereof for the exercise of this authority; nor shall any purchaser or grantee of any property or rights permitted by this Article to be sold, granted, exchanged, dedicated or otherwise disposed of, be under obligation to ascertain or inquire into the authority of the Company to make any such sale, grant, exchange, dedication or other disposition.

ARTICLE NINE

Satisfaction and Discharge

SECTION 901. Satisfaction and Discharge of Securities.

Any Security or Securities, or any portion of the principal amount thereof, shall be deemed to have been paid for all purposes of this Indenture, and the entire indebtedness of the Company in respect thereof shall be satisfied and discharged, if there shall have been irrevocably deposited with the Trustee or any Paying Agent (other than the Company), in trust:

(a) money (including Funded Cash not otherwise applied pursuant to Section 806) in an amount which shall be sufficient, or

(b) in the case of a deposit made prior to the Maturity of such Securities or portions thereof, Eligible Obligations, which shall not contain provisions permitting the redemption or other prepayment thereof at the option of the issuer thereof, the principal of and the interest on which when due, without any regard to reinvestment thereof, will provide moneys which, together with the money, if any, deposited with or held by the Trustee or such Paying Agent, shall be sufficient, or

(c) a combination of (a) or (b) which shall be sufficient,

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to pay when due the principal of and premium, if any, and interest, if any, due and to become due on such Securities or portions thereof; provided, however, that in the case of the provision for payment or redemption of less than all the Securities of any series or Tranche, such Securities or portions thereof shall have been selected by the Security Registrar as provided herein and, in the case of a redemption, the notice requisite to the validity of such redemption shall have been given or irrevocable authority shall have been given by the Company to the Trustee to give such notice, under arrangements satisfactory to the Trustee; and provided, further, that the Company shall have delivered to the Trustee and such Paying Agent:

(x) if such deposit shall have been made prior to the Maturity of such Securities, a Company Order stating that the money and Eligible Obligations deposited in accordance with this Section shall be held in trust, as provided in Section 903;

(y) if Eligible Obligations shall have been deposited, an Opinion of Counsel to the effect that such obligations constitute Eligible Obligations and do not contain provisions permitting the redemption or other prepayment at the option of the issuer thereof, and an opinion of an Independent public Accountant of nationally recognized standing, selected by the Company, to the effect that the other requirements set forth in clause (b) above have been satisfied; and

(z) if such deposit shall have been made prior to the Maturity of such Securities, an Officer's Certificate stating the Company's intention that upon delivery of such Officer's Certificate, its indebtedness in respect of such Securities or portions thereof will have been satisfied and discharged as contemplated in this Section.

Upon the deposit of money or Eligible Obligations, or both, in accordance with this Section, together with the documents required by clauses (x), (y) and (z) above, the Trustee shall, upon Company Request, acknowledge in writing that such Securities or portions thereof are deemed to have been paid for all purposes of this Indenture and that the entire indebtedness of the Company in respect thereof has been satisfied and discharged as contemplated in this Section. In the event that all of the conditions set forth in the preceding paragraph shall have been satisfied in respect of any Securities or portions thereof except that, for any reason, the Officer's Certificate specified in clause (z) shall not have been delivered, such Securities or portions thereof shall nevertheless be deemed to have been paid for all purposes of this Indenture, and the Holders of such Securities or portions thereof shall nevertheless be no longer entitled to the benefit of the Lien of this Indenture or of any of the covenants of the Company under Article Six (except the covenants contained in Sections 602 and 603) or any other covenants made in respect of such Securities or portions thereof as contemplated by Section 301, but the indebtedness of the Company in respect of such Securities or portions thereof shall not be deemed to have been satisfied and discharged prior to Maturity for any other purpose; and, upon Company Request, the Trustee shall acknowledge in writing that such Securities or portions thereof are deemed to have been paid for all purposes of this Indenture.

If payment at Stated Maturity of less than all of the Securities of any series, or any Tranche thereof, is to be provided for in the manner and with the effect provided in this Section,

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the Security Registrar shall select such Securities, or portions of principal amount thereof, in the manner specified by Section 503 for selection for redemption of less than all the Securities of a series or Tranche.

In the event that Securities which shall be deemed to have been paid for purposes of this Indenture, and, if such is the case, in respect of which the Company's indebtedness shall have been satisfied and discharged, all as provided in this Section, do not mature and are not to be redeemed within the sixty (60) day period commencing with the date of the deposit of moneys or Eligible Obligations, as aforesaid, the Company shall, as promptly as practicable, give a notice, in the same manner as a notice of redemption with respect to such Securities, to the Holders of such Securities to the effect that such deposit has been made and the effect thereof.

Notwithstanding that any Securities shall be deemed to have been paid for purposes of this Indenture, as aforesaid, the obligations of the Company and the Trustee in respect of such Securities under Sections 304, 305, 306, 504, 602, 603, 1107 and 1115 and this Article Nine shall survive.

The Company shall pay, and shall indemnify the Trustee or any Paying Agent with which Eligible Obligations shall have been deposited as provided in this Section against, any tax, fee or other charge imposed on or assessed against such Eligible Obligations or the principal or interest received in respect of such Eligible Obligations, including, but not limited to, any such tax payable by any entity deemed, for tax purposes, to have been created as a result of such deposit.

Anything herein to the contrary notwithstanding, (a) if, at any time after a Security would be deemed to have been paid for purposes of this Indenture, and, if such is the case, the Company's indebtedness in respect, thereof would be deemed to have been satisfied and discharged, pursuant to this Section (without regard to the provisions of this paragraph), the Trustee or any Paying Agent, as the case may be, shall be required to return the money or Eligible Obligations, or combination thereof, deposited with it as aforesaid to the Company or its representative under any applicable Federal or State bankruptcy, insolvency or other similar law, such Security shall thereupon be deemed retroactively not to have been paid and any satisfaction and discharge of the Company's indebtedness in respect thereof shall retroactively be deemed not to have been effected, and such Security shall be deemed to remain Outstanding and (b) any satisfaction and discharge of the Company's indebtedness in respect of any Security shall be subject to the provisions of the last paragraph of Section 603.

SECTION 902. Satisfaction and Discharge of Indenture.

This Indenture shall upon Company Request cease to be of further effect (except as hereinafter expressly provided), and the Trustee, at the expense of the Company, shall execute such instruments as the Company shall reasonably request to evidence and acknowledge the satisfaction and discharge of this Indenture, when:

- (a) no Securities remain Outstanding hereunder; and
- (b) the Company has paid or caused to be paid all other sums payable hereunder by the Company;

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provided, however, that if, in accordance with the last paragraph of Section 901, any Security, previously deemed to have been paid for purposes of this Indenture, shall be deemed retroactively not to have been so paid, this Indenture shall thereupon be deemed retroactively not to have been satisfied and discharged, as aforesaid, and to remain in full force and effect, and the Company shall execute and deliver such instruments as the Trustee shall reasonably request to evidence and acknowledge the same.

Notwithstanding the satisfaction and discharge of this Indenture as aforesaid, the obligations of the Company and the Trustee under Sections 304, 305, 306, 504, 602, 603, 1107 and 1115 and this Article Nine shall survive.

Upon satisfaction and discharge of this Indenture as provided in this Section, the Trustee shall release, quit claim and otherwise turn over to the Company the Mortgaged Property (other than money and Eligible Obligations held by the Trustee pursuant to Section 903) and shall execute and deliver to the Company such deeds and other instruments as, in the judgment of the Company, shall be necessary, desirable or appropriate to effect or evidence such release and quitclaim and the satisfaction and discharge of the Lien of this Indenture.

SECTION 903. Application of Trust Money.

Neither the Eligible Obligations nor the money deposited pursuant to Section 901, nor the principal or interest payments on any such Eligible Obligations, shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal of and premium, if any, and interest, if any, on the Securities or portions of principal amount thereof in respect of which such deposit was made, all subject, however, to the provisions of Section 603; provided, however, that any cash received from such principal or interest payments on such Eligible Obligations, if not then needed for such purpose, shall, to the extent practicable, be invested in Eligible Obligations of the type described in clause (b) in the first paragraph of Section 901 maturing at such times and in such amounts as shall be sufficient to pay when due the principal of and premium, if any, and interest, if any, due and to become due on such Securities or portions thereof on and prior to the Maturity thereof, and interest earned from such reinvestment shall be paid over to the Company as received, free and clear of the Lien of this Indenture; and provided, further, that any moneys held in accordance with this Section on the Maturity of all such Securities in excess of the amount required to pay the principal of and premium, if any, and interest, if any, then due on such Securities shall be paid over to the Company free and clear of the Lien of this Indenture; and provided, further, that if an Event of Default shall have occurred and be continuing; moneys to be paid over to the Company pursuant to this Section shall be held as part of the Mortgaged Property until such Event of Default shall have been waived or cured.

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ARTICLE TEN

Events of Default; Remedies

SECTION 1001. Events of Default.

“Event of Default”, wherever used herein with respect to the Securities, means any one of the following events:

- (a) failure to pay interest, if any, on any Security within sixty (60) days after the same becomes due and payable; or
- (b) failure to pay the principal of or premium, if any, on any Security within three (3) Business Days after its Maturity; or

(c) failure to perform or breach of any covenant or warranty of the Company in this Indenture (other than a covenant or warranty a default in the performance of which or breach of which is elsewhere in this Section specifically dealt with) for a period of ninety (90) days after there has been given, by registered or certified mail, to the Company by the Trustee, or to the Company and the Trustee by the Holders of at least thirty-three per centum (33%) in principal amount of the Securities then Outstanding, a written notice specifying such default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder, unless the Trustee, or the Trustee and the Holders of a principal amount of Securities not less than the principal amount of Securities the Holders of which gave such notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee, or the Trustee and the Holders of such principal amount of Securities, as the case may be, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Company within such period and is being diligently pursued; or

(d) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of the Company in an involuntary case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or (ii) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition by one or more Persons other than the Company seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable Federal or State law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official for the Company or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order for relief or any such other decree or order shall have remained unstayed and in effect for a period of ninety (90) consecutive days; or

(e) the commencement by the Company of a voluntary case or proceeding under any applicable Federal or State bankruptcy, insolvency,

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reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company in a case or proceeding under any applicable Federal or State bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable Federal or State law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the authorization of such action by the Board of Directors; or

(f) the occurrence of a matured event of default under any Class A Mortgage (other than any such matured event of default which (i) is of similar kind or character to the Event of Default described in clause (c) above and (ii) has not resulted in the acceleration of the Class A Bonds Outstanding under such Class A Mortgage); provided, however, that, anything in this Indenture to the contrary notwithstanding, the waiver or cure of such event of default under such Class A Mortgage and the rescission and annulment of the consequences thereof shall constitute a waiver of the corresponding Event of Default hereunder and a rescission and annulment of the consequences thereof.

SECTION 1002. Acceleration of Maturity; Rescission and Annulment.

If an Event of Default shall have occurred and be continuing, then in every such case the Trustee or the Holders of not less than thirty-three per centum (33%) in principal amount of the Securities then Outstanding may declare the principal amount (or, if any of the Securities are Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof as contemplated by Section 301) of all Securities then Outstanding to be due and payable immediately, by a notice in writing to the Company (and to the Trustee if given by Holders), and upon receipt by the Company of notice of such declaration such principal amount (or specified amount), together with premium, if any, and accrued interest, if any, thereon, shall become immediately due and payable.

At any time after such a declaration of acceleration of the maturity of the Securities then Outstanding shall have been made, but before any sale of any of the Mortgaged Property has been made and before a judgment or decree for payment of the money due shall have been obtained by the Trustee as provided in this Article, the Event or Events of Default giving rise to such declaration of acceleration shall, without further act, be deemed to have been waived, and such declaration and its consequences shall, without further act, be deemed to have been rescinded and annulled, if

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(a) the Company shall have paid or deposited with the Trustee a sum sufficient to pay

(i) all overdue interest, if any, on all Securities then Outstanding;

(ii) the principal of and premium, if any, on any Securities then Outstanding which have become due otherwise than by such declaration of acceleration and interest thereon at the rate or rates prescribed therefor in such Securities; and

(iii) all amounts due to the Trustee under Section 1107;

and

(b) any other Event or Events of Default, other than the non-payment of the principal of Securities which shall have become due solely by such declaration of acceleration, shall have been cured or waived as provided in Section 1017.

No such rescission shall affect any subsequent Event of Default or impair any right consequent thereon.

SECTION 1003. Entry Upon Mortgaged Property.

If an Event of Default shall have occurred and be continuing, the Company, upon demand of the Trustee and if and to the extent permitted by law, shall forthwith surrender to the Trustee the actual possession of, and the Trustee, by such officers or agents as it may appoint, may enter upon and take possession of, the Mortgaged Property; and the Trustee may hold, operate and manage the Mortgaged Property and make all needful repairs and such renewals, replacements, betterments and improvements as to the Trustee shall seem prudent; and the Trustee may receive the rents, issues, profits, revenues and other income of the Mortgaged Property; and, after deducting the costs and expenses of entering, taking possession, holding, operating and managing the Mortgaged Property, as well as payments for insurance and taxes and other proper charges upon the Mortgaged Property prior to the Lien of this Indenture and reasonable compensation to itself, its agents and counsel, the Trustee may apply the same as provided in Section 1007. Whenever all that is then due in respect of the principal of and premium, if any, and interest, if any, on the Securities and under any of the terms of this Indenture shall have been paid and all defaults hereunder shall have been cured, the Trustee shall surrender possession of the Mortgaged Property to the Company.

SECTION 1004. Power of Sale; Suits for Enforcement.

If an Event of Default shall have occurred and be continuing, the Trustee, by such officers or agents as it shall appoint, with or without entry, in its discretion may, subject to the provisions of Section 1016 and if and to the extent permitted by law:

(a) sell, subject to any mandatory requirements of applicable law, the Mortgaged Property as an entirety, or in such parcels as the Holders of a majority in principal amount of the Securities then Outstanding shall in writing request, or

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in the absence of such request, as the Trustee may determine, to the highest bidder at public auction at such place and at such time (which sale may be adjourned by the Trustee from time to time in its discretion by announcement at the time and place fixed for such sale, without further notice) and upon such terms as the Trustee may fix and briefly specify in a notice of sale to be published once in each week for four successive weeks prior to such sale in an Authorized Publication in each Place of Payment for the Securities of each series; or

(b) proceed to protect and enforce its rights and the rights of the Holders of Securities under this Indenture by sale pursuant to judicial proceedings or by a suit, action or proceeding in equity or at law or otherwise, whether for the specific performance of any covenant or agreement contained in this Indenture or in aid of the execution of any power granted in this Indenture or for the foreclosure of this Indenture or for the enforcement of any other legal, equitable or other remedy, as the Trustee, being advised by counsel, shall deem most effectual to protect and enforce any of the rights of the Trustee or the Holders of Securities.

SECTION 1005. Incidents of Sale.

Upon any sale of any of the Mortgaged Property, whether made under the power of sale hereby given or pursuant to judicial proceedings, to the extent permitted by law:

(a) the principal amount (or, if any of the Securities are Discount Securities, such portion of the principal amount of such Securities as may be specified in the terms thereof as contemplated by Section 301) of all Outstanding Securities, if not previously due, shall at once become and be immediately due and payable, together with premium, if any, and accrued interest, if any, thereon;

(b) any Holder or Holders of Securities or the Trustee may bid for and purchase the property offered for sale, and upon compliance with the terms of sale may hold, retain and possess and dispose of such property, without further accountability, and may, in paying the purchase money therefor, deliver any Outstanding Securities or claims for interest thereon in lieu of cash to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon, and such Securities, in case the amounts so payable thereon shall be less than the amount due thereon, shall be returned to the Holders thereof after being appropriately stamped to show partial payment;

(c) the Trustee may make and deliver to the purchaser or purchasers a good and sufficient deed, bill of sale and instrument of assignment and transfer of the property sold;

(d) the Trustee is hereby irrevocably appointed the true and lawful attorney of the Company, in its name and stead, to make all necessary deeds, bills of sale and instruments of assignment and transfer of the property so sold; and for that purpose it may execute all necessary deeds, bills of sale and instruments

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of assignment and transfer, and may substitute one or more persons, firms or corporations with like power, the Company hereby ratifying and confirming all that its said attorney or such substitute or substitutes shall lawfully do by virtue hereof; but, if so requested by the Trustee or by any purchaser, the Company shall ratify and confirm any such sale or transfer by executing and delivering to the Trustee or to such purchaser or purchasers all proper deeds, bills of sale, instruments of assignment and transfer and releases as may be designated in any such request;

(e) all right, title, interest, claim and demand whatsoever, either at law or in equity or otherwise, of the Company of, in and to the property so sold shall be divested and such sale shall be a perpetual bar both at law and in equity against the Company, its successors and assigns, and against any and all persons claiming or who may claim the property sold or any part thereof from, through or under the Company; and

(f) the receipt of the Trustee or of the officer making such sale shall be a sufficient discharge to the purchaser or purchasers at such sale for his or their purchase money and such purchaser or purchasers and his or their assigns or personal representatives shall not, after paying such purchase money and receiving such receipt, be obliged to see to the application of such purchase money, or be in anywise answerable for any loss, misapplication or non-application thereof.

SECTION 1006. Collection of Indebtedness and Suits for Enforcement by Trustee.

If an Event of Default described in clause (a) or (b) of Section 1001 shall have occurred and be continuing, the Company shall, upon demand of the Trustee, pay to it, for the benefit of the Holders of the Securities with respect to which such Event of Default shall have occurred, the whole amount then due and payable on such Securities for principal and premium, if any, and interest, if any, and, in addition thereto, such further amount as shall be sufficient to cover any amounts due to the Trustee under Section 1107.

If the Company shall fail to pay such amounts forthwith upon such demand, the Trustee, in its own name and as trustee of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

The Trustee shall, to the extent permitted by law, be entitled to sue and recover judgment as aforesaid either before, during or after the pendency of any proceedings for the enforcement of the Lien of this Indenture, and in case of a sale of the Mortgaged Property or any part thereof and the application of the proceeds of sale as aforesaid, the Trustee, in its own name and as trustee of an express trust, shall be entitled to enforce payment of, and to receive, all amounts then remaining due and unpaid upon the Securities then Outstanding for principal, premium, if any, and interest, if any, for the benefit of the Holders thereof, and shall be entitled

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to recover judgment for any portion of the same remaining unpaid, with interest as aforesaid. No recovery of any such judgment by the Trustee and no levy of any execution upon any such judgment upon any of the Mortgaged Property or any other property of the Company shall affect or impair the Lien of this Indenture upon the Mortgaged Property or any part thereof or any rights, powers or remedies of the Trustee hereunder, or any rights, powers or remedies of the Holders of the Securities.

SECTION 1007. Application of Money Collected.

Any money collected by the Trustee pursuant to this Article, including any rents, profits, revenues and other income collected pursuant to Section 1003 (after the deductions therein provided) and any proceeds of any sale (after deducting the costs and expenses of such sale, including a reasonable compensation to the Trustee, its agents and counsel, and any taxes, assessments or Liens prior to the Lien of this Indenture, except any thereof subject to which such sale shall have been made), whether made under any power of sale herein granted or pursuant to judicial proceedings, and any money collected by the Trustee under Sections 702 and 806, together with, in the case of an entry or sale or as otherwise provided herein, any other sums then held by the Trustee as part of the Mortgaged Property, shall be applied in the following order, to the extent permitted by law, at the date or dates fixed by the Trustee and, in case of the distribution of such money on account of principal or premium, if any, or interest, if any, upon presentation of the Securities and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: To the payment of all undeducted amounts due the Trustee under Section 1107;

Second: To the payment of the whole amount then due and unpaid upon the Outstanding Securities for principal and premium, if any, and interest, if any, in respect of which or for the benefit of which such money has been collected; and in case such proceeds shall be insufficient to pay in full the whole amount so due and unpaid upon such Securities, then to the payment of such principal and interest, if any, thereon without any preference or priority, ratably according to the aggregate amount so due and unpaid, with any balance then remaining to the payment of premium, if any, and, if so specified as contemplated by Section 301 with respect to the Securities of any series, or any Tranche thereof, interest, if any, on overdue premium, if any, and overdue interest, if any, ratably as aforesaid, all to the extent permitted by applicable law; provided, however, that any money collected by the Trustee pursuant to Sections 702 and 806 in respect of interest and Section 1003 shall first be applied to the payment of interest accrued on the principal of Outstanding Securities; and

Third: To the payment of the remainder, if any, to the Company or to whomsoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

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SECTION 1008. Receiver.

If an Event of Default shall have occurred and, during the continuance thereof, the Trustee shall have commenced judicial proceedings to enforce any right under this Indenture, the Trustee shall, to the extent permitted by law, be entitled, as against the Company, without notice or demand and without regard to the adequacy of the security for the Securities or the solvency of the Company, to the appointment of a receiver of the Mortgaged Property.

SECTION 1009. Trustee May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, the Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether the Trustee shall have made any demand on the Company for the payment of overdue principal or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(a) to file and prove a claim for the whole amount of principal, premium, if any, and interest, if any, owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of the Trustee (including any claim for amounts due to the Trustee under Section 1107) and of the Holders allowed in such judicial proceeding, and

(b) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to the Trustee and, in the event that the Trustee shall consent to the making of such payments directly to the Holders, to pay to the Trustee any amounts due it under Section 1107.

Nothing herein contained shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustee to vote in respect of the claim of any Holder in any such proceeding.

SECTION 1010. Trustee May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture or on the Securities may be prosecuted and enforced by the Trustee without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by the Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of the Trustee, its agents and counsel, be for the ratable benefit of the Holders in respect of which such judgment has been recovered.

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SECTION 1011. Limitation on Suits.

No Holder shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless:

- (a) such Holder shall have previously given written notice to the Trustee of a continuing Event of Default;
- (b) the Holders of not less than a majority in aggregate principal amount of the Securities then Outstanding shall have made written request to the Trustee to institute proceedings in respect of such Event of Default in its own name as Trustee hereunder;
- (c) such Holder or Holders shall have offered to the Trustee reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;
- (d) the Trustee for 60 days after its receipt of such notice, request and offer of indemnity shall have failed to institute any such proceeding; and
- (e) no direction inconsistent with such written request shall have been given to the Trustee during such 60-day period by the Holders of a majority in aggregate principal amount of the Securities then Outstanding;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other of such Holders or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all of such Holders.

SECTION 1012. Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment of the principal of and premium, if any, and (subject to Section 307) interest, if any, on such Security on the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date) and to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 1013. Restoration of Rights and Remedies.

If the Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding shall have been discontinued or abandoned for any reason, or shall have been determined adversely to the Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, and Trustee and such Holder shall be restored severally and respectively to their former positions hereunder and

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thereafter all rights and remedies of the Trustee and such Holder shall continue as though no such proceeding had been instituted.

SECTION 1014. Rights and Remedies Cumulative.

Except as otherwise provided in the last paragraph of Section 306, no right or remedy herein conferred upon or reserved to the Trustee or to the Holders is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Anything in this Article to the contrary notwithstanding, the availability of the remedies set forth herein (on an individual or cumulative basis) and the procedures set forth herein relating to the exercise thereof shall be subject to the law of any jurisdiction wherein the Mortgaged Property or any part thereof is located to the extent that such law is mandatorily applicable, and, if and to the extent that any provision of this Article conflicts with any provision of such applicable law, such provision of law shall control.

SECTION 1015. Delay or Omission Not Waiver.

No delay or omission of the Trustee or of any Holder to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article or by law to the Trustee or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustee or by the Holders, as the case may be.

SECTION 1016. Control by Holders of Securities.

If an Event of Default shall have occurred and be continuing, the Holders of a majority in principal amount of the Securities then Outstanding shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred on the Trustee; provided, however, that

(a) such direction shall not be in conflict with any rule of law or with this Indenture, and could not involve the Trustee in personal liability in circumstances where indemnity would not, in the Trustee's sole discretion, be adequate, and

(b) the Trustee may take any other action deemed proper by the Trustee which is not inconsistent with such direction.

SECTION 1017. Waiver of Past Defaults.

Before any sale of any of the Mortgaged Property and before a judgment or decree for payment of the money due shall have been obtained by the Trustee as hereinafter in this Article provided, the Holders of not less than a majority in principal amount of the Securities

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then Outstanding may on behalf of the Holders of all the Securities then Outstanding waive any past default hereunder and its consequences, except a default

(a) in the payment of the principal of or premium, if any, or interest, if any, on any Security Outstanding, or

(b) in respect of a covenant or provision hereof which under Section 1402 cannot be modified or amended without the consent of the Holder of each Outstanding Security of any series or Tranche affected.

Upon any such waiver, such default shall cease to exist, and any and all Events of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

SECTION 1018. Undertaking for Costs.

The Company and the Trustee agree, and each Holder of Securities by its acceptance thereof shall be deemed to have agreed, that any court may in its discretion require, in any suit for the enforcement of any right or remedy under this Indenture, or in any suit against the Trustee for any action taken, suffered or omitted by it as Trustee, the filing by any party litigant in such suit of an undertaking to pay the costs of such suit, and that such court may in its discretion assess reasonable costs, including reasonable attorneys' fees, against any party litigant in such suit, having due regard to the merits and good faith of the claims or defenses made by such party litigant; but the provisions of this Section shall not apply to any suit instituted by the Company, to any suit instituted by the Trustee, to any suit instituted by any Holder, or group of Holders, holding in the aggregate more than 10% in aggregate principal amount of the Securities then Outstanding, or to any suit instituted by any Holder for the enforcement of the payment of the principal of or premium, if any, or interest, if any, on any Security on or after the Stated Maturity or Maturities expressed in such Security (or, in the case of redemption, on or after the Redemption Date).

SECTION 1019. Waiver of Appraisal and Other Laws.

To the full extent that it may lawfully so agree, the Company shall not at any time set up, claim or otherwise seek to take the benefit or advantage of any appraisal, valuation, stay, extension or redemption law now or hereafter in effect, in order to prevent or hinder the enforcement of this Indenture or the absolute sale of the Mortgaged Property, or any part thereof, or the possession thereof, or any part thereof, by any purchaser at any sale under this Article; and the Company, for itself and all who may claim under it, so far as it or they now or hereafter may lawfully do so, hereby waives the benefit of all such laws. The Company, for itself and all who may claim under it, waives, to the extent that it may lawfully do so, all right to have the Mortgaged Property marshalled upon any foreclosure of the Lien hereof, and agrees that any court having jurisdiction to foreclose the Lien of this Indenture may order the sale of the Mortgaged Property as an entirety.

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SECTION 1020. Defaults under Class A Mortgages.

In addition to every other right and remedy provided herein, the Trustee may exercise any right or remedy available to the Trustee in its capacity as owner and holder of Class A Bonds which arises as a result of a default or matured event of default under any Class A Mortgage, whether or not an Event of Default shall then have occurred and be continuing.

ARTICLE ELEVEN

The Trustee

SECTION 1101. Certain Duties and Responsibilities.

(a) Except during the continuance of an Event of Default,

(1) the Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustee; and

(2) in the absence of bad faith on its part, the Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon certificates or opinions furnished to the Trustee and conforming to the requirements of this Indenture; but in the case of any such certificates or opinions which by any provisions hereof are specifically required to be furnished to the Trustee, the Trustee shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture.

(b) In case an Event of Default shall have occurred and be continuing, the Trustee shall exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs.

(c) No provision of this Indenture shall be construed to relieve the Trustee from liability for its own negligent action, its own negligent failure to act, or its own willful misconduct, except that:

(1) this subsection shall not be construed to limit the effect of subsection (a) of this Section;

(2) the Trustee shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts;

(3) the Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Holders of a majority in principal amount of the Outstanding Securities, as

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provided herein, relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee, under this Indenture; and

(4) no provision of this Indenture shall require the Trustee to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity against such risk or liability is not reasonably assured to it.

(d) Whether or not therein expressly so provided, every provision of this Indenture relating to the conduct or affecting the liability of or affording protection to the Trustee shall be subject to the provisions of this Section.

SECTION 1102. Notice of Defaults.

The Trustee shall give the Holders notice of any default hereunder in the manner and to the extent required to do so by the Trust Indenture Act, unless such default shall have been cured or waived; provided, however, that in the case of any default of the character specified in Section 1001(c), no such notice to Holders shall be given until at least 75 days after the occurrence thereof. For the purpose of this Section, the term "default" means any event which is, or after notice or lapse of time, or both, would become, an Event of Default.

The Trustee shall give to the trustee under each Class A Mortgage a copy of each notice of default given to the Holders pursuant to this Section. In addition, the Trustee shall give to the Holders copies of each notice of default under any Class A Mortgage given to the Trustee in its capacity as owner and holder of Class A Bonds issued and outstanding thereunder.

SECTION 1103. Certain Rights of Trustee.

Subject to the provisions of Section 1101 and to the applicable provisions of the Trust Indenture Act:

(a) the Trustee may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties;

(b) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order, or as otherwise expressly provided herein, and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;

(c) whenever in the administration of this Indenture the Trustee shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, the Trustee (unless other evidence is

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specifically prescribed herein) may, in the absence of bad faith on its part, rely upon an Officer's Certificate;

(d) the Trustee may consult with counsel and the written advice of such counsel or any Opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon;

(e) the Trustee shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any Holder pursuant to this Indenture, unless such Holder shall have offered to the Trustee reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction;

(f) the Trustee shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustee, in its discretion, may make such further inquiry or investigation into such facts or matters as it may see fit, and, if the Trustee shall determine to make such further inquiry or investigation, it shall (subject to applicable legal requirements) be entitled to examine, during normal business hours, the books, records and premises of the Company, personally or by agent or attorney;

(g) the Trustee may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustee shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by it hereunder; and

(h) the Trustee shall not be charged with knowledge of any Event of Default unless either (i) a Responsible Officer of the Trustee shall have actual knowledge of the Event of Default or (ii) written notice of such Event of Default shall have been given to the Trustee by the Company, any other obligor on the Securities or by any Holder of such Securities or, in the case of an Event of Default described in Section 1001(f), by the trustee under the related Class A Mortgage.

SECTION 1104. Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities (except the Trustee's certificates of authentication) shall be taken as the statements of the Company, and neither the Trustee nor any Authenticating Agent assumes any responsibility for their correctness. The Trustee makes no representations as to the validity or sufficiency of this Indenture or of the Securities. Neither the Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof.

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SECTION 1105. May Hold Securities.

Each of the Trustee, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company, in its individual or any other capacity, may become the owner or pledgee of Securities and, subject to Sections 1108 and 1113, may otherwise deal with the Company with the same rights it would have if it were not such Trustee, Authenticating Agent, Paying Agent, Security Registrar or other agent.

SECTION 1106. Money Held in Trust.

Money held by the Trustee in trust hereunder need not be segregated from other funds, except to the extent required by law. The Trustee shall be under no liability for interest on or investment of any money received by it hereunder except as expressly provided herein or otherwise agreed with, and for the sole benefit of, the Company.

SECTION 1107. Compensation and Reimbursement.

The Company shall

(a) pay to the Trustee from time to time reasonable compensation for all services rendered by it hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);

(b) except as otherwise expressly provided herein, reimburse the Trustee upon its request for all reasonable expenses, disbursements and advances reasonably incurred or made by the Trustee in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of its agents and counsel), except to the extent that any such expense, disbursement or advance may be attributable to its negligence, wilful misconduct or bad faith; and

(c) indemnify the Trustee and hold it harmless from and against any loss, liability or expense reasonably incurred by it arising out of or in connection with the acceptance or administration of the trust or trusts hereunder or the performance of its duties hereunder, including the reasonable costs and expenses of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties hereunder, except to the extent any such loss, liability or expense may be attributable to its negligence, wilful misconduct or bad faith.

As security for the performance of the obligations of the Company under this Section, the Trustee shall have a Lien prior to the Securities upon the Mortgaged Property collected by the Trustee as such other than property and funds held in trust under Section 903 (except as otherwise provided in Section 903). "Trustee" for purposes of this Section shall include any predecessor Trustee; provided, however, that the negligence, wilful misconduct or bad faith of any Trustee hereunder shall not affect the rights of any other Trustee hereunder.

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SECTION 1108. Disqualification; Conflicting Interests.

If the Trustee shall have or acquire any conflicting interest within the meaning of the Trust Indenture Act, it shall either eliminate such conflicting interest or resign to the extent, in the manner and with the effect, and subject to the conditions, provided in the Trust Indenture Act and this Indenture, For purposes of Section 310(b)(1) of the Trust Indenture Act and to the extent permitted thereby, the Trustee, in its capacity as trustee in respect of the Securities of any series, shall not be deemed to have a conflicting interest arising from its capacity as trustee in respect of the Securities of any other series.

SECTION 1109. Corporate Trustee Required; Eligibility.

There shall at all times be a Trustee hereunder which shall be

(a) a corporation organized and doing business under the laws of the United States of America, any State or Territory thereof or the District of Columbia, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 and subject to supervision or examination by Federal or State authority, or

(b) if and to the extent permitted by the Commission by rule, regulation or order upon application, a corporation or other Person organized and doing business under the laws of a foreign government, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$50,000,000 or the U.S. Dollar equivalent of the applicable foreign currency and subject to supervision or examination by authority of such foreign government or a political subdivision thereof substantially equivalent to supervision or examination applicable to United States institutional trustees,

and, in either case, qualified and eligible under this Article and the Trust Indenture Act. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the Trustee shall cease to be eligible in accordance with the provisions of this Section, it shall resign immediately in the manner and with the effect hereinafter specified in this Article.

SECTION 1110. Resignation and Removal; Appointment of Successor.

(a) No resignation or removal of the Trustee and no appointment of a successor Trustee pursuant to this Article shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 1111.

(b) The Trustee may resign at any time by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 1111 shall not have been delivered to the Trustee within 30 days after the giving of such notice of

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resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee.

(c) The Trustee may be removed at any time by Act of the Holders of a majority in principal amount of the Securities then Outstanding delivered to the Trustee and to the Company.

(d) If at any time:

(i) the Trustee shall fail to comply with Section 1108 after written request therefor by the Company or by any Holder who has been a bona fide Holder for at least six months, or

(ii) the Trustee shall cease to be eligible under Section 1109 and shall fail to resign after written request therefor by the Company or by any such Holder, or

(iii) the Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of the Trustee or of its property shall be appointed or any public officer shall take charge or control of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (x) the Company by a Board Resolution may remove the Trustee or (y) subject to Section 1018, any Holder who has been a bona fide Holder for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the removal of the Trustee and the appointment of a successor Trustee or Trustees.

(e) If the Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of Trustee for any cause (other than as contemplated in clause (y) in subsection (d) of this Section), the Company, by a Board Resolution, shall take prompt steps to appoint a successor Trustee or Trustees and shall comply with the applicable requirements of Section 1111. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee shall be appointed by Act of the Holders of a majority in principal amount of the Securities then Outstanding delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment in accordance with the applicable requirements of Section 1111, become the successor Trustee and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee shall have been so appointed by the Company or the Holders and accepted appointment in the manner required by Section 1111, any Holder who has been a bona fide Holder of a Security for at least six months may, on behalf of itself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee.

(f) So long as no event which is, or after notice or lapse of time, or both, would become, an Event of Default shall have occurred and be continuing, if the Company shall have delivered to the Trustee (i) a Board Resolution appointing a successor Trustee, effective as of a date specified therein, and (ii) an instrument of acceptance of such appointment, effective as of such date, by such successor Trustee in accordance with Section 1111, the Trustee shall be

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deemed to have resigned as contemplated in subsection (b) of this Section, the successor Trustee shall be deemed to have been appointed pursuant to subsection (e) of this Section and such appointment shall be deemed to have been accepted as contemplated in Section 1111, all as of such date, and all other provisions of this Section and Section 1111 shall be applicable to such resignation, appointment and acceptance except to the extent inconsistent with this subsection (f).

(g) The Company shall give notice of each resignation and each removal of the Trustee and each appointment of a successor Trustee by mailing written notice of such event by first-class mail, postage prepaid, to all Holders as their names and addresses appear in the Security Register. Each notice shall include the name of the successor Trustee and the address of its corporate trust office.

SECTION 1111. Acceptance of Appointment by Successor.

(a) In case of the appointment hereunder of a successor Trustee, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of all sums owed to it, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.

(b) Upon request of any such successor Trustee, the Company shall execute any instruments which fully vest in and confirm to such successor Trustee all rights, powers and trusts referred to in subsection (a) of this Section.

(c) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article.

SECTION 1112. Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which the Trustee may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which the Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of the Trustee, shall be the successor of the Trustee hereunder, provided such corporation shall be otherwise qualified and eligible under this Article, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by the Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities.

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SECTION 1113. Preferential Collection of Claims Against Company.

If the Trustee shall be or become a creditor of the Company or any other obligor upon the Securities (other than by reason of a relationship described in Section 311(b) of the Trust Indenture Act), the Trustee shall be subject to any and all applicable provisions of the Trust Indenture Act regarding the collection of claims against the Company or such other obligor. For purposes of Section 311(b) of the Trust Indenture Act:

(a) the term “cash transaction” means any transaction in which full payment for goods or securities sold is made within seven days after delivery of the goods or securities in currency or in checks or other orders drawn upon banks or bankers and payable upon demand;

(b) the term “self-liquidating paper” means any draft, bill of exchange, acceptance or obligation which is made, drawn, negotiated or incurred by the Company for the purpose of financing the purchase, processing, manufacturing, shipment, storage or sale of goods, wares or merchandise and which is secured by documents evidencing title to, possession of, or a lien upon, the goods, wares or merchandise or the receivables or proceeds arising from the sale of the goods, wares or merchandise previously constituting the security, provided the security is received by the Trustee simultaneously with the creation of the creditor relationship with the Company arising from the making, drawing, negotiating or incurring of the draft, bill of exchange, acceptance or obligation:

SECTION 1114. Co-trustees and Separate Trustees.

At any time or times, for the purpose of meeting the legal requirements of any jurisdiction in which any of the Mortgaged Property may at the time be located, the Company and the Trustee shall have power to appoint, and, upon the written request of the Trustee or of the Holders of at least thirty-three per centum (33%) in principal amount of the Securities then Outstanding, the Company shall for such purpose join with the Trustee in the execution and delivery of all instruments and agreements necessary or proper to appoint, one or more Persons approved by the Trustee either to act as co-trustee, jointly with the Trustee, of all or any part of the Mortgaged Property, or to act as separate trustee of any such property, in either case with such powers as may be provided in the instrument of appointment, and to vest in such Person or Persons, in the capacity aforesaid, any property, title, right or power deemed necessary or desirable, subject to the other provisions of this Section. If the Company does not join in such appointment within 15 days after the receipt by it of a request so to do, or if an Event of Default shall have occurred and be continuing, the Trustee alone shall have power to make such appointment.

Should any written instrument or instruments from the Company be required by any co-trustee or separate trustee so appointed to more fully confirm to such co-trustee or separate trustee such property, title, right or power, any and all such instruments shall, on request, be executed, acknowledged and delivered by the Company.

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Every co-trustee or separate trustee shall, to the extent permitted by law, but to such extent only, be appointed subject to the following conditions:

(a) the Securities shall be authenticated and delivered, and all rights, powers, duties and obligations hereunder in respect of the custody of securities, cash and other personal property held by, or required to be deposited or pledged with, the Trustee hereunder, shall be exercised solely, by the Trustee;

(b) the rights, powers, duties and obligations hereby conferred or imposed upon the Trustee in respect of any property covered by such appointment shall be conferred or imposed upon and exercised or performed either by the Trustee or by the Trustee and such co-trustee or separate trustee jointly, as shall be provided in the instrument appointing such co-trustee or separate trustee, except to the extent that under any law of any jurisdiction in which any particular act is to be performed, the Trustee shall be incompetent or unqualified to perform such act, in which event such rights, powers, duties and obligations shall be exercised and performed by such co-trustee or separate trustee;

(c) the Trustee at any time, by an instrument in writing executed by it, with the concurrence of the Company, may accept the resignation of or remove any co-trustee or separate trustee appointed under this Section, and, if an Event of Default shall have occurred and be continuing, the Trustee shall have power to accept the resignation of, or remove, any such co-trustee or separate trustee without the concurrence of the Company. Upon the written request of the Trustee, the Company shall join with the Trustee, in the execution and delivery of all instruments and agreements necessary or proper to effectuate such resignation or removal. A successor to any co-trustee or separate trustee so resigned or removed may be appointed in the manner provided in this Section;

(d) no co-trustee or separate trustee hereunder shall be personally liable by reason of any act or omission of the Trustee, or any other such trustee hereunder; and

(e) any Act of Holders delivered to the Trustee shall be deemed to have been delivered to each such co-trustee and separate trustee.

SECTION 1115. Appointment of Authenticating Agent.

The Trustee may appoint an Authenticating Agent or Agents with respect to the Securities of one or more series, or any Tranche thereof, which shall be authorized to act on behalf of the Trustee to authenticate Securities of such series or Tranche issued upon original issuance, exchange, registration of transfer or partial redemption thereof or pursuant to Section 306, and Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the Trustee hereunder. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustee or the Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustee by an Authenticating Agent and a

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certificate of authentication executed on behalf of the Trustee by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States, any State or Territory thereof or the District of Columbia or the Commonwealth of Puerto Rico, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by Federal or State authority. If such Authenticating Agent publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section, the combined capital and surplus of such Authenticating Agent shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, such Authenticating Agent shall resign immediately in the manner and with the effect specified in this Section.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, provided such corporation shall be otherwise eligible under this Section, without the execution or filing of any paper or any further act on the part of the Trustee or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustee and to the Company. The Trustee may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section, the Trustee may appoint a successor Authenticating Agent which shall be acceptable to the Company. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section.

The Trustee agrees to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section, and the Trustee shall be entitled to be reimbursed for such payments in accordance with, and subject to the provisions of, Section 1107.

The provisions of Sections 308, 1104 and 1105 shall be applicable to each Authenticating Agent.

If an appointment with respect to the Securities of one or more series, or any Tranche thereof, shall be made pursuant to this Section, the Securities of such series or Tranche may have endorsed thereon, in addition to the Trustee's certificate of authentication, an alternate certificate of authentication substantially in the following form:

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This is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

As Trustee

By _____
As Authenticating Agent

By _____
Authorized Signatory

If all of the Securities of a series may not be originally issued at one time, and if the Trustee does not have an office capable of authenticating Securities upon original issuance located in a Place of Payment where the Company wishes to have Securities of such series authenticated upon original issuance, the Trustee, if so requested by the Company in writing (which writing need not comply with Section 105 and need not be accompanied by an Opinion of Counsel), shall appoint, in accordance with this Section and in accordance with such procedures as shall be acceptable to the Trustee, an Authenticating Agent having an office in a Place of Payment designated by the Company with respect to such series of Securities.

ARTICLE TWELVE

Lists of Holders; Reports by Trustee and Company

SECTION 1201. Lists of Holders.

Semiannually, not later than June 30 and December 31 in each year, commencing June 30, 1994, and at such other times as the Trustee may request in writing, the Company shall furnish or cause to be furnished to the Trustee information as to the names and addresses of the Holders, and the Trustee shall preserve such information and similar information received by it in any other capacity and afford to the Holders access to information so preserved by it, all to such extent, if any, and in such manner as shall be required by the Trust Indenture Act; provided, however, that no such list need be furnished so long as the Trustee shall be the Security Registrar.

SECTION 1202. Reports by Trustee and Company.

Not later than July 15 in each year, commencing July 15, 1994, the Trustee shall transmit to the Holders and the Commission a report, dated as of the next preceding May 15, with respect to any events and other matters described in Section 313(a) of the Trust Indenture Act, in such manner and to the extent required by the Trust Indenture Act. The Trustee shall transmit to the Holders and the Commission, and the Company shall file with the Trustee (within thirty (30) days after filing with the Commission in the case of reports which pursuant to the Trust Indenture Act must be filed with the Commission and furnished to the Trustee) and

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transmit to the Holders, such other information, reports and other documents, if any, at such times and in such manner, as shall be required by the Trust. Indenture Act.

ARTICLE THIRTEEN

Consolidation, Merger, Conveyance or Other Transfer

SECTION 1301. Company may Consolidate, etc., Only on Certain Terms.

The Company shall not consolidate with or merge into any other corporation, or convey or otherwise transfer or lease, subject to the Lien of this Indenture, the Mortgaged Property as or substantially as an entirety to any Person, unless:

(a) such consolidation, merger, conveyance or other transfer or lease shall be on such terms as shall fully preserve in all material respects the Lien and security of this Indenture and the rights and powers of the Trustee and the Holders of the Securities hereunder;

(b) the corporation formed by such consolidation or into which the Company is merged or the Person which acquires by conveyance or other transfer, or which leases, the Mortgaged Property as or substantially as an entirety shall be a corporation organized and existing under the laws of the United States of America, any State or Territory thereof or the District of Columbia (such corporation being hereinafter sometimes called the “**Successor Corporation**”) and shall execute and deliver to the Trustee an indenture supplemental hereto, in form recordable and satisfactory to the Trustee, which:

(i) in the case of a consolidation, merger, conveyance or other transfer, or in the case of a lease if The term thereof extends beyond the last Stated Maturity of the Securities then Outstanding, contains an assumption by the Successor Corporation of the due and punctual payment of the principal of and premium, if any, and interest, if any, on all the Securities then Outstanding and the performance and observance of every covenant and condition of this Indenture to be performed or observed by the Company, and

(ii) in the case of a consolidation, merger, conveyance or other transfer, contains a grant, conveyance, transfer and mortgage by the Successor Corporation, of the same tenor of the Granting Clauses herein,

(A) confirming the Lien of this Indenture on the Mortgaged Property (as constituted immediately prior to the time such transaction became effective) and subjecting to the Lien of this Indenture all property, real, personal and mixed, thereafter acquired by the Successor Corporation which shall constitute an improvement, extension or addition to the Mortgaged Property (as so constituted) or a renewal, replacement or substitution of or for any part thereof, and, at the election of the Successor Corporation,

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(B) subjecting to the Lien of this Indenture such property, real, personal or mixed, in addition to the property described in subclause (A) above, then owned or thereafter acquired by the Successor Corporation as the Successor Corporation shall, in its sole discretion, specify or describe therein,

and the Lien confirmed or created by such grant, conveyance, transfer and mortgage shall have force, effect and standing similar to those which the Lien of this Indenture would have had if the Company had not been a party to such consolidation, merger, conveyance or other transfer or lease and had itself, after the time such transaction became effective, purchased, constructed or otherwise acquired the property subject to such grant, conveyance, transfer and mortgage;

(c) in the case of a lease, such lease shall be made expressly subject to termination by the Company or by the Trustee at any time during the continuance of an Event of Default, and also by the purchaser of the property so leased at any sale thereof hereunder, whether such sale be made under the power of sale hereby conferred or pursuant to judicial proceedings; and

(d) the Company shall have delivered to the Trustee an Officer's Certificate and an Opinion of Counsel, each of which shall state that such consolidation, merger, conveyance or other transfer or lease, and such supplemental indenture, comply with this Article and that all conditions precedent herein provided for relating to such transaction have been complied with.

SECTION 1302. Successor Corporation Substituted.

Upon any consolidation or merger or any conveyance or other transfer, subject to the Lien of this Indenture, of the Mortgaged Property as or substantially as an entirety in accordance with Section 1301, the Successor Corporation shall succeed to, and be substituted for, and may exercise every power and right of, the Company under this Indenture with the same effect as if such Successor Corporation had been named as the "Company" herein. Without limiting the generality of the foregoing:

(a) all property of the Successor Corporation then subject to the Lien of this Indenture, of the character described in Section 104, shall constitute Property Additions;

(b) the Successor Corporation may execute and deliver to the Trustee, and thereupon the Trustee shall, subject to the provisions of Article Four, authenticate and deliver, Securities upon any basis provided in Article Four; and

(c) the Successor Corporation may, subject to the applicable provisions of this Indenture, cause Property Additions to be applied to any other Authorized Purpose.

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All Securities so executed by the Successor Corporation, and authenticated and delivered by the Trustee, shall in all respects be entitled to the benefit of the Lien of this Indenture equally and ratably with all Securities executed, authenticated and delivered prior to the time such consolidation, merger, conveyance or other transfer became effective.

SECTION 1303. Extent of Lien Hereof on Property of Successor Corporation.

Unless, in the case of a consolidation, merger, conveyance or other transfer contemplated by Section 1301, the indenture supplemental hereto contemplated in clause (b)(ii) in Section 1301, or any other indenture, contains a grant, conveyance, transfer and mortgage by the Successor Corporation as described in subclause (B) thereof, neither this Indenture nor such supplemental indenture shall become or be, or be required to become or be, a Lien upon any of the properties then owned or thereafter acquired by the Successor Corporation except properties acquired from the Company in or as a result of such transaction and improvements, extensions and additions to such properties and renewals, replacements and substitutions of or for any part or parts of such properties.

SECTION 1304. Release of Company upon Conveyance or Other Transfer.

In the case of a conveyance or other transfer contemplated in Section 1301, upon the satisfaction of all the conditions specified in Section 1301 the Company (such term being used in this Section without giving effect to such transaction) shall be released and discharged from all obligations and covenants under this Indenture and on and under all Securities then Outstanding unless the Company shall have delivered to the Trustee an instrument in which it shall waive such release and discharge.

SECTION 1305. Merger into Company; Extent of Lien Hereof.

(a) Nothing in this Indenture shall be deemed to prevent or restrict any consolidation or merger after the consummation of which the Company would be the surviving or resulting corporation or any conveyance or other transfer or lease, subject to the Lien of this Indenture, of any part of the Mortgaged Property which does not constitute the entirety, or substantially the entirety, thereof.

(b) Unless, in the case of a consolidation or merger described in subsection (a) of this Section, an indenture supplemental hereto shall otherwise provide, this Indenture shall not become or be, or be required to become or be, a Lien upon any of the properties acquired by the Company in or as a result of such transaction or any improvements, extensions or additions to such properties or any renewals, replacements or substitutions of or for any part or parts of such properties.

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ARTICLE FOURTEEN

Supplemental Indentures

SECTION 1401. Supplemental Indentures Without Consent of Holders.

Without the consent of any Holders, the Company and the Trustee, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustee, for any of the following purposes:

(a) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company herein and in the Securities, all as provided in Article Thirteen; or

(b) to add one or more covenants of the Company or other provisions for the benefit of all Holders or for the benefit of the Holders of, or to remain in effect only so long as there shall be Outstanding, Securities of one or more specified series, or one or more specified Tranches thereof, or to surrender any right or power herein conferred upon the Company; or

(c) to correct or amplify the description of any property at any time subject to the Lien of this Indenture; or better to assure, convey and confirm unto the Trustee any property subject or required to be subjected to the Lien of this Indenture; or to subject to the Lien of this Indenture additional property (including property of Persons other than the Company), to specify any additional Permitted Liens with respect to such additional property and to modify Section 802 in order to specify therein any additional items with respect to such additional property; or

(d) to change or eliminate any provision of this Indenture or to add any new provision to this Indenture; provided, however, that if such change, elimination or addition shall adversely affect the interests of the Holders of Securities of any series or Tranche in any material respect, such change, elimination or addition shall become effective with respect to such series or Tranche only when no Security of such series or Tranche remains Outstanding; or

(e) to establish the form or terms of Securities of any series or Tranche as contemplated by Sections 201 and 301; or

(f) to provide for the authentication and delivery of bearer securities and coupons appertaining thereto representing interest, if any, thereon and for the procedures for the registration, exchange and replacement thereof and for the giving of notice to, and the solicitation of the vote or consent of, the holders thereof, and for any and all other matters incidental thereto; or

(g) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee or by a co-trustee or separate trustee; or

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(h) to provide for the procedures required to permit the Company to utilize, at its option, a non-certificated system of registration for all, or any series or Tranche of, the Securities; or

(i) to change any place or places where (1) the principal of and premium, if any, and interest, if any, on all or any series of Securities, or any Tranche thereof, shall be payable, (2) all or any series of Securities, or any Tranche thereof, may be surrendered for registration of transfer, (3) all or any series of Securities, or any Tranche thereof, may be surrendered for exchange and (4) notices and demands to or upon the Company in respect of all or any series of Securities, or any Tranche thereof, and this Indenture may be served; or

(j) to cure any ambiguity, to correct or supplement any provision herein which may be defective or inconsistent with any other provision herein; or to make any other changes to the provisions hereof or to add other provisions with respect to matters or questions arising under this Indenture, provided that such other changes or additions shall not adversely affect the interests of the Holders of Securities of any series or Tranche in any material respect.

Without limiting the generality of the foregoing, if the Trust Indenture Act as in effect at the date of the execution and delivery of this Indenture or at any time thereafter shall be amended and

(x) if any such amendment shall require one or more changes to any provisions hereof or the inclusion herein of any additional provisions, or shall by operation of law be deemed to effect such changes or incorporate such provisions by reference or otherwise, this Indenture shall be deemed to have been amended so as to conform to such amendment to the Trust Indenture Act, and the Company and the Trustee may, without the consent of any Holders, enter into an indenture supplemental hereto to evidence such amendment hereof; or

(y) if any such amendment shall permit one or more changes to, or the elimination of, any provisions hereof which, at the date of the execution and delivery hereof or at any time thereafter, are required by the Trust Indenture Act to be contained herein or are contained herein to reflect any provisions of the Trust Indenture Act as in effect at such date, this Indenture shall be deemed to have been amended to effect such changes or elimination, and the Company and the Trustee may, without the consent of any Holders, enter into an indenture supplemental hereto to evidence such amendment hereof.

SECTION 1402. Supplemental Indentures With Consent of Holders.

With the consent of the Holders of not less than a majority in aggregate principal amount of the Securities of all series then Outstanding under this Indenture, considered as one class, by Act of said Holders delivered to the Company and the Trustee, the Company, when authorized by a Board Resolution, and the Trustee may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to, or changing in any manner or

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eliminating any of the provisions of, this Indenture; provided, however, that if there shall be Securities of more than one series Outstanding hereunder and if a proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or more, but less than all, of such series, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all series so directly affected, considered as one class, shall be required; and provided, further, that if the Securities of any series shall have been issued in more than one Tranche and if the proposed supplemental indenture shall directly affect the rights of the Holders of Securities of one or more, but less than all, of such Tranches, then the consent only of the Holders of a majority in aggregate principal amount of the Outstanding Securities of all Tranches so directly affected, considered as one class, shall be required; and provided, further, that no such supplemental indenture shall:

(a) change the Stated Maturity of the principal of, or any installment of principal of or interest on, any Security, or reduce the principal amount thereof or the rate of interest thereon (or the amount of any installment of interest thereon) or change the method of calculating such rate or reduce any premium payable upon the redemption thereof, or reduce the amount of the principal of any Discount Security that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 1002, or change the coin or currency (or other property), in which any Security or any premium or the interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity of any Security (or, in the case of redemption, on or after the Redemption Date), without, in any such case, the consent of the Holder of such Security; or

(b) permit the creation of any Lien (not otherwise permitted hereby) ranking prior to the Lien of this Indenture with respect to all or substantially all of the Mortgaged Property or terminate the Lien of this Indenture on all or substantially all of the Mortgaged Property, or deprive the Holders of the benefit of the Lien of this Indenture, without, in any such case, the consent of the Holders of all Securities then Outstanding; or

(c) reduce the percentage in principal amount of the Outstanding Securities of any series, or any Tranche thereof, the consent of the Holders of which is required for any such supplemental indenture, or the consent of the Holders of which is required for any waiver of compliance with any provision of this Indenture or of any default hereunder and its consequences, or reduce the requirements of Section 1504 for quorum or voting, without, in any such case, the consent of the Holder of each Outstanding Security of such series or Tranche; or

(d) modify any of the provisions of this Section, Section 609 or Section 1017 with respect to the Securities of any series, or any Tranche thereof (except to increase the percentages in principal amount referred to in this Section or such other Sections or to provide that other provisions of this Indenture cannot be modified or waived), without, in any such case, the consent of the Holder of each Outstanding Security of such series or Tranche; provided, however, that this clause shall not be deemed to require the consent of any Holder with respect to

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changes in the references to “the Trustee” and concomitant changes in this Section, or the deletion of this proviso, in accordance with the requirements of Section 1401(g).

A supplemental indenture which (x) changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of the Holders of, or which is to remain in effect only so long as there shall be Outstanding, Securities of one or more specified series, or one or more Tranches thereof, or (y) modifies the rights of the Holders of Securities of such series or Tranches with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series or Tranche.

It shall not be necessary for any Act of Holders under this Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 1403. Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article or the modifications thereby of the trusts created by this Indenture, the Trustee shall be entitled to receive, and (subject to Section 1101) shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. The Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects the Trustee’s own rights, duties, immunities or liabilities under this Indenture or otherwise.

SECTION 1404. Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby. Any supplemental indenture permitted by this Article may restate this Indenture in its entirety, and, upon the execution and delivery thereof, any such restatement shall supersede this Indenture as theretofore in effect for all purposes.

SECTION 1405. Conformity With Trust Indenture Act.

Every supplemental indenture executed pursuant to this Article shall conform to the requirements of the Trust Indenture Act.

SECTION 1406. Reference in Securities to Supplemental Indentures.

Securities of any series, or any Tranche thereof, authenticated and delivered after the execution of any supplemental indenture pursuant to this Article may, and shall if required by the Trustee, bear a notation in form approved by the Trustee as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series, or any Tranche thereof, so modified as to conform, in the opinion of the Trustee and the Company,

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to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustee in exchange for Outstanding Securities of such series or Tranche.

ARTICLE FIFTEEN

Meetings of Holders; Action Without Meeting

SECTION 1501. Purposes for Which Meetings May Be Called.

A meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, may be called at any time and from time to time pursuant to this Article to make, give or take any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be made, given or taken by Holders of Securities of such series or Tranches.

SECTION 1502. Call, Notice and Place of Meetings.

(a) The Trustee may at any time call a meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, for any purpose specified in Section 1501, to be held at such time and (except as provided in subsection (b) of this Section) at such place in the Borough of Manhattan, The City of New York, as the Trustee shall determine, or, with the approval of the Company, at any other place. Notice of every such meeting, setting forth the time and the place of such meeting and in general terms the action proposed to be taken at such meeting, shall be given, in the manner provided in Section 109, not less than 21 nor more than 180 days prior to the date fixed for the meeting.

(b) The Trustee may be asked to call a meeting of the Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, by the Company or by the Holders of thirty-three per centum (33%) in aggregate principal amount of all of such series and Tranches, considered as one class, for any purpose specified in Section 1501, by written request setting forth in reasonable detail the action proposed to be taken at the meeting. If the Trustee shall have been asked by the Company to call such a meeting, the Company shall determine the time and place for such meeting and may call such meeting by giving notice thereof in the manner provided in subsection (a) of this Section, or shall direct the Trustee, in the name and at the expense of the Company, to give such notice. If the Trustee shall have been asked to call such a meeting by Holders in accordance with this subsection (b), and the Trustee shall not have given the notice of such meeting within 21 days after receipt of such request or shall not thereafter proceed to cause the meeting to be held as provided herein, then the Holders of Securities of such series and Tranches in the amount above specified, may determine the time and the place in the Borough of Manhattan, The City of New York, or in such other place as shall be determined or approved by the Company, for such meeting and may call such meeting for such purposes by giving notice thereof as provided in subsection (a) of this Section.

(c) Any meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, shall be valid without notice if the Holders of all Outstanding Securities of such series or Tranches are present in person or by proxy and if representatives of the Company and the Trustee are present, or if notice is waived in writing before or after the

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meeting by the Holders of all Outstanding Securities of such series, or any Tranche or Tranches thereof, or by such of them as are not present at the meeting in person or by proxy, and by the Company and the Trustee.

SECTION 1503. Persons Entitled to Vote at Meetings.

To be entitled to vote at any meeting of Holders of Securities of one or more, or all, series, or any Tranche or Tranches thereof, a Person shall be (a) a Holder of one or more Outstanding Securities of such series or Tranches, or (b) a Person appointed by an instrument in writing as proxy for a Holder or Holders of one or more Outstanding Securities of such series or Tranches by such Holder or Holders. The only Persons who shall be entitled to attend any meeting of Holders of Securities of any series or Tranche shall be the Persons entitled to vote at such meeting and their counsel, any representatives of the Trustee and its counsel and any representatives of the Company and its counsel.

SECTION 1504. Quorum; Action.

The Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of the series and Tranches with respect to which a meeting shall have been called as hereinbefore provided, considered as one class, shall constitute a quorum for a meeting of Holders of Securities of such series and Tranches; provided, however, that if any action is to be taken at such meeting which this Indenture expressly provides may be taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of such series and Tranches, considered as one class, the Persons entitled to vote such specified percentage in principal amount of the Outstanding Securities of such series and Tranches, considered as one class, shall constitute a quorum. In the absence of a quorum within one hour of the time appointed for any such meeting, the meeting shall, if convened at the request of Holders of Securities of such series and Tranches, be dissolved. In any other case the meeting may be adjourned for such period as may be determined by the chairman of the meeting prior to the adjournment of such meeting. In the absence of a quorum at any such adjourned meeting, such adjourned meeting may be further adjourned for such period as may be determined by the chairman of the meeting prior to the adjournment of such adjourned meeting. Except as provided by Section 1505(e), notice of the reconvening of any meeting adjourned for more than 30 days shall be given as provided in Section 109 not less than ten days prior to the date on which the meeting is scheduled to be reconvened. Notice of the reconvening of an adjourned meeting shall state expressly the percentage, as provided above, of the principal amount of the Outstanding Securities of such series and Tranches which shall constitute a quorum.

Except as limited by Section 1402, any resolution presented to a meeting or adjourned meeting duly reconvened at which a quorum is present as aforesaid may be adopted only by the affirmative vote of the Holders of a majority in aggregate principal amount of the Outstanding Securities of the series and Tranches with respect to which such meeting shall have been called, considered as one class; provided, however, that, except as so limited, any resolution with respect to any action which this Indenture expressly provides may be taken by the Holders of a specified percentage, which is less than a majority, in principal amount of the Outstanding Securities of such series and Tranches, considered as one class, may be adopted at a meeting or an adjourned meeting duly reconvened and at which a quorum is present as aforesaid by the

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affirmative vote of the Holders of such specified percentage in principal amount of the Outstanding Securities of such series and Tranches, considered as one class.

Any resolution passed or decision taken at any meeting of Holders of Securities duly held in accordance with this Section shall be binding on all the Holders of Securities of the series and Tranches with respect to which such meeting shall have been held, whether or not present or represented at the meeting.

SECTION 1505. Attendance at Meetings; Determination of Voting Rights; Conduct and Adjournment of Meetings.

(a) Attendance at meetings of Holders of Securities may be in person or by proxy; and, to the extent permitted by law, any such proxy shall remain in effect and be binding upon any future Holder of the Securities with respect to which it was given unless and until specifically revoked by the Holder or future Holder of such Securities before being voted.

(b) Notwithstanding any other provisions of this Indenture, the Trustee may make such reasonable regulations as it may deem advisable for any meeting of Holders of Securities in regard to proof of the holding of such Securities and of the appointment of proxies and in regard to the appointment and duties of inspectors of votes, the submission and examination of proxies, certificates and other evidence of the right to vote, and such other matters concerning the conduct of the meeting as it shall deem appropriate. Except as otherwise permitted or required by any such regulations, the holding of Securities shall be proved in the manner specified in Section 107 and the appointment of any proxy shall be proved in the manner specified in Section 107. Such regulations may provide that written instruments appointing proxies, regular on their face, may be presumed valid and genuine without the proof specified in Section 107 or other proof.

(c) The Trustee shall, by an instrument in writing, appoint a temporary chairman of the meeting, unless the meeting shall have been called by the Company or by Holders as provided in Section 1502(b), in which case the Company or the Holders of Securities of the series and Tranches calling the meeting, as the case may be, shall in like manner appoint a temporary chairman. A permanent chairman and a permanent secretary of the meeting shall be elected by vote of the Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches represented at the meeting, considered as one class.

(d) At any meeting each Holder or proxy shall be entitled to one vote for each \$1,000 principal amount of Outstanding Securities held or represented by such Holder; provided, however, that no vote shall be cast or counted at any meeting in respect of any Security challenged as not Outstanding and ruled by the chairman of the meeting to be not Outstanding. The chairman of the meeting shall have no right to vote, except as a Holder of a Security or proxy.

(e) Any meeting duly called pursuant to Section 1502 at which a quorum is present may be adjourned from time to time by Persons entitled to vote a majority in aggregate principal amount of the Outstanding Securities of all series and Tranches represented at the

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meeting, considered as one class; and the meeting may be held as so adjourned without further notice.

SECTION 1506. Counting Votes and Recording Action of Meetings.

The vote upon any resolution submitted to any meeting of Holders shall be by written ballots on which shall be subscribed the signatures of the Holders or of their representatives by proxy and the principal amounts and serial numbers of the Outstanding Securities, of the series and Tranches with respect to which the meeting shall have been called, held or represented by them. The permanent chairman of the meeting shall appoint two inspectors of votes who shall count all votes cast at the meeting for or against any resolution and who shall make and file with the secretary of the meeting their verified written reports of all votes cast at the meeting. A record of the proceedings of each meeting of Holders shall be prepared by the secretary of the meeting and there shall be attached to said record the original reports of the inspectors of votes on any vote by ballot taken thereat and affidavits by one or more persons having knowledge of the facts setting forth a copy of the notice of the meeting and showing that said notice was given as provided in Section 1502 and, if applicable, Section 1504. Each copy shall be signed and verified by the affidavits of the permanent chairman and secretary of the meeting and one such copy shall be delivered to the Company, and another to the Trustee to be preserved by the Trustee, the latter to have attached thereto the ballots voted at the meeting. Any record so signed and verified shall be conclusive evidence of the matters therein stated.

SECTION 1507. Action Without Meeting.

In lieu of a vote of Holders at a meeting as hereinbefore contemplated in this Article, any request, demand, authorization, direction, notice, consent, waiver or other action may be made, given or taken by Holders by written instruments as provided in Section 107.

ARTICLE SIXTEEN

Immunity of Incorporators, Stockholders, Officers and Directors

SECTION 1601. Liability Solely Corporate.

No recourse shall be had for the payment of the principal of or premium, if any, or interest, if any, on any Securities, or any part thereof, or for any claim based thereon or otherwise in respect thereof, or of the indebtedness represented thereby, or upon any obligation, covenant or agreement under this Indenture, against any incorporator, shareholder, officer or director, as such, past, present or future of the Company or of any predecessor or successor corporation (either directly or through the Company or a predecessor or successor corporation), whether by virtue of any constitutional provision, statute or rule of law, or by the enforcement of any assessment or penalty or otherwise; it being expressly agreed and understood that this Indenture and all the Securities are solely corporate obligations, and that no personal liability whatsoever shall attach to, or be incurred by, any incorporator, shareholder, officer or director, past, present or future, of the Company or of any predecessor or successor corporation, either directly or indirectly through the Company or any predecessor or successor corporation, because of the indebtedness hereby authorized or under or by reason of any of the obligations, covenants or agreements contained in this Indenture or in any of the Securities or to be implied herefrom or

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therefrom, and that any such personal liability is hereby expressly waived and released as a condition of, and as part of the consideration for, the execution of this Indenture and the issuance of the Securities.

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This Indenture may be executed in any number of counterparts, each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Indenture.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed as of the day and year first above written.

PUBLIC SERVICE COMPANY OF COLORADO

By: /s/ Ralph Sargent III

Ralph Sargent III
Vice President Finance
Planning & Communication and Treasurer

MORGAN GUARANTY TRUST COMPANY OF
NEW YORK, Trustee

By: /s/ Norma R. Pane

Norma R. Pane
Vice President

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STATE OF COLORADO)

) ss.:

CITY AND COUNTY OF DENVER)

On the 30th day of September, 1993 before me personally came Ralph Sargent III, to me known, who, being by me duly sworn, did depose and say that he is the Vice President Finance, Planning and Communication, and Treasurer of Public Service Company of Colorado, one of the corporations described in and which executed the foregoing instrument and that he signed his name thereto by authority of the Board of Directors of said corporation.

/s/ Jo Lynn Rife

Notary Public

Jo Lynn Rife

Notary Public, State of Colorado

Commission Expires April 12, 1994

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Exhibit A

RECORDING INFORMATION RELATING TO PSCO 1939 MORTGAGE

By the Indenture, dated as of October 1, 1993 (the “Indenture”), and subject to the terms and provisions thereof, Public Service Company of Colorado (the “Company”) has granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over and confirmed to Morgan Guaranty Trust Company of New York, the trustee thereunder, among other things, all right, title and interest of the Company in and to lands and interests in land used or to be used in or in connection with the business of generating, purchasing, transmitting, distributing and/or selling electric energy (whether or not such is the sole use of such property) which are subject to the lien of the Indenture, dated as of December 1, 1939, of the Company to Guaranty Trust Company of New York (now Morgan Guaranty Trust Company of New York), as amended and supplemented by various indentures supplemental thereto (as so amended and supplemented, the “PSCO 1939 Mortgage”), except land and interests in land which have been specifically released from the lien of the PSCO 1939 Mortgage from time to time or are specifically excepted therefrom, and in any event excluding all lands, interests in land and other properties described or referred to in Part Fifth, Part Sixth, Part Ninth and Part Tenth of the granting clauses of the PSCO 1939 Mortgage (including the aforesaid supplemental indentures), and except to the extent, if any, that such lands and interests in land constitute Excepted Property (as defined in the Indenture), and subject to such prior Liens as are described or referred to in the Indenture.

The PSCO 1939 Mortgage (including the indentures supplemental thereto) has been heretofore recorded and filed on the respective dates and in the respective places in the State of Colorado set forth on the following pages:

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<u>County</u>	<u>Indenture</u>	<u>Yr</u>	<u>Mo</u>	<u>Day</u>	<u>Reference: Book</u>	<u>Page</u>	<u>Reception No</u>
Adams	Original	39	11	29	259	390	
	Supplemental	43	05	27	288	254	
	Supplemental	44	05	29	298	192	
	Supplemental	45	05	14	306	313	
	Supplemental	47	04	18	334	502	
	Supplemental	47	07	11	340	1	
	Supplemental	48	06	11	358	457	
	Supplemental	50	05	10	394	523	
	Supplemental	51	04	25	418	465	
	Supplemental	51	10	05	428	461	
	Supplemental	52	04	29	441	113	
	Supplemental	53	04	29	464	29	
	Supplemental	54	05	04	496	266	
	Supplemental	54	10	06	516	394	
	Supplemental	55	05	03	547	468	
	Supplemental	56	05	01	606	142	
	Supplemental	57	05	23	659	369	
	Supplemental.	58	04	25	707	428	
	Supplemental	59	04	30	775	166	
	Supplemental	60	05	09	843	448	
	Supplemental	61	05	11	908	278	
	Supplemental	61	10	06	940	378	
	Supplemental	62	03	20	972	500	
	Supplemental	64	06	22	1158	384	
	Supplemental	66	05	25	1297	110	
	Supplemental	67	07	27	1378	62	
	Supplemental	68	07	25	1451	375	
	Supplemental	69	05	16	1516	265	
	Supplemental	70	05	11	1596	275	
	Supplemental	70	09	10	1627	219	
	Supplemental	72	08	08	1811	473	
	Supplemental	73	06	18	1870	365	
	Supplemental	74	04	23	1925	672	
	Supplemental	75	11	06	2027	886	
	Supplemental	77	06	07	2148	373	
	Supplemental	77	12	16	2198	890	
	Supplemental	81	07	01	2567	89	
	Supplemental	82	05	18	2644	806	
	Supplemental	82	05	18	2644	831	
	Supplemental	82	06	07	2650	540	
	Supplemental	83	06	09	2755	2	
Supplemental	84	06	19	2885	508		
Supplemental	85	06	03	3007	390		
Supplemental	87	03	27	3292	955		
Supplemental	87	06	25	3334	672		
Supplemental	90	09	12	3710	587		
Supplemental	91	02	11	3750	292		
Supplemental	92	05	01	3898	260		
Supplemental	93	06	16	4092	117		
Supplemental	93	08	31	4140	1		
Alamosa	2nd Supplemental	41	06	25	84	60	
	7th Supplemental	46	05	21	92	475	
	8th Supplemental	47	04	16	96	16	

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<u>County</u>	<u>Indenture</u>	<u>Yr</u>	<u>Mo</u>	<u>Day</u>	<u>Reference: Book</u>	<u>Page</u>	<u>Reception No</u>
	Original	39	12	04	81	321	
	Supplemental	47	06	30	98	187	
	Supplemental	50	05	10	104	340	
	Supplemental	51	10	06	110	287	
	Supplemental	54	10	07	123	361	
	Supplemental	58	04	23	135	277	
	Supplemental	59	05	08	146	172	
	Supplemental	61	10	06	159	266	
	Supplemental	64	06	25	172	108	
	Supplemental	66	05	27	183	156	
	Supplemental	67	08	01	188	294	
	Supplemental	74	04	23	227	215	
	Supplemental	82	05	20	289	58	
	Supplemental	82	05	20	289	81	
	Supplemental	82	06	08	289	321	
	Supplemental	83	06	10	297	2	
	Supplemental	84	06	19	304	759	
	Supplemental	85	06	04	312	1	
	Supplemental	87	03	30	346	13	
	Supplemental	87	06	26	350	277	
	Supplemental	90	09	13	404	127	
	Supplemental	91	02	12	411	119	
	Supplemental	92	05	04	437	305	
	Supplemental	93	06	16	466	48	
	Supplemental.	93	09	01	471	248	
Arapahoe	2nd Supplemental	41	06	26	451	409	
	3rd Supplemental	42	06	11	466	156	
	6th Supplemental	45	05	16	519	86	
	8th Supplemental	47	04	21	575	363	
	Original	39	12	01	425	288	
	Supplemental	47	06	26	581	29	
	Supplemental	48	06	12	611	280	
	Supplemental	48	10	25	621	380	
	Supplemental	49	05	20	637	181	
	Supplemental	50	05	17	675	222	
	Supplemental	51	05	07	717	318	
	Supplemental	51	10	05	735	1	
	Supplemental	52	04	29	755	280	
	Supplemental	53	05	05	803	161	
	Supplemental	54	05	13	857	558	
	Supplemental	54	10	06	880	274	
	Supplemental	56	05	08	966	19	
	Supplemental	57	05	23	1016	205	
	Supplemental	58	04	25	1061	1	
	Supplemental	59	04	30	1125	137	
	Supplemental	60	05	09	1189	19	
	Supplemental	61	05	11	1258	374	
	Supplemental	61	10	06	1293	66	
	Supplemental	62	03	21	1326	365	
	Supplemental	64	06	22	1525	427	
	Supplemental	66	05	23	1666	585	
	Supplemental	67	07	27	1719	546	
	Supplemental	68	07	25	1769	184	

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					Book	Page	
	Supplemental	70	05	11	1863	738	
	Supplemental	70	09	10	1884	129	
	Supplemental	71	02	18	1909	337	
	Supplemental	72	08	08	2044	692	
	Supplemental	73	06	18	2138	260	
	Supplemental	75	11	06	2390	126	
	Supplemental	76	06	09	2456	221	
	Supplemental	77	06	07	2598	202	
	Supplemental	77	12	16	2697	433	
	Supplemental	79	11	19	3121	477	
	Supplemental	82	05	19	3627	266	
	Supplemental	82	05	19	3627	291	
	Supplemental	82	06	07	3637	645	
	Supplemental	83	06	19	3918	94	
	Supplemental	84	06	20	4189	299	
	Supplemental	85	06	03	4454	124	
	Supplemental	87	03	27	5090	678	
	Supplemental	87	06	10	5205	552	
	Supplemental	90	09	12	6005	656	
	Supplemental	91	02	13	6096	326	
	Supplemental	92	05	01	6458	165	
	Supplemental	93	06	18	6988	223	
	Supplemental	93	08	31			93-116232
Archuleta	Original	93	09	03			0093004967
	Supplemental	93	09	03			0093004971
	Supplemental	93	09	03			0093004969
Bent	Supplemental	81	07	01	360	572	
	Supplemental	82	05	20	366	308	
	Supplemental	82	05	20	366	333	
	Supplemental	82	06	07	366	511	
	Supplemental	83	06	10	370	771	
	Supplemental	84	06	21	374	635	
	Supplemental	85	06	03	378	489	
	Supplemental	87	03	27	384	504	
	Supplemental	87	06	25	385	347	
	Supplemental	90	09	12	408	339	
	Supplemental	91	02	11	411	243	
	Supplemental	92	05	01	422	181	
	Supplemental	93	06	16	430	157	
	Supplemental	93	09	01	432	83	
	Original	93	09	22	434	1	
	Supplemental	93	09	22	433	1	
Boulder	2nd Supplemental	41	06	27	705	335	
	3rd Supplemental	42	06	25	716	457	
	4th Supplemental	43	05	25	729	290	
	5th Supplemental	44	05	31	744	267	
	Original	39	11	29	679	1	
	Supplemental	47	06	30	811	207	
	Supplemental	48	06	10	828	228	
	Supplemental	48	10	25	836	416	
	Supplemental	49	05	23	847	74	
	Supplemental	50	05	11	868	13	
	Supplemental	51	04	25	886	359	

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<u>County</u>	<u>Indenture</u>	<u>Yr</u>	<u>Mo</u>	<u>Day</u>	<u>Reference: Book</u>	<u>Page</u>	<u>Reception No</u>
	Supplemental	53	04	29	926	363	
	Supplemental	54	10	06	961	129	
	Supplemental	57	05	23	1045	45	
	Supplemental	58	04	25	1072	526	
	Supplemental	59	04	30	1108	34	
	Supplemental	60	05	09	1143	27	
	Supplemental	61	05	11	1182	263	
	Supplemental	61	10	05	1202	122	
	Supplemental	62	03	21	1223	117	
	Supplemental	64	06	22	Film 505		758886
	Supplemental	66	05	23	Film 570		815947
	Supplemental	67	08	01	Film 609		853735
	Supplemental	68	07	25	641		885546
	Supplemental	69	05	16	Film 668		913274
	Supplemental	70	05	12	Film 698		942958
	Supplemental	70	09	15	Film 709		954421
	Supplemental	72	08	09	Film 783		29676
	Supplemental	74	04	23	Film 851		100506
	Supplemental	76	06	08	Film 926		179322
	Supplemental	77	06	08	Film 965		226467
	Supplemental	77	12	20	Film 989		257222
	Supplemental	79	11	19	Film 1092		371001
	Supplemental	80	03	26	Film 1110		389173
	Supplemental	82	05	18	Film 1207		494980
	Supplemental	82	05	18	Film 1207		494981
	Supplemental	82	06	07	Film 1209		497496
	Supplemental	83	06	09	Film 1256		554662
	Supplemental	84	06	20	Film 1308		628636
	Supplemental	85	06	03	Film 1356		691564
	Supplemental	87	03	30	Film 1465		837031
	Supplemental	87	06	26	Film 1482		859443
	Supplemental	90	09	13	Film 1643		01063929
	Supplemental	91	02	11	Film 1661		01087294
	Supplemental	92	05	01			01181150
	Supplemental	93	06	16		1	01304329
	Supplemental	93	09	01		1	01332731
Chaffee	3rd Supplemental	42	07	07	242	72	
	Original	39	12	04	238	85	
	Supplemental	47	06	30	254	169	
	Supplemental	51	04	28	267	50	
	Supplemental	52	04	29	273	45	
	Supplemental	57	05	24	292	54	
	Supplemental	59	05	04	305	241	
	Supplemental	67	07	31	358	750	
	Supplemental	77	06	08	409	375	
	Supplemental	78	05	18	416	337	
	Supplemental	82	05	18	449	502	
	Supplemental	82	05	18	449	527	
	Supplemental	82	06	07	449	832	
	Supplemental	83	06	09	457	485	
	Supplemental	84	06	19	465	674	
	Supplemental	85	06	03	472	182	
	Supplemental	87	03	30	487	496	

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Clear Creek	Supplemental	87	06	26	489	435	
	Supplemental	90	09	13	512	976	
	Supplemental	91	02	11	515	568	
	Supplemental	92	05	04	524	549	
	Supplemental	93	06	16	535	221	
	Supplemental	93	09	01	538	1	
	4th Supplemental	43	05	25	222	591	
	6th Supplemental	45	05	14	230	179	
	Original	39	11	29	222	238	
	Supplemental	41	03	31	222	430	
	Supplemental	47	06	28	240	1	
	Supplemental	56	05	04	251	414	
	Supplemental	57	05	24	257	1	
	Supplemental	66	05	26	294	218	
	Supplemental	67	07	27	300	31	
	Supplemental	69	05	16	312	642	
	Supplemental	70	09	10	320	445	
	Supplemental	72	08	08	333	683	
	Supplemental	74	04	23	346	539	
	Supplemental	77	12	16	372	384	
	Supplemental	82	05	18	415	568	
	Supplemental	82	05	18	415	593	
	Supplemental	82	06	08	415	969	
	Supplemental	83	06	08	422	854	
	Supplemental	84	06	19	430	909	
	Supplemental	85	06	03	438	391	
	Supplemental	87	03	27	452	953	
	Supplemental	87	06	25	454	923	
	Supplemental	90	09	12	477	049	
	Supplemental	91	02	11	480	71	
Supplemental	92	05	01	489	263		
Supplemental	93	06	16	501	256		
Conejos	Supplemental	93	08	31			162997
	Original	39	12	04	164	222	
	Supplemental	47	07	09	182	475	
	Supplemental	51	10	08	191	596	
	Supplemental	54	05	05	196	261	
	Supplemental	54	10	07	196	384	
	Supplemental	59	05	05	205	538	
	Supplemental	64	06	25	222	81	
	Supplemental	66	05	26	227	101	
	Supplemental	67	08	01	231	413	
	Supplemental	68	07	26	237	11	
	Supplemental	82	05	19	305	293	
	Supplemental	82	05	19	305	318	
	Supplemental	82	06	10	305	500	
	Supplemental	83	06	10	311	184	
	Supplemental	84	06	19	316	305	
	Supplemental	85	06	03		467	188925
	Supplemental	87	03	31	332	164	
	Supplemental	87	06	26	333	1	
	Supplemental	90	09	12	344	118	
Supplemental	91	02	11	345	204		

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<u>County</u>	<u>Indenture</u>	<u>Yr</u>	<u>Mo</u>	<u>Day</u>	<u>Reference: Book</u>	<u>Page</u>	<u>Reception No</u>
	Supplemental	92	05	04	349	179	
	Supplemental	93	06	17	353	456	
	Supplemental	93	09	01	354	249	
Costilla	Original	39	12	04	145	67	
	Supplemental	47	07	02	150	420	
	Supplemental	64	06	25	184	407	
	Supplemental	66	05	26	187	229	
	Supplemental	82	05	19	225	773	
	Supplemental	82	05	19	225	798	
	Supplemental	82	06	10	226	212	
	Supplemental	83	06	10	233	11	
	Supplemental	84	06	19	237	966	
	Supplemental	85	06	03	241	802	
	Supplemental	87	03	30	249	281	
	Supplemental	87	06	26	250	326	
	Supplemental	90	09	13	262	971	
	Supplemental	91	02	11	264	497	
	Supplemental	92	05	04	270	209	
	Supplemental	93	06	16	285	269	
	Supplemental	93	09	01	289	305	
Crowley	Original	92	06	18	241	795	
	Supplemental	92	06	18	242	1	
	Supplemental	93	06	16	243	586	
	Supplemental	93	08	31	243	927	
Delta	Original	92	06	19	686	348	
	Supplemental	92	06	19	686	648	
	Supplemental	93	06	17	703	192	
	Supplemental	93	09	01	707	95	
Denver	3rd Supplemental	42	05	27	5635	292	
	4th Supplemental	43	05	24	5735	88	
	5th Supplemental	44	05	23	5778	108	
	6th Supplemental	45	05	12	5902	569	
	7th Supplemental	46	05	20	6045	217	
	8th Supplemental	47	04	16	6195	285	
	Original	39	11	29	5370	1	
	Supplemental	47	06	27	6233	235	
	Supplemental	48	06	09	6399	236	
	Supplemental	48	10	25	6459	462	
	Supplemental	49	05	16	6544	564	
	Supplemental	50	05	09	6719	523	
	Supplemental	51	04	24	6913	192	
	Supplemental	51	10	05	6998	439	
	Supplemental	52	04	29	7105	99	
	Supplemental	53	01	09	7239	3	
	Supplemental	53	04	28	7290	198	
	Supplemental	54	05	03	7467	432	
	Supplemental	54	10	06	7549	247	
	Supplemental	55	05	03	7669	2	
	Supplemental	56	05	01	7864	483	
	Supplemental	57	05	23	8040	547	
	Supplemental	58	04	25	8176	367	
	Supplemental	59	04	30	8346	268	
	Supplemental	60	05	09	8508	363	

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	Supplemental	61	05	11	8671	455	
	Supplemental	61	10	05	8745	12	
	Supplemental	62	03	20	8818	61	
	Supplemental	64	06	22	9256	262	
	Supplemental	66	05	23	9602	417	
	Supplemental	67	07	26	9762	487	
	Supplemental	68	07	26	9908	459	
	Supplemental	69	05	15	32	403	
	Supplemental	70	05	08	173	632	
	Supplemental	70	09	09	222	288	
	Supplemental	72	08	03	541	597	
	Supplemental	73	06	15	714	75	
	Supplemental	74	04	23	868	204	
	Supplemental	75	01	10	996	314	
	Supplemental	75	11	04	1148	18	
	Supplemental	76	06	09	1260	280	
	Supplemental	77	06	07	1452	684	
	Supplemental	78	05	19	1667	670	
	Supplemental	80	03	25	2129	10.	
	Supplemental	82	05	18	2586	124	
	Supplemental	82	05	18	2586	149	
	Supplemental	82	06	08	2598	329	
	Supplemental	83	06	08	2829	279	
	Supplemental	84	06	22	3130	346	
	Supplemental	85	06	04		467	022091
	Supplemental	87	03	27	Film 0148		109778
	Supplemental	87	07	07	Film 0215		155736
	Supplemental	90	09	14			R-90-0084791
	Supplemental	91	02	11			R-91-0010640
	Supplemental	92	05	11			R-92-0051383
	Supplemental	93	06	17			93-0077115
	Supplemental	93	09	02			93-00119030
Dolores	Original	92	06	19	254	92	
	Supplemental	92	06	19	254	390	
	Supplemental	93	06	16	259	1	
	Supplemental	93	09	01	259	450	
Douglas	Original	57	04	18	120	199	
	Supplemental	57	04	18	120	342	
	Supplemental	57	05	24	121	65	
	Supplemental	58	04	23	124	143	
	Supplemental	59	05	04	128	232	
	Supplemental	60	05	09	132	19	
	Supplemental	61	05	11	137	237	
	Supplemental	61	10	06	140	102	
	Supplemental	62	03	21	142	316	
	Supplemental	64	06	22	157	441	
	Supplemental	66	05	23	170	99	
	Supplemental	67	07	27	177	356	
	Supplemental	68	07	25	185	264	
	Supplemental	70	05	11	204	159	
	Supplemental	72	08	09	234	84	
	Supplemental	73	06	18	248	149	
	Supplemental	77	12	19	321	245	

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<u>County</u>	<u>Indenture</u>	<u>Yr</u>	<u>Mo</u>	<u>Day</u>	<u>Reference: Book</u>	<u>Page</u>	<u>Reception No</u>
	Supplemental	82	05	19	441	956	
	Supplemental	82	05	19	441	981	
	Supplemental	82	06	08	443	435	
	Supplemental	83	06	08	477	1049	
	Supplemental	84	06	19	525	869	
	Supplemental	85	06	03	576	936	
	Supplemental	87	03	27	709	42	
	Supplemental	87	06	26	730	1	
	Supplemental.	90	09	12	0930	0833	
	Supplemental	91	02	11	0954	0030	
	Supplemental	92	05	01	1050	50	
	Supplemental	93	06	16	1131	1075	
	Supplemental	93	08	31	1145	1318	
Eagle	3rd Supplemental	42	08	18	128	292	
	6th Supplemental	45	05	14	132	1	
	8th Supplemental	47	04	16	132	545	
	Original	39	12	01	124	411	
	Supplemental	47	06	30	134	173	
	Supplemental	64	06	24	183	47	
	Supplemental	66	05	27	197	37	
	Supplemental	67	07	31	205	205	
	Supplemental	70	05	11	217	607	
	Supplemental	74	04	23	234	319	
	Supplemental	75	11	06	242	889	
	Supplemental	82	05	19	340	657	
	Supplemental	82	05	19	340	658	
	Supplemental	82	06	09	341	427	
	Supplemental	83	06	09	361	271	
	Supplemental	84	06	20	387	777	
	Supplemental	85	06	03	415	900	
	Supplemental	87	03	30	459	932	
	Supplemental	87	06	26	465	91	
	Supplemental	90	09	13	537	496	
	Supplemental	91	02	11	547	00077	
	Supplemental	92	05	01	579	87	
	Supplemental	93	06	17	611	173	
	Supplemental	93	09	01	618	342	
El Paso	Original	66	04	06	2125	686	
	Supplemental	66	05	26	2133	323	
	Supplemental	68	07	26	2245	531	
	Supplemental	77	12	16	2990	805	
	Supplemental	82	05	20	3567	1	
	Supplemental	82	05	20	3567	26	
	Supplemental	82	06	09	3573	893	
	Supplemental	83	06	22	3743	661	
	Supplemental	84	06	19	3884	901	
	Supplemental	85	06	03	5016	0903	
	Supplemental	87	03	27	5338	669	
	Supplemental	87	07	15	5395	474	
	Supplemental	90	09	13	5773	142	
	Supplemental	91	02	11	5812	751	
	Supplemental	92	05	01	5971	631	
	Supplemental	93	06	16	6195	169	

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<u>County</u>	<u>Indenture</u>	<u>Yr</u>	<u>Mo</u>	<u>Day</u>	<u>Reference: Book</u>	<u>Page</u>	<u>Reception No</u>
Elbert	Supplemental	93	08	31	6248	51	
	Original	66	04	19	259	1	
	Supplemental	66	05	23	259	452	
	Supplemental	77	12	16	311	350	
	Supplemental	82	05	18	347	390	
	Supplemental	82	05	18	347	415	
	Supplemental	82	06	08	347	912	
	Supplemental	83	06	08	357	122	
	Supplemental	84	06	19	369	235	
	Supplemental	85	06	03	381	223	
	Supplemental	87	03	27	404	530	
	Supplemental	87	07	10	408	26	
	Supplemental	90	09	12	439	324	
	Supplemental	91	02	11	442	849	
	Supplemental	92	05	01	455	747	
	Supplemental	93	06	16	472	852	
	Fremont	Supplemental	93	08	31	477	365
Original		59	03	28	403	99	
Supplemental		59	05	04	404	334	
Garfield	Supplemental	59	05	28	403	241	
	8th Supplemental	47	04	17	218	525	
	Original	39	12	01	196	197	
	Supplemental	47	06	27	227	255	
	Supplemental	51	05	12	258	340	
	Supplemental	56	05	03	292	474	
	Supplemental	57	05	28	301	19	
	Supplemental	58	04	29	308	341	
	Supplemental	61	05	15	334	121	
	Supplemental	61	10	06	337	82	
	Supplemental	62	03	23	340	143	
	Supplemental	64	06	24	359	9	
	Supplemental	66	06	03	376	453	
	Supplemental	67	07	28	386	397	
	Supplemental	70	05	11	410	212	
	Supplemental	70	09	10	413	95	
	Supplemental	74	04	24	458	360	
	Supplemental	75	11	07	480	434	
	Supplemental	77	12	16	503	846	
	Supplemental	82	05	19	599	715	
	Supplemental	82	05	19	599	740	
	Supplemental	82	06	07	600	718	
	Supplemental	83	06	09	628	646	
	Supplemental	84	06	20	651	731	
	Supplemental	85	06	05	670	21	
	Supplemental	87	03	30	708	316	
	Supplemental	87	07	23	717	14	
	Supplemental	90	09	13	788	803	
	Supplemental	91	02	11	798	534	
	Supplemental	92	05	01	830	594	
	Supplemental	93	06	18	866	137	
	Gilpin	Supplemental	93	09	01	874	188
Original		39	11	29	214	110	
Supplemental		41	04	03	214	405	

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<u>County</u>	<u>Indenture</u>	<u>Yr</u>	<u>Mo</u>	<u>Day</u>	<u>Reference: Book</u>	<u>Page</u>	<u>Reception No</u>
	Supplemental	47	06	28	220	231	
	Supplemental	68	10	14	260	370	
	Supplemental	77	12	16	309	40	
	Supplemental	82	05	18	345	032	
	Supplemental	82	05	18	345	057	
	Supplemental	82	06	07	345	254	
	Supplemental	83	06	08	353	119	
	Supplemental	84	06	19	361	143	
	Supplemental	85	06	03	368	345	
	Supplemental	87	03	27	383	39	
	Supplemental	87	06	25	385	42	
	Supplemental	90	09	12	506	363	
	Supplemental	91	07	09	513	322	
	Supplemental	92	05	05	525	160	
	Supplemental	93	06	16	544	343	
	Supplemental	93	08	31	549	320	
Grand	Original	39	11	30	88	55	
	Supplemental	47	06	28	96	496	
	Supplemental	77	12	16	241	512	
Gunnison	Original	39	12	05	262	1	
	Supplemental	47	07	02	276	389	
Huerfano	Original	92	03	17	14M	670	
	Supplemental	92	03	17	14M	669	
	Supplemental	92	05	01	15M	203	
	Supplemental	93	06	16	19M	542	
	Supplemental	93	08	31	20M	680	
Jefferson	2nd Supplemental	41	06	26	440	424	
	3rd Supplemental	42	06	04	457	102	
	5th Supplemental	44	05	23	489	74	
	Original	39	12	11	415	175	
	Supplemental	47	06	30	570	153	
	Supplemental	48	06	12	604	20	
	Supplemental	48	10	25	617	119	
	Supplemental	49	05	20	636	88	
	Supplemental	51	05	07	717	333	
	Supplemental	51	10	05	736	105	
	Supplemental	52	04	29	759	24	
	Supplemental	53	05	06	806	254	
	Supplemental	54	10	06	880	244	
	Supplemental	56	05	07	993	538	
	Supplemental	57	05	23	1062	40	
	Supplemental	58	04	25	1116	357	
	Supplemental	59	04	30	1190	216	
	Supplemental	60	05	09	1271	380	
	Supplemental	61	05	11	1367	256	
	Supplemental	61	10	05	1411	423	
	Supplemental	62	03	21	1458	416	
	Supplemental	64	06	22	1720	369	
	Supplemental	66	05	23	1873	682	
	Supplemental	67	07	28	1955	375	
	Supplemental	68	07	25	2035	289	
	Supplemental	69	05	16	2103	747	
	Supplemental	70	05	08	2179	234	

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<u>County</u>	<u>Indenture</u>	<u>Yr</u>	<u>Mo</u>	<u>Day</u>	<u>Reference: Book</u>	<u>Page</u>	<u>Reception No</u>
	Supplemental	70	09	03	2205	897	
	Supplemental	71	02	17	2238	854	
	Supplemental	72	08	08	2407	730	
	Supplemental	73	06	18	2517	694	
	Supplemental	74	04	23	2614	842	
	Supplemental	75	11	05	2787	261	
	Supplemental	76	06	08	2861	199	
	Supplemental	77	06	07	3014	381	
	Supplemental	77	12	16	3117	765	
	Supplemental	78	05	18			78044373
	Supplemental.	78	10	24			78097779
	Supplemental	79	11	19			79105148
	Supplemental	82	05	18			82033499
	Supplemental	82	05	18			82033500
	Supplemental	82	06	07			82038276
	Supplemental	83	07	05			83061932
	Supplemental	84	06	20			84057410
	Supplemental.	85	06	03			85051093
	Supplemental	87	03	27			87039522
	Supplemental	87	06	25			87082901
	Supplemental	90	09	13			90078782
	Supplemental	91	02	15			91013342
	Supplemental	92	05	01			92050398
	Supplemental	93	06	16		1	93085511
	Supplemental	93	08	31			93133337
Kiowa	Original	92	06	18	403	655	
	Supplemental	92	06	18	403	502	
	Supplemental	93	06	16	407	647	
	Supplemental	93	08	31	408	408	
La Plata	Original	92	03	17		453	624311
	Supplemental	92	03	17		453	624311
	Supplemental	92	05	11			627022
	Supplemental	93	06	16		1	648129
	Supplemental	93	09	01			653012
Lake	6th Supplemental	45	05	14	299	8	
	Original	39	12	04	284	1	
	Supplemental	47	06	28	296	279	
	Supplemental	50	05	10	307	149	
	Supplemental	51	04	26	312	6	
	Supplemental	64	06	30	355	387	
	Supplemental	66	05	25	366	49	
	Supplemental	67	07	31	372	154	
	Supplemental	68	07	26	376	299	
	Supplemental	69	05	16	380	124	
	Supplemental	82	05	18	459	420	
	Supplemental	82	05	18	459	445	
	Supplemental	82	06	07	459	637	
	Supplemental	83	06	08	464	466	
	Supplemental	84	06	19	469	365	
	Supplemental	85	06	03	472	824	
	Supplemental	87	03	27	480	831	
	Supplemental	87	06	25	481	825	
	Supplemental	90	09	12	494	44	

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<u>County</u>	<u>Indenture</u>	<u>Yr</u>	<u>Mo</u>	<u>Day</u>	<u>Reference: Book</u>	<u>Page</u>	<u>Reception No</u>
Larimer	Supplemental	91	07	09	497	87	
	Supplemental	92	05	01	500	247	
	Supplemental	93	06	16	505	12	
	Supplemental	93	08	31	505	850	
	3rd Supplemental	42	08	04	742	148	
	Original	39	12	01	705	99	
	Supplemental	47	07	01	836	447	
	Supplemental	48	06	09	854	29	
	Supplemental	51	04	25	911	132	
	Supplemental	57	05	24	1044	333	
	Supplemental	59	05	04	1091	527	
	Supplemental	61	05	11	1141	45	
	Supplemental	61	10	06	1153	343	
	Supplemental	64	06	22	1253	25	
	Supplemental	66	05	25	1329	578	
	Supplemental	67	07	27	1367	697	
	Supplemental	68	07	26	1390	21	
	Supplemental	70	05	11	1432	427	
	Supplemental	71	02	17	1453	220	
	Supplemental	72	08	09	1515	737	
	Supplemental	75	11	06	1671	0591	
	Supplemental	76	06	10	1704	12	
	Supplemental	78	10	24	1901	56	
	Supplemental	79	11	19	2006	81	
	Supplemental	82	05	18	2167	1263	
	Supplemental	82	05	18	2167	1288	
	Supplemental	82	06	07	2170	1399	
	Supplemental	83	06	08	2223	258	
	Supplemental	84	06	20	2277	476	
	Supplemental	85	06	03			85026195
	Supplemental	87	03	27			87017223
	Supplemental	87	06	25			87037038
	Supplemental	90	09	12			90041914
	Supplemental	91	02	15			91006463
Supplemental	92	05	01			92023919	
Supplemental	93	06	16			93040059	
Supplemental	93	08	31			93063091	
Logan	6th Supplemental	45	05	12	348	58	
	Original	39	12	01	330	1	
	Supplemental	47	06	30	365	144	
	Supplemental	48	06	09	370	485	
	Supplemental	51	10	05	410	72	
	Supplemental	56	05	01	478	336	
	Supplemental	57	05	24	491	550	
	Supplemental	66	05	25	607	1	
	Supplemental	67	07	27	619	177	
	Supplemental	68	07	29	628	140	
	Supplemental	69	05	16	637	369	
	Supplemental	82	05	19	765	766	
	Supplemental	82	05	19	765	791	
	Supplemental	82	06	07	766	270	
	Supplemental	83	06	09	775	980	
Supplemental	84	06	19	787	106		

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	Supplemental	85	06	03	798	383	
	Supplemental	87	03	27	817	117	
	Supplemental	87	06	26	819	482	
	Supplemental	90	09	13	846	692	
	Supplemental	91	07	09	852	805	
	Supplemental	92	05	01	859	519	
	Supplemental	93	06	16	870	809	
	Supplemental	93	08	31	873	196	
Mesa	8th Supplemental	47	04	17	462	256	
	Original	39	12	01	383	292	
	Supplemental	47	06	30	476	169	
	Supplemental	48	06	09	488	492	
	Supplemental	50	05	10	525	149	
	Supplemental	51	04	25	546	368	
	Supplemental	51	10	08	555	50	
	Supplemental	53	05	02	582	569	
	Supplemental	54	10	07	620	366	
	Supplemental	55	05	03	642	262	
	Supplemental	57	05	27	710	39	
	Supplemental	58	04	25	731	149	
	Supplemental	59	05	02	755	460	
	Supplemental	60	05	09	779	311	
	Supplemental	61	05	12	803	101	
	Supplemental	61	10	06	812	19	
	Supplemental	62	03	22	821	309	
	Supplemental	66	05	27	897	1	
	Supplemental	67	07	28	911	533	
	Supplemental	68	07	26	925	150	
	Supplemental	73	06	18	998	294	
	Supplemental	75	11	12	1051	704	
	Supplemental	77	12	19	1130	921	
	Supplemental	79	11	19	1230	573	
	Supplemental	82	05	19	1373	106	
	Supplemental	82	05	19	1373	81	
	Supplemental	82	06	11	1377	99	
	Supplemental	83	06	30	1442	227	
	Supplemental	84	06	20	1498	607	
	Supplemental	85	06	03	1541	315	
	Supplemental	87	03	30	1634	920	
	Supplemental	87	07	23	1653	610	
	Supplemental	90	09	13	1803	653	
	Supplemental	91	07	10	1846	167	
	Supplemental	92	05	04	1897	560	
	Supplemental	93	06	16	1984	381	
	Supplemental	93	09	01	2003	879	
Moffat	Original	92	03	18	649	521	
	Supplemental	92	03	18	649	822	
	Supplemental	92	05	01	653	287	
	Supplemental	93	06	17	670	8	
	Supplemental	93	09	01	672	916	
Montezuma	Original	92	06	19	658	612	
	Supplemental	92	06	19	659	001	
	Supplemental	93	06	16	674	203	

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Montrose	Supplemental	93	09	01	677	726	
	Original	92	03	17	831	271	
	Supplemental	92	03	17	831	572	
	Supplemental	92	05	01	834	311	
Morgan	Supplemental	93	06	17	855	85	
	Supplemental	93	09	01	859	820	
	Original	39	12	01	380	28	
	Supplemental	47	07	05	448	50	
	Supplemental	54	10	13	540	470	
	Supplemental	55	05	07	555	157	
	Supplemental	56	05	02	574	187	
	Supplemental	62	03	23	660	167	
	Supplemental	64	07	02	684	916	
	Supplemental	66	05	27	696	202	
	Supplemental	68	07	26	709	121	
	Supplemental	75	11	06	755	360	
	Supplemental	77	06	07	772	204	
	Supplemental	78	10	24	785	963	
	Supplemental	79	11	19	798	561	
	Supplemental	80	03	26	801	661	
	Supplemental	81	07	01	817	606	
	Supplemental	82	05	19	830	1	
	Supplemental	82	05	19	830	26	
	Supplemental	82	06	09	830	942	
	Supplemental	83	06	08	843	876	
	Supplemental	84	06	19	856	923	
	Supplemental	85	06	03	868	887	
	Supplemental	87	03	27	889	587	
	Supplemental	87	06	26	892	752	
	Supplemental	90	09	13	925	433	
Supplemental	91	07	10	934	362		
Supplemental	92	05	01	942	907		
Supplemental	93	06	16	955	702		
Supplemental	93	08	31	958	349		
Ouray	Original	92	03	18	221	83	
	Supplemental	92	03	18	221	233	
	Supplemental	92	05	01	221	368	
	Supplemental	93	06	17	221	402	
	Supplemental	93	09	01	221	429	
Park	Original	39	12	04	126	159	
	Supplemental	47	06	27	138	153	
	Supplemental	68	07	26	200	702	
	Supplemental	71	02	17	209	911	
	Supplemental	82	05	18	339	515	
	Supplemental	82	05	18	339	540	
	Supplemental	82	06	08	340	248	
	Supplemental	83	06	08	354	313	
	Supplemental	84	06	22	369	608	
	Supplemental	85	06	03	382	158	
	Supplemental	87	03	27	409	447	
	Supplemental	87	07	13	413	600	
	Supplemental	90	09	12	453	543	
	Supplemental	91	07	09	464	02	

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Pitkin	Supplemental	92	05	01	476	327		
	Supplemental	93	06	16	496	446		
	Supplemental	93	08	31	501	471		
	Original	39	12	02	167	165		
	Supplemental	47	06	27	175	1		
	Supplemental	57	05	28	181	348		
	Supplemental	64	06	24	207	447		
	Supplemental	70	05	11	248	390		
	Supplemental	82	05	19	426	628		
	Supplemental	82	05	19	426	653		
	Supplemental	82	06	09	427	681		
	Supplemental	83	06	09	446	614		
	Supplemental	84	06	28	468	739		
	Supplemental	85	06	03	487	57		
	Supplemental	87	03	30	532	394		
	Supplemental	87	06	26	540	256		
	Supplemental	90	09	13	629	440		
	Supplemental	91	07	10	651	99		
	Prowers	Supplemental	92	05	01	676	412	
		Supplemental	93	06	18	715	374	
Supplemental		93	09	02	723	52		
Original		92	03	18			456758	
Supplemental		92	03	18			456759	
Supplemental		92	05	01			457365	
Supplemental		93	06	16		1	461535	
Pueblo	Supplemental	93	08	31			462324	
	Original	66	03	16	1590	911		
	Supplemental	66	05	27	1596	317		
	Supplemental	71	02	18	1685	820		
	Supplemental	73	06	18	1752	556		
	Supplemental	74	04	23	1779	489		
	Supplemental	75	11	06	1829	08		
	Supplemental	77	12	19	1914	503		
	Supplemental	78	05	18	1935	64		
	Supplemental	82	05	20	2115	520		
	Supplemental	82	05	20	2115	545		
	Supplemental	82	06	09	2117	838		
	Supplemental	83	06	08	2159	11		
	Supplemental	84	06	20	2203	913		
	Supplemental	85	06	03	2244	407		
	Supplemental	87	03	27	2339	500		
	Supplemental	87	06	25	2353	887		
	Supplemental	90	09	12	2514	781		
	Supplemental	91	02	11	2531	216		
	Supplemental	92	05	01	2590	655		
	Supplemental	93	06	17	2662	717		
	Supplemental	93	09	01	2677	883		
	Rio Blanco	Original	92	06	19	497	01	
		Supplemental	92	06	19	497	302	
		Supplemental	93	06	17	504	274	
		Supplemental	93	09	01	505	850	
		Original	39	12	04	200	175	
		Supplemental	42	07	20	203	191	

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	Supplemental	47	07	02	217	247	
	Supplemental	51	04	27	225	223	
	Supplemental	53	05	01	225	475	
	Supplemental	54	10	07	234	75	
	Supplemental	57	05	24	247	405	
	Supplemental	60	05	10	263	90	
	Supplemental	66	05	26	302	1	
	Supplemental	69	05	16	316	962	
	Supplemental	70	05	11	319	466	
	Supplemental	70	09	10	320	439	
	Supplemental	71	02	18	322	322	
	Supplemental	82	05	19	375	487	
	Supplemental	82	05	19	375	512	
	Supplemental	82	06	10	375	846	
	Supplemental	83	06	10	381	902	
	Supplemental	84	06	19	389	4	
	Supplemental	85	06	03	396	634	
	Supplemental	87	03	30	409	94	
	Supplemental	87	07	09	411	138	
	Supplemental	90	09	13	431	88	
	Supplemental	91	02	11	433	443	
	Supplemental	92	05	05	440	353	
	Supplemental	93	06	16	447	820	
	Supplemental	93	09	01	449	10	
Routt	Original	92	05	04	673	1287	
	Supplemental	78	10	24	463	84A	
	Supplemental	82	05	19	563	745	
	Supplemental	82	05	19	563	770	
	Supplemental	82	06	08	564	807	
	Supplemental	83	06	09	585	66	
	Supplemental	84	06	19	597	1469	
	Supplemental	85	06	03	606	1642	
	Supplemental	87	03	27	624	1561	
	Supplemental	87	06	26	627	515	
	Supplemental	90	09	14	657	1147	
	Supplemental	91	02	12	661	0278	
	Supplemental	92	05	04	673	1287	
	Supplemental	92	05	04	673	1287	
	Supplemental	93	06	17	686	410	
	Supplemental	93	08	31	688	1161	
Saguache	Original	39	12	11	209	33	
	Supplemental	47	07	02	220	37	
	Supplemental	49	05	20	220	359	
	Supplemental	55	05	03	242	429	
	Supplemental	56	05	04	277	318	
	Supplemental	57	05	29	280	490	
	Supplemental	66	05	25	332	95	
	Supplemental	81	07	02	400	779	
	Supplemental	82	05	19	405	219	
	Supplemental	82	05	19	405	244	
	Supplemental	82	06	10	405	511	
	Supplemental	83	06	10	410	868	
	Supplemental	84	06	19	417	400	

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<u>County</u>	<u>Indenture</u>	<u>Yr</u>	<u>Mo</u>	<u>Day</u>	<u>Reference: Book</u>	<u>Page</u>	<u>Reception No</u>
	Supplemental	85	06	03	422	880	
	Supplemental	87	03	30	435	15	
	Supplemental	87	06	29	436	794	
	Supplemental	90	09	13	464	439	
	Supplemental	91	02	11	467	222	
	Supplemental	92	05	04	475	403	
	Supplemental	93	06	16	483	768	
	Supplemental	93	09	01	485	877	
San Juan	Original	92	03	18	239	637	
	Supplemental	92	03	18	239	938	
	Supplemental	92	05	04	240	20	
	Supplemental	93	06	17	240	442	
	Supplemental	93	09	01	240	554	
	Original	92	03	17	489	180	
	Supplemental	92	03	17	489	28	
	Supplemental	92	05	04	491	644	
	Supplemental	93	06	17	512	704	
	Supplemental	93	09	01	516	776	
Sedgwick	Original	39	12	01	77	195	
Summit.	2nd Supplemental	41	06	25	127	404	
	Original	39	12	04	127	96	
	Supplemental	47	06	27	138	1	
	Supplemental	53	05	01	144	365	
	Supplemental	54	05	04	145	319	
	Supplemental	56	05	01	150	40	
	Supplemental	64	06	24	174	132	
	Supplemental	66	05	26	185	29	
	Supplemental	67	07	28	187	101	
	Supplemental	68	07	26	190	851	
	Supplemental	72	08	08	223	125	
	Supplemental	74	04	23	252	381	
	Supplemental	75	11	06	271	426	
	Supplemental	78	05	18			176169
	Supplemental	79	11	19			199744
	Supplemental	82	05	18			239902
	Supplemental	82	05	18			239903
	Supplemental	82	06	08			240794
	Supplemental	83	06	08			257651
	Supplemental	84	06	19			279471
	Supplemental	85	06	03			297850
	Supplemental	87	03	27			334692
	Supplemental	87	06	25			338670
	Supplemental	90	09	12			392394
	Supplemental	91	02	11			399604
	Supplemental	92	05	01			421242
	Supplemental	93	06	16			444981
	Supplemental	93	08	31			449816
Teller	Original	68	05	24	318	196	
	Supplemental	68	07	26	320	132	
Washing ton	Original	39	12	01	273	46	
	Supplemental	47	06	27	325	367	
Weld	4th Supplemental	43	05	27	1111	134	
	6th Supplemental	45	05	17	1154	543	

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<u>County</u>	<u>Indenture</u>	<u>Yr</u>	<u>Mo</u>	<u>Day</u>	<u>Reference: Book</u>	<u>Page</u>	<u>Reception No</u>
	Original	39	12	01	1053	272	
	Supplemental	47	06	27	1207	1	
	Supplemental	50	05	10	1270	215	
	Supplemental	51	05	05	1302	185	
	Supplemental	54	10	13	1401	499	
	Supplemental	59	05	06	1531	47	
	Supplemental	60	05	12	1557	586	
	Supplemental	61	05	17	1584	585	
	Supplemental	62	03	28	1610	88	
	Supplemental	64	06	29	518		1439543
	Supplemental	66	05	25	568		1489835
	Supplemental	67	07	27	584		1506105
	Supplemental	68	07	26	597		1519072
	Supplemental	69	05	16	609		1531461
	Supplemental	70	05	11	625		1547001
	Supplemental	70	09	10	632		1554411
	Supplemental	71	02	17	640		1562332
	Supplemental	72	08	08	673		1595081
	Supplemental	73	06	18	693		1615478
	Supplemental	74	04	23	713		1634907
	Supplemental	75	11	06	752		1674032
	Supplemental	77	12	23	818		1739612
	Supplemental	78	05	18	832		1753851
	Supplemental	79	11	19	887		1809486
	Supplemental	82	05	19	968	744	
	Supplemental	82	05	19	968	769	
	Supplemental	82	06	07	969	1577	
	Supplemental	83	06	28	1000	1337	
	Supplemental	84	06	19	1034		1971026
	Supplemental	85	06	03	1071	1648	
	Supplemental	87	03	27	1151	0039	
	Supplemental	87	06	25	1161	1096	
	Supplemental	90	09	13	1276	1258	
	Supplemental	91	02	11	1290	0430	
	Supplemental	92	05	01	1334	1742	
	Supplemental	93	06	16	1387	1832	
	Supplemental	93	08	31	1399	1539	

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PSCO UCC FINANCING STATEMENTS
COLORADO SECRETARY OF STATE

File No.	File Date	Indenture/ Supplement Date
872015237	4/24/67	12/1/39
872015238	4/24/67	3/14/41
872015239	4/24/67	5/14/41
872015240	4/24/67	4/28/42
872015241	4/24/67	4/14/43
872015242	4/24/67	4/27/44
872015243	4/24/67	4/12/45 (or 4/18/45)
872015244	4/24/67	4/23/46
872015245	4/24/67	4/9/47
872015246	4/24/67	6/1/47
872015247	4/24/67	4/1/48
872015248	4/24/67	4/20/48
872015249	4/24/67	10/1/48
872015250	4/24/67	4/20/49
872015251	4/24/67	4/24/50
872015252	4/24/67	4/18/51
872015253	4/24/67	10/14/51
872015254	4/24/67	4/21/52
872015255	4/24/67	12/1/52
872015256	4/24/67	4/15/53
872015757	4/24/67	4/19/54
872015258	4/24/67	10/1/54
872015259	4/24/67	4/18/55
872015260	4/24/67	4/24/56
872015261	4/24/67	5/1/57
872015262	4/24/67	4/10/58

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File No.	File Date	Indenture/ Supplement Date
872015263	4/24/67	5/1/59
872015264	4/24/67	4/18/60
872015265	4/24/67	4/18/61 (or 4/19/61)
872015266	4/24/67	10/1/61
872015267	4/24/67	3/1/62
872015268	4/24/67	6/1/64
872015269	4/24/67	5/1/66
872019516	7/24/67	7/1/67
872035860	7/23/68	7/1/68
872048980	5/13/69	4/25/69
872068249	5/28/70	4/21/70
872076896	10/27/70	9/9/70
872084496	3/12/71	2/1/71
872121425	8/3/72	8/1/72
148491	6/15/73	6/1/73
174424	4/10/74	3/1/74
872198180	1/10/75	12/1/74
148491	10/31/75	10/1/75
214803	5/28/76	4/28/76
281789	7/29/77	4/28/77
872302833	2/2/78	11/1/77
872314333	5/12/78	4/28/78
872334109	10/17/78	10/1/78
872397891	11/8/79	10/1/79
425757	4/29/80	3/1/80
512889	9/9/81	4/28/81
554019	5/6/82	9/1/81
554020	5/6/82	12/1/81
557959	5/26/82	4/29/82

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File No.	File Date	Indenture/ Supplement Date
629716	6/1/83	5/1/83
717495	6/14/84	4/30/84
801194	5/15/85	5/1/85
989452	5/13/87	11/1/86
997157	6/10/87	5/1/87
922063863.	9/4/92	7/11/90
922063862	9/4/92	12/1/90
932027993	4/14/93	3/1/92
932070223	9/23/93	4/1/93
932070222	9/23/93	6/1/93

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Exhibit B

MODIFICATIONS OF PSCO 1939 MORTGAGE

1. (a) The modification of the definition of “property additions” contained in Section 4 of Article I of the PSCO 1939 Mortgage to read as follows:

“Property additions’ shall mean any new or additional property (including separate and distinct units, plants, systems and properties and undivided interests therein), and improvements, extensions, additions or betterments to or about the plants or properties of the Company, purchased, constructed or otherwise acquired by the Company and in every case used or useful or to be used in the business of producing, generating, manufacturing, transporting, transmitting, distributing or supplying energy or fuel in any form, including without limitation electricity, gas (either natural or artificial) or solar or geothermal energy, or water or steam, for any and all purposes; provided , however , that

1. Property additions, as so defined, without limitation of the general import of such term, shall include:

a. Improvements, extensions, additions or betterments to or about the properties of the Company, in the process of construction or erection insofar as actually constructed or erected by the Company;

b. Property purchased, constructed or otherwise acquired by the Company, to renew, replace or in substitution for old, worn out, retired, discontinued or abandoned property;

c. Property acquired by the Company subject to prior liens;

2. Property additions, as so defined, shall not include:

a. Any shares of stock, bonds, evidences of indebtedness, other securities, contracts, leases or chooses in action;

b. Going concern value or goodwill acquired by the Company [, except when acquired simultaneously with a public utility system and without payment or apportionment of any separate or distinct consideration therefor];¹

c. Any natural gas wells or natural gas leases or natural gas gathering and transmission lines or pipes or other works on property used in the production distribution system owned by the Company, except any natural gas transmission line used for the transmission of natural gas for distribution by the Company when such natural gas transmission line connects any distribution system owned by the Company with a source of supply of natural gas (either gas wells or

¹ The bracketed language would be included only if the modifications described in paragraph 13 herein were adopted.

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gathering lines or another transmission line) or when such natural gas transmission line connects two or more municipalities served or to be served with natural gas by the Company;

d. Any plant or system in which the Company shall acquire only a leasehold interest, or any improvements, extensions or additions upon or to any plant or system in which the Company shall own only a leasehold interest; provided, however, that with respect to any plant or system purchased, constructed or otherwise acquired by the Company which is located on real property in which the Company shall have acquired only a leasehold interest, any part of such plant or system which is personal property under the laws of the jurisdiction in which such real property is located shall be a property addition, and that any part of such plant or system which is a fixture or other accession to land under the laws of such jurisdiction shall be a property addition if the term of such leasehold or the term of any extension or extensions thereof at the option of the Company shall extend beyond the last maturity date of any bonds then outstanding under this Indenture and also beyond the last maturity date of any bonds then being issued in whole or in part on the basis of the certification to the Trustee of such part of such plant or system;

e. Any property acquired, made or constructed by the Company in keeping or maintaining the mortgaged property in good repair, working order and condition, whose cost is not properly chargeable to plant or plant addition account;

f. Any goods, wares, merchandise, equipment, materials or supplies acquired for the purpose of sale or resale in the usual course of business or for the purpose of consumption in the operation of any of the properties of the Company;

g. Any property (other than space satellites) which is located outside the territorial limits of the United States of America or its coastal waters or the Dominion of Canada or its coastal waters [or the United Mexican States or its coastal waters].²

‘Space satellites’ shall mean any form of space satellites, space stations and other analogous facilities (including without limitation solar power satellites, stations and other analogous facilities), whether or not in the Earth’s atmosphere.”

; and

² The Trustee shall vote in favor of, or consent to, the modification described in this paragraph whether or not the bracketed language is contained therein.

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(b) The modification of the introduction to Clause (B) of subdivision (3) of Section 6 of Article III of the PSCO 1939 Mortgage to read as follows:

“(B) specifying the property additions purchased, constructed or otherwise acquired by the Company since the date of the most recent certificate referred to in the preceding Clause (A) and stating whether, and if so to what extent, such property additions consist of funded property; and as to such property additions:”

2. (a) The further modification of Section 4 of Article I of the PSCO 1939 Mortgage by inserting the following immediately before the definition of “net property additions”:

“Anything in this Indenture to the contrary notwithstanding, the term ‘property additions’ shall include nuclear fuel. ‘Nuclear fuel’ shall mean (a) any fuel element, including nuclear fuel and associated means (and any similar or analogous device or substance), whether or not classified as fuel and whether or not chargeable to operating expenses, comprising or intended to comprise, or formerly comprising, the core, or other part, of a nuclear reactor or any similar or analogous device, (b) any fuel element, including nuclear fuel and associated means (and any similar or analogous device or substance) while in the process of fabrication or preparation and special nuclear or other materials held for use in such fabrication or preparation, (c) any substances or materials formerly comprising such nuclear fuel and associated means (or any similar or analogous device or substance) and which substances or materials are undergoing or have undergone reprocessing and (d) uranium, thorium, plutonium, and any other substance or material from time to time used or selected for use by the Company as fuel material, or as potential fuel material, in a nuclear reactor or any similar or analogous device.”;

(b) The modification of Section 3 of Article I of the PSCO 1939 Mortgage to insert the following at the end of, and as a part of, the definition of “permitted encumbrances”:

“(j) Any controls, liens, restrictions, regulations, easements, exceptions or reservations of any governmental authority applying particularly to nuclear fuel.”

; and

(c) The modification of subdivision (1) of Section 5 of Article VII of the PSCO 1939 Mortgage by inserting after the word “implements” each time it appears in said subdivision (1) the words “nuclear fuel” preceded by a comma in the first instance and followed by a comma in the third instance.

3. The modification of Sections 2 and 5 of Article I of the PSCO 1939 Mortgage by deleting the words “and verified” following the word “signed” from the definitions of “engineer’s certificate”, “independent engineer’s certificate”, “Treasurer’s certificate” and “net earnings certificate”.

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4. The modification of Section 2 of Article I of the PSCO 1939 Mortgage by deleting therefrom the definitions of “authorized Denver newspaper” and “authorized New York newspaper” and substituting in lieu thereof the following:

“‘Authorized Denver newspaper’ shall mean a newspaper or financial journal of general circulation in the City and County of Denver, Colorado, and ‘authorized New York newspaper’ shall mean a newspaper or financial journal of general circulation in the Borough of Manhattan, The City of New York, and which, in either case, is printed in the English language and is customarily published on each business day. Any successive weekly publication of notice required hereunder may be made, unless otherwise expressly provided herein, on the same or different days of the week and in the same or different newspapers or financial journals. If publication of any notice in the manner herein described is not available upon reasonable terms, then such publication in lieu thereof as shall be made with the approval of the Trustee (or, if there be no trustee hereunder, the Company) shall constitute a sufficient publication of notice.”

5. (a) The deletion of all of the following, and any and all references thereto, which shall be in force and effect at the date of any meeting or meetings of bondholders under the PSCO 1939 Mortgage: Section 8 of Article IV of the PSCO 1939 Mortgage and Article Two of the supplemental indentures to the PSCO 1939 Mortgage, dated, respectively, as of October 1, 1948, October 1, 1951, October 1, 1954, May 1, 1957, May 1, 1959, October 1, 1961, March 1, 1962, June 1, 1964, May 1, 1966, July 1, 1967, July 1, 1968, September 1, 1970, February 1, 1971, August 1, 1972, June 1, 1973, October 1, 1975, and November 1, 1977;

or, in the alternative

(b)(i) The modification of the first paragraph of Section 8 of Article IV of the PSCO 1939 Mortgage, prior to the enumeration therein of certain credits, to read as follows:

“SECTION 8.—That, so long as any of the Bonds of the 1977 Series shall remain outstanding, the Company will, for each calendar year, beginning January 1, 1948 (hereinafter sometimes called the ‘accounting period’), pay to the Trustee on or before the 1st day of May next succeeding the close of each accounting period, as a Maintenance and Replacement Fund, an amount in cash (hereinafter sometimes called the ‘Standard of Expenditure’) not less than the lower of (a) ten per centum (10%) of the gross operating revenues (as hereinafter defined) of the Company derived from the mortgaged property during such accounting period or (b) two per centum (2%) of the cost of the depreciable property of the Company subject to the lien of this Indenture, less the accumulated provision for depreciation, at the end of such accounting period, provided, however, that the amount of such payment shall be reduced by the following credits, to the extent that the Company desires to take the same, stated in the Treasurer’s certificate hereinafter in this Section provided for:”

; and

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(ii) the modification of the penultimate paragraph of Section 8 of Article IV of the PSCO 1939 Mortgage to read as follows:

“The term ‘gross operating revenues’ for the purposes of this Section is hereby defined as the amounts received or accrued from the sale of electric, gas and steam services, after deducting amounts equal to the cost to the Company of fuel in any form used or to be used to provide such services and charged to operating expenses, including the cost of acquisition and transportation thereof, and amounts equal to the cost of electric current or gas or steam purchased for exchange or resale and rentals paid or incurred for electric or gas generating, transmitting and/or distributing properties leased, and adding thereto the amounts received or accrued as rentals or fixed charges for the use by others (or the use by the Company for the account of others) of generating, transmission and distribution facilities owned by the Company (with all interdepartmental items eliminated); provided , however , that there shall be excluded from such operating revenues any revenue derived from the sale of goods, wares and merchandise, equipment, materials or supplies acquired by the Company for the purpose of sale or resale or leasing to its customers in the ordinary course and conduct of its business; and further provided , that any such operating revenues which are in controversy as a result of any litigation, or which have been impounded in such litigation, shall be included in the gross operating revenues for the purpose of this computation only after, and in the year in which, any such operating revenues in controversy or impounded are recovered or, at the option of the Company, after, and in the year in which, it shall have been finally determined that such operating revenues belong to the Company.”.

6. The modification of clause (e) of subdivision (7) of Section 6 of Article III of the PSCO 1939 Mortgage to read as follows:

“(e) that the Company has corporate authority and all necessary permission from governmental authorities to acquire and own such property additions;”.

7. The modification of subdivision (9) of Section 6 of Article III of the PSCO 1939 Mortgage to read as follows:

“(9) An engineer’s certificate, made and dated not more than 30 days prior to the date of such application, stating that the signers have no knowledge of and do not believe that there have been, since the date of the engineer’s certificate specified in subdivision (3) above, property retirements in an amount in excess of the cost to the Company of property additions purchased, constructed or otherwise acquired since said date;”.

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8. (a) The modification of Clause (A)(1). of Section 5 of Article I of the PSCO 1939 Mortgage to read as follows:

“(1) The aggregate of the gross operating revenues derived from the electric, gas and steam business of the Company, whether or not collected by the Company subject to possible refund at a future date;”

; and

(b) The modification of Clause (A)(4) of Section 5 of Article I of the PSCO 1939 Mortgage to read as follows:

“(4) The net operating revenue derived by the Company from all sources other than the electric, gas and steam businesses, whether or not collected by the Company subject to possible refund at a future date.”.

9. The modification of Clause (A)(3) of Section 5 of Article I of the PSCO 1939 Mortgage to read as follows:

“(3) The net non-operating income of the Company, which shall be deemed to include, without limitation, an amount equal to the total amount of the allowance for funds used during construction, or any similar or analogous amount, included in the utility plant accounts of the Company as part of the cost of construction; and”.

10. (a) The modification of Section 5 of Article III of the PSCO 1939 Mortgage to read as follows:

“SECTION 5.—No bonds shall be authenticated and delivered upon the basis of property additions unless as shown by a net earnings certificate the net earnings of the Company for the period therein referred to shall have been at least equivalent to 2 times the annual interest requirements as shown by such net earnings certificate.”;

or, in the alternative

(b) The modification of Section 5 of Article III of the PSCO 1939 Mortgage to read as follows:

“SECTION 5.—No bonds shall be authenticated and delivered upon the basis of property additions unless as shown by a net earnings certificate the net earnings of the Company for the period therein referred to shall have been either (a) at least equivalent to 2 3 times the annual interest requirements as shown by such net earnings certificate or (b) at least equivalent to fifteen per centum (15%)³

³ If a higher amount or percentage, or both, are proposed by the Company, the Trustee shall vote in favor of, or consent to, such higher amount or percentage, or both.

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of the aggregate principal amount of bonds and other indebtedness the annual interest requirements in respect of which are shown in such net earnings certificate.”.

11. The deletion of Section 15 of Article IV of the PSCO 1939 Mortgage and all references thereto.

12. The modification of the first paragraph of Section 5 of Article IV of the PSCO 1939 Mortgage to read as follows:

“SECTION 5.—That it will keep all the insurable mortgaged property insured against fire and other risks to the extent usually insured against by companies owning and operating similar property, by reputable insurance companies or, at the Company’s election, with respect to all or any part of the property, by means of an adequate insurance fund set aside and maintained by it out of its own earnings or in conjunction with other companies through an insurance fund, trust or other agreement (the adequacy of such insurance fund, trust or other agreement, to be evidenced by a certificate, to be filed with the Trustee, of an actuary or other qualified person selected by the Company and satisfactory to the Trustee). Any insurance policy may contain deductible provisions in a dollar amount per occurrence equal to the deductible amount usually contained in insurance policies or other arrangements for insurance of other companies owning and operating similar property, provided that the dollar amount of such deductible provisions may in any event be at least equal to three per centum (3%)⁴ of the aggregate principal amount of bonds outstanding hereunder. Any loss from fire and such other risks, except any loss of merchandise, materials and supplies and except any other loss less than an amount equal to three per centum (3%)⁴ of the aggregate principal amount of bonds outstanding hereunder, shall be made payable to the Trustee hereunder as its interest may appear and be paid to the Trustee, and shall be held and applied as hereinafter provided (unless required by the terms of any prior lien to be paid to the trustee or other holder thereof). On or prior to the last day of December in each year, and at any other time upon the written request of the Trustee, the Company will furnish to the Trustee a Treasurer’s certificate stating in substance that the Company has complied with all the terms and conditions of this Section and with the terms and conditions of any and all insurance policies, containing a detailed statement of the insurance then in effect upon the property of the Company on a date therein specified (which date shall be within 30 days of the filing of such certificate) and, except in respect of property insured by means of an insurance fund, trust or other agreement as permitted by this Section, showing the numbers of the policies of insurance in effect and the names of the issuing companies, the amounts of such policies, the deductible provisions of such policies and the property covered by such policies; and, in case any of the

⁴ If a higher percentage is proposed by the Company, the Trustee shall vote in favor of, or consent to, such higher percentage.

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property shall at the time be insured by means of an insurance fund, trust or other agreement, as permitted by this Section, the Company shall, at the time of furnishing each such Treasurer's certificate, also furnish to the Trustee a certificate, as described above, with respect to the adequacy of such insurance fund, trust or other agreement.”.

13. The modification of Clause (B)(h) of subdivision (3), and subdivision (4), of Section 6 of Article III of the PSCO 1939 Mortgage to delete therefrom the phrase “(except going concern value or good will)”.

14. The modification of Section 4 of Article VII of the PSCO 1939 Mortgage to read as follows:

“SECTION 4.—Unless an event of default as defined in Section 1 of Article VIII hereof shall have occurred and shall be continuing, the Trustee shall, whenever from time to time requested by the Company, such request to be evidenced by a certified resolution delivered to the Trustee, and without requiring compliance with any of the foregoing provisions of Section 3 of this Article, release from the lien hereof any part of the mortgaged property (except any cash or prior lien bonds held by the Trustee) which the Company has sold or agreed to sell, provided the aggregate value of such property so released without such compliance in any period of 12 consecutive calendar months shall not exceed the greater of the sum of \$10,000,000 ⁵ or three per centum (3%) ⁵ of the aggregate principal amount of bonds at the time outstanding. Such release shall be made upon receipt by the Trustee of (1) a written request of the Company for the release of any property, describing the same in reasonable detail, (2) an engineer's certificate, made and dated not more than 60 days prior to the filing of such written request, stating the then fair value, in the opinion of the signer, of the property to be released, and stating that such release, in the opinion of the signer, will not impair the security of this Indenture in contravention of the provisions hereof, and (3) a certificate of the Company and an opinion of counsel as to compliance with conditions precedent. The Company covenants that it will deposit with the Trustee, to be dealt with in the manner provided in Section 9 of this Article, the consideration received by it upon the sale of any such property so released (to the extent that the same shall not have been required to be paid or delivered to the Trustee or other holder of a prior lien and a Treasurer's certificate to that effect shall have been furnished to the Trustee).”.

15. (a) The modification of the first paragraph of Section 4 of Article IV of the PSCO 1939 Mortgage to delete therefrom the phrases “all valid requirements of any governmental authority relative to any of the mortgaged property, and” and “to observe or conform to any requirement of governmental authority or”;

or, in the alternative

⁵ If a lower amount or percentage is proposed by the Company, the Trustee shall vote in favor of, or consent to, such lower amount or percentage.

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(b) The modification of the first paragraph of Section 4 of Article IV of the PSCO 1939 Mortgage to add, immediately after the proviso contained therein, the following:

“; and provided , further , that nothing in this Section 4 contained shall require the Company to observe or conform to any requirement of governmental authority so long as the Company shall be in good faith doing all things technologically and economically feasible and prudent on its part to observe or conform to such requirement, unless thereby any part of the mortgaged property may be lost or forfeited;”.

16. (a) The modification of the first sentence of Article XII of the PSCO 1939 Mortgage to read as follows:

“SECTION 1.—The Trustee shall at all times be a bank or trust company which is organized and doing business under the laws of the United States or of any State or Territory or the District of Columbia, with a combined capital and surplus of at least \$5,000,000 ⁶ , and authorized under such laws to exercise corporate trust powers and subject to supervision or examination by Federal, State, Territorial or District of Columbia authority, if there be such a bank or trust company willing and able to accept the trust upon reasonable and customary terms.”.

(b) The modification of Section 22 of Article XII of the PSCO 1939 Mortgage to read as follows:

“SECTION 22.—The duties, liabilities, rights, privileges and immunities of the Trustee in relation to the holders of the bonds shall be governed exclusively by the laws of the jurisdiction in which the principal office of the Trustee is located.”

; and

(c) The modification of the first paragraph of Section 3 of Article IV of the PSCO 1939 Mortgage to read as follows:

“SECTION 3.—That it will keep one or more financial offices or agencies where notices, presentations and demands to or upon the Company in respect of bonds of any one or more series or their coupons or this Indenture may be given or made, where payment of the principal of or premium, if any, or interest on the bonds of any one or more series shall be made and where books for the registration and transfer of bonds shall be kept (which books, at all reasonable times, shall be open for inspection by the Trustee). The Company will from time to time give the Trustee written notice of the location of each such office or agency, and in case the Company shall fail to maintain any such office or agency

⁶ If a higher amount is proposed by the Company, the Trustee shall vote in favor of, or consent to, such higher amount.

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or to give the Trustee written notice of the location thereof, any such notice, presentation or demand in respect of the bonds or coupons or this Indenture may be given or made, unless other provision is expressly made herein, to or upon the Trustee at its principal office and the Company hereby authorizes such presentation and demand to be made to and such notice to be served on the Trustee in such event; and the principal of and premium, if any, and interest on the bonds shall in such event be payable at said office of the Trustee.”.

17. The modification of Section 1 of Article VIII of the PSCO 1939 Mortgage by deleting clauses (a), (b), (c), (d), (e), (f), (g) and (h) thereof and substituting therefor the following:

“(a) failure to pay interest, if any, on any bond hereby secured within sixty (60) days after the same becomes due and payable; or

(b) failure to pay the principal of or premium, if any, on any bond hereby secured within three (3) business days after its maturity; or

(c) failure to pay any interest upon, or principal (whether at maturity as therein expressed or by declaration, or otherwise) of any outstanding prior lien bonds continued beyond the expiration of the period of grace, if any, specified in the prior lien securing the same; or

(d) failure to pay any installment of any sinking fund required by the terms of this Indenture or of any indenture supplemental hereto to be paid by the Company to the Trustee to be applied by the Trustee to the purchase or redemption of any of the bonds hereby secured for a period of sixty (60) days after the same becomes due and payable; or

(e) failure to perform or breach of any covenant or warranty of the Company in this Indenture (other than a covenant or warranty a default in the performance of which or breach of which is elsewhere in this Section specifically dealt with) for a period of ninety (90) days after there has been given, by registered or certified mail, to the Company by the Trustee, or to the Company and the Trustee by the holders of at least thirty-three per centum (33%) in principal amount of the bonds then outstanding, a written notice specifying such default or breach and requiring it to be remedied, unless the Trustee, or the Trustee and the holders of a principal amount of bonds not less than the principal amount of bonds the holders of which gave notice, as the case may be, shall agree in writing to an extension of such period prior to its expiration; provided, however, that the Trustee, or the Trustee and the holders of such principal amount of bonds, as the case may be, shall be deemed to have agreed to an extension of such period if corrective action is initiated by the Company within such period and is being diligently pursued; or

(f) the entry by a court having jurisdiction in the premises of (i) a decree or order for relief in respect of the Company in an involuntary case or proceeding

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under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or (ii) a decree or order adjudging the Company a bankrupt or insolvent, or approving as properly filed a petition by one or more Persons other than the Company seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under any applicable federal or state law, or appointing a custodian, receiver, liquidator, assignee, trustee, sequestrator or other similar official for the Company or for any substantial part of its property, or ordering the winding up or liquidation of its affairs, and any such decree or order for relief or any such other decree or order shall have remained unstayed and in effect for a period of ninety (90) consecutive days; or

(g) the commencement by the Company of a voluntary case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or of any other case or proceeding to be adjudicated a bankrupt or insolvent, or the consent by it to the entry of a decree or order for relief in respect of the Company in a case or proceeding under any applicable federal or state bankruptcy, insolvency, reorganization or other similar law or to the commencement of any bankruptcy or insolvency case or proceeding against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under any applicable federal or state law, or the consent by it to the filing of such petition or to the appointment of or taking possession by a custodian, receiver, liquidator, assignee, trustee, sequestrator or similar official of the Company or of any substantial part of its property, or the making by it of an assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due, or the authorization of such action by the Board of Directors of the Company; or

(h) the occurrence of (x) an “Event of Default” under the Indenture, dated as of October 1, 1993, of the Company to Morgan Guaranty Trust Company of New York, trustee, as amended and supplemented (the “1993 Mortgage”) and/or (y) a matured event of default under any Class A Mortgage (as defined in the 1993 Mortgage) other than any such matured event of default which (1) is of similar kind or character to the “Event of Default” described in clause (c) of Section 1001 of the 1993 Mortgage and (2) has not resulted in the acceleration of Class A Bonds (as defined in the 1993 Mortgage) outstanding under such Class A Mortgage; provided, however, that, anything in this Indenture to the contrary notwithstanding, the waiver or cure of such “Event of Default” or event of default and the rescission and annulment of the consequences thereof shall constitute a waiver of the corresponding completed default under this Indenture and a rescission and amendment of the consequences thereof.”.

18. (a) The modification of Section 4 of Article III of the PSCO 1939 Mortgage by changing the percentage set forth in the first sentence thereof from “60%” to “70%”;

(b) The modification of Section 4 of Article I of the PSCO 1939 Mortgage by changing the percentages set forth in clause (2) of subparagraph (A) of the definition of “net

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property additions” and in clause (2) of the first paragraph preceding the definition of “Property retirements” thereof from “166-2/3%” to “ten-sevenths (10/7)”;

(c) The modification of Section 9 of Article III of the PSCO 1939 Mortgage by changing the percentages set forth in the first sentence of the first paragraph thereof and in the second paragraph thereof from “166-2/3%” to “ten-sevenths (10/7)”;

(d) The modification of Section 8 of Article IV of the PSCO 1939 Mortgage by changing the percentages set forth in subdivisions (2) and (3) of the first paragraph and in the third and fourth paragraphs thereof from “166-2/3%” to “ten-sevenths (10/7)” and the percentages set forth in subdivision (4) of the first paragraph and in the fifth paragraph thereof from “60%” to “70 %”;

(e) The modification of Section 15 of Article IV of the PSCO 1939 Mortgage by changing the percentages set forth in subdivision (A) of the first paragraph thereof from “166- 2/3%” to “ten-sevenths (10/7)” and the percentages set forth in subdivision (A) of the first paragraph and in the second paragraph thereof from “60%” to “70%”;

(f) The modification of Section 23 of Article IV of the PSCO 1939 Mortgage by changing the percentage set forth in subsection (e)f thereof from “60%” to “70%”;

(g) The modification of Section 3 of Article VII of the PSCO 1939 Mortgage by changing the percentage set forth in clause (ii) thereof from “60%” to “70%”; and

(h) The modification of Section 9 of Article VII of the PSCO 1939 Mortgage by changing the percentages set forth in subdivision (1) of the first paragraph and in the second paragraph thereof from “166-2/3%” to “ten-sevenths (10/7).”

19. The deletion of Section 17 of Article IV of the PSCO 1939 Mortgage and all references thereto.

**The foregoing Indenture of Public Service Company of Colorado,
Dated as of October 1, 1993, was recorded or filed as follows:**

<u>COUNTY</u>	<u>DATE</u>	<u>TIME</u>	<u>REFERENCE</u>		
Adams	Oct. 13, 1993	01:35 P.M.	Reception No. B1183903	Book 4170,	Page 324
Alamosa	Oct. 12, 1993	03:00 P.M.	Reception No. 265666	Book 475,	Page 160
Arapahoe	Oct. 13, 1993	04:07 P.M.	Reception No. 141032	Book 7186,	Page 383
Archuleta	Oct. 12, 1993	0221 P.M.	Reception No. 93006202	Book ,	Page
Bent	Oct. 12, 1993	11:35 A.M.	Reception No. 278521	Book 435,	Page 1
Boulder	Oct. 13, 1993	03:04 P.M.	Reception No. 01347991	Film 1888,	Page
Chaffee	Oct. 14, 1993	11:00 A.M.	Reception No. 269673	Book 539,	Page 518
Clear Creek	Oct. 12, 1993	02:25 P.M.	Reception No. 163701	Book 505,	Page 631
Conejos	Oct. 13, 1993	09:56 A.M.	Reception No. 205693	Book 354,	Page 776
Costilla	Oct. 13, 1993	09:00 A.M.	Reception No. 191898	Book 291,	Page 117
Crowley	Oct. 13, 1993	08:40 A.M.	Reception No. 148850	Book 244,	Page 195
Delta	Oct. 13, 1993	09:37 A.M.	Reception No. 471619	Book 709,	Page 50
Denver	Oct. 12, 1993	11:24 A.M.	Reception No. 9300139814	Book ,	Page
Dolores	Oct. 14, 1993	12:50 P.M.	Reception No. 133132	Book 260,	Page 300
Douglas	Oct. 12, 1993	03:08 P.M.	Reception No. 9348340	Book 1154,	Page 1
Eagle	Oct. 12, 1993	04:48 P.M.	Reception No. 518046	Book 621,	Page 978
Elbert	Oct. 12, 1993	03:01 P.M.	Reception No. 313722	Book 480,	Page 183
El Paso	Oct. 12, 1993	01:38 P.M.	Reception No. 002368410	Book 6282,	Page 51
Fremont	Oct. 12, 1993	01:30 P.M.	Reception No. 608790	Book 1154,	Page 31
Garfield	Oct. 12, 1993	02:20 P.M.	Reception No. 453596	Book 878,	Page 193
Gilpin	Oct. 12, 1993	02:20 P.M.	Reception No. 79260	Book 551,	Page 413
Grand	Oct. 12, 1993	12:45 P.M.	Reception No. 93010260	Book ,	Page
Gunnison	Oct. 12, 1993	04:30 P.M.	Reception No. 446179	Book 733,	Page 1

Huerfano	Oct. 12, 1993	11:15 A.M.	Reception No. 9244	Book 21M,	Page 316
Jefferson	Oct. 13, 1993	09:30 A.M.	Reception No. 93163438	Book ,	Page
Kiowa	Oct. 12, 1993	01:00 P.M.	Reception No. 249124	Book 409,	Page 40
La Plata	Oct. 12, 1993	03:38 P.M.	Reception No. 655580	Book ,	Page
Lake	Oct. 12, 1993	03:00 P.M.	Reception No. 305501	Book 506,	Page 635
Larimer	Oct. 13, 1993	10:23 A.M.	Reception No. 93075587	Book ,	Page
Logan	Oct. 12, 1993	01:10 P.M.	Reception No. 606328	Book 874,	Page 484
Mesa	Oct. 12, 1993	12:06 P.M.	Reception No. 1656362	Book 2014,	Page 129
Moffat	Oct. 12, 1993	11:00 A.M.	Reception No. 350044	Book ,	Page
Montezuma	Oct. 13, 1993	10:10 A.M.	Reception. No. 435373	Book 0679,	Page 756
Montrose	Oct. 12, 1993	03:06 P.M.	Reception No. 591244	Book 862,	Page 281
Morgan	Oct. 12, 1993	12:54 P.M.	Reception No. 738426	Book 959-60,	Page 857
Ouray	Oct. 13, 1993	11:08 A.M.	Reception No. 154688	Book 221,	Page 500
Park	Oct. 14, 1993	10:00 A.M.	Reception No. 417879	Book 504,	Page 365
Pitkin	Oct. 14, 1993	03:56 P.M.	Reception No. 362054	Book 726,	Page 791
Prowers	Oct. 12, 1993	02:00 P.M.	Reception No. 462785	Book ,	Page
Pueblo	Oct. 12, 1993	11:54 A.M.	Reception No. 1021381	Book 2685,	Page 768
Rio Blanco	Oct. 12, 1993	02:18 P.M.	Reception No. 249980	Book 506,	Page 838
Rio Grande	Oct. 13, 1993	11:46 A.M.	Reception No. 337091	Book 450,	Page 43
Routt	Oct. 12, 1993	11:12 A.M.	Reception No 428347	Book 689,	Page 2575
Saguache	Oct. 13, 1993	11:05 A.M.	Reception No. 304092	Book 486,	Page 625
San Juan	Oct. 13, 1993	10:27 A.M.	Reception No. 136438	Book 240,	Page 702
San Miguel	Oct. 12, 1993	04:05 P.M.	Reception No. 287896	Book 518,	Page 813
Sedgewick	Oct. 12, 1993	02:15 P.M.	Reception No. 179877	Book 203,	Page 55
Summit	Oct. 12, 1993	01:40 P.M.	Reception No. 453148	Book ,	Page
Teller	Oct. 13, 1993	08:00 A.M.	Reception No. 412373	Book 698,	Page 104

Washington	Oct. 12, 1993	11:20 A.M.	Reception No. 802111	Book 925,	Page 955
Weld	Oct. 13, 1993	09:54 A.M.	Reception No. 2354434	Book 1406,	Page 1
Colorado Sec. of State	Oct. 8, 1993	10:22 A.M.	Reception No. 932073751	Book ,	Page

Exhibit 5(a)



Scott Wilensky
Executive Vice President and General Counsel

401 Nicollet Mall, 9th Floor
Minneapolis, Minnesota 55401
Phone: 612.330.5942
Fax: 612.215.4504

April 18, 2018

Xcel Energy Inc.
414 Nicollet Mall
Minneapolis, Minnesota 55401

Ladies and Gentlemen:

I am Executive Vice President and General Counsel of Xcel Energy Inc., a Minnesota corporation (the “Company”), and, as such, I and the attorneys that I supervise have acted as counsel for the Company in the preparation of the Registration Statement on Form S-3 (as the same may be amended from time to time, the “Registration Statement”) to be filed with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended (the “Securities Act”), relating to the registration and the possible issuance and sale from time to time, on a delayed basis, by the Company of an unspecified amount of: (i) Senior Debt Securities of the Company (the “Senior Debt Securities”), in one or more series; (ii) Subordinated Debt Securities of the Company (the “Subordinated Debt Securities”), in one or more series; (iii) Junior Subordinated Debt Securities of the Company (the “Junior Subordinated Debt Securities” and, together with the Senior Debt Securities and the Subordinated Debt Securities, the “Debt Securities”), in one or more series; (iv) shares of common stock, par value \$2.50 per share, of the Company (the “Common Stock”); (v) shares of preferred stock, par value \$100.00 per share, of the Company (the “Preferred Stock”), in one or more series, certain of which may be convertible into or exchangeable for Common Stock; (vi) depositary shares representing fractional interests in Preferred Stock (the “Depositary Shares”), in one or more series, certain of which may be convertible into or exchangeable for Common Stock; (vii) warrants to purchase Debt Securities, Common Stock, Preferred Stock, Depositary Shares or any combination thereof (the “Warrants”); (viii) subscription rights to purchase Common Stock or Preferred Stock (the “Rights”); (ix) purchase contracts for the purchase or sale of Common Stock, Preferred Stock, Debt Securities, Depositary Shares, Warrants, Rights or other property at a future date or dates (the “Purchase Contracts”), which may be issued separately or as part of units consisting of a Purchase Contract and other debt securities, preferred securities, warrants or other obligations of third parties securing the holder’s obligations under a Purchase Contract; and (x) units consisting of one or more of the securities described in clauses (i) through (ix) above and which may include debt obligations of third parties (the “Units”).

Xcel Energy Inc.
April 18, 2017
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The Debt Securities, the Common Stock, the Preferred Stock, the Depositary Shares, the Warrants, the Rights, the Purchase Contracts, and the Units are collectively referred to herein as the "Securities" and each, a "Security." The Securities are to be issued from time to time pursuant to Rule 415 under the Securities Act. The Senior Debt Securities are to be issued under the Indenture, dated as of December 1, 2000 (as supplemented from time to time, the "Senior Debt Indenture"), between the Company and Wells Fargo Bank, National Association, as trustee (the "Senior Debt Trustee"). The Subordinated Debt Securities are to be issued under one or more indentures a form of which has been filed as an exhibit to the Registration Statement (as supplemented from time to time, the "Subordinated Debt Indenture"), to be entered into between the Company and a trustee to be named therein, as trustee (the "Subordinated Debt Trustee"). The Junior Subordinated Debt Securities are to be issued under the Indenture, dated as of January 1, 2008 (as supplemented from time to time, the "Junior Subordinated Debt Indenture" and together with the Senior Debt Indenture and the Subordinated Debt Indenture, the "Indentures"), by and between the Company and Wells Fargo Bank, National Association, as trustee (the "Junior Subordinated Debt Trustee" and, together with the Senior Debt Trustee and the Subordinated Debt Trustee, the "Trustee").

As part of the corporate action taken and to be taken in connection with the issuance of the Securities (the "Corporate Proceedings"), certain terms of the Securities to be issued by the Company from time to time will be approved by the Board of Directors of the Company or an authorized committee thereof or certain authorized officers of the Company.

I, or attorneys that I supervise, have examined or are otherwise familiar with the Amended and Restated Articles of Incorporation of the Company, the Restated By-Laws of the Company, the Registration Statement, such Corporate Proceedings as have occurred as of the date hereof and such other documents, records and instruments as necessary or appropriate for the purposes of this opinion letter.

Based upon the foregoing and assumptions that follow, I am of the opinion that:

1. When and if (a) a supplemental indenture relating to the Senior Debt Securities is duly authorized, executed and delivered, (b) all required Corporate Proceedings with respect to the issuance and the sale of such Senior Debt Securities have been completed and (c) the Senior Debt Securities are duly authorized, executed, authenticated and delivered, and the consideration for the Senior Debt Securities has been received by the Company, all in the manner contemplated by the applicable prospectus, supplements thereto and the Registration Statement, the Senior Debt Securities will be valid and binding obligations of the Company enforceable in accordance with their terms.
2. When and if (a) the Subordinated Debt Indenture and any supplemental indenture relating to the Subordinated Debt Securities is duly authorized, executed and delivered, (b) all required Corporate Proceedings with respect to the issuance and the sale of such Subordinated Debt Securities have been completed and (c) the Subordinated Debt Securities are duly authorized, executed, authenticated and delivered, and the consideration for the Subordinated Debt Securities has been received by the Company, all in the manner contemplated by the applicable prospectus, supplements thereto and the Registration Statement, the Subordinated Debt Securities will be valid and binding obligations of the Company enforceable in accordance with their terms.
3. When and if (a) a supplemental indenture relating to the Junior Subordinated Debt Securities is duly authorized, executed and delivered, (b) all required Corporate Proceedings with respect to the issuance and the sale of such Junior Subordinated Debt Securities have been completed and (c) the Junior Subordinated Debt Securities are duly authorized, executed, authenticated and delivered, and the consideration for the Junior Subordinated Debt Securities has been received by the Company, all in the manner contemplated by the applicable prospectus, supplements thereto and the Registration Statement, the Junior Subordinated Debt Securities will be valid and binding obligations of the Company enforceable in accordance with their terms.

Xcel Energy Inc.
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4. When and if (a) all required Corporate Proceedings with respect to the issuance and the sale of such Common Stock have been completed and (b) the Company shall have received such lawful consideration therefor having a value not less than the par value thereof as the Company's Board of Directors (or an authorized committee thereof) may determine, all in the manner contemplated by the applicable prospectus, supplements thereto and the Registration Statement, the shares of Common Stock will be validly issued, fully paid and nonassessable.
5. When and if (a) all required Corporate Proceedings (including the filing with the Minnesota Office of the Secretary of State of the appropriate statement, resolutions or form containing the terms of such Preferred Stock) with respect to the issuance and the sale of such Preferred Stock have been completed and (b) the Company shall have received such lawful consideration therefor having a value not less than the par value thereof as the Company's Board of Directors (or an authorized committee thereof) may determine, all in the manner contemplated by the applicable prospectus, supplements thereto and the Registration Statement, the shares of Preferred Stock will be validly issued, fully paid and nonassessable.
6. When and if (a) all required Corporate Proceedings (including the filing with the Minnesota Office of the Secretary of State of the appropriate statement, resolutions or form containing the terms of such Depositary Shares, if needed) with respect to the issuance and the sale of such Depositary Shares have been completed and (b) the Company shall have received such lawful consideration therefor as the Company's Board of Directors (or an authorized committee thereof) may determine, all in the manner contemplated by the applicable prospectus, supplements thereto and the Registration Statement, the Depositary Shares will be validly issued, fully paid and nonassessable.
7. When and if (a) all required Corporate Proceedings with respect to the issuance and the sale of such Warrants have been completed and (b) the Company shall have received such lawful consideration therefor as the Company's Board of Directors (or an authorized committee thereof) may determine, all in the manner contemplated by the applicable prospectus, supplements thereto and the Registration Statement, the Warrants will be validly issued, fully paid and nonassessable.
8. When and if (a) all required Corporate Proceedings with respect to the issuance and the sale of such Rights have been completed and (b) the Company shall have received such lawful consideration therefor as the Company's Board of Directors (or an authorized committee thereof) may determine, all in the manner contemplated by the applicable prospectus, supplements thereto and the Registration Statement, the Rights will be validly issued, fully paid and nonassessable.
9. When and if (a) all required Corporate Proceedings with respect to the issuance and the sale of such Purchase Contracts have been completed and (b) the Company shall have received such lawful consideration therefor as the Company's Board of Directors (or an authorized committee thereof) may determine, all in the manner contemplated by the applicable prospectus, supplements thereto and the Registration Statement, the Purchase Contracts will be validly issued, fully paid and nonassessable.

Xcel Energy Inc.
April 18, 2017
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10. When and if (a) all required Corporate Proceedings with respect to the issuance and the sale of such Units have been completed and (b) the Company shall have received such lawful consideration therefor as the Company's Board of Directors (or an authorized committee thereof) may determine, all in the manner contemplated by the applicable prospectus, supplements thereto and the Registration Statement, the shares of Units will be validly issued, fully paid and nonassessable.

The foregoing opinions assume that (a) with respect to paragraphs 1, 2 and 3, each of the Indentures and any respective supplemental indenture thereto has been duly authorized, executed and delivered by all parties thereto other than the Company; (b) the Registration Statement will remain effective at the time of issuance of any securities thereunder; (c) with respect to paragraph 6, the depository shares are issued and delivered after authorization, execution, and delivery of the deposit agreement, approved by us, entered into between the Company and an entity selected to act as depository and issued after the Company deposits with the depository shares of Preferred Stock to be represented by such Depository Shares that are authorized, validly issued, and fully paid as contemplated by the Registration Statement and deposit agreement, (d) a prospectus supplement describing each class or series of Securities offered pursuant to the Registration Statement, to the extent required by applicable law and relevant rules and regulations of the Commission, will be timely filed with the Commission; (e) the Company will issue and deliver the Securities in the manner contemplated by the Registration Statement and any Securities issuable upon conversion, exchange or exercise of any other Security, will have been authorized and reserved for issuance, in each case within the limits of the then remaining authorized but unreserved and unissued amounts of such Securities; and (f) at the time of the delivery of the Securities, the Corporate Proceedings related thereto will not have been modified or rescinded, there will not have occurred any change in the law affecting the authorization, execution, delivery, validity or enforceability of such Securities, none of the particular terms of such Securities will violate any applicable law and neither the issuance and sale thereof nor the compliance by the Company with the terms thereof will result in a violation of any issuance limit in the Corporate Proceedings, any agreement or instrument then binding upon the Company or any order of any court or governmental body having jurisdiction over the Company.

To the extent they relate to enforceability, each of the foregoing opinions is subject to:

- (i) the limitation that the provisions of the referenced agreements and instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other laws of general application affecting the enforcement of creditors' rights;
- (ii) general equity principles (regardless of whether enforcement is considered in a proceeding in equity or at law); and
- (iii) the effect of generally applicable laws that (a) limit the availability of a remedy under certain circumstances where another remedy has been elected, (b) limit the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct, or (c) may, where less than all of a contract may be unenforceable, limit the enforceability of the balance of the contract to circumstances in which the unenforceable portion is not an essential part of the agreed exchange.

I express no opinion as to the laws of any jurisdiction other than the laws of the State of Minnesota and the federal laws of the United States of America. The opinions herein expressed are limited to the specific issues addressed and to the laws existing on the date hereof. By rendering this opinion letter, I do not undertake to advise you with respect to any other matter or any change in such laws or the interpretation thereof that may occur after the date hereof.

Xcel Energy Inc.
April 18, 2017
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I hereby consent to the use of my name in the Registration Statement filed by the Company to register the Securities under the Securities Act and to the filing of this opinion letter as Exhibit 5(a) to the Registration Statement. In giving such consent, I do not hereby admit that I am included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission promulgated thereunder.

Respectfully submitted,

/s/ Scott Wilensky

Scott Wilensky
Executive Vice President and General Counsel

Exhibit 5(b)

April 18, 2018

Northern States Power Company
414 Nicollet Mall
Minneapolis, Minnesota 55401

Ladies and Gentlemen:

I am Executive Vice President and General Counsel of Northern States Power Company, a Minnesota corporation (the “Company”), and, as such, I and the attorneys that I supervise have acted as counsel for the Company in the preparation of the Registration Statement on Form S-3 (the “Registration Statement”) to be filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the “Securities Act”), in connection with the proposed issuance and sale from time to time of an unspecified amount of the Company’s first mortgage bonds (the “First Mortgage Bonds”) and senior unsecured debt securities (the “Debt Securities”) (collectively, the “Securities”). The Securities may be offered in separate series, in amounts, at prices and on terms to be set forth in the prospectus and one or more supplements to the prospectus (collectively, the “Prospectus”) constituting a part of the Registration Statement and in the Registration Statement.

As part of the corporate action taken and to be taken in connection with the issuance of the Securities (the “Corporate Proceedings”), certain terms of the Securities to be issued by the Company from time to time will be approved by the Board of Directors of the Company or a committee thereof or certain authorized officers of the Company.

I, or attorneys that I supervise, have examined or are otherwise familiar with the Articles of Incorporation of the Company, the By-Laws of the Company, the Registration Statement, such Corporate Proceedings as have occurred as of the date hereof and such other documents, records and instruments as necessary or appropriate for the purposes of this opinion letter.

Based on the foregoing and the assumptions that follow, I am of the opinion that when and if (a) a supplemental indenture relating to the Securities is duly authorized, executed and delivered, (b) all required corporate proceedings with respect to the issuance and the terms of such Securities have been completed and (c) the Securities are duly authorized, executed, authenticated and delivered, and the consideration for the Securities has been received by the Company, all in the manner contemplated by the Prospectus and the Registration Statement, the Securities will be valid and binding obligations of the Company enforceable in accordance with their terms.

The foregoing opinions assume that (a) the indentures and supplemental indentures have been duly authorized, executed and delivered by all parties thereto other than the Company; (b) the Registration Statement shall continue to be effective; (c) a capital structure or other order of the Minnesota Public Utilities Commission authorizing the issuance and sale of the Securities shall have been issued and continues to be effective; and (d) at the time of the delivery of the Securities, the Corporate Proceedings related thereto will not have been modified or rescinded, there will not have occurred any change in the law affecting the authorization, execution, delivery, validity or enforceability of such Securities, none of the particular terms of such Securities will violate any applicable law and neither the issuance and sale thereof nor the compliance by the Company with the terms thereof will result in a violation of any issuance limit in the Corporate Proceedings, any agreement or instrument then binding upon the Company or any order of any court or governmental body having jurisdiction over the Company.

To the extent they relate to enforceability, each of the foregoing opinions is subject to:

- i. the limitation that the provisions of the referenced agreements and instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other laws of general application affecting the enforcement of creditors' rights;
- ii. general equity principles (regardless of whether enforcement is considered in a proceeding in equity or at law); and
- iii. the effect of generally applicable laws that (a) limit the availability of a remedy under certain circumstances where another remedy has been elected, (b) limit the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct, or (c) may, where less than all of a contract may be unenforceable, limit the enforceability of the balance of the contract to circumstances in which the unenforceable portion is not an essential part of the agreed exchange.

I express no opinion as to the laws of any jurisdiction other than the laws of the State of Minnesota and the federal laws of the United States of America. The opinions herein expressed are limited to the specific issues addressed and to the laws existing on the date hereof. By rendering this opinion letter, I do not undertake to advise you with respect to any other matter or any change in such laws or the interpretation thereof that may occur after the date hereof.

I hereby consent to the use of my name in the Registration Statement filed by the Company to register the Securities under the Securities Act and to the filing of this opinion letter as Exhibit 5(b) to the Registration Statement. In giving such consent, I do not hereby admit that I am included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Respectfully submitted,

/s/ Scott M. Wilensky

Scott M. Wilensky

Executive Vice President and General Counsel

Exhibit 5(c)

April 18, 2018

Northern States Power Company
414 Nicollet Mall
Minneapolis, Minnesota 55401

Ladies and Gentlemen:

I am Vice President and Deputy General Counsel of Xcel Energy Services Inc., a Delaware corporation (“Xcel Energy”), and, as such, I and the attorneys that I supervise have acted as counsel for Northern States Power Company, a Wisconsin corporation (the “Company”), in the preparation of the Registration Statement on Form S-3 (the “Registration Statement”) to be filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended (the “Securities Act”), in connection with the proposed issuance and sale from time to time of an unspecified amount of the Company’s first mortgage bonds (the “First Mortgage Bonds”) and senior unsecured debt securities (the “Debt Securities”) (collectively, the “Securities”). The Securities may be offered in separate series, in amounts, at prices and on terms to be set forth in the prospectus and one or more supplements to the prospectus (collectively, the “Prospectus”) constituting a part of the Registration Statement and in the Registration Statement.

As part of the corporate action taken and to be taken in connection with the issuance of the Securities (the “Corporate Proceedings”), certain terms of the Securities to be issued by the Company from time to time will be approved by the Board of Directors of the Company or a committee thereof or certain authorized officers of the Company.

I, or attorneys that I supervise, have examined or are otherwise familiar with the Articles of Incorporation of the Company, the By-Laws of the Company, the Registration Statement, such Corporate Proceedings as have occurred as of the date hereof and such other documents, records and instruments as necessary or appropriate for the purposes of this opinion letter.

Based on the foregoing and the assumptions that follow, I am of the opinion that when and if (a) a supplemental indenture relating to the Securities is duly authorized, executed and delivered, (b) all required corporate proceedings with respect to the issuance and the terms of such Securities have been completed and (c) the Securities are duly authorized, executed, authenticated and delivered, and the consideration for the Securities has been received by the Company, all in the manner contemplated by the Prospectus and the Registration Statement, the Securities will be valid and binding obligations of the Company enforceable in accordance with their terms.

The foregoing opinions assume that (a) the indentures and supplemental indentures have been duly authorized, executed and delivered by all parties thereto other than the Company; (b) the Registration Statement shall continue to be effective; (c) an order of the Public Service Commission of Wisconsin authorizing the issuance and sale of the Securities shall have been issued and continues to be effective; and (d) at the time of the delivery of the Securities, the Corporate Proceedings related thereto will not have been modified or rescinded, there will not have occurred any change in the law affecting the authorization, execution, delivery, validity or enforceability of such Securities, none of the particular terms of such Securities will violate any applicable law and neither the issuance and sale thereof nor the compliance by the Company with the terms thereof will result in a violation of any issuance limit in the Corporate Proceedings, any agreement or instrument then binding upon the Company or any order of any court or governmental body having jurisdiction over the Company.

To the extent they relate to enforceability, each of the foregoing opinions is subject to:

- (i) the limitation that the provisions of the referenced agreements and instruments may be limited by bankruptcy, reorganization, insolvency, moratorium or other laws of general application affecting the enforcement of creditors' rights;
- (ii) general equity principles (regardless of whether enforcement is considered in a proceeding in equity or at law); and
- (iii) the effect of generally applicable laws that (a) limit the availability of a remedy under certain circumstances where another remedy has been elected, (b) limit the enforceability of provisions releasing, exculpating or exempting a party from, or requiring indemnification of a party for, liability for its own action or inaction, to the extent the action or inaction involves gross negligence, recklessness, willful misconduct or unlawful conduct, or (c) may, where less than all of a contract may be unenforceable, limit the enforceability of the balance of the contract to circumstances in which the unenforceable portion is not an essential part of the agreed exchange.

I express no opinion as to the laws of any jurisdiction other than the laws of the State of Wisconsin and the federal laws of the United States of America. The opinions herein expressed are limited to the specific issues addressed and to the laws existing on the date hereof. By rendering this opinion letter, I do not undertake to advise you with respect to any other matter or any change in such laws or the interpretation thereof that may occur after the date hereof.

I hereby consent to the use of my name in the Registration Statement filed by the Company to register the Securities under the Securities Act and to the filing of this opinion letter as Exhibit 5(c) to the Registration Statement. In giving such consent, I do not hereby admit that I am included in the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Securities and Exchange Commission promulgated thereunder.

Respectfully submitted,

/s/ James L. Altman

James L. Altman
Vice President and Deputy General Counsel
Xcel Energy Services Inc.

Exhibit 5(d)

FaegreBD.com

**FAEGRE BAKER
DANIELS**

USA • UK • CHINA

Charles D. Calvin
+1 303 607 3677
charles.calvin@FaegreBD.com

Faegre Baker Daniels LLP
3200 Wells Fargo Center 1700 Lincoln Street
Denver Colorado 80203-4532
Phone +1 303 607 3500
Fax +1 303 607 3600

April 18, 2018

Public Service Company of Colorado
1800 Larimer Street, Suite 1100
Denver, Colorado 80202

Ladies and Gentlemen:

We have acted as counsel for Public Service Company of Colorado, a Colorado corporation (the “Company”), in connection with the preparation of a Registration Statement on Form S-3 (the “Registration Statement”) of the Company filed with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended (the “Securities Act”), relating to the proposed offer and sale from time to time of the following securities (the “Securities”):

- (i) secured unsubordinated debt securities of the Company in the form filed as Exhibit 4(d)(6) to the Registration Statement, with appropriate insertions (the “Mortgage Bonds”); and
- (ii) unsecured unsubordinated debt securities of the Company in the form filed as Exhibit 4(d)(9) to the Registration Statement, with appropriate insertions (the “Senior Debt Securities”).

The Securities may be offered in separate series, and in amounts, at prices and on terms to be set forth in the prospectus and one or more supplements to the prospectus (collectively, the “Prospectus”) constituting a part of the Registration Statement, and in the Registration Statement.

The Mortgage Bonds are to be issued under the Indenture dated October 1, 1993 between the Company and U.S. Bank National Association, as successor trustee (the “Mortgage Bond Trustee”), as supplemented by Supplemental Indenture No. 20 dated as of November 1, 2010 (collectively, the “Mortgage Bond Indenture”), filed as Exhibit 4(d)(3) to the Registration Statement. The Senior Debt Securities are to be issued under the Indenture dated July 1, 1999 between the Company and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Senior Trustee”), filed as Exhibit 4(d)(7) to the Registration Statement (the “Senior Indenture” and together with the Mortgage Bond Indenture, referred to herein collectively as the “Indentures” and individually as an “Indenture”).

Public Service Company of Colorado
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As part of the corporate actions taken and to be taken (the “Corporate Proceedings”) in connection with issuance of any Securities to be issued and sold from time to time under the Registration Statement, the Board of Directors, a committee thereof or certain authorized officers of the Company as authorized by the Board of Directors must, before such Securities are issued under the Registration Statement, duly authorize the issuance and approve the terms of such Securities.

We have examined or are otherwise familiar with the Amended and Restated Articles of Incorporation and the Amended and Restated Bylaws (collectively, the “Constituent Documents”) of the Company, and the Registration Statement, and have reviewed and relied upon such other documents, records, certifications and instruments as we have deemed necessary or appropriate for the purposes of this opinion.

Based on the foregoing, we are of the opinion that:

1. Upon qualification of the Mortgage Bond Indenture under the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”), the Mortgage Bond Indenture will be a valid and binding obligation of the Company with respect to issuances of any Mortgage Bonds under the Registration Statement.

2. With respect to any Mortgage Bonds, upon (a) the qualification of the Mortgage Bond Indenture under the Trust Indenture Act, (b) the completion of all required Corporate Proceedings with respect to the issuance and terms of such Mortgage Bonds, (c) the due execution and delivery by the Company of such Mortgage Bonds, and (d) the due authentication by the Mortgage Bond Trustee of such Mortgage Bonds pursuant to the Mortgage Bond Indenture, such Mortgage Bonds will be valid and binding obligations of the Company.

3. Upon the qualification of the Senior Indenture under the Trust Indenture Act, the Senior Indenture will be a valid and binding obligation of the Company with respect to issuance of any Senior Debt Securities under the Registration Statement.

4. With respect to any Senior Debt Securities, upon (a) the qualification of the Senior Indenture under the Trust Indenture Act, (b) the completion of all required Corporate Proceedings with respect to the issuance and terms of such Senior Debt Securities, (c) the due execution and delivery by the Company of such Senior Debt Securities, and (d) the due authentication by the Senior Trustee of such Senior Debt Securities pursuant to the Senior Indenture, such Senior Debt Securities will be valid and binding obligations of the Company.

To the extent they relate to the validity, binding effect or enforceability of provisions of any instrument or agreement, each of the foregoing opinions is limited by (i) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer, fraudulent conveyance, voidable preference, receivership and other laws of general application affecting creditors’ rights and, in the case of the

Public Service Company of Colorado
April 18, 2018
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Mortgage Bond Indenture and the Mortgage Bonds, laws affecting the rights of mortgagees and other secured parties generally and state laws which affect the enforcement of certain remedial provisions, (ii) general principles of equity, including but not limited to concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, whether considered in a proceeding in equity or at law, (iii) public policy considerations that may limit the rights of parties to obtain specific remedies or enforce specific terms, and (iv) governmental authority to limit, delay or prohibit the making of payments outside the United States.

The foregoing opinions assume that (a) the Registration Statement and any amendments relating thereto shall have become effective under the Securities Act and will continue to be effective, (b) a prospectus supplement describing each series of Securities offered pursuant to the Registration Statement, to the extent required by applicable law, will be timely filed with the Commission, (c) the Trustee under each Indenture shall have satisfied those legal requirements that are applicable to it to the extent necessary to make such Indenture enforceable against it, (d) the Trustee under each Indenture and the holders of the Securities issued under each Indenture shall have complied with all legal requirements pertaining to their status as such status relates to their rights to enforce such Indenture and such Securities against the Company, (e) the terms of the Securities will be established in conformity with the applicable Indenture and so as not to violate, or be invalid, void or voidable under, any applicable law or public policy, (f) the Company shall have obtained all governmental and third party authorizations, consents and approvals and shall have made all filings and registrations required to enable it to execute, deliver and perform its obligations under, and consummate the transactions contemplated by, the Indentures and the Securities, including without limitation an order of the Public Utilities Commission of the State of Colorado authorizing and approving the issuance and sale of the Securities, and such execution, delivery, performance and consummation does not, and at all relevant times will not, violate or conflict with any law, rule, regulation, order, decree, judgment, instrument or agreement binding upon the Company or its properties, and (g) the Securities will be issued (i) upon receipt by the Company of the consideration therefor designated in the applicable Corporate Proceedings, which consideration shall be legally sufficient, and (ii) otherwise in accordance with, and in compliance with any limitations set forth in, the applicable Corporate Proceedings.

We have also assumed that (a) at the time the Securities are authorized, executed and delivered by the Company, (i) the Company will continue to be duly organized, validly existing and in good standing under the laws of the State of Colorado, and (ii) there will not have occurred any changes in the general corporation statute of the State of Colorado or in the articles of incorporation or bylaws of the Company affecting such authorization, execution or delivery, and (b) no relevant Corporate Proceedings, once completed, will be modified or rescinded.

We have further assumed that each document submitted to us for review is accurate and complete, each such document that is an original is authentic, each such document that is a copy conforms to an authentic original, and all signatures on each such document are genuine.

The opinions herein expressed are limited to the specific issues addressed and to documents and laws existing on the date hereof. By rendering our opinion, we do not undertake to advise you with respect to any other matter or of any change in such documents and laws or in the interpretation thereof which may occur after the date hereof.

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April 18, 2018
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Our opinions set forth herein are limited to the laws of the State of Colorado and the laws of the State of New York, in each case of general applicability. We have assumed that the choice of law to govern the Indentures and the Securities will be upheld.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to being named in the Prospectus included therein under the caption "Legal Opinions" with respect to the matters stated therein. In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

FAEGRE BAKER DANIELS LLP

By /s/ Charles D. Calvin

Charles D. Calvin

Exhibit 5(e)(1)

Faegre Baker Daniels LLP
2200 Wells Fargo Center ▼ 90 South Seventh Street
Minneapolis ▼ Minnesota 55402-3901
Phone +1 612 766 7000
Fax +1 612 766 1600

April 18, 2018

Southwestern Public Service Company
790 South Buchanan Street
Amarillo, TX 79101

Ladies and Gentlemen:

We have acted as counsel for Southwestern Public Service Company, a New Mexico corporation (the “Company”), in connection with the preparation of a Registration Statement on Form S-3 (the “Registration Statement”) of the Company filed with the Securities and Exchange Commission (the “Commission”) under the Securities Act of 1933, as amended (the “Securities Act”), relating to the proposed offer and sale from time to time of the following securities (the “Securities”):

- (i) secured unsubordinated debt securities of the Company in the form filed as Exhibit 4(e)(9) to the Registration Statement, with appropriate insertions (the “Mortgage Bonds”); and
- (ii) unsecured unsubordinated debt securities of the Company in the form filed as Exhibit 4(e)(14) to the Registration Statement, with appropriate insertions (the “Senior Debt Securities”).

The Securities may be offered in separate series, and in amounts, at prices and on terms to be set forth in the prospectus and one or more supplements to the prospectus (collectively, the “Prospectus”) constituting a part of the Registration Statement, and in the Registration Statement.

The Mortgage Bonds are to be issued under the Indenture dated as of August 1, 2011 between the Company and U.S. Bank National Association (the “Mortgage Bond Trustee”) filed as Exhibit 4(e)(3) to the Registration Statement (the “Mortgage Bond Indenture”). The Senior Debt Securities are to be issued under the Indenture dated February 1, 1999 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the “Senior Trustee” and together with the Mortgage Bond Trustee, referred to herein collectively as the “Trustees” and individually as a “Trustee”), filed as Exhibit 4(e)(10) to the Registration Statement (the “Senior Indenture” and together with the Mortgage Bond Indenture, referred to herein collectively as the “Indentures” and individually as an “Indenture”).

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As part of the corporate actions taken and to be taken (the “Corporate Proceedings”) in connection with the issuance of any Securities to be issued and sold from time to time under the Registration Statement, the Board of Directors, a committee thereof or certain authorized officers of the Company as authorized by the Board of Directors will need to, before such Securities are issued under the Registration Statement, duly authorize the issuance and approve the terms of such Securities.

We have examined the Registration Statement and have reviewed and relied upon such other documents, records, certifications and instruments as we have deemed necessary or appropriate for the purposes of this opinion.

Based on the foregoing, we are of the opinion that:

1. upon qualification of the Mortgage Bond Indenture under the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”), the Mortgage Bond Indenture, to the extent New York law is applicable thereto, will be a valid and binding obligation of the Company with respect to issuances of any Mortgage Bonds under the Registration Statement;
2. with respect to any Mortgage Bonds, upon (a) the qualification of the Mortgage Bond Indenture under the Trust Indenture Act, (b) the completion of all required Corporate Proceedings with respect to the issuance and terms of such Mortgage Bonds, (c) the due execution and delivery by the Company of such Mortgage Bonds, and (d) the due authentication by the Mortgage Bond Trustee of such Mortgage Bonds pursuant to the Mortgage Bond Indenture, such Mortgage Bonds, to the extent New York law is applicable thereto, will be valid and binding obligations of the Company;
3. upon the qualification of the Senior Indenture under the Trust Indenture Act, the Senior Indenture will be a valid and binding obligation of the Company with respect to issuances of any Senior Debt Securities under the Registration Statement; and
4. with respect to any Senior Debt Securities, upon (a) the qualification of the Senior Indenture under the Trust Indenture Act, (b) the completion of all required Corporate Proceedings with respect to the issuance and terms of such Senior Debt Securities, (c) the due execution and delivery by the Company of such Senior Debt Securities, and (d) the due authentication by the Senior Trustee of such Senior Debt Securities pursuant to the Senior Indenture, such Senior Debt Securities will be valid and binding obligations of the Company;

except, that, to the extent they relate to the validity, binding effect or enforceability of provisions of any instrument or agreement, each of the foregoing opinions is limited by (i) applicable bankruptcy, reorganization, insolvency, assignment for the benefit of creditors, moratorium, fraudulent transfer, fraudulent conveyance, voidable transaction, voidable preference, receivership and other laws of

Southwestern Public Service Company
April 18, 2018
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general application affecting creditors' rights and, in the case of the Mortgage Bond Indenture and the Mortgage Bonds, laws affecting the rights of mortgagees and other secured parties generally and state laws which affect the enforcement of certain remedial provisions, and (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, whether considered in a proceeding in equity or at law.

The foregoing opinions assume that (a) the Registration Statement and any amendments relating thereto will continue to be effective under the Securities Act, (b) a prospectus supplement describing each series of Securities offered pursuant to the Registration Statement, to the extent required by applicable law, will be timely filed with the Commission, (c) the Trustee under each Indenture shall have satisfied those legal requirements that are applicable to it to the extent necessary to make such Indenture enforceable against it, (d) the Trustee under each Indenture and the holders of the Securities issued under each Indenture shall have complied with all legal requirements pertaining to their status as such status relates to their rights to enforce such Indenture and Securities against the Company, (e) the terms of the Securities will be established in conformity with the applicable Indenture and so as not to violate, or be invalid, void or voidable under, any applicable law (including without limitation as a matter of public policy), (f) the Company shall have obtained all governmental and third party authorizations, consents and approvals and shall have made all filings and registrations required to enable it to execute, deliver and perform its obligations under, and consummate the transactions contemplated by, the Indentures and the Securities, including without limitation an order of the New Mexico Public Regulatory Commission authorizing and approving the issuance and sale of the Securities, and such execution, delivery, performance and consummation does not, and at all relevant times will not, violate or conflict with any law, rule, regulation, order, decree, judgment, instrument or agreement binding upon the Company or its properties, and (g) the Securities will be issued (1) upon receipt by the Company of the consideration therefor designated in the applicable Corporate Proceedings, which consideration shall be legally sufficient, and (2) otherwise in accordance with, and in compliance with any limitations set forth in, the applicable Corporate Proceedings.

We have also assumed that (a) at the time the Securities are authorized, executed and delivered by the Company, (i) the Company will continue to be duly organized, validly existing and in good standing under the laws of the State of New Mexico, and (ii) there will not have occurred any changes in the general corporation statute of the State of New Mexico or in the articles of incorporation or bylaws of the Company affecting such authorization, execution or delivery, and (b) no relevant Corporate Proceedings, once completed, will be modified or rescinded.

We have further assumed that each document submitted to us for review is accurate and complete, each such document that is an original is authentic, each such document that is a copy conforms to an authentic original, and all signatures on each such document are genuine.

The opinions herein expressed are limited to the specific issues addressed and to documents and laws existing on the date hereof. By rendering our opinion, we do not undertake to advise you with respect to any other matter or of any change in such documents and laws or in the interpretation thereof which may occur after the date hereof.

Southwestern Public Service Company
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Our opinions set forth herein are limited to the laws of the State of New York of general application. We have assumed that the choice of law to govern the Indentures and the Securities will be upheld. As to all matters governed by the laws of the State of New Mexico, we have relied, with the Company's consent, upon the opinion of even date herewith addressed to the Company by Brownstein Hyatt Farber Schreck, LLP, local counsel to the Company, and we have made no independent examination of the laws of such state. All assumptions, qualification and exceptions in such opinion are incorporated herein by reference.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to being named in the Prospectus included therein under the caption "Legal Opinions" with respect to the matters stated therein. In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Very truly yours,

FAEGRE BAKER DANIELS LLP

By: /s/ Sonia A. Shewchuk

Sonia A. Shewchuk

Exhibit 5(e)(2)



April 18, 2018

Southwestern Public Service Company
790 South Buchanan Street
Amarillo, Texas 79101

Ladies and Gentlemen:

We have acted as local counsel for Southwestern Public Service Company, a New Mexico corporation (the "Company"), in connection with the preparation of a Registration Statement on Form S-3 (the "Registration Statement") of the Company filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), relating to the proposed offer and sale from time to time of the following securities (the "Securities"):

(i) secured unsubordinated debt securities of the Company in the form filed as Exhibit 4(e)(9) to the Registration Statement, with appropriate insertions (the "Mortgage Bonds"); and

(ii) unsecured unsubordinated debt securities of the Company in the form filed as Exhibit 4(e)(14) to the Registration Statement, with appropriate insertions (the "Senior Debt Securities").

The Securities may be offered in separate series, and in amounts, at prices and on terms to be set forth in the prospectus and one or more supplements to the prospectus (collectively, the "Prospectus") constituting a part of the Registration Statement, and in the Registration Statement.

The Mortgage Bonds are to be issued under the Indenture dated as of August 1, 2011 between the Company and U.S. Bank National Association (the "Mortgage Bond Trustee"), filed as Exhibit 4(e)(3) to the Registration Statement (the "Mortgage Bond Indenture"). The Senior Debt Securities are to be issued under the Indenture dated February 1, 1999 between the Company and The Bank of New York Mellon Trust Company, N.A., as successor trustee (the "Senior Trustee" and together with the Mortgage Bond Trustee, referred to herein collectively as the "Trustees" and individually as a "Trustee"), filed as Exhibit 4(e)(10) to the Registration Statement (the "Senior Indenture" and together with the Mortgage Bond Indenture, referred to herein collectively as the "Indentures" and individually as an "Indenture").

As part of the corporate actions taken and to be taken (the "Corporate Proceedings") in connection with issuance of any Mortgage Bonds to be issued and sold from time to time under the Registration Statement, we have assumed that the Board of Directors, a committee thereof or certain authorized officers of the Company as authorized by the Board of Directors will, before such Mortgage Bonds are issued under the Registration Statement, duly authorize the issuance and approve the terms of such Mortgage Bonds.

We have examined the Registration Statement and have reviewed and relied upon such other documents, records, certifications and instruments as we have deemed necessary or appropriate for the purposes of the opinions expressed in this letter.

201 Third Street NW, Suite 1700
Albuquerque, NM 87102-4386
main 505.244.0770

bhfs.com

Brownstein Hyatt Farber Schreck, LLP

Southwestern Public Service Company
April 18, 2018
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Based on the foregoing, we are of the opinion that:

1. The Company is validly existing and in good standing under the laws of the State of New Mexico;
2. The Company has the corporate power and authority to execute and deliver the Indentures and the Securities, to perform its obligations thereunder and to consummate the transactions contemplated thereby;
3. The execution and delivery by the Company of the Indentures have been properly authorized by all necessary corporate action on the part of the Company, and the Indentures have been duly executed and delivered by the Company;
4. The execution and delivery by the Company of the Indentures and the Securities, the performance by the Company of its obligations thereunder and the consummation by the Company of the transactions contemplated thereby will not violate the Company's articles of incorporation or bylaws;
5. Upon the qualification of the Mortgage Bond Indenture under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), the Mortgage Bond Indenture, to the extent New Mexico law is applicable thereto, will be a valid and binding obligation of the Company with respect to issuances of any Mortgage Bonds under the Registration Statement; and
6. With respect to any Mortgage Bonds, upon (a) the qualification of the Mortgage Bond Indenture under the Trust Indenture Act, (b) the completion of all required Corporate Proceedings with respect to the issuance and terms of such Mortgage Bonds, (c) the due execution and delivery by the Company of such Mortgage Bonds, and (d) the due authentication by the Mortgage Bond Trustee of such Mortgage Bonds pursuant to the Mortgage Bond Indenture, such Mortgage Bonds, to the extent New Mexico law is applicable thereto, will be valid and binding obligations of the Company;

except, that, to the extent they relate to the validity, binding effect or enforceability of provisions of any instrument or agreement, each of the foregoing opinions is limited by (i) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer, fraudulent conveyance, voidable preference, receivership and other laws of general application affecting creditors' rights and laws affecting the rights of mortgagees and other secured parties generally and state laws which affect the enforcement of certain remedial provisions, and (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, whether considered in a proceeding in equity or at law.

The foregoing opinions assume that (a) the Registration Statement and any amendments relating thereto will continue to be effective under the Securities Act, (b) a Prospectus supplement describing each series of Mortgage Bonds offered pursuant to the Registration Statement, to the extent required by applicable law, will be timely filed with the Commission, (c) the Mortgage Bond Trustee shall have satisfied those legal requirements that are applicable to it to the extent necessary to make the Mortgage Bond Indenture enforceable against it, (d) the Mortgage Bond Trustee and the holders of the Mortgage Bonds shall have complied with all legal requirements pertaining to their status as such status relates to their rights to enforce the Mortgage Bond Indenture and the Mortgage Bonds against the Company, (e) the terms of the Mortgage Bonds will be established in conformity with the Mortgage Bond Indenture and so as not to violate, or be void or voidable under, any applicable law (including without limitation as a matter of public policy), (f) in connection with each issuance of a series of Mortgage Bonds, the Mortgage Bond Trustee and the Company shall have entered into and recorded a supplemental indenture that states (i) the maximum principal amount of such series of Mortgage Bonds, and (ii) the aggregate principal amount of Securities Outstanding (as those terms are defined in the Mortgage Bond Indenture) under the Mortgage

Southwestern Public Service Company
April 18, 2018
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Bond Indenture, (g) the Company shall have obtained all governmental and third party authorizations, consents and approvals and shall have made all filings and registrations required to enable it to execute, deliver and perform its obligations under, and consummate the transactions contemplated by, the Mortgage Bond Indenture and the Mortgage Bonds, including without limitation an order of the New Mexico Public Regulatory Commission authorizing and approving the issuance and sale of the Mortgage Bonds and such execution, delivery, performance and consummation does not, and at all relevant times will not, violate or conflict with any law, rule, regulation, order, decree, judgment, instrument or agreement binding upon the Company or its properties, and (h) the Mortgage Bonds will be issued (1) upon receipt by the Company of the consideration therefor designated in the applicable Corporate Proceedings, which consideration shall be legally sufficient, and (2) otherwise in accordance with, and in compliance with any limitations set forth in, the applicable Corporate Proceedings.

We have also assumed that (a) at the time the Mortgage Bonds are authorized, executed and delivered by the Company, (i) the Company will continue to be duly organized, validly existing and in good standing under the laws of the State of New Mexico, and (ii) there will not have occurred any changes in the general corporation statute of the State of New Mexico or in the articles of incorporation or bylaws of the Company affecting such authorization, execution or delivery, and (b) no relevant Corporate Proceedings, once completed, will be modified or rescinded.

We have further assumed that each document submitted to us for review is accurate and complete, each such document that is an original is authentic, each such document that is a copy conforms to an authentic original, all signatures on each such document are genuine, and each document has not been amended, modified or supplemented by any other agreement or understanding, written or oral.

The opinions herein expressed are limited to the specific issues addressed and to documents and laws existing on the date hereof. By rendering our opinion, we do not undertake to advise you with respect to any other matter or of any change in such documents and laws or in the interpretation thereof which may occur after the date hereof.

Our opinions set forth herein are limited to the laws of the State of New Mexico. We have assumed that the choice of law to govern the Mortgage Bond Indenture and the Mortgage Bonds will be upheld.

This opinion may be relied upon by the firms of Graves, Dougherty, Hearon & Moody, P.C. and Faegre Baker Daniels LLP for the purposes of rendering their opinions that are exhibits to the Registration Statement.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to being named in the Prospectus included therein under the caption "Legal Opinions" with respect to the matters stated therein. In giving such consent, we do not hereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act.

Southwestern Public Service Company
April 18, 2018
Page 4

Very truly yours,

/s/ Brownstein Hyatt Farber Schreck, LLP

Brownstein Hyatt Farber Schreck, LLP

Exhibit 5(e)(3)



GRAVES DOUGHERTY HEARON & MOODY

A Professional Corporation

512.480.5600
512.480.5837 (fax)

MAILING ADDRESS:
P.O. Box 98
Austin, TX 78767-9998

April 18, 2018

Southwestern Public Service Company
790 South Buchanan
Amarillo, TX 79101

Ladies and Gentlemen:

We have acted as local counsel for Southwestern Public Service Company, a New Mexico corporation (the “**Company**”), in connection with the preparation of a Registration Statement on Form S-3 (the “**Registration Statement**”) of the Company filed with the Securities and Exchange Commission (the “**Commission**”) under the Securities Act of 1933, as amended (the “**Securities Act**”), relating to the proposed offer and sale from time to time of secured unsubordinated debt securities of the Company in the form filed as Exhibit (4)(e)(9) to the Registration Statement, with appropriate insertions (the “**Mortgage Bonds**”). The Mortgage Bonds may be offered in separate series, and in amounts, at prices and on terms to be set forth in the prospectus and one or more supplements to the prospectus (collectively, the “**Prospectus**”) constituting a part of the Registration Statement, and in the Registration Statement.

The Mortgage Bonds are to be issued under the indenture dated as of August 1, 2011 between the Company and U. S. Bank National Association (the “**Mortgage Bond Trustee**”) filed as Exhibit 4(e)(3) to the Registration Statement (the “**Mortgage Bond Indenture**”).

As part of the corporate actions taken and to be taken (the “**Corporate Proceedings**”) in connection with issuance of any Mortgage Bonds to be issued and sold from time to time under the Registration Statement, the Board of Directors, a committee thereof or certain authorized officers of the Company as authorized by the Board of Directors, will need to, before such Mortgage Bonds are issued under the Registration Statement, duly authorize the issuance and approve the terms of such Mortgage Bonds.

We have examined or are otherwise familiar with the Registration Statement and such other documents, records and instruments as we have deemed necessary or appropriate for the purposes of this opinion.

Based on the foregoing, we are of the opinion that:

1. upon the qualification of the Mortgage Bond Indenture under the Trust Indenture Act of 1939, as amended (the “**Trust Indenture Act**”), the Mortgage Bond Indenture, to the extent Texas law is applicable thereto, will be a valid and binding obligation of the Company with respect to issuances of any Mortgage Bonds under the Registration Statement; and

Southwestern Public Service Company
Page 2

2. with respect to any Mortgage Bonds, upon (a) the qualification of the Mortgage Bond Indenture under the Trust Indenture Act, (b) the completion of all required Corporate Proceedings with respect to the issuance and terms of such Mortgage Bonds, (c) the due execution and delivery by the Company of such Mortgage Bonds, and (d) the due authentication by the Mortgage Bond Trustee of such Mortgage Bonds pursuant to the Mortgage Bond Indenture, such Mortgage Bonds, to the extent Texas law is applicable thereto, will be valid and binding obligations of the Company;

except, that, to the extent they relate to the validity, binding effect or enforceability of provisions of any instrument or agreement, each of the foregoing opinions is limited by (i) applicable bankruptcy, reorganization, insolvency, moratorium, fraudulent transfer, fraudulent conveyance, voidable preference, receivership and other laws of general application affecting creditors' rights and laws affecting the rights of mortgagees and other secured parties generally and state laws which affect the enforcement of certain remedial provisions, (ii) general principles of equity, including without limitation, concepts of materiality, reasonableness, good faith, fair dealing and the possible unavailability of specific performance, injunctive relief or other equitable remedies, whether (in each case) considered in a proceeding in equity or at law, and (iii) governmental authority to limit, delay or prohibit the making of payments outside the United States.

The foregoing opinions assume that (a) the Registration Statement and any amendments relating thereto will continue to be effective under the Securities Act, (b) a prospectus supplement describing each series of Mortgage Bonds offered pursuant to the Registration Statement, to the extent required by applicable law, will be timely filed with the Commission, (c) the Mortgage Bond Trustee shall have satisfied those legal requirements that are applicable to it to the extent necessary to make the Mortgage Bond Indenture enforceable against it, (d) the Mortgage Bond Trustee and the holders of the Mortgage Bonds shall have complied with all legal requirements pertaining to their status as such status relates to their rights to enforce the Mortgage Bond Indenture and the Mortgage Bonds against the Company, (e) the terms of the Mortgage Bonds will be established in conformity with the Mortgage Bond Indenture and so as not to violate, or be void or voidable under, any applicable law (including without limitation as a matter of public policy), (f) in connection with each issuance of a series of Mortgage Bonds, the Mortgage Bond Trustee and the Company shall have entered into and recorded a supplemental indenture that states (i) the maximum principal amount of such series of Mortgage Bonds, and (ii) the aggregate principal amount of Securities Outstanding (as those terms are defined in the Mortgage Indenture) under the Mortgage Bond Indenture, (g) the Company shall have obtained all governmental and third party authorizations, consents and approvals and shall have made all filings and registrations required to enable it to execute, deliver and perform its obligations under, and consummate the transactions contemplated by, the Mortgage Bond Indenture and the Mortgage Bonds, including without limitation an order of the New Mexico Public Regulatory Commission authorizing and approving the issuance and sale of the Mortgage Bonds, and such

Southwestern Public Service Company
Page 3

execution, delivery, performance and consummation does not, and at all relevant times will not, violate or conflict with any law, rule, regulation, order, decree, judgment, instrument or agreement binding upon the Company or its properties, and (h) the Mortgage Bonds will be issued (1) upon receipt by the Company of the consideration therefor designated in the applicable Corporate Proceedings, which consideration shall be legally sufficient, and (2) otherwise in accordance with, and in compliance with any limitations set forth in, the applicable Corporate Proceedings.

We have also assumed that (a) at the time the Mortgage Bonds are authorized, executed and delivered by the Company, (i) the Company will continue to be duly organized, validly existing and in good standing under the laws of the State of New Mexico, and (ii) there will not have occurred any changes in the general corporation statute of the State of New Mexico or in the articles of incorporation or bylaws of the Company affecting such authorization, execution or delivery, and (b) no relevant Corporate Proceedings, once completed, will be modified or rescinded.

We have further assumed that each document submitted to us for review is accurate and complete, each such document that is an original is authentic, each such document that is a copy conforms to an authentic original, and all signatures on each such document are genuine.

The opinions herein expressed are limited to the specific issues addressed and to documents and laws existing on the date hereof. By rendering our opinion, we do not undertake to advise you with respect to any other matter or of any change in such documents and laws or in the interpretation thereof which may occur after the date hereof.

Our opinions set forth herein are limited to the laws of the State of Texas. We have assumed that the choice of law to govern the Mortgage Bond Indenture and the Mortgage Bonds will be upheld. As to the matters governed by the laws of the State of New Mexico, we have relied, with the Company's consent, upon an opinion of even date herewith addressed to the Company by Brownstein Hyatt Farber Schreck, LLP, local counsel to the Company, and we have made no independent examination of the laws of such State. All assumptions, qualifications and exceptions in such opinion are incorporated herein by reference.

We hereby consent to the filing of this opinion as an exhibit to the Registration Statement and to being named in the Prospectus included therein under the caption "Legal Opinions" with respect to the matters stated therein without implying or admitting that we are "experts" within the meaning of the Securities Act, or other rules and regulations of the Commission issued thereunder with respect to any part of the Registration Statement, including this exhibit.

Very truly yours,

/s/ Graves, Dougherty, Hearon & Moody

Graves, Dougherty, Hearon & Moody

Exhibit 23(a)(1)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-3 of our reports dated February 23, 2018, relating to the consolidated financial statements and financial statement schedules of Xcel Energy Inc. and subsidiaries, and the effectiveness of Xcel Energy Inc. and subsidiaries' internal control over financial reporting, appearing in the Annual Report on Form 10-K of Xcel Energy Inc. for the year ended December 31, 2017, and to the reference to us under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ DELOITTE & TOUCHE LLP
Minneapolis, Minnesota
April 18, 2018

Exhibit 23(b)(2)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated February 23, 2018, relating to the financial statements and financial statement schedule of Northern States Power Company, a Minnesota corporation, and subsidiaries appearing in the Annual Report on Form 10-K of Northern States Power Company, a Minnesota corporation, for the year ended December 31, 2017, and to the reference to us under the heading “Experts” in the Prospectus, which is part of this Registration Statement.

/s/ DELOITTE & TOUCHE LLP
Minneapolis, Minnesota
April 18, 2018

Exhibit 23(c)(2)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated February 23, 2018, relating to the financial statements and financial statement schedule of Northern States Power Company, a Wisconsin corporation, and subsidiaries appearing in the Annual Report on Form 10-K of Northern States Power Company, a Wisconsin corporation, for the year ended December 31, 2017, and to the reference to us under the heading “Experts” in the Prospectus, which is part of this Registration Statement.

/s/ DELOITTE & TOUCHE LLP
Minneapolis, Minnesota
April 18, 2018

Exhibit 23(d)(2)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated February 23, 2018, relating to the financial statements and financial statement schedule of Public Service Company of Colorado and subsidiaries appearing in the Annual Report on Form 10-K of Public Service Company of Colorado for the year ended December 31, 2017, and to the reference to us under the heading “Experts” in the Prospectus, which is part of this Registration Statement.

/s/ DELOITTE & TOUCHE LLP
Minneapolis, Minnesota
April 18, 2018

Exhibit 23(e)(4)

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in this Registration Statement on Form S-3 of our report dated February 23, 2018, relating to the financial statements and financial statement schedule of Southwestern Public Service Company appearing in the Annual Report on Form 10-K of Southwestern Public Service Company for the year ended December 31, 2017, and to the reference to us under the heading “Experts” in the Prospectus, which is part of this Registration Statement.

/s/ DELOITTE & TOUCHE LLP
Minneapolis, Minnesota
April 18, 2018

Exhibit 24(a)

POWER OF ATTORNEY

The undersigned directors and/or officers of Xcel Energy Inc., a Minnesota corporation (the “Company”), does hereby make, constitute and appoint **ROBERT C. FRENZEL and SCOTT WILENSKY**, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact and agents, with full power of substitution, for the undersigned and in the undersigned’s name, place and stead and in any and all capacities, to sign and affix the undersigned’s name as such director and/or officer of said Company to one or more Form S-3 Registration Statements (or such other appropriate form) relating to the issuance and sale of an indeterminate amount of securities of the Company, which may include unsecured long-term senior debt securities, subordinated debt securities, junior subordinated debt securities, common stock, preferred stock, depository shares, warrants, rights, purchase contracts, and units, and all amendments, including post-effective amendments, thereto, to be filed by the Company with the SEC in connection with the registration under the Securities Act of 1933, as amended, of the issuance and sale of such securities of the Company, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 21st day of February, 2018.

/s/ Ben Fowke

Ben Fowke
Chairman, President, Chief Executive Officer and
Director

POWER OF ATTORNEY

The undersigned director and/or officer of Xcel Energy Inc., a Minnesota corporation (the “Company”), does hereby make, constitute and appoint **BEN FOWKE, ROBERT C. FRENZEL and SCOTT WILENSKY**, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact and agents, with full power of substitution, for the undersigned and in the undersigned’s name, place and stead and in any and all capacities, to sign and affix the undersigned’s name as such director and/or officer of said Company to one or more Form S-3 Registration Statements (or such other appropriate form) relating to the issuance and sale of an indeterminate amount of securities of the Company, which may include unsecured long-term senior debt securities, subordinated debt securities, junior subordinated debt securities, common stock, preferred stock, depositary shares, warrants, rights, purchase contracts, and units, and all amendments, including post-effective amendments, thereto, to be filed by the Company with the SEC in connection with the registration under the Securities Act of 1933, as amended, of the issuance and sale of such securities of the Company, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 21st day of February, 2018.

/s/ Richard K. Davis

Richard K. Davis
Director

POWER OF ATTORNEY

The undersigned director and/or officer of Xcel Energy Inc., a Minnesota corporation (the “Company”), does hereby make, constitute and appoint **BEN FOWKE, ROBERT C. FRENZEL and SCOTT WILENSKY**, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact and agents, with full power of substitution, for the undersigned and in the undersigned’s name, place and stead and in any and all capacities, to sign and affix the undersigned’s name as such director and/or officer of said Company to one or more Form S-3 Registration Statements (or such other appropriate form) relating to the issuance and sale of an indeterminate amount of securities of the Company, which may include unsecured long-term senior debt securities, subordinated debt securities, junior subordinated debt securities, common stock, preferred stock, depositary shares, warrants, rights, purchase contracts, and units, and all amendments, including post-effective amendments, thereto, to be filed by the Company with the SEC in connection with the registration under the Securities Act of 1933, as amended, of the issuance and sale of such securities of the Company, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 21st day of February, 2018.

/s/ Richard T. O’Brien

Richard T. O’Brien
Director

POWER OF ATTORNEY

The undersigned director and/or officer of Xcel Energy Inc., a Minnesota corporation (the “Company”), does hereby make, constitute and appoint **BEN FOWKE, ROBERT C. FRENZEL and SCOTT WILENSKY**, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact and agents, with full power of substitution, for the undersigned and in the undersigned’s name, place and stead and in any and all capacities, to sign and affix the undersigned’s name as such director and/or officer of said Company to one or more Form S-3 Registration Statements (or such other appropriate form) relating to the issuance and sale of an indeterminate amount of securities of the Company, which may include unsecured long-term senior debt securities, subordinated debt securities, junior subordinated debt securities, common stock, preferred stock, depositary shares, warrants, rights, purchase contracts, and units, and all amendments, including post-effective amendments, thereto, to be filed by the Company with the SEC in connection with the registration under the Securities Act of 1933, as amended, of the issuance and sale of such securities of the Company, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 21st day of February, 2018.

/s/ David K. Owens

David K. Owens
Director

POWER OF ATTORNEY

The undersigned director and/or officer of Xcel Energy Inc., a Minnesota corporation (the “Company”), does hereby make, constitute and appoint **BEN FOWKE, ROBERT C. FRENZEL and SCOTT WILENSKY**, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact and agents, with full power of substitution, for the undersigned and in the undersigned’s name, place and stead and in any and all capacities, to sign and affix the undersigned’s name as such director and/or officer of said Company to one or more Form S-3 Registration Statements (or such other appropriate form) relating to the issuance and sale of an indeterminate amount of securities of the Company, which may include unsecured long-term senior debt securities, subordinated debt securities, junior subordinated debt securities, common stock, preferred stock, depositary shares, warrants, rights, purchase contracts, and units, and all amendments, including post-effective amendments, thereto, to be filed by the Company with the SEC in connection with the registration under the Securities Act of 1933, as amended, of the issuance and sale of such securities of the Company, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 21st day of February, 2018.

/s/ Christopher J. Policinski

Christopher J. Policinski
Director

POWER OF ATTORNEY

The undersigned director and/or officer of Xcel Energy Inc., a Minnesota corporation (the “Company”), does hereby make, constitute and appoint **BEN FOWKE, ROBERT C. FRENZEL and SCOTT WILENSKY**, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact and agents, with full power of substitution, for the undersigned and in the undersigned’s name, place and stead and in any and all capacities, to sign and affix the undersigned’s name as such director and/or officer of said Company to one or more Form S-3 Registration Statements (or such other appropriate form) relating to the issuance and sale of an indeterminate amount of securities of the Company, which may include unsecured long-term senior debt securities, subordinated debt securities, junior subordinated debt securities, common stock, preferred stock, depositary shares, warrants, rights, purchase contracts, and units, and all amendments, including post-effective amendments, thereto, to be filed by the Company with the SEC in connection with the registration under the Securities Act of 1933, as amended, of the issuance and sale of such securities of the Company, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 21st day of February, 2018.

/s/ James Prokopanko

James Prokopanko
Director

POWER OF ATTORNEY

The undersigned director and/or officer of Xcel Energy Inc., a Minnesota corporation (the “Company”), does hereby make, constitute and appoint **BEN FOWKE, ROBERT C. FRENZEL and SCOTT WILENSKY**, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact and agents, with full power of substitution, for the undersigned and in the undersigned’s name, place and stead and in any and all capacities, to sign and affix the undersigned’s name as such director and/or officer of said Company to one or more Form S-3 Registration Statements (or such other appropriate form) relating to the issuance and sale of an indeterminate amount of securities of the Company, which may include unsecured long-term senior debt securities, subordinated debt securities, junior subordinated debt securities, common stock, preferred stock, depositary shares, warrants, rights, purchase contracts, and units, and all amendments, including post-effective amendments, thereto, to be filed by the Company with the SEC in connection with the registration under the Securities Act of 1933, as amended, of the issuance and sale of such securities of the Company, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 21st day of February, 2018.

/s/ A. Patricia Sampson

A. Patricia Sampson
Director

POWER OF ATTORNEY

The undersigned director and/or officer of Xcel Energy Inc., a Minnesota corporation (the “Company”), does hereby make, constitute and appoint **BEN FOWKE, ROBERT C. FRENZEL and SCOTT WILENSKY**, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact and agents, with full power of substitution, for the undersigned and in the undersigned’s name, place and stead and in any and all capacities, to sign and affix the undersigned’s name as such director and/or officer of said Company to one or more Form S-3 Registration Statements (or such other appropriate form) relating to the issuance and sale of an indeterminate amount of securities of the Company, which may include unsecured long-term senior debt securities, subordinated debt securities, junior subordinated debt securities, common stock, preferred stock, depositary shares, warrants, rights, purchase contracts, and units, and all amendments, including post-effective amendments, thereto, to be filed by the Company with the SEC in connection with the registration under the Securities Act of 1933, as amended, of the issuance and sale of such securities of the Company, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 21st day of February, 2018.

/s/ James J. Sheppard

James J. Sheppard
Director

POWER OF ATTORNEY

The undersigned director and/or officer of Xcel Energy Inc., a Minnesota corporation (the “Company”), does hereby make, constitute and appoint **BEN FOWKE, ROBERT C. FRENZEL and SCOTT WILENSKY**, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact and agents, with full power of substitution, for the undersigned and in the undersigned’s name, place and stead and in any and all capacities, to sign and affix the undersigned’s name as such director and/or officer of said Company to one or more Form S-3 Registration Statements (or such other appropriate form) relating to the issuance and sale of an indeterminate amount of securities of the Company, which may include unsecured long-term senior debt securities, subordinated debt securities, junior subordinated debt securities, common stock, preferred stock, depositary shares, warrants, rights, purchase contracts, and units, and all amendments, including post-effective amendments, thereto, to be filed by the Company with the SEC in connection with the registration under the Securities Act of 1933, as amended, of the issuance and sale of such securities of the Company, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 21st day of February, 2018.

/s/ David A. Westerlund

David A. Westerlund
Director

POWER OF ATTORNEY

The undersigned director and/or officer of Xcel Energy Inc., a Minnesota corporation (the “Company”), does hereby make, constitute and appoint **BEN FOWKE, ROBERT C. FRENZEL and SCOTT WILENSKY**, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact and agents, with full power of substitution, for the undersigned and in the undersigned’s name, place and stead and in any and all capacities, to sign and affix the undersigned’s name as such director and/or officer of said Company to one or more Form S-3 Registration Statements (or such other appropriate form) relating to the issuance and sale of an indeterminate amount of securities of the Company, which may include unsecured long-term senior debt securities, subordinated debt securities, junior subordinated debt securities, common stock, preferred stock, depositary shares, warrants, rights, purchase contracts, and units, and all amendments, including post-effective amendments, thereto, to be filed by the Company with the SEC in connection with the registration under the Securities Act of 1933, as amended, of the issuance and sale of such securities of the Company, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 21st day of February, 2018.

/s/ Kim Williams

Kim Williams
Director

POWER OF ATTORNEY

The undersigned director and/or officer of Xcel Energy Inc., a Minnesota corporation (the “Company”), does hereby make, constitute and appoint **BEN FOWKE, ROBERT C. FRENZEL and SCOTT WILENSKY**, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact and agents, with full power of substitution, for the undersigned and in the undersigned’s name, place and stead and in any and all capacities, to sign and affix the undersigned’s name as such director and/or officer of said Company to one or more Form S-3 Registration Statements (or such other appropriate form) relating to the issuance and sale of an indeterminate amount of securities of the Company, which may include unsecured long-term senior debt securities, subordinated debt securities, junior subordinated debt securities, common stock, preferred stock, depositary shares, warrants, rights, purchase contracts, and units, and all amendments, including post-effective amendments, thereto, to be filed by the Company with the SEC in connection with the registration under the Securities Act of 1933, as amended, of the issuance and sale of such securities of the Company, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 21st day of February, 2018.

/s/ Timothy V. Wolf

Timothy V. Wolf
Director

POWER OF ATTORNEY

The undersigned director and/or officer of Xcel Energy Inc., a Minnesota corporation (the “Company”), does hereby make, constitute and appoint **BEN FOWKE, ROBERT C. FRENZEL and SCOTT WILENSKY**, and each or any one of them, the undersigned’s true and lawful attorneys-in-fact and agents, with full power of substitution, for the undersigned and in the undersigned’s name, place and stead and in any and all capacities, to sign and affix the undersigned’s name as such director and/or officer of said Company to one or more Form S-3 Registration Statements (or such other appropriate form) relating to the issuance and sale of an indeterminate amount of securities of the Company, which may include unsecured long-term senior debt securities, subordinated debt securities, junior subordinated debt securities, common stock, preferred stock, depositary shares, warrants, rights, purchase contracts, and units, and all amendments, including post-effective amendments, thereto, to be filed by the Company with the SEC in connection with the registration under the Securities Act of 1933, as amended, of the issuance and sale of such securities of the Company, and to file the same, with all exhibits thereto and other supporting documents, with the SEC.

IN WITNESS WHEREOF, the undersigned has caused this Power of Attorney to be executed as of this 21st day of February, 2018.

/s/ Daniel Yohannes

Daniel Yohannes
Director

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM T-1

**STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE**

- CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(b) (2)**

WELLS FARGO BANK, NATIONAL ASSOCIATION
(Exact name of trustee as specified in its charter)

A National Banking Association
(Jurisdiction of incorporation or
organization if not a U.S. national bank)

94-1347393
(I.R.S. Employer
Identification No.)

101 North Phillips Avenue
Sioux Falls, South Dakota
(Address of principal executive offices)

57104
(Zip code)

Wells Fargo & Company
Law Department, Trust Section
MAC N9305-175
Sixth Street and Marquette Avenue, 17th Floor
Minneapolis, Minnesota 55479
(612) 667-4608
(Name, address and telephone number of agent for service)

Xcel Energy Inc.
(Exact name of obligor as specified in its charter)

Minnesota
(State or other jurisdiction of
incorporation or organization)

41-0448030
(I.R.S. Employer
Identification No.)

414 Nicollet Mall
Minneapolis, Minnesota
(Address of principal executive offices)

55401
(Zip code)

Senior Debt Securities
Junior Subordinated Debt Securities
(Title of the indenture securities)

Item 1. General Information. Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of the Currency
Treasury Department
Washington, D.C.

Federal Deposit Insurance Corporation
Washington, D.C.

Federal Reserve Bank of San Francisco
San Francisco, California 94120

- (b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

Item 2. Affiliations with Obligor. If the obligor is an affiliate of the trustee, describe each such affiliation.

None with respect to the trustee.

No responses are included for Items 3-14 of this Form T-1 because the obligor is not in default as provided under Item 13.

Item 15. Foreign Trustee. Not applicable.

Item 16. List of Exhibits. List below all exhibits filed as a part of this Statement of Eligibility.

- Exhibit 1. A copy of the Articles of Association of the trustee now in effect.*
- Exhibit 2. A copy of the Comptroller of the Currency Certificate of Corporate Existence for Wells Fargo Bank, National Association, dated January 14, 2015.*
- Exhibit 3. A copy of the Comptroller of the Currency Certification of Fiduciary Powers for Wells Fargo Bank, National Association, dated January 6, 2014.*
- Exhibit 4. Copy of By-laws of the trustee as now in effect.*
- Exhibit 5. Not applicable.
- Exhibit 6. The consent of the trustee required by Section 321(b) of the Act.
- Exhibit 7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
- Exhibit 8. Not applicable.

Exhibit 9. Not applicable.

* Incorporated by reference to the exhibit of the same number to the trustee's Form T-1 filed as exhibit to the Filing 305B2 dated March 13, 2015 of file number 333-190926.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, Wells Fargo Bank, National Association, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Minneapolis and State of Minnesota on the 4th day of April, 2018.

WELLS FARGO BANK, NATIONAL ASSOCIATION

/s/ David S. Pickett

David S. Pickett
Assistant Vice President

EXHIBIT 6

April 4, 2018

Securities and Exchange Commission
Washington, D.C. 20549

Gentlemen:

In accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, the undersigned hereby consents that reports of examination of the undersigned made by Federal, State, Territorial, or District authorities authorized to make such examination may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION

/s/ David S. Pickett

David S. Pickett
Assistant Vice President

Exhibit 7

Consolidated Report of Condition of

Wells Fargo Bank National Association
of 101 North Phillips Avenue, Sioux Falls, SD 57104
And Foreign and Domestic Subsidiaries,

at the close of business December 31, 2017, filed in accordance with 12 U.S.C. §161 for National Banks.

	Dollar Amounts In Millions
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	\$ 22,450
Interest-bearing balances	192,185
Securities:	
Held-to-maturity securities	139,228
Available-for-sale securities	260,098
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold in domestic offices	120
Securities purchased under agreements to resell	31,006
Loans and lease financing receivables:	
Loans and leases held for sale	12,005
Loans and leases, net of unearned income	929,016
LESS: Allowance for loan and lease losses	10,104
Loans and leases, net of unearned income and allowance	918,912
Trading Assets	51,667
Premises and fixed assets (including capitalized leases)	8,116
Other real estate owned	641
Investments in unconsolidated subsidiaries and associated companies	12,014
Direct and indirect investments in real estate ventures	72
Intangible assets	
Goodwill	22,480
Other intangible assets	16,807
Other assets	59,553
Total assets	<u>\$ 1,747,354</u>
LIABILITIES	
Deposits:	
In domestic offices	\$ 1,259,735
Noninterest-bearing	423,833
Interest-bearing	835,902
In foreign offices, Edge and Agreement subsidiaries, and IBFs	129,264
Noninterest-bearing	962
Interest-bearing	128,302
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased in domestic offices	10,906
Securities sold under agreements to repurchase	7,180

	Dollar Amounts In Millions
Trading liabilities	10,537
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	118,326
Subordinated notes and debentures	11,950
Other liabilities	32,898
Total liabilities	\$ 1,580,796
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	519
Surplus (exclude all surplus related to preferred stock)	112,497
Retained earnings	53,612
Accumulated other comprehensive income	468
Other equity capital components	0
Total bank equity capital	166,160
Noncontrolling (minority) interests in consolidated subsidiaries	398
Total equity capital	166,558
Total liabilities, and equity capital	\$ 1,747,354

I, John R. Shrewsberry, Sr. EVP & CFO of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

John R. Shrewsberry
Sr. EVP & CFO

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

Directors

Enrique Hernandez, Jr
Federico F. Pena
James Quigley

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM T-1

**STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE**

- CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(b)(2)**

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
(Exact name of trustee as specified in its charter)

(Jurisdiction of incorporation if not a U.S. national bank)	95-3571558 (I.R.S. employer identification no.)
400 South Hope Street Suite 500 Los Angeles, California (Address of principal executive offices)	90071 (Zip code)

Northern States Power Company
(Exact name of obligor as specified in its charter)

Minnesota (State or other jurisdiction of incorporation or organization)	41-1967505 (I.R.S. employer identification no.)
414 Nicollet Mall Minneapolis, Minnesota (Address of principal executive offices)	55401 (Zip code)

First Mortgage Bonds
(Title of the indenture securities)

1. General information. Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
Comptroller of the Currency United States Department of the Treasury	Washington, DC 20219
Federal Reserve Bank	San Francisco, CA 94105
Federal Deposit Insurance Corporation	Washington, DC 20429

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the articles of association of The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A. (Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121948 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-152875).
2. A copy of certificate of authority of the trustee to commence business. (Exhibit 2 to Form T-1 filed with Registration Statement No. 333-121948).
3. A copy of the authorization of the trustee to exercise corporate trust powers (Exhibit 3 to Form T-1 filed with Registration Statement No. 333-152875).

4. A copy of the existing by-laws of the trustee (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-162713).
6. The consent of the trustee required by Section 321(b) of the Act (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-152875).
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the trustee, The Bank of New York Mellon Trust Company, N.A., a banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Los Angeles, and State of California, on the 13th day of April, 2018.

THE BANK OF NEW YORK MELLON TRUST
COMPANY, N.A.

By: /s/ Manjari Purkayastha

Name: Manjari Purkayastha

Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
of 400 South Hope Street, Suite 500, Los Angeles, CA 90071

At the close of business December 31, 2017, published in accordance with Federal regulatory authority instructions.

<u>ASSETS</u>	<u>Dollar amounts in thousands</u>
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	4,247
Interest-bearing balances	533,579
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	542,018
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, held for investment	0
LESS: Allowance for loan and lease losses	0
Loans and leases held for investment, net of allowance	0
Trading assets	0
Premises and fixed assets (including capitalized leases)	10,756
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	0
Direct and indirect investments in real estate ventures	0
Intangible assets:	
Goodwill	856,313
Other intangible assets	24,347
Other assets	121,741
Total assets	<u>\$ 2,093,001</u>

LIABILITIES

Deposits:		
In domestic offices		602
Noninterest-bearing	602	
Interest-bearing	0	
Not applicable		
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased		0
Securities sold under agreements to repurchase		0
Trading liabilities		0
Other borrowed money:		
(includes mortgage indebtedness and obligations under capitalized leases)		0
Not applicable		
Not applicable		
Subordinated notes and debentures		0
Other liabilities		222,312
Total liabilities		222,914
Not applicable		
EQUITY CAPITAL		
Perpetual preferred stock and related surplus		0
Common stock		1,000
Surplus (exclude all surplus related to preferred stock)		1,123,124
Not available		
Retained earnings		747,028
Accumulated other comprehensive income		-1,065
Other equity capital components		0
Not available		
Total bank equity capital		1,870,087
Noncontrolling (minority) interests in consolidated subsidiaries		0
Total equity capital		1,870,087
Total liabilities and equity capital		<u>2,093,001</u>

I, Matthew J. McNulty, CFO of the above-named bank do hereby declare that the Reports of Condition and Income (including the supporting schedules) for this report date have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true to the best of my knowledge and belief.

Matthew J. McNulty) CFO

We, the undersigned directors (trustees), attest to the correctness of the Report of Condition (including the supporting schedules) for this report date and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

Antonio I. Portuondo, President)
William D. Lindelof, Director) Directors (Trustees)
Alphonse J. Briand, Director)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM T-1

**STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE**

- CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(b) (2)**

WELLS FARGO BANK, NATIONAL ASSOCIATION

(Exact name of trustee as specified in its charter)

A National Banking Association
(Jurisdiction of incorporation or
organization if not a U.S. national bank)

94-1347393
(I.R.S. Employer
Identification No.)

101 North Phillips Avenue
Sioux Falls, South Dakota
(Address of principal executive offices)

57104
(Zip code)

Wells Fargo & Company
Law Department, Trust Section
MAC N9305-175
Sixth Street and Marquette Avenue, 17th Floor
Minneapolis, Minnesota 55479
(612) 667-4608

(Name, address and telephone number of agent for service)

Northern States Power Company

(Exact name of obligor as specified in its charter)

Minnesota
(State or other jurisdiction of
incorporation or organization)

41-1967505
(I.R.S. Employer
Identification No.)

414 Nicollet Mall
Minneapolis, Minnesota
(Address of principal executive offices)

55401
(Zip code)

Senior Unsecured Debt Securities
(Title of the indenture securities)

Item 1. General Information. Furnish the following information as to the trustee:

- (a) Name and address of each examining or supervising authority to which it is subject.

Comptroller of the Currency
Treasury Department
Washington, D.C.

Federal Deposit Insurance Corporation
Washington, D.C.

Federal Reserve Bank of San Francisco
San Francisco, California 94120

- (b) Whether it is authorized to exercise corporate trust powers.

The trustee is authorized to exercise corporate trust powers.

Item 2. Affiliations with Obligor. If the obligor is an affiliate of the trustee, describe each such affiliation.

None with respect to the trustee.

No responses are included for Items 3-14 of this Form T-1 because the obligor is not in default as provided under Item 13.

Item 15. Foreign Trustee. Not applicable.

Item 16. List of Exhibits. List below all exhibits filed as a part of this Statement of Eligibility.

- Exhibit 1. A copy of the Articles of Association of the trustee now in effect.*
- Exhibit 2. A copy of the Comptroller of the Currency Certificate of Corporate Existence for Wells Fargo Bank, National Association, dated January 14, 2015.*
- Exhibit 3. A copy of the Comptroller of the Currency Certification of Fiduciary Powers for Wells Fargo Bank, National Association, dated January 6, 2014.*
- Exhibit 4. Copy of By-laws of the trustee as now in effect.*
- Exhibit 5. Not applicable.
- Exhibit 6. The consent of the trustee required by Section 321(b) of the Act.
- Exhibit 7. A copy of the latest report of condition of the trustee published pursuant to law or the requirements of its supervising or examining authority.
- Exhibit 8. Not applicable.
- Exhibit 9. Not applicable.

* Incorporated by reference to the exhibit of the same number to the trustee's Form T-1 filed as exhibit to the Filing 305B2 dated March 13, 2015 of file number 333-190926.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the trustee, Wells Fargo Bank, National Association, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Minneapolis and State of Minnesota on the 4th day of April, 2018.

WELLS FARGO BANK, NATIONAL ASSOCIATION

/s/ David S. Pickett

David S. Pickett

Assistant Vice President

EXHIBIT 6

April 4, 2018

Securities and Exchange Commission
Washington, D.C. 20549

Gentlemen:

In accordance with Section 321(b) of the Trust Indenture Act of 1939, as amended, the undersigned hereby consents that reports of examination of the undersigned made by Federal, State, Territorial, or District authorities authorized to make such examination may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Very truly yours,

WELLS FARGO BANK, NATIONAL ASSOCIATION

/s/ David S. Pickett

David S. Pickett
Assistant Vice President

Exhibit 7

Consolidated Report of Condition of

Wells Fargo Bank National Association
of 101 North Phillips Avenue, Sioux Falls, SD 57104
And Foreign and Domestic Subsidiaries,

at the close of business December 31, 2017, filed in accordance with 12 U.S.C. §161 for National Banks.

	Dollar Amounts In Millions
ASSETS	
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	\$ 22,450
Interest-bearing balances	192,185
Securities:	
Held-to-maturity securities	139,228
Available-for-sale securities	260,098
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold in domestic offices	120
Securities purchased under agreements to resell	31,006
Loans and lease financing receivables:	
Loans and leases held for sale	12,005
Loans and leases, net of unearned income	929,016
LESS: Allowance for loan and lease losses	10,104
Loans and leases, net of unearned income and allowance	918,912
Trading Assets	51,667
Premises and fixed assets (including capitalized leases)	8,116
Other real estate owned	641
Investments in unconsolidated subsidiaries and associated companies	12,014
Direct and indirect investments in real estate ventures	72
Intangible assets	
Goodwill	22,480
Other intangible assets	16,807
Other assets	59,553
Total assets	<u>\$ 1,747,354</u>
LIABILITIES	
Deposits:	
In domestic offices	\$ 1,259,735
Noninterest-bearing	423,833
Interest-bearing	835,902
In foreign offices, Edge and Agreement subsidiaries, and IBFs	129,264
Noninterest-bearing	962
Interest-bearing	128,302
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased in domestic offices	10,906
Securities sold under agreements to repurchase	7,180

	Dollar Amounts In Millions
Trading liabilities	10,537
Other borrowed money (includes mortgage indebtedness and obligations under capitalized leases)	118,326
Subordinated notes and debentures	11,950
Other liabilities	32,898
Total liabilities	\$ 1,580,796
EQUITY CAPITAL	
Perpetual preferred stock and related surplus	0
Common stock	519
Surplus (exclude all surplus related to preferred stock)	112,497
Retained earnings	53,612
Accumulated other comprehensive income	468
Other equity capital components	0
Total bank equity capital	166,160
Noncontrolling (minority) interests in consolidated subsidiaries	398
Total equity capital	166,558
Total liabilities, and equity capital	<u>\$ 174,7354</u>

I, John R. Shrewsberry, Sr. EVP & CFO of the above-named bank do hereby declare that this Report of Condition has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true to the best of my knowledge and belief.

John R. Shrewsberry
Sr. EVP & CFO

We, the undersigned directors, attest to the correctness of this Report of Condition and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

Directors

Enrique Hernandez, Jr
Federico F. Pena
James Quigley

Exhibit 25(c)

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

**STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE**

Check if an Application to Determine Eligibility of a Trustee Pursuant to Section 305(b)(2)

U.S. BANK NATIONAL ASSOCIATION

(Exact name of Trustee as specified in its charter)

31-0841368

I.R.S. Employer Identification No.

800 Nicollet Mall
Minneapolis, Minnesota
(Address of principal executive offices)

55402
(Zip Code)

Joshua A. Hahn
U.S. Bank National Association
60 Livingston Avenue
St. Paul, MN 55107
(651) 466-6309

(Name, address and telephone number of agent for service)

Northern States Power Company

(Issuer with respect to the Securities)

Wisconsin
(State or other jurisdiction of
incorporation or organization)

39-0508315
(I.R.S. Employer
Identification No.)

1414 W. Hamilton Avenue
Eau Claire, WI
(Address of Principal Executive Offices)

54701
(Zip Code)

Debt Securities
(First Mortgage Bonds and Senior Unsecured Debt Securities)
(Title of the Indenture Securities)

FORM T-1

Item 1. GENERAL INFORMATION. Furnish the following information as to the Trustee.

a) *Name and address of each examining or supervising authority to which it is subject.*

Comptroller of the Currency
Washington, D.C.

b) *Whether it is authorized to exercise corporate trust powers.*

Yes

Item 2. AFFILIATIONS WITH OBLIGOR. If the obligor is an affiliate of the Trustee, describe each such affiliation.

None

Items 3-15 *Items 3-15 are not applicable because to the best of the Trustee's knowledge, the obligor is not in default under any Indenture for which the Trustee acts as Trustee.*

Item 16. LIST OF EXHIBITS: List below all exhibits filed as a part of this statement of eligibility and qualification.

1. A copy of the Articles of Association of the Trustee.*
2. A copy of the certificate of authority of the Trustee to commence business, attached as Exhibit 2.
3. A copy of the certificate of authority of the Trustee to exercise corporate trust powers, attached as Exhibit 3.
4. A copy of the existing bylaws of the Trustee.**
5. A copy of each Indenture referred to in Item 4. Not applicable.
6. The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939, attached as Exhibit 6.
7. Report of Condition of the Trustee as of December 31, 2017 published pursuant to law or the requirements of its supervising or examining authority, attached as Exhibit 7.

* Incorporated by reference to Exhibit 25.1 to Amendment No. 2 to registration statement on S-4, Registration Number 333-128217 filed on November 15, 2005.

** Incorporated by reference to Exhibit 25.1 to registration statement on form S-3ASR, Registration Number 333-199863 filed on November 5, 2014.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of St. Paul, State of Minnesota on the 2nd of April, 2018.

By: /s/ Joshua A. Hahn

Joshua A. Hahn
Vice President

Exhibit 2



Office of the Comptroller of the Currency

Washington, DC 20219

CERTIFICATE OF CORPORATE EXISTENCE

I, Joseph Otting, Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.

2. "U.S. Bank National Association," Cincinnati, Ohio (Charter No. 24), is a national banking association formed under the laws of the United States and is authorized thereunder to transact the business of banking on the date of this certificate.

IN TESTIMONY WHEREOF, today,
January 23, 2018, I have hereunto
subscribed my name and caused my seal
of office to be affixed to these presents at
the U.S. Department of the Treasury, in
the City of Washington, District of
Columbia



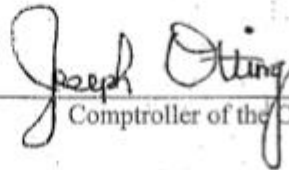

Comptroller of the Currency

Exhibit 3



Office of the Comptroller of the Currency

Washington, DC 20219

CERTIFICATION OF FIDUCIARY POWERS

I, Joseph Otting, Comptroller of the Currency, do hereby certify that:

1. The Office of the Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.

2. "U.S. Bank National Association," Cincinnati, Ohio (Charter No. 24), was granted, under the hand and seal of the Comptroller, the right to act in all fiduciary capacities authorized under the provisions of the Act of Congress approved September 28, 1962, 76 Stat. 668, 12 USC 92a, and that the authority so granted remains in full force and effect on the date of this certificate.

IN TESTIMONY WHEREOF, today,

January 23, 2018, I have hereunto

subscribed my name and caused my seal of

office to be affixed to these presents at the

U.S. Department of the Treasury, in the City

of Washington, District of Columbia.



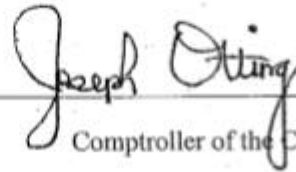

Comptroller of the Currency

Exhibit 6

CONSENT

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned, U.S. BANK NATIONAL ASSOCIATION hereby consents that reports of examination of the undersigned by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Dated: April 2, 2018

By: /s/ Joshua A. Hahn

Joshua A. Hahn
Vice President

Exhibit 7
U.S. Bank National Association
Statement of Financial Condition
As of 12/31/2017

(\$000's)

	12/31/2017
Assets	
Cash and Balances Due From	\$ 19,469,911
Depository Institutions	
Securities	111,520,538
Federal Funds	69,009
Loans & Lease Financing Receivables	279,502,730
Fixed Assets	4,583,971
Intangible Assets	12,895,144
Other Assets	27,984,526
Total Assets	\$456,025,829
Liabilities	
Deposits	\$357,200,076
Fed Funds	926,018
Treasury Demand Notes	0
Trading Liabilities	1,102,222
Other Borrowed Money	31,004,180
Acceptances	0
Subordinated Notes and Debentures	3,300,000
Other Liabilities	14,979,001
Total Liabilities	\$408,511,497
Equity	
Common and Preferred Stock	18,200
Surplus	14,266,915
Undivided Profits	32,432,873
Minority Interest in Subsidiaries	796,344
Total Equity Capital	\$ 47,514,332
Total Liabilities and Equity Capital	\$456,025,829

Exhibit 25(d)(1)

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

**STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE**

Check if an Application to Determine Eligibility of a Trustee Pursuant to Section 305(b)(2)

U.S. BANK NATIONAL ASSOCIATION

(Exact name of Trustee as specified in its charter)

31-0841368

I.R.S. Employer Identification No.

800 Nicollet Mall
Minneapolis, Minnesota
(Address of principal executive offices)

55402
(Zip Code)

K. Wendy Kumar
U.S. Bank National Association
100 Wall Street
New York, NY 10005
(212) 951-8561

(Name, address and telephone number of agent for service)

Public Service Company of Colorado

(Issuer with respect to the Securities)

Colorado
(State or other jurisdiction of
incorporation or organization)

84-0296600
(I.R.S. Employer
Identification No.)

1800 Larimer Street
Denver, Colorado
(Address of Principal Executive Offices)

80202
(Zip Code)

First Mortgage Bonds
(Title of the Indenture Securities)

FORM T-1

Item 1. GENERAL INFORMATION. Furnish the following information as to the Trustee.

a) *Name and address of each examining or supervising authority to which it is subject.*

Comptroller of the Currency
Washington, D.C.

b) *Whether it is authorized to exercise corporate trust powers.*

Yes

Item 2. AFFILIATIONS WITH OBLIGOR. *If the obligor is an affiliate of the Trustee, describe each such affiliation.*

None

Items 3-15 *Items 3-15 are not applicable because to the best of the Trustee's knowledge, the obligor is not in default under any Indenture for which the Trustee acts as Trustee.*

Item 16. LIST OF EXHIBITS: *List below all exhibits filed as a part of this statement of eligibility and qualification.*

1. A copy of the Articles of Association of the Trustee.*
2. A copy of the certificate of authority of the Trustee to commence business, attached as Exhibit 2.
3. A copy of the certificate of authority of the Trustee to exercise corporate trust powers, attached as Exhibit 3.
4. A copy of the existing bylaws of the Trustee.**
5. A copy of each Indenture referred to in Item 4. Not applicable.
6. The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939, attached as Exhibit 6.
7. Report of Condition of the Trustee as of December 31, 2017 published pursuant to law or the requirements of its supervising or examining authority, attached as Exhibit 7.

* Incorporated by reference to Exhibit 25.1 to Amendment No. 2 to registration statement on S-4, Registration Number 333-128217 filed on November 15, 2005.

** Incorporated by reference to Exhibit 25.1 to registration statement on form S-3ASR, Registration Number 333-199863 filed on November 5, 2014.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of New York, State of New York on the 3rd of April, 2018.

By: /s/ K. Wendy Kumar

K. Wendy Kumar
Vice President

Exhibit 2



Office of the Comptroller of the Currency

Washington, DC 20219

CERTIFICATE OF CORPORATE EXISTENCE

I, Joseph Otting, Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.

2. "U.S. Bank National Association," Cincinnati, Ohio (Charter No. 24), is a national banking association formed under the laws of the United States and is authorized thereunder to transact the business of banking on the date of this certificate.

IN TESTIMONY WHEREOF, today,
January 23, 2018, I have hereunto
subscribed my name and caused my seal
of office to be affixed to these presents at
the U.S. Department of the Treasury, in
the City of Washington, District of
Columbia



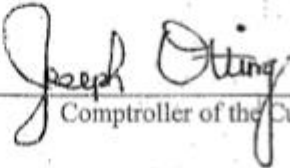

Comptroller of the Currency

Exhibit 3



Office of the Comptroller of the Currency

Washington, DC 20219

CERTIFICATION OF FIDUCIARY POWERS

I, Joseph Otting, Comptroller of the Currency, do hereby certify that:

1. The Office of the Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.

2. "U.S. Bank National Association," Cincinnati, Ohio (Charter No. 24), was granted, under the hand and seal of the Comptroller, the right to act in all fiduciary capacities authorized under the provisions of the Act of Congress approved September 28, 1962, 76 Stat. 668, 12 USC 92a, and that the authority so granted remains in full force and effect on the date of this certificate.

IN TESTIMONY WHEREOF, today,
January 23, 2018, I have hereunto
subscribed my name and caused my seal of
office to be affixed to these presents at the
U.S. Department of the Treasury, in the City
of Washington, District of Columbia.



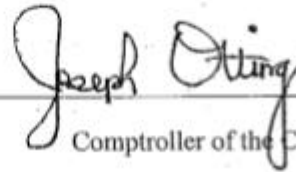

Comptroller of the Currency

Exhibit 6

CONSENT

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned, U.S. BANK NATIONAL ASSOCIATION hereby consents that reports of examination of the undersigned by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Dated: April 3, 2018

By: /s/ K. Wendy Kumar

K. Wendy Kumar
Vice President

Exhibit 7
U.S. Bank National Association
Statement of Financial Condition
As of 12/31/2017

(\$000's)

	12/31/2017
Assets	
Cash and Balances Due From	\$ 19,469,911
Depository Institutions	
Securities	111,520,538
Federal Funds	69,009
Loans & Lease Financing Receivables	279,502,730
Fixed Assets	4,583,971
Intangible Assets	12,895,144
Other Assets	27,984,526
Total Assets	\$456,025,829
Liabilities	
Deposits	\$357,200,076
Fed Funds	926,018
Treasury Demand Notes	0
Trading Liabilities	1,102,222
Other Borrowed Money	31,004,180
Acceptances	0
Subordinated Notes and Debentures	3,300,000
Other Liabilities	14,979,001
Total Liabilities	\$408,511,497
Equity	
Common and Preferred Stock	18,200
Surplus	14,266,915
Undivided Profits	32,432,873
Minority Interest in Subsidiaries	796,344
Total Equity Capital	\$ 47,514,332
Total Liabilities and Equity Capital	\$456,025,829

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM T-1

**STATEMENT OF ELIGIBILITY
UNDER THE TRUST INDENTURE ACT OF 1939 OF A
CORPORATION DESIGNATED TO ACT AS TRUSTEE**

- CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(b)(2)**

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
(Exact name of trustee as specified in its charter)

(Jurisdiction of incorporation if not a U.S. national bank)	95-3571558 (I.R.S. employer identification no.)
400 South Hope Street Suite 500 Los Angeles, California (Address of principal executive offices)	90071 (Zip code)

Public Service Company of Colorado
(Exact name of obligor as specified in its charter)

Colorado (State or other jurisdiction of incorporation or organization)	84-0296600 (I.R.S. employer identification no.)
1800 Larimer Street Suite 1100 Denver, Colorado (Address of principal executive offices)	80202 (Zip code)

Senior Unsecured Debt Securities
(Title of the indenture securities)

1. General information. Furnish the following information as to the trustee:

(a) Name and address of each examining or supervising authority to which it is subject.

Name	Address
Comptroller of the Currency United States Department of the Treasury	Washington, DC 20219
Federal Reserve Bank	San Francisco, CA 94105
Federal Deposit Insurance Corporation	Washington, DC 20429

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

Exhibits identified in parentheses below, on file with the Commission, are incorporated herein by reference as an exhibit hereto, pursuant to Rule 7a-29 under the Trust Indenture Act of 1939 (the "Act") and 17 C.F.R. 229.10(d).

1. A copy of the articles of association of The Bank of New York Mellon Trust Company, N.A., formerly known as The Bank of New York Trust Company, N.A. (Exhibit 1 to Form T-1 filed with Registration Statement No. 333-121948 and Exhibit 1 to Form T-1 filed with Registration Statement No. 333-152875).
2. A copy of certificate of authority of the trustee to commence business. (Exhibit 2 to Form T-1 filed with Registration Statement No. 333-121948).
3. A copy of the authorization of the trustee to exercise corporate trust powers (Exhibit 3 to Form T-1 filed with Registration Statement No. 333-152875).

4. A copy of the existing by-laws of the trustee (Exhibit 4 to Form T-1 filed with Registration Statement No. 333-162713).
6. The consent of the trustee required by Section 321(b) of the Act (Exhibit 6 to Form T-1 filed with Registration Statement No. 333-152875).
7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the trustee, The Bank of New York Mellon Trust Company, N.A., a banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Los Angeles, and State of California, on the 13th day of April, 2018.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: /s/ Manjari Purkayastha

Name: Manjari Purkayastha
Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
of 400 South Hope Street, Suite 500, Los Angeles, CA 90071

At the close of business December 31, 2017, published in accordance with Federal regulatory authority instructions.

<u>ASSETS</u>	<u>Dollar amounts in thousands</u>
Cash and balances due from depository institutions:	
Noninterest-bearing balances and currency and coin	4,247
Interest-bearing balances	533,579
Securities:	
Held-to-maturity securities	0
Available-for-sale securities	542,018
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, held for investment	0
LESS: Allowance for loan and lease losses	0
Loans and leases held for investment, net of allowance	0
Trading assets	0
Premises and fixed assets (including capitalized leases)	10,756
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	0
Direct and indirect investments in real estate ventures	0
Intangible assets:	
Goodwill	856,313
Other intangible assets	24,347
Other assets	121,741
Total assets	<u>\$ 2,093,001</u>

LIABILITIES

Deposits:		
In domestic offices		602
Noninterest-bearing	602	
Interest-bearing	0	
Not applicable		
Federal funds purchased and securities sold under agreements to repurchase:		
Federal funds purchased		0
Securities sold under agreements to repurchase		0
Trading liabilities		0
Other borrowed money:		
(includes mortgage indebtedness and obligations under capitalized leases)		0
Not applicable		
Not applicable		
Subordinated notes and debentures		0
Other liabilities		222,312
Total liabilities		222,914
Not applicable		
EQUITY CAPITAL		
Perpetual preferred stock and related surplus		0
Common stock		1,000
Surplus (exclude all surplus related to preferred stock)		1,123,124
Not available		
Retained earnings		747,028
Accumulated other comprehensive income		-1,065
Other equity capital components		0
Not available		
Total bank equity capital		1,870,087
Noncontrolling (minority) interests in consolidated subsidiaries		0
Total equity capital		1,870,087
Total liabilities and equity capital		<u>2,093,001</u>

I, Matthew J. McNulty, CFO of the above-named bank do hereby declare that the Reports of Condition and Income (including the supporting schedules) for this report date have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true to the best of my knowledge and belief.

Matthew J. McNulty) CFO

We, the undersigned directors (trustees), attest to the correctness of the Report of Condition (including the supporting schedules) for this report date and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

Antonio I. Portuondo, President)
William D. Lindelof, Director) Directors (Trustees)
Alphonse J. Briand, Director)

Exhibit 25(e)(1)

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM T-1

**STATEMENT OF ELIGIBILITY UNDER
THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE**

Check if an Application to Determine Eligibility of a Trustee Pursuant to Section 305(b)(2)

U.S. BANK NATIONAL ASSOCIATION

(Exact name of Trustee as specified in its charter)

31-0841368

I.R.S. Employer Identification No.

800 Nicollet Mall
Minneapolis, Minnesota
(Address of principal executive offices)

55402
(Zip Code)

Joshua A. Hahn
U.S. Bank National Association
60 Livingston Avenue
St. Paul, MN 55107
(651) 466-6309

(Name, address and telephone number of agent for service)

Southwestern Public Service Company

(Issuer with respect to the Securities)

New Mexico
(State or other jurisdiction of
incorporation or organization)

75-0575400
(I.R.S. Employer
Identification No.)

790 South Buchanan Street
Amarillo, Texas
(Address of Principal Executive Offices)

79101
(Zip Code)

First Mortgage Bonds
(Title of the Indenture Securities)

FORM T-1

Item 1. GENERAL INFORMATION. Furnish the following information as to the Trustee.

- a) *Name and address of each examining or supervising authority to which it is subject.*
Comptroller of the Currency
Washington, D.C.
- b) *Whether it is authorized to exercise corporate trust powers.*
Yes

Item 2. AFFILIATIONS WITH OBLIGOR. *If the obligor is an affiliate of the Trustee, describe each such affiliation.*

None

Items 3-15 *Items 3-15 are not applicable because to the best of the Trustee's knowledge, the obligor is not in default under any Indenture for which the Trustee acts as Trustee.*

Item 16. LIST OF EXHIBITS: *List below all exhibits filed as a part of this statement of eligibility and qualification.*

1. A copy of the Articles of Association of the Trustee.*
2. A copy of the certificate of authority of the Trustee to commence business, attached as Exhibit 2.
3. A copy of the certificate of authority of the Trustee to exercise corporate trust powers, attached as Exhibit 3.
4. A copy of the existing bylaws of the Trustee.**
5. A copy of each Indenture referred to in Item 4. Not applicable.
6. The consent of the Trustee required by Section 321(b) of the Trust Indenture Act of 1939, attached as Exhibit 6.
7. Report of Condition of the Trustee as of December 31, 2017 published pursuant to law or the requirements of its supervising or examining authority, attached as Exhibit 7.

* Incorporated by reference to Exhibit 25.1 to Amendment No. 2 to registration statement on S-4, Registration Number 333-128217 filed on November 15, 2005.

** Incorporated by reference to Exhibit 25.1 to registration statement on form S-3ASR, Registration Number 333-199863 filed on November 5, 2014.

SIGNATURE

Pursuant to the requirements of the Trust Indenture Act of 1939, as amended, the Trustee, U.S. BANK NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility and qualification to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of St. Paul, State of Minnesota on the 27th of March, 2018.

By: /s/ Joshua A. Hahn

Joshua A. Hahn
Vice President

Exhibit 2



Office of the Comptroller of the Currency

Washington, DC 20219

CERTIFICATE OF CORPORATE EXISTENCE

I, Joseph Otting, Comptroller of the Currency, do hereby certify that:

1. The Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.

2. "U.S. Bank National Association," Cincinnati, Ohio (Charter No. 24), is a national banking association formed under the laws of the United States and is authorized thereunder to transact the business of banking on the date of this certificate.

IN TESTIMONY WHEREOF, today,
January 23, 2018, I have hereunto
subscribed my name and caused my seal
of office to be affixed to these presents at
the U.S. Department of the Treasury, in
the City of Washington, District of
Columbia



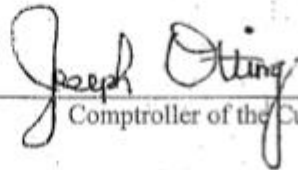

Comptroller of the Currency

Exhibit 3



Office of the Comptroller of the Currency

Washington, DC 20219

CERTIFICATION OF FIDUCIARY POWERS

I, Joseph Otting, Comptroller of the Currency, do hereby certify that:

1. The Office of the Comptroller of the Currency, pursuant to Revised Statutes 324, et seq, as amended, and 12 USC 1, et seq, as amended, has possession, custody, and control of all records pertaining to the chartering, regulation, and supervision of all national banking associations.

2. "U.S. Bank National Association," Cincinnati, Ohio (Charter No. 24), was granted, under the hand and seal of the Comptroller, the right to act in all fiduciary capacities authorized under the provisions of the Act of Congress approved September 28, 1962, 76 Stat. 668, 12 USC 92a, and that the authority so granted remains in full force and effect on the date of this certificate.

IN TESTIMONY WHEREOF, today,
January 23, 2018, I have hereunto
subscribed my name and caused my seal of
office to be affixed to these presents at the
U.S. Department of the Treasury, in the City
of Washington, District of Columbia.



Joseph Otting

Comptroller of the Currency

Exhibit 6

CONSENT

In accordance with Section 321(b) of the Trust Indenture Act of 1939, the undersigned, U.S. BANK NATIONAL ASSOCIATION hereby consents that reports of examination of the undersigned by Federal, State, Territorial or District authorities may be furnished by such authorities to the Securities and Exchange Commission upon its request therefor.

Dated: March 27, 2018

By: /s/ Joshua A. Hahn

Joshua A. Hahn
Vice President

Exhibit 7
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As of 12/31/2017

(\$000's)

	12/31/2017
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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM T-1

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UNDER THE TRUST INDENTURE ACT OF 1939
OF A CORPORATION DESIGNATED TO ACT AS TRUSTEE**

- CHECK IF AN APPLICATION TO DETERMINE ELIGIBILITY OF A TRUSTEE PURSUANT TO SECTION 305(b)(2)**

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(Exact name of trustee as specified in its charter)

(Jurisdiction of incorporation
if not a U.S. national bank)

95-3571558
(I.R.S. employer
identification no.)

400 South Hope Street Suite 500
Los Angeles, California
(Address of principal executive offices)

90071
(Zip code)

Southwestern Public Service Company
(Exact name of obligor as specified in its charter)

New Mexico
(State or other jurisdiction of
incorporation or organization)

75-0575400
(I.R.S. employer
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Senior Unsecured Debt Securities
(Title of the indenture securities)

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Federal Reserve Bank	San Francisco, CA 94105
Federal Deposit Insurance Corporation	Washington, DC 20429

(b) Whether it is authorized to exercise corporate trust powers.

Yes.

2. Affiliations with Obligor.

If the obligor is an affiliate of the trustee, describe each such affiliation.

None.

16. List of Exhibits.

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7. A copy of the latest report of condition of the Trustee published pursuant to law or to the requirements of its supervising or examining authority.

SIGNATURE

Pursuant to the requirements of the Act, the trustee, The Bank of New York Mellon Trust Company, N.A., a banking association organized and existing under the laws of the United States of America, has duly caused this statement of eligibility to be signed on its behalf by the undersigned, thereunto duly authorized, all in the City of Los Angeles, and State of California, on the 13th day of April, 2018.

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: /s/ Manjari Purkayastha

Name: Manjari Purkayastha

Title: Vice President

EXHIBIT 7

Consolidated Report of Condition of
THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.
of 400 South Hope Street, Suite 500, Los Angeles, CA 90071

At the close of business December 31, 2017, published in accordance with Federal regulatory authority instructions.

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Interest-bearing balances	533,579
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Held-to-maturity securities	0
Available-for-sale securities	542,018
Federal funds sold and securities purchased under agreements to resell:	
Federal funds sold	0
Securities purchased under agreements to resell	0
Loans and lease financing receivables:	
Loans and leases held for sale	0
Loans and leases, held for investment	0
LESS: Allowance for loan and lease losses	0
Loans and leases held for investment, net of allowance	0
Trading assets	0
Premises and fixed assets (including capitalized leases)	10,756
Other real estate owned	0
Investments in unconsolidated subsidiaries and associated companies	0
Direct and indirect investments in real estate ventures	0
Intangible assets:	
Goodwill	856,313
Other intangible assets	24,347
Other assets	121,741
Total assets	<u>\$ 2,093,001</u>

<u>LIABILITIES</u>	
Deposits:	
In domestic offices	602
Noninterest-bearing	602
Interest-bearing	0
Not applicable	
Federal funds purchased and securities sold under agreements to repurchase:	
Federal funds purchased	0
Securities sold under agreements to repurchase	0
Trading liabilities	0
Other borrowed money:	
(includes mortgage indebtedness and obligations under capitalized leases)	0
Not applicable	
Not applicable	
Subordinated notes and debentures	0
Other liabilities	222,312
Total liabilities	222,914
Not applicable	
<u>EQUITY CAPITAL</u>	
Perpetual preferred stock and related surplus	0
Common stock	1,000
Surplus (exclude all surplus related to preferred stock)	1,123,124
Not available	
Retained earnings	747,028
Accumulated other comprehensive income	-1,065
Other equity capital components	0
Not available	
Total bank equity capital	1,870,087
Noncontrolling (minority) interests in consolidated subsidiaries	0
Total equity capital	1,870,087
Total liabilities and equity capital	<u>2,093,001</u>

I, Matthew J. McNulty, CFO of the above-named bank do hereby declare that the Reports of Condition and Income (including the supporting schedules) for this report date have been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and are true to the best of my knowledge and belief.

Matthew J. McNulty) CFO

We, the undersigned directors (trustees), attest to the correctness of the Report of Condition (including the supporting schedules) for this report date and declare that it has been examined by us and to the best of our knowledge and belief has been prepared in conformance with the instructions issued by the appropriate Federal regulatory authority and is true and correct.

Antonio I. Portuondo, President)
William D. Lindelof, Director) Directors (Trustees)
Alphonse J. Briand, Director)

Supplemental Indenture

No Long-Term Debt Issued in 2018.

Prospectus Supplement

No Long-Term Debt Issued in 2018.

Bond Issuance Market Information

No Long-Term Debt Issued in 2018.

Docket No. E,G002/S-18-____
Attachment J

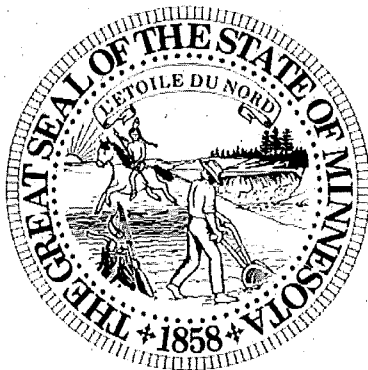
**CERTIFICATE OF GOOD STANDING
&
ARTICLES OF INCORPORATION**

**Office of the Minnesota Secretary of State
Certificate of Good Standing**

I, Steve Simon, Secretary of State of Minnesota, do certify that: The business entity listed below was filed pursuant to the Minnesota Chapter listed below with the Office of the Secretary of State on the date listed below and that this business entity is registered to do business and is in good standing at the time this certificate is issued.

Name: Northern States Power Company
Date Filed: 03/08/2000
File Number: 11B-256
Minnesota Statutes, Chapter: 302A
Home Jurisdiction: Minnesota

This certificate has been issued on: 09/20/2018



Steve Simon

Steve Simon
Secretary of State
State of Minnesota

State of Minnesota

SECRETARY OF STATE

CERTIFICATE OF INCORPORATION

I, Mary Kiffmeyer, Secretary of State of Minnesota, do certify that: Articles of Incorporation, duly signed and acknowledged under oath, have been filed on this date in the Office of the Secretary of State, for the incorporation of the following corporation, under and in accordance with the provisions of the chapter of Minnesota Statutes listed below.

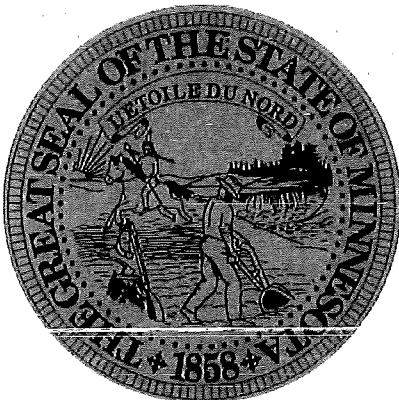
This corporation is now legally organized under the laws of Minnesota.

Corporate Name: Northern Power Corporation

Corporate Charter Number: 11B-256

Chapter Formed Under: 302A

This certificate has been issued on 03/08/2000.



Mary Kiffmeyer
Secretary of State.

1 B.256

ARTICLES OF INCORPORATION
OF
NORTHERN POWER CORPORATION

ARTICLE I

NAME

The name of the corporation is:

Northern Power Corporation

ARTICLE II

REGISTERED OFFICE

The address of the registered office of the corporation is:

414 Nicollet Mall
Minneapolis, Minnesota 55401

ARTICLE III

AUTHORIZED SHARES

The aggregate number of shares that the corporation has authority to issue is five million (5,000,000) shares, all of which shall be common stock of the par value of one cent (\$0.01) per share.

045740

ARTICLE IV**PREEMPTIVE RIGHTS**

Shareholders shall not have preemptive rights to purchase, subscribe for, or otherwise acquire any new or additional securities (including any options or warrants to acquire shares) of the corporation before the corporation may offer them to other persons.

ARTICLE V**CUMULATIVE VOTING**

There shall be no cumulative voting for directors.

ARTICLE VI**LIMITATION OF DIRECTORS' LIABILITY**

To the full extent permitted by the Minnesota Business Corporation Act, Chapter 302A of the Minnesota Statutes, as the same exists on the effective date of these Articles of Incorporation or as it subsequently may be amended, no director of the corporation shall be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director. Any repeal or modification of this ARTICLE VI shall be prospective only and shall not adversely affect any limitation of the personal liability of a director for, or with respect to, any acts or omissions of such director occurring prior to the effective date of such repeal or modification.

ARTICLE VII**WRITTEN ACTION BY BOARD**

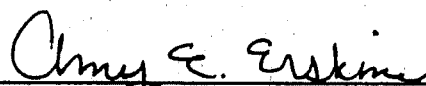
Any action required or permitted to be taken by the Board of Directors of this corporation may be taken by written action signed by the number of directors that would be required to take the same action at a meeting of the Board at which all directors are present, except as to those matters which require shareholder approval, in which case the written action must be signed by all members of the Board of Directors.

ARTICLE VIII**INCORPORATOR**

The name and address of the incorporator is:

Amy E. Erskine
2400 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402

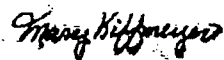
Dated: March 8, 2000



Amy E. Erskine, the sole incorporator of
Northern Power Corporation

STATE OF MINNESOTA
FILED-

MAR 08 2000


Secretary of State

11B-256

**AMENDMENT OF ARTICLES OF INCORPORATION
OF
NORTHERN POWER CORPORATION
(a Minnesota corporation)**

The undersigned, the Vice President and Chief Financial Officer of **NORTHERN POWER CORPORATION**, a corporation organized under the laws of the State of Minnesota (the "Company"), for the purposes of amending the Company's Articles of Incorporation under the provisions of Minnesota Statutes Section 302A.135, hereby states that:

- FIRST:** The name of the Company is Northern Power Corporation.
- SECOND:** Article I of the Company's Articles of Incorporation is hereby amended to read in its entirety as follows:

ARTICLE I

NAME

The name of the corporation is:


Northern States Power Company

- THIRD:** This amendment has been approved pursuant to Minnesota Statutes Chapter 302A.

I certify that I am authorized to execute this amendment, and I further certify that I understand that by signing this amendment, I am subject to the penalties of perjury as set forth in section 609.48 as if I had signed this amendment under oath.

NORTHERN POWER CORPORATION

Dated: August 21, 2000

By: 

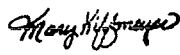
Its: Vice President & Chief Financial Officer

Name and telephone number of contact person:

Cathy Cleveland
(612) 337-2151

STATE OF MINNESOTA
DEPARTMENT OF STATE

FILED *
AUG 21 2000


Secretary of State

064188

MINNESOTA SECRETARY OF STATE



CERTIFICATE OF ASSUMED NAME

FILED MINNESOTA SECRETARY OF STATE 0242227 9/21/00

Minnesota Statutes Chapter 333

Read the directions on reverse side before completing.

Filing fee: \$25.00

The filing of an assumed name does not provide a user with exclusive rights to that name. The filing is required for consumer protection in order to enable consumers to be able to identify the true owner of a business.

PLEASE TYPE OR PRINT LEGIBLY IN BLACK INK FOR MICROFILMING PURPOSES.

1. State the exact assumed name under which the business is or will be conducted: (one business name per application)

Xcel Energy

g

2. State the address of the principal place of business. A complete street address or rural route and rural route box number is required; the address cannot be a P.O.Box.

414 Nicollet Mall

Minneapolis

MN

55401

Street

City

State

Zip code

3. List the name and complete street address of all persons conducting business under the above Assumed Name. Attach additional sheet(s) if necessary. If the business owner is a corporation, provide the legal corporate name and registered office address of the corporation.

Name (please print)

Street

City

State

Zip

Northern States Power Company, 414 Nicollet Mall, Minneapolis, MN

55401

4. I certify that I am authorized to sign this certificate and I further certify that I understand that by signing this certificate, I am subject to the penalties of perjury as set forth in Minnesota Statutes section 609.48 as if I had signed this certificate under oath.

Peter F. Recek

Signature (ONLY one person listed in #3 is required to sign.)

Peter F. Recek Assistant Secretary

Print Name and Title

Peter F. Recek 612/215-4603

Contact Person

Daytime Phone Number

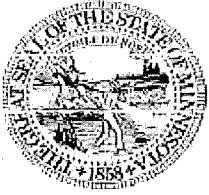
9/21/00

Date

No. filed 9/21/00

067553

32-AA



STATE OF MINNESOTA
SECRETARY OF STATE
CONSENT TO THE USE OF A NAME

Please type or print in dark black ink for archival purposes.

Please complete this side if this office has a name already on file that is similar to the name you wish to register. If you are unable to locate the holder of the name already on file, see the reverse side of this form. **Submit this form to the office along with the original filing or amendment you wish to record.**

Name You Wish to Register: Xcel Energy

2. Name Already on File: Xcel Energy Inc.

Address: 800 Nicollet Mall, Minneapolis, MN 55402

PLEASE HAVE THIS PORTION COMPLETED BY THE HOLDER OF THE NAME ALREADY ON FILE:

I grant consent to register the name listed on line 1 to: Northern States Power Company
(list name of person or entity registering new name)

located at 414 Nicollet Mall Minneapolis MN 55401
(street) (city) (zip)

(Check one) unconditionally.
 with the following conditions: * Without the designation "Inc."

*NOTE: Conditions must be privately enforced.

I certify that I am authorized to sign this consent and I further certify that I understand that by signing this consent I am subject to the penalties of perjury as set forth in section 609.48 as if I had signed this consent under oath.

Signed: Catherine J. Cleveland

Position: Assistant Secretary Daytime Phone: 612/215-5344

INSTRUCTIONS

1. Complete one form for each name already on file.
2. Filing fee: \$35.00 per form.
3. Make check payable to the Secretary of State.
4. Mail or bring the completed forms to:
Secretary of State
Business Services Division
180 State Office Bldg., 100 Constitution Ave.
St. Paul, MN 55155-1299
(651)296-2803

STATE OF MINNESOTA
FILED

SEP 2 2000

Mary Hoffmeyer
Secretary of State

All of the information on this form is public and required in order to process this filing. Failure to provide the requested information will prevent the Office from approving or further processing this filing.

The Secretary of State's Office does not discriminate on the basis of race, creed, color, sex, sexual orientation, national origin, age, marital status, disability, religion, reliance on public assistance, or political opinions or affiliations in employment or the provision of services. This document can be made available in alternative formats, such as large print, Braille or audio tape, by calling (651)296-2803/Voice. For TTY communication, contact the Minnesota Relay Service at 1-800-627-3529 and ask them to place a call to (651)296-2803.

08950913 11/98

067552

AFFIDAVIT OF PUBLICATION

STATE OF MINNESOTA)

(SS.

COUNTY OF HENNEPIN)

....., being duly sworn on oath says she/he is

and during all the times herein stated has been the publisher or the publisher's designated agent

in charge of the newspaper known as

FINANCE AND COMMERCE

and has full knowledge of the facts herein stated as follows:

(A) The newspaper has complied with all of the requirements constituting qualifications as a legal newspaper, as provided by Minnesota Statute 331A.02, 331A.07, and other applicable laws, as amended.

(B) She/He further states on oath that the printed

Cert of Assumed Name

2012729

hereto attached as a part hereof was cut from the columns of said newspaper, and was printed and published therein in the English language; that it was first so published on

September 26, 2000

for 2 time(s);

the subsequent dates of publication being as follows:

Wednesday, 09/27/2000

CERTIFICATE OF ASSUMED NAME STATE OF MINNESOTA

Minnesota Statutes Chapter 333;

1. The assumed name under which the business is or will be conducted is:

XCEL ENERGY

2. The street address of the principal place of business is or will be: 414 Nicollet Mall, Mpls., MN 55401.

3. The name and street address of all persons conducting business under the above Assumed Name.

Name Street Address Northern States Power Company, 414 Nicollet Mall, Mpls., MN 55401.

4. I certify that I am authorized to sign this certificate and I further certify that I understand that by signing this certificate, I am subject to the penalties of perjury as set forth in section 609.48 as if I had signed this certificate under oath.

DATED: September 21, 2000.

(Signed) PETER F. RECHEK, Assistant Secretary

(September 26, 27, 2000) 2012729

and that the following is a printed copy of the lower case alphabet from A to Z, both inclusive, and is hereby acknowledged as being the size and kind of type used in the composition and publication of said notice, to wit:

.... abcdefghijklmnopqrstuvwxyz

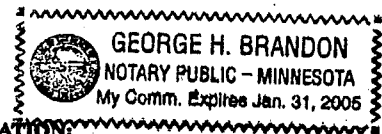
.X.... abcdefghijklmnopqrstuvwxyz

Subscribed and sworn to before me this 27th day of September, 2000.

George H Brandon

(Notarial Seal)

Notary Public, Hennepin County, Minnesota



RATE INFORMATION:

- 1. Lowest classified rate paid by commercial users for comparable space: 2.50.
- 2. Maximum rate allowed by law for the above matter: 2.50.
- 3. Rate actually charged for the above matter: 33.00.

MINNESOTA SECRETARY OF STATE


**NOTICE OF CHANGE OF REGISTERED OFFICE/
REGISTERED AGENT**

Please read the instructions on the back before completing this form.

1. Entity Name:

Northern States Power Company

2. Registered Office Address (No. & Street): List a complete street address or rural route and rural route box number. A post office box is not acceptable.

33 South Sixth Street, Multifoods Tower, Minneapolis MN 55402
 Street City State

3. Registered Agent (Registered agents are required for foreign entities but optional for Minnesota entities):

Corporation Service Company

If you do not wish to designate an agent, you must list "NONE" in this box. **DO NOT LIST THE ENTITY NAME.**

compliance with *Minnesota Statutes, Section 302A.123, 303.10, 308A.025, 317A.123 or 322B.135* I certify that the above listed company has resolved to change the entity's registered office and/or agent as listed above.

I certify that I am authorized to execute this notice and I further certify that I understand that by signing this notice I am subject to the penalties of perjury as set forth in *Minnesota Statutes Section 609.48* as if I had signed this notice under oath.

Catherine J. Cleveland
 Signature of Authorized Person Catherine J. Cleveland, Assistant Secretary

Name and Telephone Number of a Contact Person: Amy Brown (800) 222-2122
please print legibly

Filing Fee: Minnesota Corporations, Cooperatives and Limited Liability Companies: \$35.00.

Non-Minnesota Corporations: \$50.00.

Make checks payable to **Secretary of State**

Return to: **Minnesota Secretary of State**
 180 State Office Bldg.
 100 Constitution Ave.
 St. Paul, MN 55155-1299
 (651)296-2803

**STATE OF MINNESOTA
 DEPARTMENT OF STATE
 FILED**

FEB - 1 2007

Mary H. Fitzgerald
 Secretary of State

K(1) - THE AMOUNT AND KINDS OF STOCK AUTHORIZED BY ARTICLES OF INCORPORATION AS OF JUNE 30, 2018

K(2) - TERMS OF PREFERENCE OF PREFERRED STOCK, WHETHER CUMULATIVE OR PARTICIPATING, OR ON DIVIDENDS OR ASSETS, OR OTHERWISE AS OF JUNE 30, 2018

K(3) - FIRST MORTGAGE BONDS OUTSTANDING AS OF JUNE 30, 2018

K(4) - FIRST MORTGAGE BONDS OUTSTANDING AND INTEREST PAID THEREON FOR YEAR ENDED JUNE 30, 2018

K(5) - OTHER NOTES AND LONG-TERM DEBT OUTSTANDING AND INTEREST PAID THEREON FOR THE YEAR ENDED JUNE 30, 2018

K(6) - DIVIDENDS FOR THE FIVE PREVIOUS FISCAL YEARS ENDED DECEMBER 31, 2017

NORTHERN STATES POWER COMPANY
THE AMOUNT AND KINDS OF STOCK
AUTHORIZED BY ARTICLES OF INCORPORATION
AS OF JUNE 30, 2018

	<u>Par Value</u> <u>Per Share</u>	<u>Authorized</u>		<u>Outstanding</u>	
		<u>Face Value</u>	<u>No. of Shares</u>	<u>\$</u>	<u>Shares</u>
Cumulative Preferred Stock					
None					
Common Stock	\$ 0.01	\$50,000	5,000,000	<u>\$10,000</u>	<u>1,000,000</u>
Total				<u>\$10,000</u>	<u>1,000,000</u>

NORTHERN STATES POWER COMPANY
TERMS OF PREFERENCE OF PREFERRED STOCK,
WHETHER CUMULATIVE OR PARTICIPATING,
AS OF JUNE 30, 2018

NSP has no preferred stock

NORTHERN STATES POWER COMPANYFIRST MORTGAGE BONDS OUTSTANDING AS OF JUNE 30, 2018

(Amounts are stated in thousands)

A brief description of each security agreement, mortgage, and deed of trust upon petitioner's property, showing date of execution, debtor, and secured party, mortgager and mortgagee and trustee and beneficiary, amount of indebtedness to be secured hereby and amount of indebtedness actually secured, together with any sinking fund provision.

<u>First Mortgage Bonds</u>	<u>Bond Rate</u>	<u>Date of Execution</u>	<u>Authorized and Outstanding</u>
Series due August 15, 2020	2.200%	August 11, 2015	\$ 300,000
Series due August 15, 2022	2.150%	August 13, 2012	\$ 300,000
Series due May 15, 2023	2.600%	May 20, 2013	\$ 400,000
Series due July 1, 2025	7.125%	July 7, 1995	\$ 250,000
Series due March 1, 2028	6.500%	March 11, 1998	\$ 150,000
Series due July 15, 2035	5.250%	July 21, 2005	\$ 250,000
Series due June 1, 2036	6.250%	May 25, 2006	\$ 400,000
Series due July 1, 2037	6.200%	June 26, 2007	\$ 350,000
Series due November 1, 2039	5.350%	November 17, 2009	\$ 300,000
Series due August 15, 2040	4.850%	August 4, 2010	\$ 250,000
Series due August 15, 2042	3.400%	August 13, 2012	\$ 500,000
Series due May 15, 2044	4.125%	May 13, 2014	\$ 300,000
Series due August 15, 2045	4.000%	August 11, 2015	\$ 300,000
Series due May 15, 2046	3.600%	May 31, 2016	\$ 350,000
Series due September 15, 2047	3.600%	September 12, 2017	\$ 600,000
Total			<u>\$ 5,000,000</u>

The name and address of the debtor and secured party are set forth below:

Debtor: Northern States Power Company
401 Nicollet Mall
Minneapolis, Minnesota 55401

Secured Party: The Bank of New York Mellon Trust Company, N.A.
2 North LaSalle Street
Suite 1020
Chicago, Illinois 60602

NORTHERN STATES POWER COMPANY
FIRST MORTGAGE BONDS OUTSTANDING AS OF JUNE 30, 2018
Sinking Fund Requirements and Maturities

The annual sinking fund requirements of the Company are the amounts necessary to redeem on October 1, 1% of the highest principal amount outstanding at any time for the following first mortgage bonds: None

Scheduled maturities of those bonds not subject to sinking fund requirements are as follows:

Series due August 15, 2020, 2.20%	In total Aug 15, 2020
Series due August 15, 2022, 2.15%	In total Aug 15, 2022
Series due May 15, 2023, 2-3/5%	In total May 15, 2023
Series due July 1, 2025, 7-1/8%	In total July 1, 2025
Series due March 1, 2028, 6.50%	In total March 1, 2028
Series due July 15, 2035, 5-1/4%	In total July 15, 2035
Series due June 1, 2036, 6-1/4%	In total June 1, 2036
Series due June 1, 2037, 6-1/5%	In total June 1, 2037
Series due Nov 1, 2039, 5-7/20%	In total Nov 1, 2039
Series due August 15, 2040, 4.85%	In total Aug 15, 2040
Series due August 15, 2042, 3-2/5%	In total Aug 15, 2042
Series due May 15, 2044, 4.125%	In total May 15, 2044
Series due August 15, 2045, 4.00%	In total Aug 15, 2045
Series due May 15, 2046, 3.60%	In total May 15, 2046
Series due Sept 15, 2047, 3.60%	In total Sept 15, 2047

Certain bonds may be redeemed prior to their scheduled maturity, at the option of the Company, in accordance with redemption provisions specified for each bond. Other bonds have provisions that prohibit redemption prior to maturity.

NORTHERN STATES POWER COMPANY
FIRST MORTGAGE BONDS OUTSTANDING AND INTEREST
PAID THEREON FOR YEAR ENDED JUNE 30, 2018

(Amounts are stated in thousands)

The amount of bonds authorized and issued that exceed one (1%) percent of total debt giving the name of the public utility which issued same, describing each class separately, and giving the date of issue, par value, rate of interest, date of maturity and how secured, together with the amount of interest paid thereon for the period July 1, 2017 through June 30, 2018.

All of the bonds listed have been issued by Northern States Power Company (Minnesota) and are secured by a first mortgage on all of the fixed properties of Petitioner.

<u>Class and Series of Obligation</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Par Value</u>	<u>Interest for Year</u>	
				<u>Rate</u>	<u>Amount</u>
<u>First Mortgage Bonds:</u>					
Series due March 1, 2018	3-18-08	9-27-17	\$ 500,000	5.250%	\$ 6,563
Series due Aug 15, 2020	8-11-15	8-15-20	\$ 300,000	2.200%	\$ 6,600
Series due Aug 15, 2022	8-13-12	8-15-22	\$ 300,000	2.150%	\$ 6,450
Series due May 15, 2023	5-20-13	5-15-23	\$ 400,000	2.600%	\$ 10,400
Series due July 1, 2025	7-7-95	7-1-25	\$ 250,000	7.125%	\$ 17,813
Series due March 1, 2028	3-11-98	3-1-28	\$ 150,000	6.500%	\$ 9,750
Series due July 15, 2035	7-21-05	7-15-05	\$ 250,000	5.250%	\$ 13,125
Series due June 1, 2036	5-25-06	6-1-36	\$ 400,000	6.250%	\$ 25,000
Series due July 1, 2037	6-26-07	7-1-37	\$ 350,000	6.200%	\$ 21,700
Series due Nov 1, 2039	11-17-09	11-1-39	\$ 300,000	5.350%	\$ 16,050
Series due Aug 15, 2040	8-11-10	8-15-40	\$ 250,000	4.850%	\$ 12,125
Series due Aug 15, 2042	8-13-12	8-15-42	\$ 500,000	3.400%	\$ 17,000
Series due May 15, 2044	5-13-14	5-15-44	\$ 300,000	4.125%	\$ 12,375
Series due Aug 15, 2045	8-11-15	8-15-45	\$ 300,000	4.000%	\$ 12,000
Series due May 15, 2046	5-31-16	5-15-46	\$ 350,000	3.600%	\$ 12,600
Series due Sept 15, 2047	9-12-17	9-15-47	\$ 600,000	3.600%	\$ 17,100
Total			<u>\$ 5,500,000</u>		<u>\$ 216,650</u>

NORTHERN STATES POWER COMPANY
OTHER NOTES AND LONG-TERM DEBT OUTSTANDING AND INTEREST
PAID THEREON FOR THE YEAR ENDED JUNE 30, 2018

(Amounts are stated in thousands)

Other notes and indebtedness with a maturity of more than one year, by class, together with the amount of interest paid and thereon for the twelve months ending June 30, 2018.

<u>Class and Series of Obligation</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Principal Outstanding at 06/30/18</u>	<u>Interest for Year</u>	
				<u>Rate</u>	<u>Amount</u>
Other Misc (1)	Various	Various	26	Various	0
Total			<u>\$26</u>		<u>\$0</u>

(1) Other Misc.: Public Improvements \$26,455

NORTHERN STATES POWER COMPANY

DIVIDENDS FOR THE FIVE PREVIOUS FISCAL YEARS ENDED DECEMBER 31, 2017

The rate and amount of dividends declared during the five previous fiscal years.

<u>Cumulative Preferred Stock</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
-----------------------------------	-------------	-------------	-------------	-------------	-------------

NSP has no preferred stock.

Common Stock

NSP does not pay public common stock dividends.

COMPETITIVE AND NEGOTIATED SALES

COMPETITIVE AND NEGOTIATED SALES

NSPM has historically used two primary methods to issue corporate long term debt securities – Competitive Bidding and Negotiated Placement.

Competitive Bidding is rarely employed by investor-owned corporations any longer as a form of securities issuance. More common prior to the late 1990s, competitive bidding involved a limited set of banks competing with each other to win the bid to issue securities by submitting the lowest interest rate for the bond. The competitive bidding process had shortfalls that required the bidding banks to take on the risks of ultimately selling the bonds to investors. In addition to the uncertainty of which bank would win the bid and have bonds to sell, the process had a short lead time resulting in minimal time to build investor interest. As a result, the risk of not having a firm market price or investor orders was reflected in the underwriters' bids as a premium. In a competitive bid, the banks competed to win the bid rather than the competitive forces of the investors setting the price.

Negotiated Placement has replaced Competitive Bidding as the market standard. Under this method, the issuing company selects a few banks to serve as underwriters of a bond offering with the goal of creating competition among investors. The company and selected banks convene a few weeks in advance of the planned issuance to begin preparing the financial and legal documents, monitor market conditions, analyze other utility bond offerings in the market, and discuss potential structures and timing to maximize investor interest to achieve a favorable execution and pricing outcome. The investment banks will undertake a wide range and in-depth presale effort prior to the formal pricing of the bond. From this effort, investor interest is created and security prices can be developed through the competitive forces of the

supply and demand within the market. In a strong market, it is common for the proposed utility bonds to be oversubscribed, which allows the underwriter to tighten the credit spread to achieve an optimum interest rate for the company while maintaining a solid investor base. In a volatile market where there is less demand, less than 100% of the issue may be pre-sold. The underwriters retain some risk in the negotiated sale because its customers can change their minds until the time of their purchase.

A negotiated sale provides the company with flexibility regarding structure or market timing. Because the market is real-time, transparent, and priced in the competitive capital markets, the bond pricing is consistent with other utility transactions with similar credit ratings and bond terms. In addition, the underwriting fees for investment grade utility offerings are transparent, market standard and do not vary between banks.

NORTHERN STATES POWER COMPANY
2018-2019 CASH FLOW STATEMENT
(thousands)

PUBLIC DOCUMENT
NOT-PUBLIC OR PRIVILEGED INFORMATION EXCISED

Docket No. E,G002/S-18-____
Attachment M
Page 1 of 2

TRADE SECRET INFORMATION HAS BEEN SHADED

	2018 1st Quarter Actuals 4)	2018 6 Months Actuals 4)	2018 July Forecast	2018 August Forecast	2018 September Forecast	2018 October Forecast	2018 November Forecast	2018 December Forecast	2018 Total
Cash Flows from Operating Activities	TRADE SECRET DATA BEGINS								
Net Income									
Depreciation and Amortization 1)									
Deferred Income Taxes and ITC									
AFUDC Equity									
Working Capital 2)									
Net Cash Provided by operating activities	417,112	615,168	156,407	198,075	119,504	147,807	74,900	31,890	1,343,751
Cash Flows from Investing Activities									
Capital Expenditures (Incl AFDC Eq & Debt))									
AFUDC Equity									
(Investments in) or repayments from Money Pool									
Other Investments									
Net Cash Used for Investing Activities	(263,042)	(438,468)	(116,393)	(82,075)	(93,729)	(132,942)	(188,496)	(171,125)	(1,223,228)
Cash Flows from Financing Activities									
Change in Short-Term Debt									
Borrowing from or (Repayments to) Money Pool									
Proceeds from Issuance of long-term debt									
Repayment of long-term debt									
Equity Infusion									
Capital Distribution to Parent									
Other (Issuance costs, etc.)									
Net Cash by (for) Financing Activities	(154,070)	(176,700)	(40,014)	(116,000)	(25,775)	(14,865)	113,596	139,235	(120,523)
1)									
2)									
3)									
4) NSP-MN's financial results are published quarterly on Form 10Q. Working Capital actuals include 'Net increase in cash and cash equivalents' on 10Q									
Capital Expenditures (Excluding AFDC) 3)									

TRADE SECRET DATA ENDS]

NORTHERN STATES POWER COMPANY
2018-2019 CASH FLOW STATEMENT
(thousands)

PUBLIC DOCUMENT
NOT-PUBLIC OR PRIVILEGED INFORMATION EXCISED

Docket No. E,G002/S-18-____
Attachment M
Page 2 of 2

TRADE SECRET INFORMATION HAS BEEN SHADED

	2019 January Forecast	2019 February Forecast	2019 March Forecast	2019 April Forecast	2019 May Forecast	2019 June Forecast	2019 July Forecast	2019 August Forecast	2019 September Forecast	2019 October Forecast	2019 November Forecast	2019 December Forecast	2019 Total
Cash Flows from Operating Activities	TRADE SECRET DATA BEGINS												
Net Income													
Depreciation and Amortization 1)													
Deferred Income Taxes and ITC													
AFUDC Equity													
Working Capital 2)													
Net Cash Provided by operating activities	3,409	148,627	169,848	87,506	26,911	(120,030)	251,193	274,042	162,057	114,760	61,786	66,776	1,246,885
Cash Flows from Investing Activities													
Capital Expenditures (Incl AFDC Eq & Debt)													
AFDUC Equity													
(Investments in) or repayments from Money Pool													
Other Investments													
Net Cash Used for Investing Activities	(43,954)	(79,646)	(158,636)	(65,465)	(166,791)	(166,084)	(179,349)	(274,042)	(274,282)	(323,068)	(96,828)	(176,134)	(2,004,279)
Cash Flows from Financing Activities													
Change in Short-Term Debt													
Borrowing from or (Repayments to) Money Pool													
Proceeds from Issuance of long-term debt													
Repayment of long-term debt													
Equity Infusion													
Capital Distribution to Parent													
Other (Issuance costs, etc.)													
Net Cash by (for) Financing Activities	40,545	(68,981)	(11,212)	(22,041)	139,880	286,114	(71,844)	0	112,225	208,308	35,042	109,358	757,394

1)

2)

3)

4) NSP-MN's financial results are published quarterly on Form 10Q. Working Capital actuals include 'Net increase in cash and cash equivalents' on 10Q

Capital Expenditures (Excluding AFDC) 3)

TRADE SECRET DATA ENDS

Planned Investments (Excluding AFUDC)

Project	2017		
	2017	2017	2017
	Year-End Estimate (a)	Year-End Actuals	Variance
Energy Supply – Total	155	126	(29)
- Wind	51	12	(39) (b)
- Potential PPA Buyout	-	-	-
- Black Dog CT's	34	34	(0)
- Black Dog site remediation	6	5	(1)
- Other Energy Supply	64	75	11
Nuclear - Total	258	252	(6)
- Prairie Island LCM (Incl. Unit 2 Generator Replacement)	-	3	3
- Nuclear fuel	114	114	(0)
- Other nuclear	144	136	(8)
Distribution – Total	310	310	(0)
Gas	87	80	(7)
Electric	223	229	6
Transmission – Total	119	119	0
+ CapX 2020	-	(0)	(0)
+ Sioux Falls Northern 115kv Loop	1	1	(0)
+ Big Stone-Brookings 345 kv Line	17	10	(7)
+ Southwest Twin Cities	-	0	0
- other transmission	101	109	8
Other	121	139	18
Total – NSP-Minnesota	963	946	(17)

2018 Projection as filed (a)	2018			
	2018	2018	2018	2018
	YTD Actual Through August 31st	Sept Thru Year-End Estimate	Year-End Estimate	Variance from prior filing
511	234	241	475	(36)
300	69	215	284	(16)
100	102	(3)	98	(2)
6	7	-	7	1
9	4	3	7	(2)
96	52	26	78	(18) (c)
234	114	112	226	(8)
57	45	18	64	7
64	11	52	63	(1)
113	58	41	100	(13) (c)
342	200	134	335	(7)
96	63	37	101	5
246	137	97	234	(12) (c)
142	86	40	126	(16)
1	2	-	2	1
-	0	-	0	0
-	(2)	-	(2)	(2)
-	-	-	-	-
141	85	40	125	(16) (c)
141	67	52	119	(22) (c)
1,370	702	579	1,280	(90)

2017 Variance Comments

- (a) 2017 and 2018 as filed in Petition dated October 31, 2017, Docket No. E-002/S-17-767.
- (b) Wind variances driven primarily by the shift of a number of payments from 2017 to 2018.

2018 Variance Comments

- (c) Lower 2018 capital expenditures for various smaller projects in multiple Bus Areas

Planned Investments (Excluding AFUDC)

\$Millions	2019 - 2023					
	Forecast as of September 2018					
	2019 (a)	Current 2019	2020	2021	2022	2023
Project						
Energy Supply – Total	1,222	1,233	510	375	143	251
- Black Dog CT's	0	0	0	0	0	0
- Black Dog site remediation	9	9	7	10	12	1
- Wind	1,163	1,183	443	258	-8	0
- Potential PPA buyout	8	0	0	0	0	0
- Other Energy Supply	42	41	60	107	139	251
Nuclear - Total	139	179	125	181	164	181
- Prairie Island LCM (incl. generator replacement)	0	0	0	0	0	0
- Nuclear fuel	79	122	51	102	83	104
- Other nuclear	60	56	74	79	80	77
Distribution – Total	331	340	373	598	614	435
Gas	102	107	102	113	120	110
Electric	229	233	271	485	494	325
Transmission – Total	85	96	136	228	224	155
+ CapX 2020	0	0	0	0	0	0
+ Big Stone-Brookings 345 kv Line	0	0	0	0	0	0
- other transmission	85	96	136	228	224	155
Other	134	144	152	156	151	103
Total – NSP-Minnesota	1,911	1,991	1,296	1,538	1,296	1,125

(a) 2019 as filed in Docket No. E-002/S-17-767, Attachment N, Page 2 of 2.

2019 Key Variances from 2019 Estimate in Docket No. E-002/S-17-767

(b) Primarily driven by Wind Farm timing and Nuclear Fuel costs.

(c) Overall, the current 2019 estimate of approximately \$2 billion, is approximately \$80 million greater than the \$1.9 billion forecast in Docket No. E, E002/S-17-767.

Approximately 50% of this increase is driven by Nuclear Fuel, with Wind and several smaller projects across multiple Business Areas accounting for the remainder.

NSPM Financing Process

- 1. Financing Strategy**
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NSPM Financing Process

NSPM finances its operations and utility construction program with a combination of internally generated funds, short-term debt, long-term debt, and equity infusions from its parent, Xcel Energy, Inc. NSPM finances in a manner that supports its credit metrics and rating.

Internally Generated Funds. NSPM's Funds from Operations are typically insufficient to cover 100 percent of NSPM's capital investment activities. As a result, NSPM will look to external sources for its funding needs, and is typically in a net borrowing position.

Short-Term Debt and the Credit Facility. Short-term debt in the form of commercial paper is the lowest cost of external financing for NSPM. The credit rating agencies require a back-up liquidity source to the commercial paper program in the form of a credit facility agreement.

NSPM amended and extended its \$500 million 5-year credit facility in June 2016 to continue the favorable cost structure existing since the 2012 credit agreement was executed. The Company filed its 20-day compliance report on July 8, 2016.

A. Credit Facility Benefits

Having a credit facility is a common practice for corporations. The credit facility agreement is a critical financing tool and provides NSPM with the ability to:

- have same day access to cash,
- maintain its liquidity profile which is required to support the credit ratings,
- provide the required back up liquidity for the commercial paper program, NSPM's most efficient and lowest cost form of short-term debt,
- provide for letter of credit issuances required for certain operational projects, and
- provide for direct borrowings from the banks supporting the agreement if the commercial paper markets are closed.

The credit agreement also supports relationships with financial experts. NSPM's \$500 million credit facility is supported by 21 banks that have a credit rating of A- or higher by at least one of the three major credit agencies (S&P, Moody's, or Fitch). The lending banks are regional, national and international and may specialize in one or more of the following corporate treasury services: cash management/treasury services, short-term investments, letters of credit, long-term debt or equity or other security underwriting, derivatives, trustee and shareholder services, strategic consulting, pension fund management and other services. The Company maintains ongoing dialogue with its lending banks to stay current on world events, market conditions, new financing structures, utility bond performance in the secondary market, and updated credentials of the various banks.

B. Costs of Credit Facility

The ongoing annual costs associated with NSPM's credit facility are tied to the senior unsecured debt credit ratings.

Pricing Level	Debt Ratings	Commitment Fee	Eurodollar		Fully Drawn
	Moody's/ S&P		Loan Margin	ABR Loan Margin	
I	≥Aa3/AA-	6.0	75.0	0	75.0
II	A1/A+	7.5	87.5	0	87.5
III	<u>A2/A</u>	10.0	100.0	0	100.0
IV	A3/A-	12.5	112.5	12.5	112.5
V	Baa1/BBB+	17.5	125.0	25.0	125.0
VI	≤Baa2/BBB	22.5	150.0	50.0	150.0

- With an unsecured credit rating of A2 from Moody's and A- from S&P, NSPM falls within Tier III where annual commitment fees are 10 basis points on the unused portion of the credit facility. NSPM's annual commitment fees are approximately \$500 thousand.
- In addition, NSPM amortizes over the life of the agreement approximately \$500 thousand of one-time upfront costs incurred to execute the credit agreement.
- NSPM has been fortunate to enjoy the same fee schedule since 2012. This is not expected to continue as banking reserve requirements continue to increase, yet the banks have not increased the ongoing fees. Banks discuss and expect that the favorable pricing terms in the credit agreement are a loss leader and they expect to capture additional return through ancillary services to maintain their ability to provide lending support.

C. Cost of Not Having a Credit Facility

The Company must have a credit facility to conduct its business. Without a credit facility, NSPM would lose its key liquidity source and would suffer negative credit rating impacts. Not only would NSPM incur increased short-term liquidity costs for term loans, but NSPM's overall cost of capital would increase due to the negative credit rating impacts.

Rating agencies evaluate a company's ability to make interest payments on its outstanding debt. Lack of access to immediate liquidity via commercial paper or credit facility lending banks would be of major consequence to the Company's credit rating. A lower credit rating would increase the overall cost of capital.

In addition, rather than having efficient low-cost access to commercial paper backed by a credit facility, NSPM would use bank loans or issue 2 or 3 year bonds to finance its short-term liquidity needs, both options being more costly than having a multi-year revolving credit facility and issuing commercial paper. For example NSPM can currently issue overnight commercial paper for about 230 basis points with very short notice. In contrast, if NSPM had no revolving credit agreement, it would have to issue a longer dated instrument such as a 2 or 3 year bond. Not only is this inefficient cash management as the Company would initially have more cash than it needs, it would be more expensive than commercial paper. At NSPM's current credit rating a 2 or 3 year loan would be 3.25 % or greater. However under a scenario with no credit agreement, NSPM's credit ratings would decline and the cost of a 2 or 3 year loan would increase significantly.

Finally, if NSPM issues term debt and consistently carries high levels of cash to service its long-term debt and invest in utility capital expenditure programs, the cash balance amount should be included with rate base and would earn the full cost of capital return.

Long-Term Debt

When the Company's short-term debt balance reaches a high level of the credit facility capacity and is expected to stay at that level or increase, NSPM will consider issuing a bond. NSPM will also issue a bond if a large existing bond is set to mature in the near future.

NSPM leverages its relationships with the 21 banks ("bank group") that support the Company through the credit agreement. As discussed above, one of the jobs of the capital investment bank is to provide ongoing market information and discuss future opportunities for the Company's financing activities. Through dialogue, experience, correspondence with other Treasurers or Finance Executives, NSPM determines the strengths of the various bankers that support the credit agreement.

The size of the upcoming long-term debt issuance will affect the number of banks assigned to the bond offering. Too many banks is inefficient for timeliness, fee proportions, market assessment updates and legal document review. Too few banks on a bond issuance may not provide the necessary diversification regarding pricing and terms. The Company will select a Lead Bank(s) and Co-managers to market and sell the transaction.

The fees paid to a bank for bond offerings are market standard and based on the maturity of the bond offering. For a five year bond, the fees are 60 basis points multiplied by the principal amount of the bond. For ten and thirty year bonds, the fees are 65 basis points and 87.5 basis points, respectively.

NSPM uses its diverse and strong bank group to lead the bond offerings. There is strong capability within the group, and therefore NSPM does not actively search out additional banking relationships for ancillary services. Offering ancillary services to banks that do not support the credit requirements of NSPM would jeopardize the existing bank group members continued support.

Summary

NSPM finances in a method to support its credit rating and manage the overall cost of capital. Commercial paper is the most efficient and lowest cost of external borrowing for NSPM. Credit rating agencies require a credit facility to provide liquidity support for the commercial paper program. NSPM issues long-term debt when short-term debt levels are consistently high or to fund maturing long-term debt. Long-term debt is priced in the competitive capital market where the transaction results in the lowest pricing the market will bear while maintaining a strong investor base for the bond. NSPM finances in a manner similar to other investment grade companies.

CERTIFICATE OF SERVICE

I, Carl Cronin, 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 Miscellaneous Electric and Gas Service List

Dated this 23rd day of October 2018

/s/

Carl Cronin
Regulatory Administrator

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
David	Aafedt	daafedt@winthrop.com	Winthrop & Weinstine, P.A.	Suite 3500, 225 South Sixth Street Minneapolis, MN 554024629	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
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 and Gas
Alison C	Archer	aarcher@misoenergy.org	MISO	2985 Ames Crossing Rd Eagan, MN 55121	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Ryan	Barlow	Ryan.Barlow@ag.state.mn.us	Office of the Attorney General-RUD	445 Minnesota Street Bremer Tower, Suite 1400 St. Paul, Minnesota 55101	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
James J.	Bertrand	james.bertrand@stinson.com	Stinson Leonard Street LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
James	Canaday	james.canaday@ag.state.mn.us	Office of the Attorney General-RUD	Suite 1400 445 Minnesota St. St. Paul, MN 55101	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Jeanne	Cochran	Jeanne.Cochran@state.mn.us	Office of Administrative Hearings	P.O. Box 64620 St. Paul, MN 55164-0620	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
John	Coffman	john@johncoffman.net	AARP	871 Tuxedo Blvd. St. Louis, MO 63119-2044	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Riley	Conlin	riley.conlin@stoel.com	Stoel Rives LLP	33 S. 6th Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Corey	Conover	corey.conover@minneapolismn.gov	Minneapolis City Attorney	350 S. Fifth Street City Hall, Room 210 Minneapolis, MN 554022453	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
George	Crocker	gwillc@nawo.org	North American Water Office	PO Box 174 Lake Elmo, MN 55042	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Carl	Cronin	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 and Gas
Joseph	Dammel	joseph.dammel@ag.state.mn.us	Office of the Attorney General-RUD	Bremer Tower, Suite 1400 445 Minnesota Street St. Paul, MN 55101-2131	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Ian	Dobson	residential.utilities@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 and Gas
John	Farrell	jfarrell@ilsr.org	Institute for Local Self- Reliance	1313 5th St SE #303 Minneapolis, MN 55414	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Stephen	Fogel	Stephen.E.Fogel@XcelEnergy.com	Xcel Energy Services, Inc.	816 Congress Ave, Suite 1650 Austin, TX 78701	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Edward	Garvey	edward.garvey@AESLconsulting.com	AESL Consulting	32 Lawton St Saint Paul, MN 55102-2617	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Janet	Gonzalez	Janet.gonzalez@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 55101	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Todd J.	Guerrero	todd.guerrero@kutakrock.com	Kutak Rock LLP	Suite 1750 220 South Sixth Street Minneapolis, MN 554021425	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Kimberly	Hellwig	kimberly.hellwig@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 and Gas
Annete	Henkel	mui@mutilityinvestors.org	Minnesota Utility Investors	413 Wacouta Street #230 St.Paul, MN 55101	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
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 and Gas
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 and Gas
Linda	Jensen	linda.s.jensen@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota Street St. Paul, MN 551012134	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Richard	Johnson	Rick.Johnson@lawmoss.com	Moss & Barnett	150 S. 5th Street Suite 1200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Sarah	Johnson Phillips	sarah.phillips@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 and Gas
Mark J.	Kaufman	mkaufman@ibewlocal949.org	IBEW Local Union 949	12908 Nicollet Avenue South Burnsville, MN 55337	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Thomas	Koehler	TGK@IBEW160.org	Local Union #160, IBEW	2909 Anthony Ln St Anthony Village, MN 55418-3238	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
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 and Gas
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 and Gas
Peder	Larson	plarson@larkinhoffman.com	Larkin Hoffman Daly & Lindgren, Ltd.	8300 Norman Center Drive Suite 1000 Bloomington, MN 55437	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Eric	Lipman	eric.lipman@state.mn.us	Office of Administrative Hearings	PO Box 64620 St. Paul, MN 551640620	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Peter	Madsen	peter.madsen@ag.state.mn.us	Office of the Attorney General-DOC	Bremer Tower, Suite 1800 445 Minnesota Street St. Paul, Minnesota 55101	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Kavita	Maini	kmaini@wi.rr.com	KM Energy Consulting LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Joseph	Meyer	joseph.meyer@ag.state.mn.us	Office of the Attorney General-RUD	Bremer Tower, Suite 1400 445 Minnesota Street St Paul, MN 55101-2131	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
David	Moeller	dmoeller@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022093	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
David	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency	220 South Sixth Street Suite 1300 Minneapolis, Minnesota 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Carol A.	Overland	overland@legalelectric.org	Legalelectric - Overland Law Office	1110 West Avenue Red Wing, MN 55066	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Jeff	Oxley	jeff.oxley@state.mn.us	Office of Administrative Hearings	600 North Robert Street St. Paul, MN 55101	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
Kevin	Reuther	kreuther@mncenter.org	MN Center for Environmental Advocacy	26 E Exchange St, Ste 206 St. Paul, MN 551011667	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
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 and Gas
Zeviel	Simpser	zsimpser@briggs.com	Briggs and Morgan PA	2200 IDS Center80 South Eighth Street Minneapolis, MN 554022157	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas
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 and Gas
Byron E.	Starns	byron.starns@stinson.com	Stinson Leonard Street LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric and Gas

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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 Misc Electric and Gas
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 Misc Electric and Gas
Thomas	Tynes	ttynes@energyfreedomcoalition.com	Energy Freedom Coalition of America	101 Constitution Ave NW Ste 525 East Washington, DC 20001	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Misc Electric and Gas
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 Misc Electric and Gas
Samantha	Williams	swilliams@nrdc.org	Natural Resources Defense Council	20 N. Wacker Drive Ste 1600 Chicago, IL 60606	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Misc Electric and Gas
Joseph	Windler	jwindler@winthrop.com	Winthrop & Weinstine	225 South Sixth Street, Suite 3500 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Misc Electric and Gas
Cam	Winton	cwinton@mnchamber.com	Minnesota Chamber of Commerce	400 Robert Street North Suite 1500 St. Paul, Minnesota 55101	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Misc Electric and Gas
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Misc Electric and Gas
Patrick	Zomer	Patrick.Zomer@lawmoss.com	Moss & Barnett a Professional Association	150 S. 5th Street, #1200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Misc Electric and Gas