



414 Nicollet Mall
Minneapolis, MN 55401

February 27, 2015

—Via Electronic Filing—

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

RE: PETITION
XCEL ENERGY ENERGY RATE SAVINGS (ERS) TARIFF WAIVER
DOCKET NO. E002/M-15-____

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits the attached Petition seeking approval of a one-time waiver to the Company's cancellation and change requirements regarding our Peak Controlled Services, Peak Controlled Time of Day Services and Energy Controlled Services tariffs. In this filing, we request approval to allow customers a chance to cancel their Contract in whole, or in part by reducing the amount of their controllable load, without a cancellation charge through the end of 2015.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies of the Summary have been served on the parties on the attached service list. Please contact Jessica Peterson at jessica.k.peterson@xcelenergy.com or 612-330-6850 if you have any questions regarding this filing.

Sincerely,

/s/

PAUL J LEHMAN
MANAGER, REGULATORY COMPLIANCE AND FILINGS

Enclosures
c: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF THE PETITION OF
NORTHERN STATES POWER COMPANY
FOR APPROVAL OF A ONE-TIME
CANCELLATION CHARGE WAIVER OF THE
COMPANY TARIFF REQUIREMENTS FOR
PEAK CONTROLLED SERVICES

DOCKET NO. E002/M-15-_____

PETITION

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Petition for approval of a limited one-time waiver of the Company's cancellation charge for Peak Controlled Services.¹ The cancellation charge is specified in the Electric Service Agreement for Peak Controlled Services (Contract) found in the Company's Minnesota Electric Rate Book.² Additionally, the Contract is referenced in the Rules for Application of Peak Controlled Services rate schedule.³ In this Petition, we request approval of a one-time waiver allowing customers the opportunity to cancel their Contract in whole, or in part by reducing the amount of their controllable load, without a cancellation charge through the end of 2015.

The Company currently manages a suite of demand response programs, including our residential and business Saver's Switch and Energy Rate Savings (ERS) programs (also referred to as Peak Controlled Services). Peak Controlled Services allow for customers to voluntarily provide load reductions to the Company during system peak load conditions or emergency situations, traditionally in the summer months of June through August. Approximately 2,000 Minnesota customers currently participate in Peak Controlled Services.

¹ Peak Controlled Services includes Peak Controlled and Peak Controlled Time of Day Services and the associated Tier 1 Energy Controlled Service Rider and Tier 1 Peak Controlled Short Notice Rider.

² NSP Electric Rate Book Section 7, Sheet Nos. 5-8.

³ NSP Electric Rate Book Section 5, Sheet No. 49, Rule No. 7.

As part of the Peak Controlled Services program, customers receive a monthly bill reduction for voluntary load reduction through lower controllable demand charges, but are also subject to charges for non-compliance and for full or partial cancellation. Non-compliance charges are based on the inability to control during an event.⁴ Cancellation charges are assessed when a customer chooses to cancel their contract or to reduce their committed demand level. These charges are detailed further within the Petition.

While load reduction from the Peak Controlled Services program is a valuable resource to the Company, there is increased expectation that the Midcontinent Independent System Operator (MISO) will call emergency resources more frequently over the next several years as power supply resources become tighter. We expect MISO could begin to control to their maximum availability (currently up to 20 hours per Planning Year⁵) as early as 2016. Additionally, we anticipate MISO could administer control events throughout the year rather than within traditional summer months.

We believe it would be beneficial to have all participating customers verify their participation level and ability to comply with program requirements year-round. This review will help determine customer interest and ability to remain on the rate or to adjust their participation level to accurately reflect their current operations and capabilities. Providing a one-time waiver allows customers the opportunity to adjust their participation without charge; essentially providing an incentive to make important adjustments prior to predicted change by MISO.

We noted in our 2015 Integrated Resource Plan our intent to grow future demand response resources. We believe that growing our programs will be beneficial in the long-term as we adjust to future resource requirements. The Company is committed to providing demand response resources to our customers and within the MISO market. In order to expand our efforts, we need to define a more accurate measure of available load reduction today. Confirming customer participation levels in our Peak Controlled Services will help provide a more accurate and up-to-date measure of controllable loads. We believe this is an appropriate first step in tailoring the Peak Controlled Services to customer capabilities and verifying current program capacity.

We seek approval to begin the waiver process by June 1, 2015, in order for customers to take action prior to year end. Additionally, this timing aligns with the Company's

⁴ Non-compliance charges include "Failure to Control Charge" and the loss of customer's controllable demand charge discount for the billing month.

⁵ The MISO Planning Year includes the period beginning June 1 through May 31.

resource registration with MISO taking place February 2016. We believe allowing a limited one-time waiver to the cancellation charge will allow customers the ability to cancel their contract in whole or in part with the understanding of future expectations and provide the Company with an accurate measure of load reduction going into 2016.

The following attachments are included with this Petition for reference:

- Attachment A: Peak Controlled Tariff Sheets
- Attachment B: Electric Service Agreement-Peak Controlled Services

I. SUMMARY OF FILING

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

II. SERVICE ON OTHER PARTIES

Pursuant to Minn. R. 7829.1300, subp. 2 and Minn. Stat. § 216.17, subd. 3, we have electronically filed this document. A summary of the filing has been served on all parties on the Company's miscellaneous electric service list.

III. GENERAL FILING INFORMATION

Pursuant to Minn. Rules 7825.1400 and 7829.1300, subp. 3, the Company provides the following required information.

A. Name, Address, and Telephone Number of Utility

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

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

Alison C. Archer
Assistant General Counsel
Xcel Energy
414 Nicollet Mall, 5th Floor
Minneapolis, MN 55401
(612) 215-4526

C. Date of Filing

The date of this filing is February 27, 2015. The Company requests approval of a one-time waiver to the Company’s cancellation charge for Peak Controlled Services to be effective June 1, 2015.

D. Statute Controlling Schedule for Processing the Filing

This Petition is made pursuant to Minn. Stat. § 216B.16, subd. 1, which prescribes general time lines for rate and tariff changes.

Commission Rules define this filing as a “miscellaneous tariff filing” under Minn. R. 7829.0100, subp. 11 since no determination of Xcel Energy’s overall revenue requirement is necessary. Minn. R. 7829.1400, subp. 1 and 4 permit comments in response to a miscellaneous filing to be filed within 30 days and reply comments to be filed no later than 10 days thereafter. This permits the Commission to act within the 60-day notice period.

We acknowledge numerous priorities and proceedings before the Regulatory agencies at this time. We are hopeful that this will be a simple matter to be addressed in the shortest time possible to allow customers the opportunity to adjust their Contract without being charged for cancellation prior to the end of 2015.

E. Utility Employee Responsible for Filing

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

IV. MISCELLANEOUS INFORMATION

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

Alison C. Archer
Assistant General Counsel
Xcel Energy

Tiffany Hughes
Records Analyst
Xcel Energy

414 Nicollet Mall, 5th Floor
Minneapolis, MN 55401
alison.c.archer@xcelenergy.com

414 Nicollet Mall, 7th Floor
Minneapolis, MN 55401
regulatory.records@xcelenergy.com

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

V. DESCRIPTION AND PURPOSE OF FILING

A. Background

Northern States Power Company has a large portfolio of demand response resources built through decades of customer engagement. Our suite of programs includes our residential and business Saver's Switch and Energy Rate Savings programs (also referred to as Peak Controlled Services) for customers in all of Northern States Power- Minnesota (NSPM) and Northern States Power- Wisconsin (NSPW). These programs comprise approximately 10 percent of our system peak load with Peak Controlled Services. The Petition focuses specifically on our Minnesota operations; we plan to take similar actions in North Dakota, South Dakota, and Wisconsin.

During control events, participating customers are required to limit their peak load to their selected contractual firm service level, which is defined in the tariff as the Predetermined Demand Level (PDL). Controllable load is measured as customer's peak load above the PDL. When customers fail to meet this PDL requirement during a control event, they are subject to a non-compliance charge.

These resources remain an important part of our capacity portfolio, especially over the long-term for MISO resource adequacy. Recent changes within the landscape of demand response have affected the Company's evaluation of the extent to which it can rely on Peak Controlled Services. For example, tighter capacity supplies are anticipated as a result of environmental requirements from the Environmental Protection Agency's (EPA) Mercury and Air Toxics Standards. Potential requirements by the EPA related to fossil fuel base load generation may also increase reliance on demand response resources and the frequency of their use. In MISO's 2016 Resource Adequacy Forecast from June 5, 2014, the independent system operator projected shortfalls in generation beginning in 2016. This shortfall has presented a situation in which MISO has begun to prepare electric utilities for the use of their demand response resources. Further, past winter experience with extreme weather conditions indicate the possibility that demand response resources may need to be called upon during the winter as well as traditional summer months.

The future reliance on demand response and the seasonal timing of its use is less clear with the uncertainty in final EPA rules and customer's reactions to changes in how the Company has traditionally utilized the Peak Controlled Services program. The Company expects that MISO will begin to utilize their Tariffed control periods as the footprint becomes more constrained. In anticipation of future change, the Company seeks this limited one-time waiver of the cancellation charges. Our objective is to continue to anticipate customer needs while maintaining a viable and useful tool for controlling system loads in the future.

The remainder of our Petition further explains the Peak Controlled Services program, expected increases in use, anticipated customer impacts, and future assumptions regarding demand response within the Company. Referenced Tariffs and Contracts are included as Attachments.

B. Peak Controlled Services

Northern States Power Company was one of the first utilities in Minnesota to begin using load management programs, which were developed in the 1960s and after refinements were greatly expanded beginning in the 1980s.

Peak Controlled Services were developed to provide customers with an incentive to reduce their electric loads during Company-specified control periods. Customers receive a monthly discount on their demand charge in return for reducing electric loads when notified by the Company. Participating customers must be able to reduce their electric loads by a minimum of 50 kW on control days. As registered resources providing the Company capacity credit, MISO can call for the use of these resources.

The program has been generally expected to be utilized on hot, humid summer weekdays when the Company experiences system peak load conditions. Control days typically occur in the summer months, but there is no tariff restriction on controlling at others times of the year. We rarely control outside the summer months. With the exceptions of the Energy Controlled option⁶ and a single testing event, the program control history shows the last initiated control event occurred several years ago.

As noted in Table 1 below, we currently have a significant number of customers who have elected to participate in Peak Controlled Services.

⁶ Events for Tier 1 Energy Controlled Service Rider customers are made more frequently, which is available as a rider to the Peak Controlled Time of Day Service tariff. These customers are more frequently controlled; more recently about once per year.

**Table 1: Minnesota Electric Customers
Participating in Peak Controlled Services (2013)**

Peak Controlled Service Tariff	Average Participants	% of Total Participation
Peak Controlled Service	1,596	80%
Peak Controlled TOD Service	385	19%
Energy Controlled Service Rider	16	1%
Total	1,997	100%

C. Increasing Expected use of Demand Response

The Company expects that future use of demand response will increase over time. With over 460 MW of available controllable load in Minnesota, Peak Controlled Services is a valuable resource to the Company. We register these resources under the MISO Tariff⁷ as emergency resources with MISO, allowing MISO to call a control event up to five times per Planning Year for a period of up to four hours per event. The 20 controllable hours allowed for MISO use are included in the maximum load availability for our Peak Controlled Service program. The Company reserves the right to utilize the remaining allowable controls provided by the terms of our tariff. We expect that MISO will begin to control up to their 20 allowable hours as tightening power supply resources occur over the next several years.

Based on conditions over the past several years, the Company and MISO have had little need to call on these controllable load resources. The last time Peak Controlled Services customers were controlled for peak load conditions was in 2007; giving participating customers a reduced sense of how frequently these programs could be normally called upon.

The absence of recent experience with control events can obscure the impact of changes in a customer’s firm and controllable loads, which can affect the amount available for the program. For example, a business with load growth over the years that requires firm service may not have had the load control experience to realize that their Contract should be updated. Another potential complication is that a business may have changed employee responsibility over the years for ensuring control requirements are met.

⁷ Registering demand response resources with the system operator allows the Company to obtain credit against our capacity requirements.

This waiver opportunity will allow customers to make important changes for their business, but will also allow the Company to increase their assurance of meeting emergency requirements during a control event. Additionally, the timing of future controls and emergency conditions by MISO (for the committed 20 hours) could occur during the winter months as well as during our summer peak conditions. This was demonstrated during last winter's extreme weather conditions and has resulted in changes in MISO's operating experience.

An additional benefit of identifying appropriate capacity levels is mitigating potential exposure to potential non-compliance fees and penalties assessed by MISO. These penalties could be material in the event customers choose to accept non-compliance charges in place of controlling load to their firm service PDL⁸. Subsequent non-compliance by the Company could also result in MISO removing demand response capacity for the remainder of the current Planning Year and for the next Planning Year.

The Company is prepared to offer our customers and MISO the assurance that during an emergency event, we can provide reliable service. Peak Control Services is important part of this commitment. We expect to see an increase in the use of the Peak Control Services program and believe waiving the cancellation fees will allow us to 'right size' the program to the mutual benefit of current participants.

D. Waiver Impact

1. Waiver Details

The Company seeks a limited one-time waiver of the cancellation charge for Peak Controlled Services providing customers the opportunity to cancel their Contract in whole or in part with a reduction in available controllable load. The Company requests to waive cancellation charges through the end of 2015. These cancellation charges are detailed below.⁹

A cancellation charge is applicable after an initial one-year trial period if the required cancellation notice is not provided. The cancellation notice requirement is three years for Tier 1 customers and six months for Tier 2 customers. Cancellation charges are defined by the re-billing difference between applicable firm service General Service

⁸ The current non-compliance charges for Peak Controlled Services were established prior to the development of MISO and do not currently cover penalties assessed by the independent system operator.

⁹ Customers will still be charged all installation and removal of costs for special equipment and facilities provided by the Company for the program.

tariffs and the corresponding Peak Controlled Service tariffs over the period of the most recent 36 months (Tier 1) or 18 months (Tier 2).

Customers are also subject to a charge for increasing their firm service PDL (providing less controllable load to the Company), which is essentially a partial cancellation of service. This charge is applied to the applicable differential between firm and controllable demand charges for up to 18 months, if that amount is less than any “failure to control” charges over the same period.

2. Customer Impact

In order to better predict customer compliance and indicate whether additional customer education was needed, the Company conducted a test event during the 2014 summer control period. Event results demonstrated that some customers did not fully control their load down to the PDL contracted with the Company and as such, the Company has administered non-compliance charges. We have also worked with non-compliant customers to assist them in responding to future events. However, we did determine that some customers would benefit from the opportunity to migrate to a tariff that better meets their needs or adjust their PDL levels.

The petitioned waiver will allow customers to review their Contract and make adjustments accordingly based on their current business operations and load control capabilities. We expect that customers will take the opportunity to review their PDLs and adjust if appropriate, with the understanding that historical use of Peak Controlled Services may not be an accurate indication of future use. Permitting this waiver will help provide timely program update and lessen customer impact prior to assessing future non-compliance charges while providing the Company additional assurance of compliance for control events.

The Company intends to test the program in the future for both winter and summer to ensure that customers are prepared. Further, we will also add a testing event during the winter of 2015/2016. The Company intends to communicate with customers through various marketing communications including direct mail, customer meetings and direct contact through our account management team.

E. Future of Peak Controlled Services

We are reviewing our Peak Controlled Services program and planning to make future proposals for revisions that will likely include updated non-compliance charges, program design modifications, and testing provisions. Providing the opportunity for customers to make a one-time modification of their contract without charge is in the best interest of both customers and Company in recognition of future uncertainties.

F. Effect of Change upon Xcel Energy Revenue

The Company does not anticipate a significant change in revenue as a result of the proposed one-time cancellation charge waiver. We anticipate customers will be more inclined to adjust their controllable load than to completely cancel their Peak Controlled Service rate. To the extent customers reduce or cancel their controllable load, there will be some revenue increase as result of applying firm demand charges in place of lower controllable demand charges. However, these revenues will be offset to some extent by lower potential cancellation charge revenues due to the proposed waiver.

CONCLUSION

The Company anticipates future change in the use of Peak Controlled Services, including winter season interruptions that may have significant implications to customers. Control events will likely become more frequent and future changes to the program are under review. By providing this waiver, we provide customers the opportunity to consider cancellation of their contract or make adjustments to the contracted load without being subject to a cancellation charge. We believe this step would help customers, provide timely ‘right-sizing’ of the current program, and allow the Company further control assurance for these important resources.

The Company respectfully requests the ability to allow this limited one-time tariff waiver of the charges for Contract cancellation in whole or in part due to PDL adjustments outside required notification and Contract terms and see this waiver to be effective as of June 1, 2015.

Dated: February 27, 2015
Northern States Power Company

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
John Tuma	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF THE PETITION OF
NORTHERN STATES POWER COMPANY
FOR APPROVAL OF A ONE-TIME
CANCELLATION CHARGE WAIVER OF
THE COMPANY TARIFF REQUIREMENTS
FOR PEAK CONTROLLED SERVICES

DOCKET NO. E002/M-15-_____

PETITION

SUMMARY OF FILING

Please take notice that on February 27, 2015 Northern States Power Company, doing business as Xcel Energy, filed with the Minnesota Public Utilities Commission a Petition for approval of a limited one-time waiver to the Company's cancellation charges for Peak Controlled Services. In this Petition, we request approval of a one-time waiver allowing customers the opportunity to cancel their Contract in whole, or in part by reducing the amount of their controllable load, without a cancellation charge through the end of 2015.

Tariffs

Peak Controlled Service

Peak Controlled Time of Day Service

Tier 1 Energy Controlled Service Rider

Tier 1 Peak Controlled Short Notice Rider

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

**PEAK CONTROLLED SERVICE
 RATE CODE A23**

Section No. 5
 18th Revised Sheet No. 40

AVAILABILITY

Available to any non-residential customer for general service who agrees to control demand to a predetermined level whenever required by Company and where customer is not required to be on a time-of-day rate schedule. Once the customer's total 15-minute measured demands (Firm plus Controllable) are equal to or greater than 1000 kW for at least 4 of the past 12 consecutive months, the customer will be transferred to the Peak Controlled Time of Day service. Availability is restricted to customers with a minimum Controllable demand of 50 kW.

DETERMINATION OF CUSTOMER BILLS

Customer bills shall reflect energy charges (if applicable) based on customer's kWh usage, plus a customer charge (if applicable), plus demand charges (if applicable) based on customer's kW billing demand as defined below. Bills may be subject to a minimum charge based on the monthly customer charge and / or certain monthly or annual demand charges. Bills also include applicable riders, adjustments, surcharges, voltage discounts, and energy credits. Details regarding the specific charges applicable to this service are listed below.

RATE

Customer Charge per Month		\$55.00		R
Service at Secondary Voltage				R
Energy Charge per kWh		\$0.02981		R
Energy Charge Credit per Month per kWh				R
All kWh in Excess of 400 Hours		\$0.0120		
Times the Sum of All Billing Demands				
Demand Charge per Month per kW	<u>Tier 1</u>		<u>Tier 2</u>	
Firm Demand				
June - September	\$12.86		\$12.86	R
Other Months	\$8.98		\$8.98	R
Controllable Demand (Jan-Dec)				
Level A: < 65% PF	Not Available		\$7.17	R
Level B: ≥ 65% and < 85% PF	\$5.78		\$6.45	R
Level C: ≥ 85% PF	\$5.22		\$5.97	R
Short Notice Rider	\$4.72		Not Available	
		<u>January - December</u>		
Voltage Discounts per Month	<u>Per kW</u>		<u>Per kWh</u>	
Primary Voltage	\$0.90		\$0.00090	R
Transmission Transformed Voltage	\$1.60		\$0.00262	R
Transmission Voltage	\$2.25		\$0.00273	R

(Continued on Sheet No. 5-41)

Date Filed:	11-02-12	By: David M. Sparby	Effective Date:	12-01-13
		President and CEO of Northern States Power Company, a Minnesota corporation		
Docket No.	E002/GR-12-961		Order Date:	09-03-13

PEAK CONTROLLED SERVICE (Continued)
RATE CODE A23

Section No. 5
15th Revised Sheet No. 41

INTERIM RATE ADJUSTMENT

A 6.61% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 3, 2014.

N
N
N

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

FUEL CLAUSE

Bills are subject to the adjustments provided for in the Fuel Clause Rider.

RESOURCE ADJUSTMENT

Bills are subject to the adjustments provided for in the Conservation Improvement Program Adjustment Rider, the State Energy Policy Rate Rider, the Renewable Development Fund Rider, the Transmission Cost Recovery Rider, the Renewable Energy Standard Rider and the Mercury Cost Recovery Rider.

ENVIRONMENTAL IMPROVEMENT RIDER

Bills are subject to the adjustments provided for in the Environmental Improvement Rider.

SURCHARGE

In certain communities, bills are subject to surcharges provided for in a Surcharge Rider.

LOW INCOME ENERGY DISCOUNT RIDER

Bills are subject to the adjustment provided for in the Low Income Energy Discount Rider.

LATE PAYMENT CHARGE

Any unpaid balance over \$10.00 is subject to a 1.5% late payment charge or \$1.00, whichever is greater, after the date due. The charge may be assessed as provided for in the General Rules and Regulations, Section 3.5.

DEFINITION OF PERFORMANCE FACTOR (PF)

Performance factor is defined in percentage terms as the average of the July and August calendar month unadjusted maximum Controllable Demand occurring from 1:00 p.m. to 7:00 p.m. on weekdays, or which has been permanently shifted out of normal control period times, divided by the unadjusted maximum annual Controllable Demand. Customers claiming permanent load shifts must provide verification to Company, based on NSP's established criteria.

DETERMINATION OF DEMAND

Maximum Actual Demand in kW shall be the greatest 15-minute load during the billing month.

Adjusted Demand in kW for billing purposes shall be determined by dividing the Maximum Actual Demand in kW by the power factor expressed in percent but not more than a 90% power factor and multiplying the quotient so obtained by 90% and rounding to the nearest whole kW.

(Continued on Sheet No. 5-42)

Date Filed:	11-04-13	By: David M. Sparby	Effective Date:	01-03-14
		President and CEO of Northern States Power Company, a Minnesota corporation		
Docket No.	E002/GR-13-868		Order Date:	01-02-14

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

PEAK CONTROLLED SERVICE (Continued)
RATE CODE A23

Section No. 5
4th Revised Sheet No. 42

DETERMINATION OF DEMAND (Continued)

Predetermined Demand shall be specified and agreed to by the customer and Company. Customer's Adjusted Demand must not exceed the Predetermined Demand Level (PDL) during a control period.

Standard PDL customers must agree to a fixed demand level and limit load to that level during a control period.

Optional PDL customers must agree to reduce demand by a fixed amount during a control period. Customer's Firm Demand will vary from month-to-month while the Controllable Demand remains fixed each month. The Firm Demand will be the Adjusted Demand (based on the Maximum Actual Demand for the month) less the fixed amount of Controllable Demand. Customer's PDL will be the monthly adjusted demand less the fixed load reduction. Customers selecting the Optional PDL must either be equipped with back-up generation to provide the fixed load reduction or have a specific load that can be separately sub-metered and has an annual load factor of 90% or greater.

Firm Demand for the billing month shall be the lesser of Predetermined Demand or Adjusted Demand, except in months when customer fails to control load to Predetermined Demand Level when requested by Company. In these months, Firm Demand shall be the adjusted demand established during the control period. For optional PDL customers, Firm Demand shall be Adjusted Demand less Controllable Demand, except in months when customer fails to control the full amount of their fixed Controllable Demand. In these months the Firm Demand shall be the Adjusted Demand less the amount of Demand that was controlled as shown by meter measurement.

Controllable Demand shall be the difference between Adjusted Demand during the billing month and the greater of Predetermined Demand or Firm Demand, but never less than zero.

Minimum Demand to be billed each month as either Firm Demand, Controllable Demand or a combination of both shall not be less than the current month's adjusted demand in kW.

POWER FACTOR

The power factor for the month shall be determined by permanently installed metering equipment.

ANNUAL MINIMUM DEMAND CHARGE

The Annual Minimum Demand Charge shall be no less than six times the average monthly Firm Demand Charge per kW times the maximum Predetermined Demand, plus six times the Controllable Demand Charge per kW times the maximum Controllable Demand.

(Continued on Sheet No. 5-43)

Date Filed:	11-02-12	By: David M. Sparby	Effective Date:	12-01-13
		President and CEO of Northern States Power Company, a Minnesota corporation		
Docket No.	E002/GR-12-961		Order Date:	09-03-13

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

PEAK CONTROLLED SERVICE (Continued)
RATE CODE A23

Section No. 5
4th Revised Sheet No. 43

TIER 1 PEAK CONTROLLED SHORT NOTICE

Tier 1 Peak Controlled Short Notice is available under this schedule subject to the provisions contained in the Tier 1 Peak Controlled Short Notice Rider.

COMPETITIVE SERVICE

Competitive Service is available under this schedule subject to the provisions contained in the Competitive Response Rider.

T

OTHER PROVISIONS

Peak Controlled Service is also subject to provisions contained in Rules for Application of Peak Controlled Services.

TERMS AND CONDITIONS OF SERVICE

1. Alternating current service is provided at the following nominal voltages:
 - a. Secondary Voltage: Single or three phase from 208 volts up to but not including 2,400 volts,
 - b. Primary Voltage: Three phase from 2,400 volts up to but not including 69,000 volts,
 - c. Transmission Transformed Voltage: Three phase from 2,400 volts up to but not including 69,000 volts, where service is provided at the Company's disconnecting means of a distribution substation transformer, or
 - d. Transmission Voltage: Three phase at 69,000 volts or higher.

Service voltage available in any given case is dependent upon voltage and capacity of Company lines in vicinity of customer's premises.

2. Transmission Transformed Service is available only to customers served by an exclusively dedicated distribution feeder. Customer will be responsible for the cost of all facilities necessary to interconnect at the Company's disconnecting means of a distribution substation transformer.
3. Transmission Service is available at transmission voltage, subject to the terms and conditions contained in the Company's General Rules and Regulations, Section 5.1(B).

Date Filed:	11-02-12	By: David M. Sparby	Effective Date:	12-01-13
		President and CEO of Northern States Power Company, a Minnesota corporation		
Docket No.	E002/GR-12-961		Order Date:	09-03-13

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

**PEAK CONTROLLED TIME OF DAY SERVICE
RATE CODE A24**

Section No. 5
13th Revised Sheet No. 44

AVAILABILITY

Available to any non-residential customer for general service who agrees to control demand to a predetermined level whenever required by Company. Availability is restricted to customers with a minimum controllable demand of 50 kW.

AVAILABILITY-MANDATORY

Effective November 1, 2007, this rate schedule is mandatory for any Peak Controlled customer having a 15-minute measured demand equal to or greater than 1000 kW for at least 4 of the past 12 consecutive months. Customer will remain on this rate schedule on a mandatory basis unless their demand remains below 1000 kW for 12 consecutive months.

AVAILABILITY-OPTIONAL

This rate schedule is optional for any non-residential customer for general service where customer is not required to be on a time-of-day rate.

DETERMINATION OF CUSTOMER BILLS

Customer bills shall reflect energy charges (if applicable) based on customer's kWh usage, plus a customer charge (if applicable), plus demand charges (if applicable) based on customer's kW billing demand as defined below. Bills may be subject to a minimum charge based on the monthly customer charge and / or certain monthly or annual demand charges. Bills also include applicable riders, adjustments, surcharges, voltage discounts, and energy credits. Details regarding the specific charges applicable to this service are listed below.

RATE

Customer Charge per Month	\$55.00	R
Service at Secondary Voltage		
Energy Charge per kWh		
On Peak Period Energy	\$0.04049	R
Off Peak Period Energy	\$0.02224	R
Energy Charge Credit per Month per kWh		
All kWh in Excess of 400 Hours Times the Sum of All On Peak Period Billing Demands, Not to Exceed 50% of Total kWh	\$0.0120	R

(Continued on Sheet No. 5-45)

Date Filed:	11-02-12	By: David M. Sparby	Effective Date:	12-01-13
		President and CEO of Northern States Power Company, a Minnesota corporation		
Docket No.	E002/GR-12-961		Order Date:	09-03-13

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

**PEAK CONTROLLED TIME OF DAY SERVICE
 (Continued)
 RATE CODE A24**

Section No. 5
 20th Revised Sheet No. 45

RATE (Continued)

	<u>Tier 1</u>	<u>Tier 2</u>
Demand Charge per Month per kW		
On Peak Period Demand		
Firm Demand		
June - September	\$12.86	\$12.86
Other Months	\$8.98	\$8.98
Controllable Demand (Jan-Dec)		
Level A: < 65% PF	Not Available	\$7.17
Level B: ≥ 65% and < 85% PF	\$5.78	\$6.45
Level C: ≥ 85% PF	\$5.22	\$5.97
Short Notice Rider	\$4.72	Not Available
Off Peak Period Demand in Excess of On Peak Period Demand (Jan-Dec)	\$2.25	\$2.25
	<u>January - December</u>	
Voltage Discounts per Month	<u>Per kW</u>	<u>Per kWh</u>
Primary Voltage	\$0.90	\$0.00090
Transmission Transformed Voltage	\$1.60	\$0.00262
Transmission Voltage	\$2.25	\$0.00273

INTERIM RATE ADJUSTMENT

A 6.61% Interim Rate Surcharge will be applied to rate components specified in the "Interim Rate Surcharge Rider" to service provided beginning January 3, 2014.

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In addition, customer bills under this rate are subject to the following adjustments and/or charges.

FUEL CLAUSE

Bills are subject to the adjustments provided for in the Fuel Clause Rider.

RESOURCE ADJUSTMENT

Bills are subject to the adjustments provided for in the Conservation Improvement Program Adjustment Rider, the State Energy Policy Rate Rider, the Renewable Development Fund Rider, the Transmission Cost Recovery Rider, the Renewable Energy Standard Rider and the Mercury Cost Recovery Rider.

ENVIRONMENTAL IMPROVEMENT RIDER

Bills are subject to the adjustments provided for in the Environmental Improvement Rider.

SURCHARGE

In certain communities, bills are subject to surcharges provided for in a Surcharge Rider.

(Continued on Sheet No. 5-46)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

PEAK CONTROLLED TIME OF DAY SERVICE
(Continued)
RATE CODE A24

Section No. 5
10th Revised Sheet No. 46

LOW INCOME ENERGY DISCOUNT RIDER

Bills are subject to the adjustment provided for in the Low Income Energy Discount Rider.

The following are terms and conditions for service under this tariff.

LATE PAYMENT CHARGE

Any unpaid balance over \$10.00 is subject to a 1.5% late payment charge or \$1.00, whichever is greater, after the date due. The charge may be assessed as provided for in the General Rules and Regulations, Section 3.5.

DEFINITION OF PEAK PERIODS

The on peak period is defined as those hours between 9:00 a.m. and 9:00 p.m. Monday through Friday, except the following holidays: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. When a designated holiday occurs on Saturday, the preceding Friday will be designated a holiday. When a designated holiday occurs on Sunday, the following Monday will be designated a holiday. The off peak period is defined as all other hours. Definition of on peak and off peak period is subject to change with change in Company's system operating characteristics.

DEFINITION OF PERFORMANCE FACTOR (PF)

Performance factor is defined in percentage terms as the average of the July and August calendar month unadjusted maximum Controllable Demand occurring from 1 p.m. to 7 p.m. on weekdays, or which has been permanently shifted out of normal control period times, divided by the unadjusted maximum annual Controllable Demand. Customers claiming permanent load shifts must provide verification to Company, based on NSP established criteria.

DETERMINATION OF DEMAND

Maximum Actual On Peak Period Demand in kW shall be the greatest 15-minute load for the on peak period during the billing month.

Adjusted On Peak Period Demand in kW for billing purposes shall be determined by dividing the Maximum Actual on peak demand by the power factor expressed in percent but not more than 90%, multiplying the quotient so obtained by 90%, and rounding to the nearest whole kW.

Maximum Actual Off Peak Period Demand in kW shall be the greatest 15-minute load for the off peak period during the billing month rounded to the nearest whole kW. In no month shall the off peak period demand for billing purposes be considered as less than the current month's actual off peak period demand in kW.

Off Peak Period Demand in Excess of On Peak Period Demand in kW to be billed shall be determined by subtracting the billing on peak period demand from the actual off peak period demand only if the off peak period demand is greater.

(Continued on Sheet No. 5-47)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

**PEAK CONTROLLED TIME OF DAY SERVICE
(Continued)
RATE CODE A24**

Section No. 5
5th Revised Sheet No. 47

Predetermined Demand shall be specified and agreed to by the customer and Company. Customer's adjusted on peak demand must not exceed the predetermined demand level (PDL) during a control period.

Standard PDL customers must agree to a fixed demand level and limit load to that level during a control period.

Optional PDL customers must agree to reduce demand by a fixed amount during a control period. Customer's Firm Demand will vary from month-to-month while the Controllable Demand remains fixed each month. The Firm Demand will be the Adjusted Demand (based on the Maximum Actual Demand for the month) less the fixed amount of Controllable Demand. Customer's PDL will be the monthly adjusted on peak demand less the fixed load reduction. Customers selecting the Optional PDL must either be equipped with back-up generation to provide the fixed load reduction or have a specific load that can be separately sub-metered and has an annual load factor of 90% or greater.

Firm Demand for the billing month shall be the lesser of Predetermined Demand or Adjusted on Peak Period Demand, except in months when customer fails to control load to Predetermined Demand Level when requested by Company. In these months, Firm Demand shall be the adjusted on peak period demand established during the control period. For Optional PDL customers, Firm Demand shall be Adjusted On Peak Demand less Controllable Demand, except in months when customer fails to control the full amount of their fixed Controllable Demand, In the months the Firm Demand shall be the Adjusted On Peak Period Demand less the amount of Demand that was controlled as shown by meter measurement.

Controllable Demand shall be the difference between Adjusted on Peak Period Demand during the billing month and the greater of Predetermined Demand or firm demand, but never less than zero.

Minimum On Peak Demand to be billed each month as either Firm Demand Controllable Demand or combination of both shall not be less than the current month's Adjusted on Peak Period Demand in kW.

POWER FACTOR

The power factor for the month shall be determined by permanently installed metering equipment.

ANNUAL MINIMUM DEMAND CHARGE

The Annual Minimum Demand Charge shall be no less than six times the average monthly Firm Demand Charge per kW times the predetermined demand, plus six times the Controllable Demand Charge per kW times the maximum Controllable Demand.

(Continued on Sheet No. 47.1)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

PEAK CONTROLLED TIME OF DAY SERVICE (Continued)
RATE CODE A24

Section No. 5
4th Revised Sheet No. 47.1

TIER 1 ENERGY CONTROLLED SERVICE

Tier 1 Energy Controlled Service is available under this schedule subject to the provisions contained in the Tier 1 Energy Controlled Service Rider.

TIER 1 PEAK CONTROLLED SHORT NOTICE

Tier 1 Peak Controlled Short Notice option is available under this schedule subject to the provisions contained in the Tier 1 Peak Controlled Short Notice Rider.

COMPETITIVE SERVICE

Competitive Service is available under this schedule subject to the provisions contained in the Competitive Response Rider.

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OTHER PROVISIONS

Peak Controlled Time of Day Service is also subject to provisions contained in Rules for Application of Peak Controlled Services.

TERMS AND CONDITIONS OF SERVICE

1. Alternating current service is provided at the following nominal voltages:
 - a. Secondary Voltage: Single or three phase from 208 volts up to but not including 2,400 volts,
 - b. Primary Voltage: Three phase from 2,400 volts up to but not including 69,000 volts,
 - c. Transmission Transformed Voltage: Three phase from 2,400 volts up to but not including 69,000 volts, where service is provided at the Company's disconnecting means of a distribution substation transformer, or
 - d. Transmission Voltage: Three phase at 69,000 volts or higher.

Service voltage available in any given case is dependent upon voltage and capacity of Company lines in vicinity of customer's premises.

2. Transmission Transformed Service is available only to customers served by an exclusively dedicated distribution feeder. Customer will be responsible for the cost of all facilities necessary to interconnect at the Company's disconnecting means of a distribution substation transformer.
3. Transmission Service is available at transmission voltage, subject to the terms and conditions contained in the Company's General Rules and Regulations, Section 5.1(B).

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RULES FOR APPLICATION OF PEAK CONTROLLED SERVICES

Section No. 5
5th Revised Sheet No. 48

1. Customer has the responsibility of controlling own load to Predetermined Demand Level.
2. Customer must allow Company to inspect and approve the load control installation and equipment provided by customer.
3. If controlled demand is 10,000 kW or larger, Company may require customer to:
 - a. Provide auxiliary contacts for remote indication of position of switch or circuit breaker used to control demand and wire auxiliary contacts into a connection point designated by Company,
 - b. Install the remote breaker indication equipment provided by Company, and
 - c. Provide a continuous 120 volt AC power source at the connection point for operation of the Company remote breaker indication equipment.
4. Company will endeavor to give customer one hour notice of commencement of control period, and as much additional notice as is practical. However, control period may be commenced without notice should Company determine such action is necessary.
5. Failure to Control Charge: An additional charge of \$8.00 (\$10.00 for Tier 1) per kW will apply during each Company specified control period to the amount by which customer's Maximum Adjusted Demand or Maximum Adjusted On Peak Period Demand exceeds their predetermined demand level. After three such customer failures to control load to their Predetermined Demand Level, Company reserves the right to increase the Predetermined Demand Level, or transfer customer to General Service or General Time of Day Service and apply the cancellation charge specified in customer's Electric Service Agreement.
6. The duration and frequency of control periods shall be at the discretion of Company. Control periods will normally occur when:
 - a. Company expects a reasonable possibility of system load levels surpassing the level for which NSP has sufficient accredited capacity under the Midwest Reliability Organization (MRO) or any successor organization, including reserve requirements, or
 - b. In Company's opinion, the reliability of the system is endangered.

(Continued on Sheet No. 5-49)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

**RULES FOR APPLICATION OF PEAK CONTROLLED
SERVICES (Continued)**

Section No. 5
4th Revised Sheet No. 49

7. Customer must execute an Electric Service Agreement with Company which will include:

Peak Controlled Service - Tier 1

- a. A minimum initial 10 year term of service which includes a one year trial period and a three year cancellation notice effective after the initial term of service,
- b. The Predetermined Demand Level, or the fixed Controllable Demand if Optional PDL is selected which may be revised subject to approval by Company,
- c. Maximum 150 hours of interruption,
- d. Cancellation charge terms, and
- e. Control period notice.

Peak Controlled Service - Tier 2

- a. A minimum initial five year term of service which includes a one year trial period and a six month cancellation notice effective after the initial term of service,
- b. The Predetermined Demand Level, or the fixed Controllable Demand if Optional PDL is selected which may be revised subject to approval by Company,
- c. Maximum 80 hours of interruption,
- d. Cancellation charge terms, and
- e. Control period notice.

8. Peak Controlled Service customers choosing the Tier 1 rate option will be subject to an additional monthly charge for a Company approved and installed two-way communications system. The system equipment allows NSP to determine remotely customer load levels and to notify customers of control periods.
9. Minimum Controllable Demand during the Company's peak season shall be 50 kW.
10. Company shall not be liable for any loss or damage caused by or resulting from any interruption of service.
11. Company will determine, at a service location designated by Company, the number of services supplied. Customers requesting special facilities will be charged the additional costs incurred for such facilities.

(Continued on Sheet No. 5-50)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

**RULES FOR APPLICATION OF PEAK CONTROLLED
SERVICES (Continued)**

Section No. 5
4th Revised Sheet No. 50

12. Customers choosing the Predetermined Demand Level option requiring a fixed demand reduction will be subject to an additional charge for metering and billing when additional metering equipment is necessary. The additional charge is \$17.00 per month for an application using a single meter in close proximity to customer's service point. The additional charge for more complex applications will be based on the actual costs of the specific application.
13. Company will maintain Firm Demand Charge rates at the General Service and General Time of Day Service levels, whichever is applicable.
14. Any customer with generating equipment which is operated in parallel with Company must comply with all requirements associated with parallel operations as specified in the General Rules and Regulations of the Company.
15. Any load served by customer generation during Company requested control periods must be served by Company at all other times.
16. Customers selecting Peak Controlled Services will normally remain at a specific Performance Factor level for a minimum of one year, subject to the Company's discretion. The Company may transfer customers between Performance Factor levels following verification of a customer's performance, as defined in the applicable rate schedule and as specified in the customer's Electric Service Agreement. This rate contemplates that increases in summer Controllable Demand, which thereby affect a customer's Performance Factor level, will be at sufficient consumption levels to yield a July and August calendar month load factor of 34% or greater. The Company reserves the right to limit the customer's eligibility to be on a higher Performance Factor level due to the above restriction.

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**TIER 1 ENERGY CONTROLLED SERVICE RIDER
RATE CODE A27**

Section No. 5
9th Revised Sheet No. 115

AVAILABILITY

Availability is restricted to customers who are taking service on the Tier 1 option of the Peak Controlled Time of Day Service.

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

RATE

The rates and provisions of Tier 1 of the Peak Controlled Time of Day Service schedule shall apply except that the on peak and off peak energy charges for secondary voltage are replaced as follows:

Energy Charge per kWh

Firm On Peak Period Energy	\$0.04049
Firm Off Peak Period Energy	\$0.02224
Controllable On Peak Period Energy	\$0.03829
Controllable Off Peak Period Energy	\$0.02172
Control Period Energy	\$0.09000

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TERMS AND CONDITIONS OF SERVICE

1. Failure to Control Charge: Except as provided for under Control Period Energy Service described below, the following charges will apply in any month customer fails to control load to Predetermined Demand Level or fails to control the full amount of their fixed Controllable Demand under the Optional PDL:
 - a. An additional charge of \$10.00 per kW will apply during each Company specified control period to the amount by which customer's Maximum Adjusted Demand exceeds their Predetermined Demand Level, and
 - b. The Control Period Energy charge will apply to the energy used during the control period that is associated with the customer's Controllable Demand.

After three such customer failures to control load to their Predetermined Demand Level, Company reserves the right to increase the Predetermined Demand Level or remove customer from Tier 1 Energy Controlled Service Rider and apply the cancellation charge specified in customer's Electric Service Agreement.

(Continued on Sheet No. 5-116)

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

**TIER 1 ENERGY CONTROLLED SERVICE RIDER
(Continued)
RATE CODE A27**

Section No. 5
6th Revised Sheet No. 116

TERMS AND CONDITIONS OF SERVICE (Continued)

2. The duration and frequency of interruption periods shall be at the discretion of Company. Interruption periods will normally occur at such times when:
 - a. Company is required to use generation equipment or to purchase power that results in production costs in excess of \$70 per MWH,
 - b. Company expects a reasonable possibility of system load levels surpassing the level for which NSP has sufficient accredited capacity under the Midwest Reliability Organization (MRO) or any successor organization, including reserve requirements, or
 - c. In Company's opinion, the reliability of the system is endangered.
3. Customer's Electric Service Agreement with Company will include a maximum of 300 hours of interruption per year.
4. All other provisions of Tier 1 of the Peak Controlled Time of Day Service schedule not in conflict with the Tier 1 Energy Controlled Service Rider shall apply.

CONTROL PERIOD ENERGY SERVICE

AVAILABILITY

Available to Tier 1 Energy Controlled Service Rider customers for supply of Controllable Demand related energy during control periods. The Control Period Energy charge will apply when the Company is required to use generation equipment or to purchase power that results in production costs in excess of \$70 per MWh. Control Period Energy Service will not be available when Company expects system peak load conditions or during system emergencies.

In addition, customer bills under this rate are subject to the following adjustments and/or charges.

RATE

The control period energy charge will apply to all Controllable Demand related energy used during the control period.

TERMS AND CONDITIONS OF SERVICE

1. Control Period Energy Service will be available provided such service will not adversely affect firm service to any customer.
2. Company reserves the right to refuse or control the supply of Control Period Energy Service if its capacity is not adequate to furnish such service.

(Continued on Sheet No. 116.1)

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Northern States Power Company, a Minnesota corporation
Minneapolis, Minnesota 55401

MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

TIER 1 ENERGY CONTROLLED SERVICE RIDER
(Continued)
RATE CODE A27

Section No. 5
3rd Revised Sheet No. 116.1

TERMS AND CONDITIONS OF SERVICE (Continued)

3. All other provisions of the Tier 1 Energy Controlled Service Rider not in conflict with Control Period Energy Service shall apply.
4. Company notice of commencement of control period will include notice of availability of Control Period Energy Service.

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MINNESOTA ELECTRIC RATE BOOK - MPUC NO. 2

TIER 1 PEAK CONTROLLED SHORT NOTICE RIDER

Section No. 5
9th Revised Sheet No. 126

AVAILABILITY

Availability is restricted to customers who are taking service on the Tier 1 option of Peak Controlled Service or Peak Controlled Time of Day Service. Customers choosing service under this rider shall agree to allow the Company to interrupt customer's load to a predetermined level within 10 minutes notice of a control period. Availability is restricted to customers with a minimum certified controllable load of 3,000 kW. Participation is limited to 100,000 kW of controllable demand, which may be exceeded if part of a customer's controllable load is within the participation limit, subject to Company approval.

CONTRACT

Customers must contract for this service rider through an Electric Service Agreement with Company. Contract period will normally be for 24 months.

RATE

The rates and provisions of Tier 1 of the applicable Peak Controlled Service schedule shall apply with the customer's Controllable Demand billed at the Short Notice Controllable Demand charge.

TERMS AND CONDITIONS OF SERVICE

1. Within 10-minutes of notification from the Company, customer's controllable load shall be curtailed by Company-initiated automatic control for the duration of the control period as determined by the Company.
2. Customers taking service under this rider will be required to certify their interruptible load as described below under Certification of Interruptible Load. Customer will cooperate fully with and assist in the required certification process. Failure of customer to assist in the certification process and/or failure to obtain certification of the Controllable Demand level will result in the customer being ineligible for this tariff.
3. Certification of Interruptible Load: To be eligible, the customer's interruptible load must complete an annual control test, prior to the beginning of the Company's summer peak load season. The control test must:
 - Demonstrate that the load is controlled by the Company from its control center;
 - That the load is curtailed within ten minutes of a Company declared control period.
 - The controlled load must remain off for at least four (4) hours in the first year of application and at least one (1) hour in subsequent years.
 - The timing of the control test will be coordinated with the customer but must be conducted at a time when the customer's load is at or near the level expected during actual control periods.

(Continued on Sheet No. 5-127)

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Docket No. E002/M-15-____
Petition
Attachment B

**Electric Service Agreement
Peak Controlled Services**

MINNESOTA ELECTRIC RATE BOOK – MPUC NO. 2

**ELECTRIC SERVICE AGREEMENT
PEAK CONTROLLED SERVICE**

Section No. 7
2nd Revised Sheet No. 5

Account No. _____

**ELECTRIC SERVICE AGREEMENT
PEAK CONTROLLED SERVICES**

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THIS AGREEMENT, Made this _____ day of _____, _____, by and between
NORTHERN STATES POWER COMPANY, a Minnesota corporation and wholly owned subsidiary of Xcel
Energy Inc. hereinafter called the "Company," and
_____, hereinafter called the "Customer," engaged
in the business of _____.

WITNESSETH: That the parties hereto, each in consideration of the agreements of the other, agree as follows:

- KIND OF SERVICE:** Company agrees to supply and Customer agrees to accept electric service in the form of _____ Phase, _____ Wire, Alternating Current at a nominal frequency of 60 Hertz and at a nominal voltage of _____, for Customer's use solely for the operation of electric equipment now installed or to be installed by Customer on the property known as _____ located at _____.
- ANNUAL MINIMUM DEMAND CHARGE:** In consideration of the capacity commitment by Company and its investment in facilities to serve Customer, Customer agrees that if the net demand charge payments during any contract year hereunder, in accordance with the rate selected specified in Section 4 below, amount to less than the minimum demand charge specified in this rate schedule, the difference between such minimum demand charge and said net demand charge payment shall be included in the bill following the contract anniversary month and Customer agrees to pay same as a charge for service rendered.
- TERM:** This Agreement shall commence at 12:01 A.M. on _____, _____, and shall continue for a period ending at 12:01 A.M. _____, _____, and if not then terminated by at least six months prior written notice by either party for Tier 2 customers or by at least 36 months prior written notice by either party for Tier 1 customers, shall continue further until so terminated.

(Continued on Sheet No. 7-6)

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MINNESOTA ELECTRIC RATE BOOK – MPUC NO. 2

**ELECTRIC SERVICE AGREEMENT
PEAK CONTROLLED SERVICE (Continued)**

Section No. 7
2nd Revised Sheet No. 6

4. RATE: Customer agrees to qualify for and elects the Rate Schedule for _____, Tier _____. Customer agrees to pay in accordance with the terms of Company's established Rate Schedule in effect from time to time in this locality for such Service, the established Rate Schedule now in effect being the one attached hereto. Effective with the term commencement date, the Rate Code is: _____. However, the specific rate and Rate Code are subject to change following an annual evaluation of Performance Factor based on Customer's previous 12 months usage. This Rate and Rate Code change does not require Customer authorization. This Rate Schedule may provide for adjustment(s) pursuant to identified Rider(s). In addition to the rates specified, the Company shall collect any sales, use, excise or other such taxes and fees that are legally effective and applicable to the service provided.

5. PAYMENT OF BILLS: All bills are payable at Company's office on or before the date the bill is due for service supplied by Company in the preceding billing period. All bills will be issued to Customer at the location identified in Section 1 above, unless the Customer has given the Company written notice of a different address for billing purposes.

6. SERVICE INSTALLATION: Customer may be responsible at its cost to provide certain capabilities or conditions prior to the Company's installation of service, as provided in the General Rules and Regulations of Company and/or in the Rate Schedule for Customer's specific service, as they now exist or may hereafter be changed and both on file with the state Regulatory Commission.

7. TERMS AND CONDITIONS: The service hereunder shall be supplied for Customer's use subject to the General Rules and Regulations of Company on file with the state regulatory commission as they now exist or may hereafter be changed. A copy of such rules and regulations is available from the Company. This Agreement is also subject to Sections(s) _____ appearing under the heading "Additional Terms and Conditions" which are attached to this Agreement. Customer agrees to use electrical service only as herein stated and will not assign this Agreement except upon written consent of Company.

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8. MAXIMUM HOURS OF INTERRUPTION: Company agrees that the total intentional interruptions of controlled demand will not exceed 80 hours per calendar year for Tier 2 customers, 150 hours per year for Tier 1 customers, and 300 hours per year for Tier 1 Energy Controlled Service Rider customers.

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9. CONTROL PERIOD NOTICE: Company will endeavor to give Customer one hour notice of commencement of control period.

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(Continued on Sheet No. 7-7)

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MINNESOTA ELECTRIC RATE BOOK – MPUC NO. 2

**ELECTRIC SERVICE AGREEMENT
PEAK CONTROLLED SERVICE (Continued)**

Section No. 7
2nd Revised Sheet No. 7

11. EXPECTED MAXIMUM DEMANDS: For the term of this Agreement, Customer's expected maximum annual adjusted demand is _____ kW. The expected maximum annual demand less the predetermined demand level is the expected maximum controlled demand. The Customer's expected maximum summer season adjusted demand is _____ kW.

12. PREDETERMINED DEMAND LEVEL (PDL): Customer may elect either the standard or optional arrangement as specified below.

Standard: Customer agrees to limit adjusted demand to _____ kW during control periods.

Optional: Customer agrees to **reduce** adjusted demand by _____ kW during control periods. Customer's PDL will be the monthly adjusted demand less the agreed to load reduction.

Any customer with generating equipment which is operated in parallel with Company must comply with all requirements associated with Parallel Operations specified in the General Rules and Regulations of Company.

The PDL may be revised **within or after the trial period** subject to approval by Company. If the revision of the PDL occurs WITHIN THE TRIAL PERIOD, the Customer pays the demand charge differential for the corresponding months of the contract in the trial period multiplied by the number of kilowatts (kW) the Customer increases the PDL. Charges for the failure to control to their PDL are forgiven. The Customer will be credited any paid penalties against the recalculated amount. If the revision of the PDL occurs AFTER THE TRIAL PERIOD, the same calculation is made for the most recent months up to but not to exceed 18. In this case, however, the Customer is responsible for the greater of the following: (a) the amount determined by multiplying the demand charge differential by the PDL increase, as described above, or (b) the total amount of any penalties paid/owed for failure to control load to the previous PDL.

13. TRIAL PERIOD AND CANCELLATION CHARGE: Company agrees that the first twelve months of this Agreement will be a trial period. Customer must notify Company in writing to terminate this Agreement during the trial period. If Customer terminates this Agreement during the trial period, Customer's Peak Controlled Service or Peak Controlled Time of Day Service bills will be recalculated using the corresponding firm rate (General Service or General Time of Day Service). Customer will be charged the difference between the recalculated amount and the amount charged under the corresponding Peak Controlled rate. Also, Customer will receive a refund for any additional charges which were assessed during the trial period due to Customer failure to control load. A trial period for Peak Controlled Service or Peak Controlled Time of Day Service will not be available to any Customer account that has previously received either service, or the closed Peak Controlled or Energy Controlled Services.

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(Continued on Sheet No. 7-8)

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MINNESOTA ELECTRIC RATE BOOK – MPUC NO. 2

**ELECTRIC SERVICE AGREEMENT
PEAK CONTROLLED SERVICE (Continued)**

Section No. 7
2nd Revised Sheet No. 8

13. (Continued)

Customer will pay a cancellation charge after the twelve month trial period if Customer terminates this Agreement and elects to receive service from NSP on a non-interruptible basis or this Agreement is terminated as a result of any default of Customer. Customers no longer receiving service from NSP upon termination of Agreement will not be assessed the cancellation charge. The cancellation charge will be the difference between the billing amounts described above, for the most recent 18 months for Tier 2 or 36 months for Tier 1 of Peak Controlled Service or Peak Controlled Time of Day Service. Customer will not receive a refund for any additional charges which were assessed during this 18 or 36 month period due to Customer failure to control load.

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Additionally, if at any time this Agreement is terminated in any above described manner, Customer will be charged all installation and removal costs for special equipment and facilities provided by Company for Peak Controlled Service or Peak Controlled Time of Day Service.

D

14. FAILURE TO CONTROL: If in any month Customer fails to control load to predetermined demand level when requested by Company, the additional charge specified in the Rules for Application of Peak Controlled Services shall be applied to the amount by which Customer's maximum adjusted demand during any control period exceeds predetermined demand. If Customer incurs three failures to control load to predetermined demand level when requested by Company, the Company reserves the right to renegotiate the predetermined demand level or remove Customer from Peak Controlled or Peak Controlled Time of Day Service. In a case where Customer is removed from Peak Controlled or Peak Controlled Time of Day Service, Customer will be subject to a cancellation charge specified in Customer's Electric Service Agreement.

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15. GENERATING CUSTOMER CHARGE: Customer choosing the Optional Predetermined Demand Level agrees to pay Company \$ _____ per month for additional metering and billing expenses related to the use of Customer-operated generating equipment to reduce adjusted demand during control periods, as described in the Rules for Application of Peak Controlled Services.

D

**NORTHERN STATES POWER COMPANY,
a Minnesota corporation ("Xcel Energy")**

CUSTOMER _____

T

By _____

By _____

Title _____

Title _____

Marketing Manager

Service Policy

Date Filed: 11-02-12 By: David M. Sparby Effective Date: 12-01-13
President and CEO of Northern States Power Company, a Minnesota corporation
Docket No. E002/GR-12-961 Order Date: 09-03-13

CERTIFICATE OF SERVICE

I, Tiffany Hughes, hereby certify that I have this day served copies or summaries of the foregoing document on the attached list of persons.

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

xx electronic filing

Xcel Energy's Miscellaneous Electric Service List

Dated this 27th day of February 2015

/s/

Tiffany Hughes
Records Analyst

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
James J.	Bertrand	james.bertrand@leonard.com	Leonard Street & Deinard	150 South Fifth Street, Suite 2300 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Michael	Bradley	mike.bradley@lawmoss.com	Moss & Barnett	150 S. 5th Street, #1200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Jeffrey A.	Daugherty	jeffrey.daugherty@centerpointenergy.com	CenterPoint Energy	800 LaSalle Ave Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Ian	Dobson	ian.dobson@ag.state.mn.us	Office of the Attorney General-RUD	Antitrust and Utilities Division 445 Minnesota Street, BRM Tower St. Paul, MN 55101	Electronic Service 1400	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
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
Tiffany	Hughes	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
Alan	Jenkins	aj@jenkinsatlaw.com	Jenkins at Law	2265 Roswell Road Suite 100 Marietta, GA 30062	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Richard	Johnson	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
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
Thomas G.	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
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Andrew	Moratzka	apmoratzka@stoel.com	Stoel Rives LLP	33 South Sixth Street Suite 4200 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
David W.	Niles	david.niles@avantenergy.com	Minnesota Municipal Power Agency	Suite 300 200 South Sixth Street Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
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

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