

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
David Boyd	Commissioner
Nancy Lange	Commissioner
Dan Lipschultz	Commissioner
Betsy Wergin	Commissioner

Paul J. Lehman
Manager, Regulatory Compliance and Filings
Xcel Energy
414 Nicollet Mall - 7th Floor
Minneapolis, MN 55401

SERVICE DATE: October 17, 2014

DOCKET NO. G-002/M-14-540

In the Matter of the Petition of Northern States Power Company (Xcel) for Approval of Modifications to its Interruptible Service Tariffs

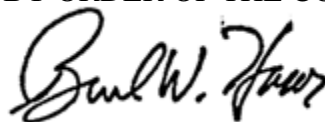
The above entitled matter has been considered by the Commission and the following disposition made:

Adopted and approved the Department's recommendations, including the increase in the penalty charge for unauthorized use of gas from \$1 per therm to \$5 per therm.

Xcel shall make a compliance filing within 30 days that states Xcel's proposed policies and procedures regarding disconnection of service for unauthorized gas consumption and includes a draft tariff that illustrates this policy.

The Commission agrees with and adopts the recommendations of the Department of Commerce, which are attached and hereby incorporated into the Order, as amended above. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION



Burl W. Haar
Executive Secretary



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August 4, 2014

Burl W. Haar
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G002/M-14-540

Dear Dr. Haar:

Attached are the *Comments* of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

Petition of Northern States Power Company (Xcel or the Company) for Approval of Modifications to the Interruptible Service Tariff.

The *Petition* was filed on June 27, 2014. The petitioner on behalf of Xcel is:

Paul J. Lehman
Manager, Regulatory Compliance and Filings
Xcel Energy
414 Nicollet Mall - 7th Floor
Minneapolis, MN 55401

The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve, with modifications**, Xcel's *Petition*. The Department also recommends that the Commission require that the Company address other filing requirements discussed in the body of these *Comments*.

The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ ADAM J. HEINEN
Rates Analyst
651-539-1825

AJH/ja
Attachment

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

COMMENTS OF THE
MINNESOTA DEPARTMENT OF COMMERCE
DIVISION OF ENERGY RESOURCES

DOCKET No. G002/M-14-540

I. SUMMARY OF XCEL'S REQUEST

Northern States Power Company (Xcel or the Company) filed a request for modifications to its interruptible service tariff (*Petition*) on June 27, 2014, with the Minnesota Public Utilities Commission (Commission). The Company requested Commission approval to place the tariff modifications into effect on October 1, 2014. The Company stated that that the requested implementation date would allow the Commission sufficient time to review the filing without suspending the proposed tariff change and it would allow the *Petition* to comply with the 60-day notice period required in Minnesota Statute § 216B.16.

Xcel indicated that this *Petition* is in response to operating conditions during the most recent heating season (2013-2014). This heating season was marked by extreme weather conditions and an unusual number of interruption events compared to recent history. Along with these interruption events, Xcel stated that it had an unprecedented number of interruptible service customers not curtailing their usage when curtailments had been called, which did not produce the expected level of load relief, and prompted concerns about maintaining system operations for firm customers. Xcel noted that about 40 percent of its interruptible customers used unauthorized gas during at least one interruptible event and some customers used unauthorized gas during every curtailment event. Further, Xcel stated that certain customers have coined the term “penalty gas option” to refer to such unauthorized usage.

Based on its review of the past heating season, and the operational response of certain interruptible customers, Xcel concluded that a change in its interruptible service tariff was necessary. Through its review of the current tariff language, the Company identified three areas in the tariff that need modification. First, Xcel recommended a modification in its penalty from \$1.00 per therm to \$5.00 per therm, which would bring the penalties in line with similar utility tariffs in neighboring states. Second, the Company proposed additional, stronger language in the tariff stating that payment of the penalty does not give the

customer the right to take unauthorized gas and reiterating that Xcel has the right to shut off a customer's gas for failure to curtail. Third, the Company identified various typographical and formatting errors that require correction.

The Minnesota Department of Commerce, Division of Energy Resources (Department) reviews the Company's *Petition* below.

II. DEPARTMENT'S ANALYSIS OF XCEL'S REQUEST

The Department's analysis is divided into the following sections: 1) importance of correct consumption by interruptible customers; 2) reasonableness of proposed penalty charge; 3) reasonableness of changes to tariff language; 4) Department's proposed additions to the tariff; and 5) reasonableness of other changes to Xcel's interruptible tariff.

A. IMPORTANCE OF CORRECT CONSUMPTION BY INTERRUPTIBLE CUSTOMERS

The Department appreciates Xcel's proactive response to widespread unauthorized consumption by interruptible customers during the most recent heating season. When interruptible customers operate in a manner outside of the tariff (e.g., consuming gas during a called interruption), it can impair firm system reliability. As noted by Xcel in the *Petition*, system reliability on a peak day is modeled for firm customers only; in other words, on a peak day it is assumed that all interruptible customers have stopped using gas. If, for any reason, interruptible customers have not stopped consumption on a peak day, the possibility exists that system reliability will be impaired and firm customers may lose service.

In addition, the expected level of peak-day consumption is used to set the demand portion of the commodity cost of gas, which is only charged to firm customers. If consumption by interruptible customers regularly occurs on a peak day and cannot be distinguished from firm consumption, then expected consumption on a peak day will be over-estimated and the Company will procure more demand entitlements than would be the case if peak-day consumption were estimated based only on firm customer consumption. These additional demand entitlements will create higher rates for firm customers; those customers creating the need for these additional costs (*i.e.*, interruptible customers) will not share in the cost.

B. REASONABLENESS OF PROPOSED PENALTY CHARGE

Charges for unauthorized gas usage by interruptible customers are intended to penalize customers, regardless of the reason for using gas, and also as a deterrent against unauthorized usage. As noted in Xcel's *Petition*, and earlier in these *Comments*, the Company experienced widespread unauthorized usage by interruptible customers during curtailment periods this past heating season. Xcel explained that some of this unauthorized use was made for economic purposes, which suggests that the currently approved penalty is insufficient. Therefore, the Company proposed an increase in the charge for unauthorized

use to \$5.00 per therm from \$1.00 per therm.¹ In its *Petition*, Xcel provided a brief explanation of why it believes \$5.00 per therm is a reasonable penalty charge going forward.

The Company stated that the \$5.00 per therm rate is reasonable because it is slightly higher than both the peak propane rates and natural gas spot prices experienced during the most recent heating season. In addition, Xcel provided a list of various interruptible penalties in the region that showed that the \$5.00 per therm proposed rate is within the \$2.00 to \$10.00 per therm penalty range that other utilities in the region currently have in place.

The Department concludes that, to be effective, the penalty charge should be set at a level that is punitive enough that unauthorized use is eliminated or only occurs infrequently.² Xcel indicated that some interruptible customers were choosing to incur the penalty charge as an economic decision. For example, during the past heating season, assuming that an interruptible customer purchased backup propane gas during the preceding summer months (DOC Attachment 1), the Department estimated that the cost of natural gas, including the use penalty, was still \$1 to \$2 per Dekatherm (Dkt) cheaper than propane (DOC Attachment 2). In other words, even assuming the lowest possible alternative fuel replacement cost, natural gas, including the penalty, was still the least cost option. Xcel's proposed \$5 per therm (\$50 per Dkt) penalty significantly increases the effective cost of natural gas if it is used during a called interruption. Even if an interruptible customer were to purchase back-up propane at the highest prices experienced during the 2013-2014 heating season (approximately \$38.70 per Dkt as reported by Xcel), the cost of natural gas including the new penalty (approximately \$55 per Dkt based on recent commodity costs), is significantly higher than the cost of propane (DOC Attachment 3).

The Department generally agrees that the proposed \$5 per therm is reasonable since it brings the price of unauthorized gas above the cost of propane at its highest winter price; however, it is important to note that this price difference does not take into account non-monetary reasons for choosing not to curtail (e.g., overall preference to natural gas, ancillary costs involved with fuel switching). With any non-monetary reason, it is difficult to determine the intangible benefit of natural gas; as such, the Department recommends that the Company monitor unauthorized use in upcoming heating seasons and document whether the penalty increase has had a meaningful impact on unauthorized usage. Xcel should file this review, and analysis, on a going-forward basis in its annual true-up and annual automatic adjustment dockets filed with the Commission on September 1st. If unauthorized consumption does not decrease to an acceptable level, then additional tariff changes, with potentially higher penalty rates, may be required.

¹ The Department notes that a secondary penalty provision exists in the Company's tariff. If the Company incurs incremental costs greater than \$1 per therm under the current tariff, or \$5 per therm under the proposed tariff language, as a result of a failure to curtail, Xcel will charge a customer, or customers, at that higher, incremental rate.

² The Department acknowledges that some level of unauthorized gas consumption, ideally *de minimus*, is likely unavoidable.

Based on its review, the Department recommends that the Commission approve Xcel's proposed \$5 per therm unauthorized usage penalty.

C. *REASONABLENESS OF CHANGES TO TARIFF LANGUAGE*

In addition to an increase in the penalty charge for unauthorized gas use, the Company proposed stronger language in its interruptible tariff pages in Section 5. Xcel's current interruptible tariff language states the following:

Such payments, however, shall not preclude the Company from shutting off customer's supply of gas in the event of customer's failure to curtail, interrupt, or restrict the use thereof when requested by the Company to do so.

Xcel proposed new language is, in its opinion, stronger and unambiguous by making it clear that taking unauthorized gas is a violation of the interruptible tariff. The proposed language is as follows:

The payment of a penalty shall not, under any circumstances, be considered as giving the customer the right to continue to take unauthorized gas. Nor shall such payment be considered to exclude or limit any other remedies available to the Company, including, but not limited to, shutting off customer's supply of gas in the event of customer's failure to curtail, interrupt, or restrict the use thereof when requested by the Company to do so.

The Department appreciates this stronger language and concludes that the proposed language clarifies the consequences of unauthorized gas use. The Department has also identified other areas of Xcel's tariff that should be updated with the Company's proposed language. Specifically, the Department recommends that the Commission require Xcel to update the last sentence in Sub-Section 4.0 of all applicable gas service agreements in Section 7 of the Company's tariff, and the last sentence of the first paragraph in Section 6.2 of the General Rules and Regulations portion of the tariff book to reflect the modified tariff language proposed by the Company in its *Petition*. The Department also recommends that Xcel review its entire gas tariff and make any other changes needed to bring the rest of the tariff in line with the language proposed in this *Petition*.

D. *DEPARTMENT'S PROPOSED ADDITIONS TO THE TARIFF*

The Department notes that there are several areas within Xcel's natural gas tariff book that address interruptible service, and concludes that an additional statement in the interruptible tariffs, interruptible gas service agreements, and general rules and regulations tariff outlining the Company's authority to manage system reliability is necessary. Section 6.1 of

the General Rules and Regulations of Xcel's natural gas tariff book references 9 situations in which a customer's gas service may be disconnected, including "breach of contract for service," and "failure to comply with any of the Company's rules on file with the Public Utilities Commission."³ Further, Section 6.2 states as follows, in relevant part:

If an interruptible customer fails to curtail customer use of gas when requested to do so by the Company, customer shall pay to the Company, in addition to the regular rate applicable to the class of service rendered, the amount specified in the "Additional Charge for Use of Gas During Curtailment" provision of the applicable rate schedule. Such payments, however, shall not preclude the Company from shutting off the customer's supply of gas in the event of customer's failure to curtail customer use thereof when requested by the Company to do so.

The above existing tariff language indicates that the Company already has the authority to disconnect interruptible customers who fail to comply with a called curtailment. The Department notes that a potential result of an interruptible customer having been shut off due to failing to curtail is that the customer's service is reinstated under a firm tariff. Further, Xcel's current tariff appears to be silent as to who is responsible for the cost of reconnection should an interruptible customer be disconnected for unauthorized use. Therefore, the Department recommends that the following, more explicit, language outlining the Company's authority, and obligation, to maintain system reliability should be added to Xcel's tariff:

An interruptible customer's unauthorized use of gas during an interruption is a breach of the terms of service. Xcel reserves the right to discontinue service for such unauthorized use of gas and/or move non-compliant customers to a different rate class. If an interruptible customer's service is reconnected following a breach of the terms of service or unauthorized use of gas, the customer will reimburse the Company for the cost of reconnection.

The Department recommends that this clarification be inserted at the end of the *Additional Charge for Unauthorized Use of Gas During Service Curtailment, Interruption, or Restriction* in each of the Company's interruptible tariff sheets in Section 5, into the end of Sub-Section 4 of all relevant service agreements in Section 7 of Xcel's tariff, and after the first paragraph in Sub-Section 6.2 of the General Rules and Regulations of the Company's tariff.

³ See DOC Attachment 4 for the current version of Sections 6.1 and 6.2.

As noted above, Xcel has the authority to disconnect service for unauthorized use of gas. However, it is unclear what amount of unauthorized use would warrant disconnection of service and whether the threat of disconnection for unauthorized use will be exercised by the Company. The Department requests that Xcel detail in *Reply Comments* its current policies and procedures regarding the disconnection of service for unauthorized gas consumption and submit a draft tariff that illustrates this policy. If the Company does not currently have a policy or procedure in place, the Department recommends that Xcel examine this issue in greater detail and make a compliance filing within 30 days of the Commission's *Order* in this docket, detailing the Company's proposed policies and procedures for the disconnection of service for unauthorized gas consumption, including proposed revised tariff sheets incorporating those policies and procedures.

E. REASONABLENESS OF OTHER CHANGES TO INTERRUPTIBLE TARIFF

Xcel also proposed minor typographical and formatting changes to the interruptible tariff (Section 5). The Department reviewed these changes and concludes that they are reasonable.

III. CONCLUSIONS AND RECOMMENDATIONS

The Department recommends that the Commission approve Xcel's *Petition* with the following modifications.

First, the Department recommends that Xcel's proposed tariff language, quoted below, be added to the last sentence in Sub-Section 4.0 of all applicable gas service agreements in Section 7 of the Company's tariff, and the last sentence of the first paragraph in Section 6.2 of the General Rules and Regulations portion of the tariff book:

The payment of a penalty shall not, under any circumstances, be considered as giving the customer the right to continue to take unauthorized gas. Nor shall such payment be considered to exclude or limit any other remedies available to the Company, including, but not limited to, shutting off customer's supply of gas in the event of customer's failure to curtail, interrupt, or restrict the use thereof when requested by the Company to do so.

The Department also recommends that Xcel review its entire gas tariff and make any other changes needed to bring the rest of the tariff in line with the above-quoted language.

Second, the Department recommends that the Commission require Xcel to include the following language in its tariff:

An interruptible customer's unauthorized use of gas during an interruption is a breach of the terms of service. Xcel reserves the right to discontinue service for such unauthorized use of gas and/or move non-compliant customers to a different rate class. If an interruptible customer's service is reconnected following a breach of the terms of service or unauthorized use of gas, the customer will reimburse the Company for the cost of reconnection.

The Department recommends that this language be inserted at the end of the *Additional Charge for Unauthorized Use of Gas During Service Curtailment, Interruption, or Restriction* in each of the Company's interruptible tariff sheets in Section 5, the end of Sub-Section 4 of all relevant service agreements in Section 7 of Xcel's tariff, and after the first paragraph in Sub-Section 6.2 of the General Rules and Regulations of the Company's tariff (Section 6).

Third, beginning with the Company's annual true-up and annual automatic adjustment filings due on September 1, 2014, the Department recommends that the Commission require Xcel to file a review and analysis of unauthorized gas consumption by interruptible customers during the preceding heating season.

Finally, the Department requests that Xcel detail in *Reply Comments* its current policies and procedures regarding the disconnection of service for unauthorized gas consumption and submit a draft tariff that illustrates this policy. If the Company does not currently have a policy or procedure in place, the Department recommends that the Commission require Xcel to examine this issue in greater detail and make a compliance filing in this docket, within 30 days of the Commission's Order in this docket, showing a draft of policies and procedures for the disconnection of service for unauthorized gas consumption.

/ja



U.S. Energy Information Administration

Docket No. G002/M-14-540
 DOC Attachment 1
 Page 1 of 1

PETROLEUM & OTHER LIQUIDS

OVERVIEW

DATA

ANALYSIS & PROJECTIONS

GLOSSARY >

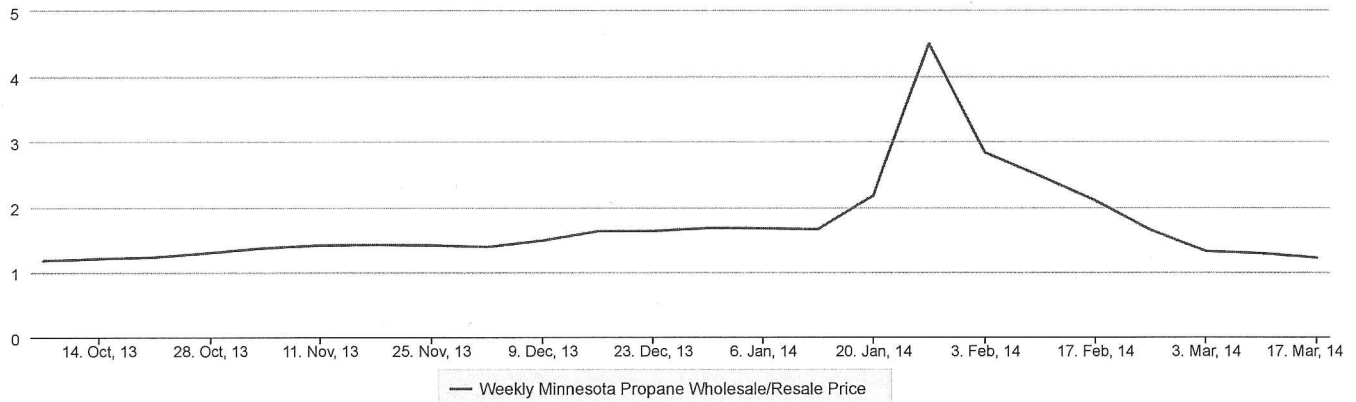
FAQS >

View History: Weekly

Download Data (XLS File)

Weekly Minnesota Propane Wholesale/Resale Price

Dollars per Gallon



Source: U.S. Energy Information Administration

Chart Tools

no analysis applied

Weekly Minnesota Propane Wholesale/Resale Price (Dollars per Gallon)

Year-Month	Week 1		Week 2		Week 3		Week 4		Week 5	
	End Date	Value	End Date	Value	End Date	Value	End Date	Value	End Date	Value
2013-Oct	10/07	1.176	10/14	1.205	10/21	1.229	10/28	1.296		
2013-Nov	11/04	1.369	11/11	1.410	11/18	1.416	11/25	1.409		
2013-Dec	12/02	1.384	12/09	1.481	12/16	1.623	12/23	1.627	12/30	1.673
2014-Jan	01/06	1.670	01/13	1.654	01/20	2.172	01/27	4.504		
2014-Feb	02/03	2.831	02/10	2.473	02/17	2.094	02/24	1.646		
2014-Mar	03/03	1.316	03/10	1.282	03/17	1.215				

-- No Data Reported; -- = Not Applicable; NA = Not Available; W = Withheld to avoid disclosure of individual company data.

Release Date: 7/16/2014

Next Release Date: 7/23/2014

Referring Pages:

- [Minnesota Weekly Heating Oil and Propane Prices \(October - March\)](#)
- [Wholesale Propane Weekly Heating Oil and Propane Prices \(October - March\)](#)

Heating Fuel Comparison Calculator

6/6/2014 Version: HEAT-CALC-Vsn-D_1-09.xls

This "calculator" can be used to compare residential heating fuel prices and costs. To use this calculator, enter information into the yellow-colored cells as necessary. The information in the green cells is calculated for you. **Scroll down and to the right to see all information on this page.** Detailed instructions are provided in the instructions (click on tab at bottom of your screen). Contact local suppliers for most accurate prices. This calculator will not provide an estimate of the cost to heat your home.

Fuel Type	Fuel Unit	Fuel Price Per Unit (dollars)	Fuel Heat Content Per Unit (Btu)	Fuel Price Per Million Btu (dollars)	Heating Appliance Type	Type of Efficiency Rating ⁴	Efficiency Rating or Estimate ⁵	Approx. Efficiency (%)	Per Million Btu (dollars)	Default Fuel Price Sources (click on links below); see also Prices tab below.	Notes
Electricity	Kilowatthour	4.02	138,690	\$28.99	Furnace or Boiler	AFUE	78.0	78%	\$37.17	http://www.eia.gov/dnav/pe/pe	Used U.S. average for Residential for Oct. 2013 to March 2014.
		0.120	3,412	\$35.13	Furnace or Boiler	Estimate	98.0	98%	\$35.84	http://www.eia.gov/dnav/pe/pe	Used U.S. average for Residential for Oct. 2013 to March 2014.
					Air-Source Heat Pump ⁶	HSPF ⁶	8.2	240%	\$14.62		
					Geothermal Heat Pump	COP	3.3	330%	\$10.64		
					Baseboard/Room Heater	Estimate	100.0	100%	\$35.13		
Natural Gas ¹	Therm ²	\$0.55	100,000	\$5.50	Furnace or Boiler	AFUE	95.0	95%	\$5.79	http://www.eia.gov/dnav/ng/ng	Used U.S. average for Residential for October 2013 to March 2014.
					Room Heater (Vented)	AFUE	65.0	65%	\$8.46		To convert prices in \$/MCF to \$/therm, divide the price by 10.25
					Room Heater (Unvented)	Estimate	100.0	100%	\$5.50		
Propane	Gallon	\$1.20	91,333	\$13.14	Furnace or Boiler	AFUE	90.0	90%	\$14.60	http://www.eia.gov/dnav/pe/pe	Used U.S. average for Residential for October 2013 to March 2014.
					Room Heater (Vented)	AFUE	65.0	65%	\$20.21		
Wood ³	Cord	\$200.00	22,000,000	\$9.09	Non-Catalytic, Room Heater	EPA	63.0	63%	\$14.43		
					Catalytic, Room Heater	EPA	72.0	72%	\$12.63		
Pellets	Ton	\$250.00	16,500,000	\$15.15	Room Heater	EPA	78.0	78%	\$19.43		
Corn (kernels) ³	Ton	\$200.00	14,000,000	\$14.29	Room Heater	EPA	78.0	78%	\$18.32		
Kerosene	Gallon	\$4.42	135,000	\$32.77	Room Heater (Vented)	Estimate	80.0	80%	\$40.96	http://www.nyserda.ny.gov/Bus	Used U.S. average for Residential for October 2013 to March 2014.
Coal (Anthracite)	Ton	\$200.00	25,000,000	\$8.00	Furnace/Boiler/Stove	Estimate	75.0	75%	\$10.67		

Heating Fuel Comparison Calculator

6/16/2014 Version: HEAT-CALC-Ven-D_1-09.xls

This "calculator" can be used to compare residential heating fuel prices and costs. To use this calculator, enter information into the yellow-colored cells as necessary. The information in the green cells is calculated for you. **Scroll down and to the right to see all information on this page.** Detailed instructions are provided in the Instructions (click on tab at bottom of your screen). **Contact local suppliers for most accurate prices.** This calculator will not provide an estimate of the cost to heat your home.

Fuel Type	Fuel Unit	Fuel Price Per Unit (dollars)	Fuel Heat Content Per Unit (Btu)	Fuel Price Per Million Btu (dollars)	Heating Appliance Type	Type of Efficiency Rating ⁴	Efficiency Rating or Estimate ⁵ (%)	Approx. Efficiency (%)	Per Million Btu (dollars)	Default Fuel Price Sources (click on links below), see also Prices tab below.	Notes
Electricity	Kilowatthour	4.02	138,690	\$28.99	Furnace or Boiler	AFUE	78.0	78%	\$37.17	http://www.eia.gov/dhnav/pe/pe	Used U.S. average for Residential for Oct. 2013 to March 2014.
		0.120	3,412	\$35.13	Furnace or Boiler	Estimate	98.0	98%	\$35.84	http://www.eia.gov/electricity/m	Used U.S. average for Residential for October 2013 to March 2014.
					Air-Source Heat Pump ⁶	HSPF ⁶	8.2	240%	\$14.62		
					Geothermal Heat Pump	COP	3.3	330%	\$10.84		
					Baseboard/Room Heater	Estimate	100.0	100%	\$35.13		
Natural Gas ¹	Therm ²	\$0.55	100,000	\$5.50	Furnace or Boiler	AFUE	95.0	95%	\$5.79	http://www.eia.gov/dhnav/ng/ng	Used U.S. average for Residential for October 2013 to March 2014.
					Room Heater (Vented)	AFUE	85.0	65%	\$8.46		To convert prices in \$/MCF to \$/therm, divide the price by 10.25
					Room Heater (Unvented)	Estimate	100.0	100%	\$5.50		
Propane	Gallon	\$3.50	91,333	\$38.32	Furnace or Boiler	AFUE	90.0	90%	\$42.58	http://www.eia.gov/dhnav/pe/pe	Used U.S. average for Residential for October 2013 to March 2014.
					Room Heater (Vented)	AFUE	85.0	65%	\$58.96		
Wood ⁷	Cord	\$200.00	22,000,000	\$9.09	Non-Catalytic, Room Heater	EPA	63.0	63%	\$14.43		
					Catalytic, Room Heater	EPA	72.0	72%	\$12.63		
Pellets	Ton	\$250.00	16,500,000	\$15.15	Room Heater	EPA	78.0	78%	\$19.43		
Corn (kernels) ³	Ton	\$200.00	14,000,000	\$14.29	Room Heater	EPA	78.0	78%	\$18.32		
Kerosene	Gallon	\$4.42	135,000	\$32.77	Room Heater (Vented)	Estimate	80.0	80%	\$40.96	http://www.nyserda.ny.gov/Bus	Used U.S. average for Residential for October 2013 to March 2014.
Coal (Anthracite)	Ton	\$200.00	25,000,000	\$8.00	Furnace/Boiler/Stove	Estimate	75.0	75%	\$10.67		

Northern States Power Company, a Minnesota corporation
and wholly owned subsidiary of Xcel Energy Inc.
Minneapolis, Minnesota 55401

MINNESOTA GAS RATE BOOK - MPUC NO. 2

GENERAL RULES AND REGULATIONS (Continued)

Section No. 6
2nd Revised Sheet No. 24

SECTION 6 CURTAILMENT OR INTERRUPTION OF SERVICE

6.1 REFUSAL OR DISCONTINUANCE OF SERVICE

With notice, the Company may refuse or discontinue service in accordance with the provisions of Minnesota Rules 7820.1000 through 7820.3000 and as described in Section 9. Any inconsistency between these tariff provisions and the rule provisions shall be resolved by applying the rule provisions for any of the following reasons: (1) failure to pay amounts payable when due, when the amount outstanding equals or exceeds the amount of the customer's deposit; (2) failure to meet the Company's deposit or credit requirements; (3) breach of contract for service; (4) failure to provide Company with reasonable access to its property or equipment; (5) failure to make proper application for service; (6) failure to comply with any of the Company's rules on file with the Public Utilities Commission; (7) if the customer has failed to furnish service equipment, and/or rights-of-way necessary to serve the customer as specified by the Company as a condition of service; (8) when necessary to comply with any order or request of any governmental authority having jurisdiction; and (9) when determined by the Public Utilities Commission as prescribed by relevant state or other applicable standards.

Upon such notice as is reasonable under the circumstances, the Company may temporarily discontinue gas service when necessary to make repairs, replacements, or changes in the Company's equipment or facilities.

Without notice, the Company may disconnect gas service to any customer: (1) for unauthorized use or if the customer has tampered with the Company's equipment; or (2) in the event a condition appears to be hazardous to the customer, to other customers, to the Company's equipment, or to the public. Any discontinuance of gas service will not relieve the customer from customer's obligations to the Company.

6.2 CURTAILMENT OF COMPANY'S RETAIL SUPPLY

The Company may curtail the supply of gas under its retail rate schedule in accordance with the provisions of this section. If a firm customer fails to curtail his use of gas when requested to do so by the Company, customer shall pay to the Company, in addition to the regular rate applicable to the class of service rendered, the amount which equals any payment the Company is required to make to its suppliers, transporters, or for peak shaving costs as a result of such failure to curtail. If an interruptible customer fails to curtail customer use of gas when requested to do so by the Company, customer shall pay to the Company, in addition to the regular rate applicable to the class of service rendered, the amount specified in the "Additional Charge for Use of Gas During Curtailment" provision of the applicable rate schedule. Such payments, however, shall not preclude the Company from shutting off the customer's supply of gas in the event of customer's failure to curtail customer use thereof when requested by the Company to do so.

(Continued on Sheet No. 6-25)

Date Filed: 11-09-06 By: Cynthia L. Leshner Effective Date: 01-08-07
President and CEO of Northern States Power Company
Docket No. G002/GR-06-1429 Order Date: 01-04-07

Northern States Power Company, a Minnesota corporation
and wholly owned subsidiary of Xcel Energy Inc.
Minneapolis, Minnesota 55401

MINNESOTA GAS RATE BOOK - MPUC NO. 2

GENERAL RULES AND REGULATIONS (Continued)

Section No. 6
Original Sheet No. 25

6.2 CURTAILMENT OF COMPANY'S RETAIL SUPPLY (Continued)

The Company may curtail the supply of gas to all customers according to the following schedule of priority of service categories in emergency situations where Company's firm suppliers are not available. In order to avoid exceeding contract demand on any billing day, the Company may curtail the supply of gas to those customers receiving service under interruptible gas service agreements according to the following schedule of priority of service categories. Over a reasonable period of time, all customers purchasing gas under the same rate schedule within each category will be treated alike as far as practicable. The customer shall supply the Company with names of persons authorized to receive and effectuate such curtailment requests. Curtailment of supply of gas shall begin with Priority Category 8 and progress to Priority Category 1.

Schedule of Priority of Service Categories

1.
 - a. Residential, small commercial, and irrigation requirements less than 500 Therms on a peak day.
 - b. All commercial and irrigation requirements from 500 Therms per day through 1,999 Therms per day and all industrial requirements through 1,999 Therms per day.
 - c. Company storage injection requirements.
 - d. Requirements greater than 1,999 Therms per day for schools, hospitals, sanitation facilities, correctional institutions, police protection, and fire protection except where the requirements can be satisfied through the utilization of existing alternate fuel capability. Propane is not considered an alternate fuel for establishing user priorities.
 - e. Requirements for compressed natural gas service and requirements for essential agricultural uses as certified by the USDA except where the requirements can be satisfied through the utilization of existing alternate fuel capability. Propane is not considered an alternate fuel for establishing user priorities.

When curtailment in this Category 1 is required, the order of curtailment shall be (e), (d), (c), (b), and then (a).

2. Requirements for essential process and feedstock uses and plant protection other than when production operations are shutdown, except where the requirements can be satisfied through the utilization of existing alternate fuel capability. Propane is not considered an alternate fuel for establishing user priorities.
3. All commercial and industrial requirements from 2,000 Therms per day through 4,999 Therms per day, not otherwise classified.

(Continued on Sheet No. 6-26)

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

MINNESOTA GAS RATE BOOK - MPUC NO. 2

GENERAL RULES AND REGULATIONS (Continued)

Section No. 6
1st Revised Sheet No. 26

6.2 CURTAILMENT OF COMPANY'S RETAIL SUPPLY (Continued)

Schedule of Priority of Service Categories (Continued)

4. All commercial and industrial requirements for non-boiler use 5,000 Therms per day and over, not otherwise classified; all commercial requirements from 5,000 Therms per day through 14,999 Therms per day, not otherwise classified.
5. Industrial requirements for boiler fuel use from 5,000 Therms per day through 14,999 Therms per day, not otherwise classified.
6. Commercial and industrial requirements for boiler fuel use from 15,000 Therms per day through 29,999 Therms per day, not otherwise classified.
7. Commercial and industrial requirements for boiler fuel use from 30,000 Therms per day through 100,000 Therms per day, not otherwise classified.
8. Commercial and industrial requirements for boiler fuel use over 100,000 Therms per day, not otherwise classified.
9. Gas consumed for generation of electricity.

N

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