



414 Nicollet Mall
Minneapolis, Minnesota 55401

**PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED**

September 3, 2014

--Via Electronic Filing--

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

RE: PETITION
APPROVAL OF ADMINISTRATIVE SERVICES AGREEMENTS WITH
XCEL ENERGY TRANSMISSION DEVELOPMENT COMPANY, LLC AND
XCEL ENERGY SOUTHWEST TRANSMISSION COMPANY, LLC
DOCKET NO. E002/AI-14-_____

Dear Dr. Haar:

Enclosed for filing is the Petition of Northern States Power Company requesting approval of Administrative Services Agreements with Xcel Energy Transmission Development Company, LLC (XETD) and Xcel Energy Southwest Transmission Company, LLC (XEST).

Attachment E to this Petition contains certain information marked as Trade Secret Data pursuant to Minn. Stat. §13.37 and considered commercially sensitive by Xcel Energy Inc. (Xcel Energy), XETD and XEST. The information summarizes costs incurred to date by Xcel Energy in 2014 to support the Transco initiative, and estimates of 2014 total expenditures. This information is not available outside of Xcel Energy except to consultants and attorneys subject to non-disclosure obligations. The trade secret information derives economic value, actual or potential, from not being generally known or being readily ascertainable. Competing transmission companies may be able to use knowledge of the costs incurred (or expected to be incurred) by the Xcel Energy Transcos to gain an advantage in future Regional Transmission Organization competitive solicitation processes. Disclosure could thus directly harm Xcel Energy, XETD and XEST. Consistent with regulatory practice, the Company sought to minimize the data classified as Trade Secret Data in this Petition.

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

Please contact me at paul.lehman@xcelenergy.com or 612-330-7529 if you have any questions regarding this filing.

Sincerely,

/s/

PAUL J LEHMAN
MANAGER, REGULATORY COMPLIANCE AND FILINGS

Enclosures

c: Service List (Summary)

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

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

IN THE MATTER OF THE PETITION OF
NORTHERN STATES POWER COMPANY
FOR APPROVAL OF ADMINISTRATIVE
SERVICES AGREEMENTS WITH XCEL
ENERGY TRANSMISSION DEVELOPMENT
COMPANY, LLC AND XCEL ENERGY
SOUTHWEST TRANSMISSION COMPANY,
LLC

DOCKET No. E002/AI-14-_____

PETITION

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy (Company or NSPM), provides this Petition to the Minnesota Public Utilities Commission regarding the Administrative Services Agreements (ASAs) executed on August 28, 2014 between the Company and two newly formed electric transmission company or “Transco” affiliates, Xcel Energy Transmission Development Company, LLC (XETD) and Xcel Energy Southwest Transmission Company, LLC (XEST).

XETD was formed to seek to construct, own, and operate transmission facilities in the Midcontinent Independent System Operator, Inc. (MISO) region outside the Company’s traditional service area. XEST was formed to seek to construct, own, and operate transmission facilities in the Southwest Power Pool, Inc. (SPP) region, which may in the future include portions of far western Minnesota, North Dakota and South Dakota outside the Company’s traditional retail service area and bordering on the MISO region.

Each ASA provides the terms and conditions for the Company to provide, on an as available basis, personnel, goods, and services to support XETD and XEST transmission planning, development, construction and other activities. The ASAs will provide for charges to the XETD and XEST on a fully-allocated cost basis, and contain terms substantively similar to those for the provision of transmission

planning, development and other activities the Company provides to Northern States Power Company, a Wisconsin corporation (NSPW) under the Administrative Services Agreement approved in Docket No. E002/AI-14-165.

To date, Company personnel have provided no services to the Transco affiliates, and it is uncertain to what extent Company personnel may provide direct support to XETD or XEST in the future, or if the amount will exceed the Minn. Stat. § 216B.48 threshold of \$50,000 in 2014. Most support services to the Transcos are being, and will be, provided by Xcel Energy Services Inc. (Service Company or XES) personnel. The Company is filing this Petition now so the ASAs are submitted to the Commission before the statutory threshold may be met, and to advise the Commission and interested parties regarding the new Transco entities.

This Petition also summarizes the estimated impact of Xcel Energy's Transco efforts on the costs included in the 2014 test year in the Company's current electric rate case (Docket No. E002/GR-13-868). To address these costs, the Company is providing a proposal to defer and credit in its next electric rate case the Service Company and Company costs included in the 2014 rate case test year where the employee labor or services were actually provided to the Transco entities in 2014. We also propose ongoing annual reporting to the Commission.

Both formation of the Transcos and the two Administrative Services Agreements are consistent with the public interest. The Transcos will allow Xcel Energy the opportunity to influence several aspects of the regional transmission planning and development process. Further, the service agreements encourage efficiency with the Commission's time and oversight authority as well as existing Company resources. The Company respectfully requests Commission approval of the ASAs for regulatory purposes effective August 28, 2014, to ensure that all costs for Company goods or services may be fully charged to XETD and XEST.

Our Petition is organized as follows:

- Part I – Required Filing Information
- Part II – Overview
- Part III – Description and Purpose of ASAs
- Part IV – Estimated Impact of the Transco Initiative on the 2014 Test Year
- Part V – Standard of Review – Public Interest
- Part VI – Accounting Practices and Proposed Reporting
- Part VII – Compliance Information

Attachments to the Petition are as follows:

- Attachment A – Information required by Minn. R. 7825.2200(B)
- Attachment B – ASA with XETD
- Attachment C – ASA with XEST
- Attachment D – Transco Initiative Background
- Attachment E – Estimate of Costs Included in the 2014 Test Year
- Attachment F1 – Service Agreement between the Service Company and XETD (informational)
- Attachment F2 – Service Agreement between the Service Company and XEST (informational)

I. REQUIRED FILING INFORMATION

A. Summary of Filing

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

B. Service on Other Parties

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

C. General Filing Information

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

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

Name, Address, and Telephone Number of Utility Attorney

James P. Johnson
Assistant General Counsel
Xcel Energy Services Inc.
414 Nicollet Mall, 5th Floor
Minneapolis, MN 55401
612-215-4592

Date of Filing

The date of this filing is September 3, 2014. The Administrative Services Agreements between the Company and XETD and XEST were signed on August 28, 2014. Consistent with Commission precedent, this affiliated interest filing is being submitted within 30 days of the agreements being executed. The Company requests the ASAs be effective for regulatory purposes as of August 28, 2014.

Statute Controlling Schedule for Processing the Filing

Minn. Stat. § 216B.48 and Minn. R. 7825.2200 (B) govern the Affiliated Interest substantive criteria related to the ASAs. These provisions do not establish an explicit time deadline for Commission action.

Utility Employee Responsible for Filing

James P. Johnson
Assistant General Counsel
Xcel Energy Services Inc.
414 Nicollet Mall, 5th Floor
Minneapolis, MN 55401

D. Miscellaneous Information

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

James P. Johnson
Assistant General Counsel
Xcel Energy
414 Nicollet Mall, 5th Floor
Minneapolis, MN 55401
james.p.johnson@xcelenergy.com

SaGonna Thompson
Regulatory Administrator
Xcel Energy
414 Nicollet Mall, 7th Floor
Minneapolis, MN 55401
regulatory.records@xcelenergy.com

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

II. OVERVIEW

A. Creation of the Transcos

In response to the significantly changing transmission development landscape required by Federal Energy Regulatory Commission (FERC) Order No. 1000,¹ the Company's holding company parent, Xcel Energy Inc. (Xcel Energy or XEI), formed a Transco holding company – Xcel Energy Transmission Holding Company, LLC (XET Holdings) in April 2014.

To provide the flexibility to respond to the Order No. 1000 compliance processes in the various regional transmission organizations (RTOs) and planning regions in which the Xcel Energy Operating Companies own and operate transmission systems,² Xcel Energy also created two subsidiaries of XET Holdings: Xcel Energy Transmission Development Company, LLC (XETD) was formed in April 2014 to develop and own transmission within or near the MISO regional footprint; and Xcel Energy Southwest Transmission Company, LLC (XEST) was formed in May 2014 to develop and own transmission within and near the SPP regional footprint. XETD and XEST are organized under Delaware law but headquartered in Minnesota.

The formation of the Transco entities will allow Xcel Energy to fully participate in regional transmission planning, development, construction, and operations in the post FERC Order No. 1000 environment. A number of utilities have also formed transco subsidiaries in order to participate in the Order 1000 competitive solicitation

¹ *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 284 (2011), *order on reh'g and clarification*, Order No. 1000-A, 139 FERC ¶ 61,132 (2012), *order on reh'g and clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012); *petitions for review denied sub nom. South Carolina Public Service Authority v. FERC*, No. 12-1232 (D.C. Cir. Aug. 15, 2014) (per curiam).

² In addition to NSPW, the other Xcel Energy Operating Companies are Southwestern Public Service Company (SPS), which develops, owns and operates transmission in Texas, New Mexico, Kansas, and Oklahoma in the SPP planning region; and Public Service Company of Colorado (PSCo), which develops, owns and operates transmission in Colorado in the WestConnect planning region in the Western Interconnection. The Xcel Energy Operating Companies are thus subject to three separate and distinct Order No. 1000 compliance processes.

processes expected to begin in 2015 or 2016.³ The formation of XEST and XETD is similar to the transco formation activities by these other utilities.

1. *Enabling Ability to Participate in Regional Transmission Projects*

More specifically, XEST will provide a vehicle for Xcel Energy to address SPP regional planning and development. The first SPP competitive solicitation process is expected to occur in 2015 after projects are identified in the 2014 SPP Transmission Expansion Plan (STEP). We believe Xcel Energy's efficient transmission planning and development model will allow XEST to be a successful transmission developer in the SPP process, where transmission projects eligible for regional cost allocation under the SPP Tariff will be subject to a competitive solicitation.

Similarly, XETD will provide a vehicle for Xcel Energy to address regional planning and transmission development in the MISO footprint. At this time, the first competitive solicitation process in MISO is not expected to occur until 2016, and is expected to involve facilities in the "MISO South" region. However, future projects eligible for regional cost allocation, and thus subject to competitive solicitation, could be proposed in the "MISO Classic" region, which includes MISO's more traditional footprint of Minnesota, North Dakota, South Dakota, Wisconsin, Iowa, eastern Montana, Michigan, Illinois, Missouri, Indiana and Kentucky. We believe Xcel Energy's efficient transmission development model will allow XETD to be a successful transmission developer for projects eligible for regional cost allocation in the MISO competitive process.

XEST and XETD are each intended to be FERC regulated transmission-only public utilities, and would place transmission facilities they develop and own under the functional control of the applicable RTO: SPP or MISO, respectively. The costs of facilities owned and operated by XEST and XETD are expected to be recovered through the regional cost recovery mechanisms provided for under the SPP and MISO Tariffs. XEST and XETD each filed proposed formula transmission rates with FERC on August 29, 2014 for ultimate inclusion in the SPP and MISO Tariffs.

Attachment D provides additional information about FERC Order No. 1000, formation of the Transco entities, and XEST and XETD's anticipated participation in the SPP and MISO regional planning and competitive solicitation processes.

³ Transco subsidiaries have been formed by American Transmission Company, LLC, ITC Holdings, MidAmerican Energy, Ameren, Exelon, American Electric Power, Next Era Energy, Oklahoma Gas & Electric and Westar Energy, among others.

2. *Future Participation and Activities are still being Determined*

We note that Xcel Energy's Transco initiative is in the early stages of development and Xcel Energy is still exploring how the Transcos and NSPM will interact in development of future transmission. Currently, MISO's Order No. 1000 compliance process provides deference to state based rights of first refusal (ROFR) for "incumbent utilities."⁴ Because the Company's service territory is located in three states that have state law based ROFRs, we expect that the Company's transmission development efforts in its traditional service territory will remain largely unchanged: the Company (not XETD) would develop and own new transmission needed in our service area, as it does today. However, FERC's recent order providing for deference to state ROFRs has been challenged, and the final outcome remains unclear.⁵ In addition, both the MISO and SPP Order No. 1000 compliance tariff filings remain subject to FERC approval, or are subject to appeals. Consequently, the two RTOs are also still developing their business practices (which are based on the RTO Tariffs) for the future solicitation processes.

Given the various uncertainties regarding the MISO processes, the actual development and ownership of future transmission in Minnesota may change from expectations today. Moreover, opportunities for the Transcos will occur over time. As noted, the first Order No. 1000 RTO competitive solicitation process is expected to be conducted by SPP, not MISO, and Company personnel are not expected to provide material support to XEST in that process.

3. *Affiliate Structure and ASAs*

As structured, XET Holdings, XETD, and XEST are each affiliates of the Company under the terms of Minnesota's affiliated interested statute. *See* Minn. Stat. § 216B.48. To ensure that planning and development resources are used as efficiently as possible, Xcel Energy plans to support Transco operations with existing Xcel Energy resources, primarily Service Company personnel, goods, and services.⁶ However, there may be

⁴ *Midwest Independent Transmission System Operator, Inc., et al.*, 147 FERC ¶ 61, 127 (2014). The effect of this order is not fully known.

⁵ *See e.g., Midcontinent Independent System Operator Inc., Protest of LS Power Transmission, LLC and LSP Transmission Holdings, LLC*, Docket No. ER13-187-008 (Aug. 4, 2014). Additionally, the MISO Transmission Owners have filed for judicial review of certain aspects of the FERC orders regarding the MISO Transmission Owners Agreement.

⁶ The Company does not anticipate direct transactions between the Company and XET Holdings, and therefore is not seeking Commission approval of an ASA with that affiliated entity. As discussed below, in addition to the ASAs, each of the three Transco entities recently executed Service Agreements with Service Company similar to the agreement between the Company and Service Company recently filed in Docket No. E002/AI-14-165. The Service Company agreements with XETD and XEST include similar terms and follow

times when it would be efficient for Operating Company (e.g., SPS or NSPM) personnel, goods, and services to be used to support Transco work. The ASAs provide the terms and conditions for the Company to provide personnel, goods, and services to XETD and XEST (or their future subsidiaries) on an as-available basis, meaning that Company resources will be used to address Company needs before addressing the needs of the Transco entities. Costs would be billed on a fully allocated basis, similar to the recently approved ASA with NSPW.⁷ The ASAs will ensure a proper allocation of Company costs to XETD and XEST (and their subsidiaries, if any) under the Commission's cost allocation principles.

Ultimately, there remains significant uncertainty regarding the final regimes under which the Transcos will operate and when the Xcel Energy Transcos might propose a project, be selected as the successful bidder by an RTO, and place a project into service. The Company executed the ASAs to ensure that Company costs are properly allocated and charged to the applicable Transco in the event the Company provides support to XETD or XEST at a future date. We are submitting this Petition in order to also provide transparency to the Commission and interested parties.

III. DESCRIPTION AND PURPOSE OF SERVICE AGREEMENTS

A. Structure and Formation of the Transco Entities

Xcel Energy Inc. (XEI) formed Xcel Energy Transmission Holding Company, LLC in April 2014 as a first tier subsidiary. (NSPM is similarly a first tier subsidiary of Xcel Energy Inc.) XET Holdings is a Delaware limited liability corporation headquartered in Minneapolis, Minnesota. XET Holdings then created two wholly-owned subsidiary LLCs to focus on transmission development in the planning regions where the Xcel Energy Operating Companies do business.

The first XET Holdings subsidiary, Xcel Energy Transmission Development Company, LLC was formed in April 2014 to participate in regional transmission planning and development in and near the MISO region. XETD is a Delaware limited liability company headquartered in Minneapolis, Minnesota. The second XET Holdings subsidiary, Xcel Energy Southwest Transmission Company, LLC was formed in May 2014 to participate in regional transmission planning and development

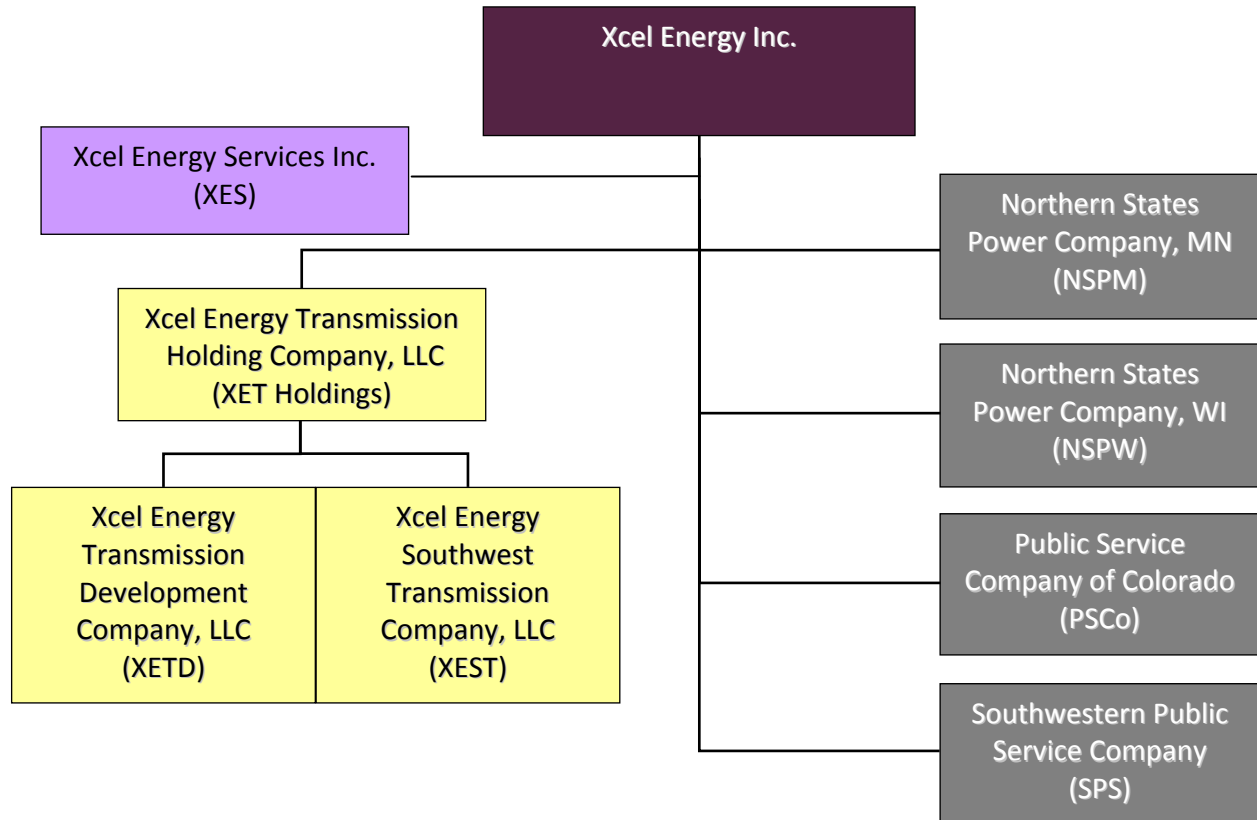
the same cost allocation principles as the Service Company agreement with the Company, and will similarly help to ensure that the costs of Service Company personnel, goods and services are fully charged to the Transco entities.

⁷ SPS has executed nearly identical ASAs with XEST and XETD, and those ASAs will be subject to state regulatory review consistent with the statutes and rules in effect in New Mexico and Texas.

in and near the SPP region. XEST is a Delaware limited liability company headquartered in Minneapolis, Minnesota.

Table 1 below shows how XET Holdings, XETD and XEST fit in the overall Xcel Energy Inc. corporate structure, and their relationship to the Service Company and the Operating Companies (including NSPM).

Table 1: Xcel Energy Inc. Corporate Structure



XET Holdings and its XETD and XEST subsidiaries are each affiliates of the Company under Minn. Stat. § 216B.48, since they have a common ultimate parent company (Xcel Energy Inc.). The Company executed ASAs only with XETD and XEST, however, since Company personnel and resources are not expected to support XET Holdings.

There is potential that XEST or XETD may in the future form additional project specific subsidiaries, joint ventures, or other forms of partnerships. As such, the ASAs are “umbrella agreements” as contemplated by the “regular or recurring” provisions of Minn. Stat. 218B.48, and would allow the Company to provide services to XETD and XEST subsidiaries through their parent affiliates who are in privity of

contract with the Company. Additionally, as the FERC Order No. 1000 processes continue to evolve, Xcel Energy may create additional subsidiaries of XET Holdings to address development opportunities in other regions of the country as opportunities arise. If such affiliates are created in the future and Company personnel would (or could) provide services or goods to them, the Company would execute additional ASAs with these new affiliates and file them with the Commission.

B. Staffing and Capital Funding

In light of changes resulting from FERC Order No. 1000, Xcel Energy concluded that its efficient transmission development model could be applied to projects that MISO or SPP determine are needed through their regional planning processes. Xcel Energy also recognized, however, that its current Operating Company structure was not ideal for participating in the Order No. 1000 competitive processes for regionally cost allocated projects, such as potential projects outside of the Operating Companies' traditional development areas.

To leverage the Xcel Energy transmission organization's experience and expertise and ensure efficient resource utilization, XETD and XEST will have no direct employees (at least initially), and will be supported by existing or new Service Company personnel who may already plan, engineer, or manage construction of transmission projects for more than one Operating Company. Utilization of existing Service Company resources will be pursuant to service agreements between XES and the relevant corporate entities, consistent with longstanding regulatory practice and standards. Company personnel may also support XETD or XEST, on an as available basis, and would bill the affiliates on a fully allocated cost basis.

With respect to initial capital funding, as new entities XEST and XETD will rely on XET Holdings and its ultimate parent, Xcel Energy Inc., to secure funding for their projects. The Company will not provide any credit or funding for projects to be developed and owned by XETD or XEST. XETD or XEST projects thus would not affect the Company's capital structure or capital structure filings to the Commission. XEI will provide capital contributions, credit support, and intercompany loans to XET Holdings. XET Holdings will in turn provide capital contributions and intercompany loans to XETD and XEST. XETD and XEST are expected to obtain construction loans during project development, and issue corporate or project-specific debt once transmission assets are placed in service. XETD and XEST would be separate legal entities with their own financing, just as WYCO Development, LLC – which owns and operates FERC-regulated wholesale gas facilities in Colorado – is separate from PSCo and the other Operating Companies, and similar to the separation and separate financing that existed when Northern States Power Company and later

XEI owned the FERC-regulated Viking Gas Transmission Company (Viking) interstate gas pipeline system.⁸

C. XES Service Agreements and ASA Arrangements

Consistent with the concept of efficiently using existing Xcel Energy resources, XETD and XEST executed Service Agreements with Service Company effective in May 2014, which provide the rates, terms, and conditions for Service Company charges to XETD and XEST on a fully allocated cost basis. The XES Service Agreements are substantively similar to the Service Agreement between XES and the Company now under review in Docket No. E,G002/AI-14-234. Service Company costs will be charged to XETD and XEST on a fully-allocated basis in a manner similar to the allocation procedures for XES charges to NSPM.⁹

Regional transmission planning and representation of the Transcos is currently and will continue to be performed by Service Company personnel. It is also possible, however, that Company personnel, goods, and services may provide some support for Transco projects on an as available basis in the future. The ASAs would allow certain Transco processes to be supported by Company personnel and resources.¹⁰ By utilizing these Operating Company employees on a limited basis to support XETD and XEST projects, Xcel Energy can efficiently utilize the experience and knowledge of its personnel to support selection and development of the most efficient projects to serve the identified transmission need.

If NSPM personnel provide support to XETD and XEST activities or projects, the ASAs will charge the respective Transco for these services on a fully allocated cost basis, consistent with Commission cost allocation principles.¹¹ The cost allocation

⁸ Prior to the sale of Viking Gas, the Company had an ASA with Viking to provide various services in support of the interstate gas pipeline operation, similar to the proposed ASAs here. The Commission approved the Viking ASA in Docket No. G002/AI-93-1235 (order dated July 22, 1994).

⁹ For the convenience of the Commission, the Company is providing informational copies of the Service Company service agreements with XETD and XEST in Attachments F1 and F2 to demonstrate that the terms are consistent with those for the Company.

¹⁰ Company resources, goods, and services would most likely be utilized by the Transcos when a bid needs to be developed in response to competitive solicitations. In MISO, this would likely first occur in 2016.

¹¹ At the time of the Xcel Energy Inc. merger in 2000, virtually all non-union employees became Service Company employees. Over time, Xcel Energy transferred some employees to individual Operating Companies, which provided a direct allocation of all labor costs to the specific Operating Company. Given the changing transmission development landscape, Xcel Energy is evaluating whether certain employees in the Transmission area should be Service Company employees, since they may now be providing services to more than one entity.

provisions of the two ASAs are consistent with those in the ASA between the Company and NSPW recently approved in Docket No. E002/AI-14-165. Under that ASA, the Company provides transmission planning, engineering and construction services for NSPW transmission projects.

IV. TRANSCO INITIATIVE IMPACT ON 2014 RATE CASE TEST YEAR

We recognize that XETD and XEST's use of Service Company (and potentially Company) employees could be reasonably viewed as affecting the Company's budget for the 2014 Test Year in our current electric rate case in Docket No. E002/GR-13-868. The Company's 2014 corporate budget, the basis for the 2014 Test Year cost of service, was prepared in mid 2013 and did not contemplate allocation of resources to a Transco initiative because the decision to pursue the Transco concept did not occur until late 2013. Accordingly, there are no costs included in the 2014 Company budget or 2014 Test Year to support what would become the Transco initiative.

As noted, Xcel Energy formed the new Transco entities in April and May 2014. When the new entities were formed, Xcel Energy's Financial Operations area issued instructions to internal personnel to ensure that Service Company employees properly charged costs to the specific Transco work orders. These instructions have allowed Xcel Energy to track and segregate Transco costs through direct charges to Transco entity work orders.

Through July 2014, Xcel Energy has recorded approximately \$736,000 in costs related to Transco efforts in the work orders. These costs primarily relate to incremental (non-budgeted) outside consultants, outside legal support, and certain unbudgeted Service Company labor, but also include certain Service Company employee labor costs where the 2014 budget allocated the costs to the Xcel Energy Operating Companies (mostly transmission, legal, finance, and executive labor). Since a portion of those budgeted 2014 Service Company labor costs were allocated to the Company, a portion of the Service Company labor costs included in the 2014 Test Year relate to labor that is in fact providing support to the Transco entities in 2014. This Service Company labor has been recorded in the Transco work orders. Since direct Company employees have not been providing support to the Transco effort, there were no charges by Company personnel to the Transco work orders through July 2014.

Attachment E provides a 2014 total year estimate of the Service Company costs associated with employees in the 2014 budget and Test Year. The analysis forecasts that approximately \$149,000 of 2014 budgeted Service Company labor costs will be incurred in 2014 in support of the Transco initiative rather than allocated to the

Minnesota Electric Jurisdiction as included in the 2014 Test Year. The forecast does not include any estimate of direct Company labor costs, since it is uncertain if NSPM personnel will provide support to the Transco entities in 2014.

The amount is only an estimate, however, subject to differences between the forecast and actual Transco-related efforts and costs through the end of 2014. To ensure that costs incurred to support Xcel Energy's Transco efforts are not charged to Minnesota ratepayers, we propose to submit compliance filings by May 29, 2015 and May 31, 2016 that will provide an accounting of Service Company and direct Company labor costs included in the 2014 Test Year but which was, on an actual basis, billed to the Transco work orders in 2014 and 2015, respectively. We propose to defer these dollars and include them as an adjustment to the test year in our next electric rate case, anticipated to be filed in 2016. This deferral and adjustment will ensure that the Company does not recover the costs associated with supporting the Transco from Minnesota retail customers.

V. PUBLIC INTEREST REVIEW

A. Standard of Review

Minn. Stat. § 216B.48, subd. 3 establishes the public interest as the standard of review for affiliate arrangements as follows:

The Commission shall approve the contract or arrangement made or entered into after that date only if it clearly appears and is established upon investigation that it is reasonable and consistent with the public interest... The burden to establish reasonableness of the contract or arrangement is on the public utility.

B. The Transcos are Consistent With the Public Interest

As discussed in this Petition, and Attachment D, the formation of XETD and XEST is in direct response to the significant changes to the transmission development landscape imposed by FERC in Order No. 1000. The Transcos will allow Xcel Energy to participate in the MISO and SPP transmission development process and potentially capture opportunities to develop transmission projects subject to RTO competitive bidding and regional cost allocation.

Participation in the RTO planning process by XETD and XEST will provide Xcel Energy with the ability to credibly pursue projects outside the historic NSP service area. Participation in the planning process is a factor in MISO and SPP's selection of the developer for competitively bid projects. Therefore, XETD's participation in the MISO planning process, and XEST's participation in the SPP process, is a key component of Xcel Energy's Transco efforts. Similar to today, Xcel Energy's planning efforts will be geared towards identifying transmission solutions that provide the most benefits for the least costs to our customers. Using a separate legal entity would also protect the Company's regulated retail ratepayers from risks of Transco development projects that may not be successful, by allocating the risk to the Transco entity (and Xcel Energy shareholders) and not to Minnesota ratepayers.

Second, Xcel Energy's entrance into the competitive transmission development market is in the public interest. We expect our proven transmission development model to have a positive effect by facilitating competition in the RTO competitive solicitation processes for projects where no state law ROFR statute may apply.

C. The Service Agreements are in the Public Interest

The standard governing the Commission's review of a service agreement is whether the contract is reasonable and consistent with the public interest. We believe the ASAs are reasonable and in the public interest for two primary reasons. First, the agreements balance the Commission's affiliate transactions oversight with an effective use of resources. And, the payment provisions are reasonable as they reimburse the Company for the fully allocated costs of providing services, consistent with numerous other ASAs previously approved by the Commission.

Additionally, the ASAs provide that Company personnel and resources may be provided to the Transcos only on an "as available" basis. This means that NSPM personnel will first attend to their duties supporting the Company prior to addressing the needs of XETD or XEST. If NSPM personnel provide support to Transco activities, the ASA will charge the appropriate Transco for these services on a fully allocated cost basis, consistent with Commission cost allocation principles.¹² As noted, the terms and conditions of the ASAs are similar to those in the ASA between

¹² The ASAs are bilateral agreements and could allow XETD and XEST to provide personnel, goods and services to NSPM on an at cost, as available basis. Since the Transco entities have no employees, however, there is no expectation at this time that XETD or XEST would provide goods or services to NSPM. If XETD or XEST were to provide such services in the future, NSPM would report the transactions in its affiliated interest report filed each May 1 pursuant to Rule 7825.2200. The Company would also be required to comply with Commission regulatory practices with respect to recovery of costs billed under the ASAs in retail rates.

the Company and NSPW for planning, development, engineering and construction of NSPW transmission projects subject to the MISO Tariff.

VI. ACCOUNTING PRACTICES AND PROPOSED REPORTING

Any payment made to the Company is to cover our costs of providing employees, goods, or services, with no profit margin. The Company (and XES) will, however, apply overhead “adders” to recover Administrative and General costs beyond the direct costs charged (e.g., an employee’s actual hourly pay rate or the actual cost of a piece of equipment), consistent with standard regulatory practices.

The Company will be paid for its actual costs through Xcel Energy’s intercompany billing and accounting practices. As noted, Xcel Energy created a work order system to segregate and track costs by Transco legal entity and project. Unique work orders were established for the purpose of billing amounts due from the Service Company and (if applicable) an Operating Company (e.g., NSPM) to the relevant Transco entity. By charging to the work orders, the Service Company and the Company can account for all costs billed to the Transco entities.

In addition to the two annual reports discussed in Section IV above regarding deferral and crediting of costs that may be included in the 2014 Test Year, the Company would provide ongoing reporting of charges to the Transcos under the ASAs in the annual affiliated interest report submitted each May 1 pursuant to Rule 7825.2200.

VII. COMPLIANCE INFORMATION

Minn. Stat. § 216B.48, subd. 3 establishes the Commission’s authority regarding affiliate agreements. Minn. Stat. § 216B. 48 and Minn. R. 7825.220 require certain information be provided when requesting Commission approval of affiliate agreements. Table 2 below lists where the statutory filing requirements are located in this filing:

Table 2: Filing Requirements

Requirement	Authority	Location in Filing
A verified copy of the contract[s].	Minn. Stat. § 216B.48, subd. 3	Attachments B and C
All the contracts or arrangements, whether written or unwritten, entered into . . . and in force and effect at that time.	Minn. Stat. § 216B.48, subd. 3	Attachments B and C
A descriptive title of each contract or arrangement.	Minn. R. 7825.2200, subp. B(1)	Attachments B and C
A copy of the contract or agreement.	Minn. R. 7825.2200, subp. B(2)	Attachments B and C
A list and the past history of all contracts or agreements outstanding between the Company and affiliate interest, the consideration received by the affiliate interest for such contracts or agreements, and a verified summary of the relevant cost records.	Minn. R. 7825.2200, subp. B(3)	The ASAs are the first affiliate agreements with XETD and XEST, which are newly formed entities. No charges have been billed to XETD or XEST by the Company to date. All services have been provided by Service Company personnel, SPS personnel or external vendors.
A descriptive summary of the pertinent facts and reasons why such contract or agreement is in the public interest.	Minn. R. 7825.2200, subp. B(4)	Summarized in Attachment A; detailed in the Public Interest section of this Petition
Competitive Bidding	Minn. R. 7825.2200, subp. B(5)	Summarized in Attachment A; detailed in the Public Interest section of this Petition. Under the ASAs, the Company would provide goods and services to XEST and XETD on a fully allocated cost basis.

CONCLUSION

The Company respectfully requests that the Commission find the Administrative Services Agreements to be consistent with the public interest and approve the agreements for regulatory purposes effective August 28, 2014

Dated: September 3, 2014

Northern States Power Company

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger	Chair
David C. Boyd	Commissioner
Nancy Lange	Commissioner
Daniel Lipschultz	Commissioner
Betsy Wergin	Commissioner

IN THE MATTER OF THE PETITION OF
NORTHERN STATES POWER COMPANY
FOR APPROVAL OF ADMINISTRATIVE
SERVICES AGREEMENTS WITH XCEL
ENERGY TRANSMISSION DEVELOPMENT
COMPANY, LLC AND XCEL ENERGY
SOUTHWEST TRANSMISSION COMPANY,
LLC

DOCKET NO. E002/AI-14-_____

PETITION

SUMMARY OF FILING

Please take notice that on September 3, 2014, Northern States Power Company, doing business as Xcel Energy, submitted to the Minnesota Public Utilities Commission a Petition for approval of Administrative Services Agreements with Xcel Energy Transmission Development Company, LLC, and Xcel Energy Southwest Transmission Company, LLC, electric transmission only affiliates of the Company. The Company requests approval of the Agreements for regulatory purposes effective August 28, 2014.

REQUIRED FILING INFORMATION

Pursuant to Rule 7825.2200, Subp. B, and the filing guidelines for affiliated interest agreements adopted in Docket No. E,G999/CI-98-651, the Company provides the following information.

A. Description of the Agreements

The Administrative Service Agreements (ASAs) between Northern States Power Company, a Minnesota corporation (NSPM or Company) and Xcel Energy Transmission Development Company, LLC (XETD) and Xcel Energy Southwest Transmission Company, LLC (XEST) provides the rates, terms and conditions for the Company to provide personnel, goods and services to XETD and XEST to support XETD and XEST's planning, development, construction, operation and maintenance activities associated with electric transmission. The Company will provide such personnel, goods and services on an "as-available," fully allocated basis. In addition, the ASA ensures proper allocation of Company costs to XETD and XEST under the Commission's cost allocation principles.

B. Copy of the Agreement

Copies of the two ASAs are provided as Attachment B and Attachment C to this Petition. The ASA between the Company and Northern States Power Company, a Wisconsin corporation (NSPW), approved by the Commission in Docket No. E002/AI-14-165, provides similar essential terms and conditions to those set forth in the ASAs at issue in this docket.

C. Other Agreements between Petitioner and Affiliated Interest*1. List of Outstanding Contracts or Agreements*

XETD and XEST are new companies formed in April and May 2014, respectively, and thus there are no outstanding contracts or agreements between the companies.

2. Consideration Received by Affiliated Interest

There are no outstanding contracts or agreements between the Company and XETD or XEST, and therefore no consideration has been received by XETD or XEST. The Company has provided no services to XETD or XEST to date.

3. Summary of Relevant Costs

There are no outstanding contracts or agreements between the Company and XETD or XEST and therefore there are no relevant costs to report. Attachment E to the Petition provides a summary of Service Company costs billed to the Transco work orders, and an estimate of the Service Company labor costs billed to the Transco work orders that had been budgeted as allocated Company labor in the 2014 test year.

D. Summary of Facts and Reasons Why the Agreement is in the Public Interest

The ASAs seek to balance the Commission's oversight over affiliate transactions with an effective use of Xcel Energy resources. As stated in more detail in the Petition, the creation of XETD and XEST provides Xcel Energy with the opportunity to participate in the MISO and SPP transmission development processes and bid for transmission projects under the requirements of the FERC Order No. 1000 and the MISO and SPP RTO tariffs. To leverage Xcel Energy's experience and expertise, XETD and XEST will be primarily supported by Service Company personnel and resources.¹ For example, the Service Company employs transmission planners who have a deep knowledge of the MISO and SPP footprints and significant experience working collaboratively with the RTOs and other RTO members in planning and evaluating transmission projects throughout the two RTO regions.

As specific projects move toward preparation of bids, engineering, siting, right-of-way acquisition, regulatory approvals, and construction and operations, Company employees may support specific XETD or XEST projects. Employing these personnel on a limited basis will allow the Xcel Energy Transmission organization to efficiently utilize this experience and knowledge, ensure that MISO and SPP's regional plans are reasonable, and that transmission projects subject to the RTO competitive solicitation processes serve the interests of Operating Company customers and the RTO regions, and lower Xcel Energy Transmission's overall costs by avoiding the hiring of redundant personnel.

Moreover, the payment provisions of the ASAs are reasonable and would reimburse the Company for the fully allocated costs of providing services or goods. If Company personnel are used to support XETD or XEST, the ASAs will charge XETD or XEST for these services on a fully allocated cost basis consistent with Commission cost allocation principles. The ASAs also provide that Company personnel and

¹ As discussed in the Petition, the Service Company executed Service Agreements with XETD and XEST to provide services to the Transco entities on a fully-allocated cost basis. The Company is not a party to those Service Agreements.

resources may be provided to XETD on an “as available” basis, meaning that Company personnel will attend to the needs of the Company before addressing the needs of the Transco entities.

E. Competitive Bidding

Competitive bidding was not conducted before entering into these Service Agreements. The ASAs provide for only the personnel, goods and services that the Company will provide to XETD and XEST; XETD and XEST will not provide personnel, goods or services to NSPM.

F. Access to Customer Information

The ASAs do not give XETD or XEST access to the Company’s retail customer information.

ADMINISTRATIVE SERVICES AGREEMENT
BETWEEN NSPM AND
XCEL ENERGY TRANSMISSION DEVELOPMENT COMPANY, LLC

THIS AGREEMENT is effective as of the 28th day of August, 2014, by and between certain subsidiaries of Xcel Energy Inc., a Public Utility Holding Company. The applicable wholly-owned subsidiaries are: Northern States Power Company, a Minnesota corporation (“NSPM”) and Xcel Energy Transmission Development Company, LLC a Delaware limited liability company, on behalf of itself and its subsidiaries (“XETD”). NSPM and XETD may individually be referred to as “party” or “Company”, and are jointly referred to as “parties” or “the Companies”.

RECITALS

WHEREAS, NSPM is a public utility under state and federal law authorized to engage in the retail and wholesale sale of electric energy and the provision of wholesale transmission service in certain states; and

WHEREAS, XETD is proposed to be a public utility under federal law authorized to engage in wholesale electric transmission service in certain states; and

WHEREAS, transactions between the Companies are subject to the jurisdiction of the laws and related rules of the states in which the Companies operate, and/or the rules of the Federal Energy Regulatory Commission (“FERC”), requiring, among other things, that transactions or services between public utility affiliates be priced or provided at cost; and

WHEREAS, certain of the Xcel Energy Operating Companies (including NSPM) entered into an Administrative Services Agreement, dated April 5, 2001, where the Xcel Energy Operating Companies agreed to provide for the rendering of and charging for certain incidental or emergency personnel, goods and services by each party to the other party; and

WHEREAS, both of the undersigned Companies may benefit from entering into transactions, which are not incidental or emergency in nature, for certain services or personnel of a particular operating utility or for certain sales or leases of goods including, but not limited to, employee labor, contract labor services, utility equipment, poles, conductor, and other goods of the Companies; and

WHEREAS, the Companies are each willing to provide and assign such employees, services, or goods to the other Company if and when such employees, services, or goods are available and if and when the goods and services relate to one or more electric transmission projects for which a Company has requested or received, or will request, regulatory approvals from the relevant state or federal regulatory body or bodies in the jurisdiction(s) in which the project(s) or proposed project(s) will be located; and

WHEREAS, the Companies desire to enter into an agreement to provide for the rendering of and charging for certain personnel, services, and goods by each party to the other party, when the services and goods (i) are not provided for in any other agreement between the parties, and (ii) relate to electric transmission projects that have been proposed to receive, or have received, the necessary regulatory approvals from the relevant state or federal regulatory body or bodies; and

WHEREAS, it is the intent of the Companies that each party recover from the other party the costs actually incurred by one party on behalf of the other party;

NOW THEREFORE, the parties agree as follows:

ARTICLE I

PERSONNEL ASSIGNED; GOODS AND SERVICES AVAILABLE

1.01 If available, mutually beneficial, and upon request, both Companies agree to provide and assign certain of its employees, services, or goods to the other Company. When a Company receives personnel, services, or goods under this Agreement, it is the “Recipient Company.” When a Company provides personnel, services, or goods under this Agreement, it is the “Providing Company.” Determination of availability, and mutual benefit, of such employees, services, or goods shall be at the sole discretion of the Providing Company. The Company employees are those that are employees of the individual Company. The Company services and goods are those services and goods owned, provided, contracted for or leased by the individual Company.

ARTICLE II

SERVICES AND GOODS RENDERED

2.01 If the services relate to a project for which a Company has requested or received, or will request, regulatory approvals from the relevant state or federal regulatory body or bodies in the jurisdiction(s) in which the project is or will be located, including a Regional Transmission Organization (“RTO”) responsible for transmission planning and project selection, and if available and upon request, each Company will, at its cost, render services of individual Company personnel (including contract personnel) to the other Company, including, but not limited to, services such as: transmission or contract personnel for transmission planning, development, engineering, and project management; transmission or distribution crews, or both, for construction, maintenance, or service restoration; and other similar services that the parties may agree to from time to time.

2.02 If the goods relate to a project for which a Company has requested or received, or will request, regulatory approvals from the relevant state or federal regulatory body or bodies in the jurisdiction(s) in which the project is or will be located, including an RTO responsible for transmission planning and project selection, and if available and upon

request, each Company will, at its cost, render goods of the individual Company to the other Company, including, but not limited to: utility equipment; computers and software; poles, conductors, and other goods; motor vehicles and other transportation services; and other goods or services owned, leased, or contracted for by such Company.

ARTICLE III CHARGES

3.01 The charges to be billed and paid under this Agreement shall consist of actual costs for goods and actual costs for: labor, transportation, and employee expenses; materials and supplies; services; and other expenses. The Providing Company shall document the goods or services provided and the costs of providing such goods or services to the Recipient Company.

3.02 Where a Company simultaneously renders goods or services to both Companies, the costs for such goods or services shall first be directly assigned based on the time or investment made for each project or proposed project for the Recipient Company(ies); and thereafter, if applicable, costs shall be fairly and equitable distributed between the Recipient Companies using one or more of the allocation ratios utilized by Xcel Energy Services Inc. (“XES”).

3.03 By the 25th day of each month, or as otherwise mutually agreed, the Providing Company shall electronically invoice Recipient Company for all personnel, goods and services provided to the Recipient Company. The invoice shall reflect the billing information necessary to identify the costs charged for that month. By the 23rd day of the following month, the Recipient Company shall remit to the Providing Company all charges billed to the Recipient Company the previous month.

ARTICLE IV REGULATION

4.01 This Agreement is subject to the review of any regulatory body which has jurisdiction.

ARTICLE V TERM

5.01 This Agreement shall be effective as of the date first stated above and continue in effect unless cancelled by any party upon sixty (60) days prior written notice to the other parties or by mutual agreement of the parties.

ARTICLE VI
GOVERNING LAW

6.01 This Agreement shall be construed in accordance with and be governed by the laws of the State of Minnesota.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective corporate names by their respective duly authorized officers on the day and year below written.

On behalf of
Northern States Power Company
A Minnesota corporation

On behalf of
Xcel Energy Transmission Development
Company, LLC

By David M Sparby

By [Signature]

Its President

Its SVP; CFO

Date 8.28.2014

Date 8-28-2014

ADMINISTRATIVE SERVICES AGREEMENT
BETWEEN NSPM AND
XCEL ENERGY SOUTHWEST TRANSMISSION COMPANY, LLC

THIS AGREEMENT is effective as of the 28th day of August, 2014, by and between certain subsidiaries of Xcel Energy Inc., a Public Utility Holding Company. The applicable wholly-owned subsidiaries are: Northern States Power Company, a Minnesota corporation (“NSPM”) and Xcel Energy Southwest Transmission Company, LLC a Delaware limited liability company, on behalf of itself and its subsidiaries (“XEST”). NSPM and XEST may individually be referred to as “party” or “Company”, and are jointly referred to as “parties” or “the Companies”.

RECITALS

WHEREAS, NSPM is a public utility under state and federal law authorized to engage in the retail and wholesale sale of electric energy and the provision of wholesale transmission service in certain states; and

WHEREAS, XEST is proposed to be a public utility under federal law authorized to engage in wholesale electric transmission service in certain states; and

WHEREAS, transactions between the Companies are subject to the jurisdiction of the laws and related rules of the states in which the Companies operate, and/or the rules of the Federal Energy Regulatory Commission (“FERC”), requiring, among other things, that transactions or services between public utility affiliates be priced or provided at cost; and

WHEREAS, certain of the Xcel Energy Operating Companies (including NSPM) entered into an Administrative Services Agreement, dated April 5, 2001, where the Xcel Energy Operating Companies agreed to provide for the rendering of and charging for certain incidental or emergency personnel, goods and services by each party to the other party; and

WHEREAS, both of the undersigned Companies may benefit from entering into transactions, which are not incidental or emergency in nature, for certain services or personnel of a particular operating utility or for certain sales or leases of goods including, but not limited to, employee labor, contract labor services, utility equipment, poles, conductor, and other goods of the Companies; and

WHEREAS, the Companies are each willing to provide and assign such employees, services, or goods to the other Company if and when such employees, services, or goods are available and if and when the goods and services relate to one or more electric transmission projects for which a Company has requested or received, or will request, regulatory approvals from the relevant state or federal regulatory body or bodies in the jurisdiction(s) in which the project(s) or proposed project(s) will be located; and

WHEREAS, the Companies desire to enter into an agreement to provide for the rendering of and charging for certain personnel, services, and goods by each party to the other party, when the services and goods (i) are not provided for in any other agreement between the parties, and (ii) relate to electric transmission projects that have been proposed to receive, or have received, the necessary regulatory approvals from the relevant state or federal regulatory body or bodies; and

WHEREAS, it is the intent of the Companies that each party recover from the other party the costs actually incurred by one party on behalf of the other party;

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2.02 If the goods relate to a project for which a Company has requested or received, or will request, regulatory approvals from the relevant state or federal regulatory body or bodies in the jurisdiction(s) in which the project is or will be located, including an RTO responsible for transmission planning and project selection, and if available and upon

request, each Company will, at its cost, render goods of the individual Company to the other Company, including, but not limited to: utility equipment; computers and software; poles, conductors, and other goods; motor vehicles and other transportation services; and other goods or services owned, leased, or contracted for by such Company.

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4.01 This Agreement is subject to the review of any regulatory body which has jurisdiction.

ARTICLE V TERM

5.01 This Agreement shall be effective as of the date first stated above and continue in effect unless cancelled by any party upon sixty (60) days prior written notice to the other parties or by mutual agreement of the parties.

ARTICLE VI
GOVERNING LAW

6.01 This Agreement shall be construed in accordance with and be governed by the laws of the State of Minnesota.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their respective corporate names by their respective duly authorized officers on the day and year below written.

On behalf of
Northern States Power Company
A Minnesota corporation

On behalf of
Xcel Energy Southwest Transmission
Company, LLC

By David M. Spangby

By Yao SMadd

Its President

Its SVP; CEO

Date 8.28.2014

Date 8.28.2014

Summary of FERC Order No. 1000 and Xcel Energy Response

1. *The Evolving Transmission Development Landscape*

Prior to regulatory changes beginning in the late 20th century, virtually all electric transmission facilities were planned and constructed by vertically integrated utilities (investor-owned, cooperative or municipal), generally for the purpose of moving power from central service generators owned by the local utility to load served by the same utility. Regulatory changes in the 1970s and 1980s, encouraged by federal policies such as the Public Utilities Regulatory Policies Act (PURPA), began the shift from fully vertically integrated systems to disaggregation of electric utility operations, including the development of non-utility “merchant” generation. The policy and federal statute changes then required access for these new generators to the transmission grid.

In 1996, after adoption of the Energy Policy Act of 1992, FERC issued Order No. 888,¹ mandating non-discriminatory open access to transmission facilities owned, operated or controlled by public utilities regulated by FERC.² As a FERC-regulated public utility, Order No. 888 mandated open access to the Company’s transmission system. Order No. 888 did not, however, expressly address planning or transmission development. Consequently, planning and transmission development continued to generally be performed by incumbent vertically integrated utilities. In the upper Midwest, however, utilities had for many years coordinated their transmission planning and development through their participation in Mid-continent Area Power Pool (MAPP) under the MAPP Restated Agreement, an agreement on file with the FERC.

In 1999, FERC issued Order No. 2000, which expressly encouraged the creation of and utility membership in Regional Transmission Organizations (RTOs) and Independent System Operators (ISOs) such as Midcontinent

¹ *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Services by Public Utilities; Recovery of Stranded Cost by Public Utilities and Transmitting Utilities*, Order No. 888, 61 FR 21540 (May 10, 1996), FERC Stats & Regs. ¶ 31,036 (1996), *order on reb’g*, Order No. 888-A, 62 FR 12274 (Mar. 14, 1997), FERC Stats. & Regs. ¶ 31,048, *order on reb’g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997), *order on reb’g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff’d in relevant part sub nom. Transmission Access Policy Study Group v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff’d sub nom. New York v. FERC*, 535 U.S. 1 (2002).

² Non-public utilities (e.g., cooperatives and municipals) were required to provide open access on a reciprocal basis if they used transmission service from a public utility.

Independent System Operation, Inc. (MISO) and the Southwestern Power Pool, Inc. (SPP).³ The creation of RTOs and ISOs allowed vertically integrated utilities to turn over functional control of their transmission systems to these new entities, who would operate them under regional tariffs, enabling wholesale energy transactions over a much larger region by eliminating “pancaked” transmission rates. In MISO, this new regional transmission model also allowed for coordinated regional planning and development of transmission facilities beyond the historic MAPP region. However, the traditional vertically integrated utility ownership and development model was generally maintained.

More specifically, the MISO Transmission Owners Agreement (TOA) provided that transmission facilities within a Transmission Owning Member’s system were to be developed and owned by that MISO member utility, and that facilities that would interconnect the systems of different utilities were to be jointly owned and constructed by those member utilities, unless otherwise agreed. MISO established an annual “bottom-up” planning process, called the MISO Transmission Expansion Plan (MTEP) where the plans of individual utilities were coordinated into a regional expansion plan. Within this MISO process, and to pursue Minnesota energy policies, the Company made significant investments in transmission to facilitate wind generation development and improve reliability, including the Chisago – Apple River, Buffalo Ridge Incremental Generator Outlet (BRIGO) and CapX2020 projects.

In 2007, FERC issued Order No. 890 to address issues related to open access to the transmission system that were identified after the implementation of Order No. 888. In response to Order No. 890, RTOs and ISOs refined their existing regional transmission planning processes and tariffs. In MISO, Order No. 890 led to modifications to MTEP to be a “bottom up, top-down” planning approach, in which MISO both reviewed project proposals suggested by member transmission owners and could consider and recommend projects not expressly proposed by any member transmission owner, if that alternative project would more efficiently meet regional transmission needs. However,

³ MISO as formerly known as the Midwest Independent Transmission System Operator, Inc. MISO was formed by execution of the MISO Transmission Owners Agreement (TOA) in 1998, prior to issuance of Order No. 2000, but MISO did not commence RTO operations until February 2002. The NSP Companies executed the MISO TOA and became MISO transmission owners to comply with a FERC condition on approval of the Xcel Energy Inc. merger. The Commission approved the transfer of functional control to the Company’s system to MISO in Docket No. E002/M-00-257. ORDER AUTHORIZING TRANSFER WITH CONDITIONS, dated May 9, 2002.

Order No. 890 did not fundamentally alter the terms for the ownership and construction of transmission projects identified through MISO's MTEP regional planning process or the TOA.

In 2011, in response to perceived inadequacies with the Order No. 890 rules, FERC issued Order No. 1000, setting the stage for fundamental changes the transmission planning and development landscape.⁴ In general terms, Order No. 1000 required: (1) that utilities and RTOs continue to plan on a regional basis; (2) that transmission projects that provide regional benefits be cost allocated across the planning region (such as the MISO region); and (3) that transmission development for projects eligible for regional cost allocation be opened to competitive bidding or project sponsorship models through removal of rights-of-first refusal (ROFRs) from federal tariffs (such as the MISO Tariff and TOA). These requirements fundamentally altered the historic concept of incumbent utilities developing projects in or near their traditional service areas that would provide regional benefits: if the project costs would be regionally cost allocated, for example under the MISO Tariff, the project must now be subject to a competitive solicitation process.⁵ The D.C. Circuit Court of Appeals upheld Order No. 1000 as within FERC's authority on August 15, 2014.

In Order No. 1000, FERC ordered RTOs and other Transmission Providers (such as MISO) to submit proposed tariff revisions to comply with and implement the new rules. As a Transmission Owning member of MISO, the Tariff revisions filed by MISO to comply with Order No. 1000 are applicable to the Company. To comply with Order No. 1000, MISO proposed significant changes to its Tariff and the MISO TOA with respect to ownership and construction of certain transmission projects.⁶ As related to transmission

⁴ *Transmission Planning and Cost Allocation by Transmission Owning and Operating Public Utilities*, Order No. 1000, FERC Stats. & Regs. ¶ 31,323 at P 284 (2011), *order on reh'g and clarification*, Order No. 1000-A, 139 FERC ¶ 61,132 (2012), *order on reh'g and clarification*, Order No. 1000-B, 141 FERC ¶ 61,044 (2012); *petitions for review denied sub nom. South Carolina Public Service Authority v. FERC*, No. 12-1232 (D.C. Cir. Aug. 15, 2014) (per curiam).

⁵ Importantly, however, Order No. 1000 did not alter the historic transmission planning and development model for non-regional projects: *i.e.*, "local" projects specific to a particular utility's needs and determined not to be regionally beneficial are not subject to bidding and costs are not regionally allocated.

⁶ MISO's then effective regional planning process and cost allocation methodology for regional projects (*i.e.*, MVPs) was generally found compliant with Order No. 1000. *Midwest Independent*

development, Order No. 1000 required MISO to remove the longstanding provisions of the TOA that provided for the allocation of ownership and development responsibility for regional transmission projects to the Transmission Owning utilities to whose system the new transmission projects would interconnect. Instead, the compliance tariffs provide that MISO will institute a competitive solicitation process to allow MISO to select the developers of regionally cost-allocated projects (Market Efficiency Projects and Multi-Value Projects). The new process is intended to allow the development of regional transmission projects in a manner that would result in selection of the most appropriate developer based on a combination of transmission development capability, transmission operations experience, and lowest rate impact to ratepayers in the MISO regional footprint, including the Company's service area.

MISO submitted its initial Order No. 1000 compliance filing on October 12, 2012. In that filing, MISO proposed that it be able consider state-based requirements, such as a ROFR statute, when selecting the winning developers. FERC issued an order on March 22, 2013 directing MISO to eliminate any references to state ROFRs.⁷ MISO submitted a compliance filing to the March 22 order on July 22, 2013. Also on April 22, 2013 certain parties to the proceeding submitted requests for rehearing of the March 22 Order. In these requests for rehearing, MISO and other parties asked the FERC to reconsider its requirement to eliminate references to state ROFRs in the MISO Tariff.

On May 15, 2014, FERC issued an order on rehearing and order partially accepting the July 22, 2013 compliance filing.⁸ Notably, while FERC upheld the decision to require deletion of any federal ROFR provision from the MISO Tariff and TOA, the May 15 Order reversed a prior FERC ruling related to

Transmission System Operator, Inc. et al., 142 FERC ¶ 61,215 (2013). FERC ordered several compliance changes, however, and certain parties sought rehearing of the initial FERC order, which resulted in the May 15, 2014 order on rehearing.

⁷ See *Midwest Independent Transmission System Operator, Inc. et al.*, 142 FERC ¶ 61,215 (2013) (March 22 Order).

⁸ *Midwest Independent Transmission System Operator, Inc., et al.*, 147 FERC ¶ 61, 127 (2014) (May 15 Order). The MISO Transmission Owners filed for judicial review of certain aspects of the March 22, 2013 and May 15, 2014 FERC orders. *MISO Transmission Owners v. FERC*, Docket 14-2533 (7th Circuit Court of Appeals, 2014). LSP Transmission Holdings, LLC, filed a separate appeal to the 7th Circuit. On August 18, 2014, the 7th Circuit denied a FERC motion to transfer the appeal to the D.C. Circuit Court of Appeals.

state ROFR provisions. FERC indicated that it did not want to delay transmission development by potentially causing MISO to select a transmission developer who could not construct the line they proposed. On July 14, 2014, MISO submitted its compliance filing to the May 15 Order. In the compliance filing, MISO reinserted language into its tariff that allows MISO to consider state and federal laws governing transmission construction, along with “duly enacted laws and regulations passed by a local government entity.”⁹ The state ROFR compliance provisions to the May 15 Order have been challenged, however.¹⁰

Under the process set forth in the MISO Tariff as submitted in the compliance filings, transmission projects would continue to be evaluated and selected through the annual MTEP process. Through the MTEP, MISO would identify and the MISO Board of Directors would approve specific projects as either (i) regional projects (eligible for regional cost allocation and subject to competitive bidding), or (ii) local/reliability projects (not eligible for regional cost allocation or subject to bidding). Once the regional projects are identified in the MTEP, MISO’s proposed competitive bidding process would select developers for regional projects through a weighted selection process using several criteria.¹¹ MISO would evaluate these criteria through MISO’s planning staff and independent consultants. MISO’s Executive Oversight Committee, made up of MISO executives, will make the final determination as to the developer selected.

Under the MISO Tariff, the first regional projects that could be subject to bidding would theoretically be selected in the MTEP-14 process in December 2014, with the bidding process conducted by MISO in 2015. However, MISO recently announced that it does not expect any regional projects to be selected through competitive bidding in 2015.

⁹ According to information provided by MISO, three states in the MISO region with currently enacted ROFR statutes are Minnesota, North Dakota, and South Dakota.

¹⁰ *Midcontinent Independent System Operator Inc.*, Docket No. ER13-187-008, Protest of LS Power Transmission, LLC and LSP Transmission Holdings, LLC (Aug. 4, 2014).

¹¹ The criteria and weightings are: 30 percent related to cost, both installed cost as well as rate impacts; 35 percent related to implementation capabilities (*i.e.*, demonstrated ability to develop transmission projects); 30 percent related to the ability to operate and maintain the project; and 5 percent related to the developer’s participation in the MISO planning process and work towards planning the particular project.

As this summary indicates, the transmission development landscape continues to evolve, and the final “rules of the road” are not fully in place in the MISO region. Xcel Energy began its Transco initiative to create opportunities to participate in this evolving environment for regional transmission development. At the same time the Company will continue to pursue development and construction of transmission facilities needed for local reliability, including facilities needed to serve evolving Minnesota regulatory policies.

2. *The Xcel Energy Transcos: a Response to the Evolving Transmission Landscape*

Xcel Energy formed XET Holdings, XETD and XEST to provide the flexibility it believes will be needed to provide competitive regional projects in the MISO and SPP regions. In the new RTO competitive bidding paradigm mandated by Order No. 1000, Xcel Energy believes it needs a mechanism and entities that can participate in the planning and development of regional transmission projects. XETD and XEST will provide Xcel Energy with a vehicle to participate in the planning and development of regionally cost allocated transmission projects in the MISO and SPP footprints and outside the Company’s traditional service area. For example, in the MISO region, future projects in Illinois or Iowa could now be open to competitive bidding by XETD, providing opportunities for Xcel Energy to utilize its efficient transmission development model to capture development opportunities outside the Company’s service area. Further, with the entry of the Entergy operating companies into MISO in December 2013 and the creation of the MISO South region, transmission development in other areas of MISO could create further development opportunities. By having such investments in a Transco entity, regulated ratepayers of the Company are protected from the risks that might exist from entry into this new market.

We also believe that Xcel Energy’s participation in these processes through XETD can help to control the costs of regional transmission projects that will be allocated to all MISO loads, including our retail customers in Minnesota. Xcel Energy is a proven low-cost transmission developer. The Xcel Energy Operating Companies’ current transmission investment stands at \$4.49 billion (measured using year-end 2013 net plant in service numbers). These transmission facilities deliver energy to more than 1150 transmission substations spread over approximately 18,000 line miles of transmission

facilities (69 kV and above). By leveraging Xcel Energy's existing expertise and experience, we believe XETD could be selected as the developer for some future regional projects through MISO's competitive bidding process. If so, selection of an XETD bid would reduce total project costs in the MISO region and thus the portion of the project cost to be included in Minnesota retail rates.

In addition, Xcel Energy believes XEST could similarly help control the costs of regional transmission projects in SPP. The SPP Board of Directors is expected to select a number of initial projects in January 2015. The SPP region presently includes part or all of Arkansas, Kansas, Louisiana, Mississippi, Missouri, Nebraska, New Mexico, Oklahoma, and Texas. Most potential near term transmission development is expected to occur in these traditional areas of the SPP footprint, and Xcel Energy anticipates that XEST will bid to develop and own projects in the 2015 SPP bidding process. Moreover, in January 2014, the Western Area Power Administration (WAPA), Basin Electric Power Cooperative (Basin Electric) and Heartland Consumers Power District (Heartland) announced their intent to join SPP, which would expand SPP into western Minnesota, North Dakota, South Dakota, Iowa and Montana. The integration of the WAPA Integrated System (IS) is proposed for October 2015, but remains subject to FERC approval. The Company has a long history of coordinating planning with these entities through MAPP, so coordination with a new "SPP North" region could be important to minimizing the seams between the MISO and SPP regions.¹²

3. *Qualification as MISO Transmission Developer*

On January 31, 2014, MISO invited organizations interested in becoming certified as a Qualified Transmission Developer within MISO to complete and submit a Transmission Developer Application. On April 11, 2014, XETD submitted a Transmission Developer Application.¹³ XES also submitted an

¹² Service Company and SPS personnel have historically been responsible for interaction with SPP and its members and will likely provide most services to XEST. The proposed integration of WAPA, Basin Electric and Heartland into the SPP region raises the future possibility of Company employees supporting XEST's efforts in SPP, but the extent of that support is uncertain.

¹³ The Company and NSPW also filed Transmission Developer Applications with MISO to ensure that the NSP Companies could, if necessary, bid to construct competitive regional transmission projects in their current service territory states. The MISO Order No. 1000 compliance filings proposed that incumbent utilities be exempt from the MISO qualification process to construct projects in their traditional service areas. However, the May 15 Order ruled that incumbent utilities

application for XETD membership as a non-transmission owning member of MISO. The MISO Board of Directors approved XETD's membership application on April 24, 2014. The XETD Transmission Developer Application remains under MISO staff review.

4. *Interaction of Transco and Operating Company*

The XETD and XEST entities were formed to facilitate transmission investment by Xcel Energy in, among other things, areas outside the traditional retail service areas of the Xcel Energy Operating Companies. Xcel Energy therefore views XETD and XEST as complementary to the Company's existing transmission planning and development efforts. That said, Xcel Energy continues to review and develop protocols for the interaction of the Company and the Transco entities. This is especially the case given that Minnesota law provides for a right of first refusal (ROFR) for incumbent utilities to develop transmission facilities in their service territories under Minn. Stat. § 216B.246.¹⁴

As mentioned previously, in approving MISO's Order No. 1000 compliance plan, FERC initially required MISO to disregard state ROFRs in selecting developers under its competitive bidding process.¹⁵ In the May 15 Order on rehearing and compliance, however, FERC reversed its prior ruling and allowed MISO to take into account state laws in selecting bidders.¹⁶ We believe May 15 Order provides a more clear delineation between projects that will be developed by the Company under the Minnesota State Transmission Plan statute (Minn. Stat. § 216B.2425) and the Minnesota ROFR statute, and those that could be developed by XETD under the MISO competitive bidding process for regionally cost allocated projects.¹⁷

must apply to be qualified transmission developers in their own traditional service areas. By submitting Transmission Developer Applications, the NSP Companies had satisfied this requirement. In addition, incumbent utilities will need to participate in the MISO competitive bidding process for projects that receive regional cost allocation in the same fashion as non-incumbents.

¹⁴ The other Company jurisdictions of North Dakota and South Dakota also provide ROFRs to incumbent utilities. See N.D. Cent Code § 49-03-02; S.D. Codified Laws § 49-32-20.

¹⁵ *Midwest Independent Transmission System Operator, Inc.*, 142 FERC ¶ 61,215 at P 205 (2013).

¹⁶ *Midwest Independent Transmission System Operator, Inc.*, 147 FERC ¶ 61,127 (2014).

¹⁷ We note that Minnesota Statutes allow entities other than public utilities to construct and own transmission in Minnesota. American Transmission Company, LLC and ITC Midwest, LLC are both

Specifically, the Company anticipates that it would propose to construct any transmission projects in its Minnesota service area or interconnecting to its transmission system in Minnesota, pursuant to the ROFR statute. Any such projects would, of course, be subject to the Commission's certificate of need and route permit authority, as they are today. The formation of XETD would, however, allow XETD to bid to construct transmission in another state (e.g., Illinois or Missouri), thus preserving the Commission's primary jurisdiction over NSP's utility operations. It is possible that future MTEP plans could identify projects eligible for regional cost allocation (and thus subject to competition) in states in the western MISO area served by the NSP Companies but without a ROFR statute (e.g., Wisconsin). These projects would potentially be available for either XETD or an incumbent utility to bid.

Because Xcel Energy is in the early stages of implementing the Transcos, and we do not believe any regional projects will be subject to the MISO competitive selection process until at least 2016, we offer to work with the Commission and interested parties to develop protocols and principles to ensure that our deployment of the Transco is consistent with the Commission's expectations and our customers' best interest.

"transco" entities that develop, construct, own and operate transmission facilities in Minnesota subject to the MISO Tariff. ATC and ITCM both participate in the biennial state transmission plan submitted under Minn. Stat. 216B.2425.

**PUBLIC DOCUMENT
TRADE SECRET DATA EXCISED**

Xcel Energy Services Inc.
Estimate of Costs Included in the 2014 Minnesota Electric Test Year

Docket No. E002/AI-14-____
Petition
Attachment E
Page 1 of 1

		A	B	A + B = C	D	D - C = E	F	E - F = G	H	G x H = I
	Total Budgeted O&M Included in 2014 MN Electric Test Year Costs	Xcel Energy Transco O&M			Less Unbudgeted Costs	2014 Budgeted Costs Supporting Transco Efforts	Less SPS and and Other Costs Not Allocated to NSPM Electric	<u>Subtotal</u>	Composite MN Electric Jurisdictional Allocation*	Budgeted O&M Included in 2014 MN Electric Test Year Costs
		Actual YTD July 2014	Forecast Aug - Dec. 2014	2014						
Business Area		[TRADE SECRET BEGINS]								
Transmission	\$ 44,246,000					\$ 169,246	\$ 72,288	\$ 96,959	33.4%	\$ 32,400
Legal Services	12,338,000					** 146,155	-	146,155	34.7%	50,692
Financial Operations	47,222,000					** 132,174	-	132,174	32.6%	43,029
Other	953,382,000					72,825	10,391	62,434	36.5%	22,817
Total	\$ 1,057,188,000	\$735,524				\$ 520,400	\$ 82,678	\$ 437,722		\$ 148,938 ****
		TRADE SECRET ENDS]								

*Departments within the various Xcel Energy business areas apply allocation factors to their expenses to determine costs allocable to the NSP Electric, then another allocation factor is applied to those net costs to determine the costs allocable to MN jurisdiction. The composite jurisdictional allocation represents the proportion of Xcel Energy Inc. Transco costs allocable to the MN jurisdiction as determined by applying these allocation factors.

**Unbudgeted costs primarily relate to outside consultants to assist with the FERC filings, and outside legal services to assist with FERC filings and other Transco legal matters.

***Includes miscellaneous departments supporting the Xcel Energy Transco efforts including certain executives and Supply Chain.

****Minnesota Electric Jurisdiction Test Year (Docket No. E002/GR-13-868) costs do not include the impact of Interchange Agreement billings to NSPW.

SERVICE AGREEMENT

This Service Agreement is made and entered into effective the 1st day of May, 2014, by and between Xcel Energy Transmission Development Company, LLC ("Client Company") and Xcel Energy Services Inc. ("Service Company").

WITNESSETH

WHEREAS, Service Company is a subsidiary of Xcel Energy Inc. ("Xcel Energy"), a public utility holding company under the Public Utility Holding Company Act of 2005 ("PUHCA 2005"), that has been formed to provide support services for Xcel Energy and its associate companies in a manner consistent with applicable regulatory requirements; and

WHEREAS, Client Company is a public utility indirect subsidiary of Xcel Energy and an associate company of Service Company; and

WHEREAS, Service Company and Client Company have entered into this Service Agreement whereby Service Company agrees to provide and Client Company agrees to accept and pay for various services as provided on a cost basis, that requires the Service Company to fairly and equitably allocate costs among all associate companies to which it renders services, including the Client company.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties to this Service Agreement covenant and agree as follows:

ARTICLE I - SERVICES

Section 1.1 Service Company shall furnish to Client Company, as requested by Client Company, upon the terms and conditions hereinafter set forth, such of the services described in Appendix A hereto, at such times, for such periods and in such manner as Client Company may from time to time request and that Service Company concludes it is able to perform. Service Company shall also provide Client Company with such special services, in addition to those services described in Appendix A hereto, as may be requested by Client Company and that Service Company concludes it is able to perform. In supplying such services, Service Company may arrange, where it deems appropriate, for the services of such experts, consultants, advisers, and other persons with necessary qualifications as are required for or pertinent to the provision of such services.

Section 1.2 Client Company shall take from Service Company such of the services described in Section 1.1, and such additional general or special services, whether or not now contemplated, as are requested from time to time by Client Company and that Service Company concludes it is able to perform.

Section 1.3 The services described herein or contemplated to be performed hereunder shall be directly assigned or allocated by activity, project, program, work order or other appropriate basis. Client Company shall have the right from time to time to amend, alter or rescind any activity, project, program or work order provided that (i) any such amendment or alteration that results in a material change in the scope of the services to be performed or equipment to be provided is agreed to by Service Company, (ii) the cost for the services covered by the activity, project, program or work order shall include any expense incurred by Service Company as a direct result of such amendment, alteration or rescission of the activity, project, program or work order, and (iii) no amendment, alteration or rescission of an activity, project, program or work order shall release Client Company from liability for all costs already incurred by or contracted for by Service Company pursuant to the activity, project, program or work order, regardless of whether the services associated with such costs have been completed.

Section 1.4 Service Company shall use its best efforts to maintain a staff trained and experienced in the design, construction, operation, maintenance, management and general administration of public utility properties.

ARTICLE II - COMPENSATION

Section 2.1 As compensation for the services to be rendered hereunder, Client Company shall pay to Service Company all costs which reasonably can be identified and related to particular services performed by Service Company for or on its behalf. The methods for assigning or allocating Service Company costs to Client Company, as well as to other associate companies, are set forth in Appendix A.

Section 2.2 Service Company shall periodically review the methods of assignment or allocation of costs described in Appendix A. Such methods of assignment or allocation of costs may be modified or changed by Service Company and Service Company shall advise Client Company from time to time of such changes. Changes will be subject to state regulatory jurisdiction and Federal Energy Regulatory Commission ("FERC") jurisdiction.

Section 2.3 No change in the organization of Service Company, the type and character of the companies to be serviced, the methods of assigning or allocating costs to associate companies, or in the scope or character of the services to be rendered shall be made unless such change is consistent with any applicable regulatory requirements.

Section 2.4 Service Company charges are billed electronically monthly to Client Company. The electronic details reflect the billing information necessary to identify the costs charged for that month. By the twenty-third (23rd) day of the following month, the Client Company shall remit to Service Company all charges billed to it the previous month.

Section 2.5 In the event of a dispute between the Client Company and a Service Company regarding a billing methodology and/or amount, representatives from the parties involved along with Service Company Accounting will meet to discuss the issues. If a resolution cannot be reached, the issue will be referred to each party's executive management for final resolution.

Section 2.6 It is the intent of this Service Agreement that the payment for services rendered by Service Company to Client Company under this Service Agreement shall cover all the costs of its doing business (less the costs of services provided to affiliated companies not a party to this Service Agreement and to other non-affiliated companies, and credits for any miscellaneous items), including, but not limited to, salaries and wages, office supplies and expenses, outside services employed, contract labor, property insurance, injuries and damages, employee pensions and benefits, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital.

ARTICLE III - TERM

Section 3.1 This Service Agreement shall become effective upon its execution and shall continue in full force and effect until terminated by Service Company or Client Company, upon not less than one year's prior written notice to the other party. This Service Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent performance under this Service Agreement may conflict with any regulatory requirement of the FERC or state commission applicable to either Service Company or Client Company adopted before or after the effective date of this Service Agreement.

ARTICLE IV - LIMITATION OF LIABILITY AND INDEMNIFICATION

Section 4.1 In performing the services hereunder, Service Company will exercise due care to assure that the services are performed in an appropriate manner, meet the standards and specifications set forth in any applicable request for service and comply with the applicable standards of law and regulation. However, failure to meet these obligations shall in no event subject Service Company to any claims by or liabilities to Client Company other than to reperform the services and be reimbursed at cost for such reperformance. Service Company makes no other warranty with respect to its performance of the services, and Client Company agrees to accept such services without further warranty of any nature.

Section 4.2 To the fullest extent allowed by law, Client Company shall and does hereby indemnify and agree to save harmless and defend Service Company, its agents and employees from liabilities, taxes, losses, obligations, claims, damages, penalties, causes of action, suits, costs and expenses or judgments of any nature, on account of, or resulting from the performance and prosecution of any services performed on behalf of Client Company pursuant to this

Agreement, whether or not the same results or allegedly results from the claimed or actual negligence or breach of warranty of, or willful conduct by, Service Company or any of its employees, agents, clients, or contractors or its or their subcontractors or any combination thereof.

ARTICLE V - MISCELLANEOUS

Section 5.1 All accounts and records of Service Company shall be kept in accordance with either the Regulations under the PUCHA 2005 or the Uniform System of Accounts Prescribed for Public Utilities and Licensees subject to the Provisions of the Federal Power Act promulgated by the FERC, as each is in effect from and after the date hereof.

Section 5.2 New direct or indirect subsidiaries of Xcel Energy, which may come into existence after the effective date of this Service Agreement, may become additional client companies of Service Company and subject to a service agreement with Service Company, or an existing client company may wish to obtain additional services from Service Company. Likewise, an existing direct or indirect subsidiary of Xcel Energy may cease to be a client company or cease to take individual services from Service Company. In either event, the parties hereto shall make such changes in the scope and character of the services to be rendered and the method of assigning or allocating costs of such services as specified in Appendix A, subject to the requirements of Section 2.3, as may become necessary to achieve a fair and equitable assignment or allocation of Service Company costs among all associate companies.

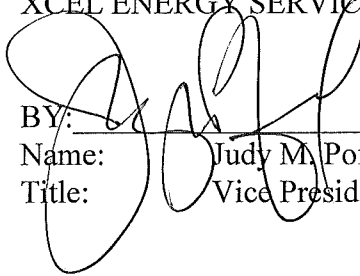
Section 5.3 In the event a Client Company changes the scope of services that it takes from Service Company (pursuant to Section 1.3) or terminates this Service Agreement (pursuant to Section 2.1), the Service Company may bill such Client Company a charge that reflects a proportionate share of any significant residual fixed costs (i.e., incurred costs or commitments to incur costs) that were incurred or committed to incur in contemplation of providing such Client Company service prior to the notice of termination. Examples of fixed costs include, but are not limited to, costs to upgrade computer hardware and software systems to meet Client Company's specifications.

Section 5.4 Service Company shall permit Client Company access to its accounts and records, including the basis and computation of allocations.

Section 5.5 This Service Agreement is the original service agreement for this Client Company.

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be executed, effective as of the date and year first above written.

XCEL ENERGY SERVICES INC.



BY: _____
Name: Judy M. Poferl
Title: Vice President and Secretary

XCEL ENERGY TRANSMISSION
DEVELOPMENT COMPANY, LLC



BY: _____
Name: Benjamin G. S. Fowke III
Title: Chairman, President and CEO

Appendix A

DESCRIPTION OF SERVICES TO BE PROVIDED BY XCEL ENERGY SERVICES INC. AND DETERMINATION OF CHARGES FOR SUCH SERVICES TO THE OPERATING COMPANIES AND OTHER AFFILIATES

Version 6/11/2014

Description of Services Provided

A description of the services provided by Xcel Energy Services Inc. ("Service Company") is detailed below. Identifiable costs will be directly assigned to the Operating Companies and other affiliates. For costs that are for services of a general nature and cannot be directly assigned, the method of allocation is described below for each service provided.

*a) Executive Management Services**

Description – Represents charges for Xcel Energy Inc. ("Xcel Energy") executive management and services, including, but not limited to, officers of Xcel Energy.

Method of Allocation – Executive Management indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*b) Investor Relations**

Description – Provides communications to investors and the financial community. Coordinates the transfer agent and shareholder record keeping functions and plans the annual shareholder meeting.

Method of Allocation – Investor Relations indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*c) Internal Audit**

Description – Reviews internal controls and procedures to ensure assets are safeguarded and transactions are properly authorized and recorded. Evaluates contract risks.

Method of Allocation – Internal Audit indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*d) Legal**

Description – Provides legal services related to labor and employment law, litigation, contracts, rates and regulation, environmental matters, real estate and other legal matters.

Method of Allocation – Legal indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*e) Claims Services**

Description – Provides claims services related to casualty, public and company claims.

Method of Allocation – Claims Services costs will be direct charged, and administrative support functions that cannot be direct charged will be allocated using the Labor Dollars Ratio.

*f) Corporate Communications**

Description – Provides corporate communications, speech writing and coordinates media services. Provides advertising and branding development for the companies within the Xcel Energy system. Manages and tracks all contributions made on behalf of the Xcel Energy system.

Method of Allocation – Corporate Communications indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*g) Employee Communications**

Description – Develops and distributes communications to employees.

Method of Allocation – Employee Communications indirect costs will be allocated based on the Employee Ratio.

*h) Corporate Strategy & Business Development**

Description – Facilitates development of corporate strategy and prepares strategic plans, monitors corporate performance and evaluates business opportunities. Develops and facilitates process improvements.

Method of Allocation – Corporate Strategy & Business Development indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*i) Government Affairs**

Description – Monitors, reviews and researches government legislation.

Method of Allocation – Government Affairs indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*j) Facilities & Real Estate**

Description – Operates and maintains office buildings and service centers. Procures real estate and administers real estate leases. Administers contracts to provide security, housekeeping and maintenance services for such facilities. Procures office furniture and equipment.

Method of Allocation – Facilities & Real Estate indirect costs will be allocated to the Operating Companies based on the Employee Ratio.

*k) Facilities Administrative Services**

Description – Includes but is not limited to the functions of Mail Delivery, Duplicating and Records Management.

Method of Allocation – Facilities Administrative Services indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio

*l) Supply Chain**

Description – Includes contract negotiations, development and management of supplier relationships and acquisition of goods and services. Also includes inventory planning and forecasting, ordering, accounting and database management. Warehousing services includes receiving, storing, issuing, shipping, returns, and distribution of material and parts.

Method of Allocation – Supply Chain will be direct charged, and administrative support functions that cannot be direct charged will be allocated using the Labor Dollars Ratio.

*m) Supply Chain Special Programs**

Description – Develops and implements special programs utilized across the company such as procurement cards, travel services, and compliance with corporate MWBE (minority women business expenditures) program goals.

Method of Allocation – Supply Chain Special Programs indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*n) Human Resources**

Description – Establishes and administers policies related to employment, compensation and benefits. Maintains HR computer system, the tuition reimbursement plan, and diversity program. Coordinates the bargaining strategy and labor agreements with union employees. Provides technical and professional development training and general HR support services.

Method of Allocation – Human Resources indirect costs will be allocated based on the Employee Ratio.

*o) Finance & Treasury**

Description – Coordinates activities related to securities issuance, including maintaining relationships with financial institutions, cash management, investing activities and monitoring the capital markets. Performs financial and economic analysis.

Method of Allocation – Finance & Treasury indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio, Joint Operating Agreement Peak Hour Megawatt Load Ratio, or Joint Operating Agreement Labor Hours Ratio.

p) Accounting, Financial Reporting & Taxes

Description – Maintains the books and records. Prepares financial and statistical reports, tax filings and ensures compliance with the applicable laws and regulations. Maintains the accounting systems. Coordinates the budgeting process.

Method of Allocation – Accounting, Financial Reporting & Taxes indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio, Joint Operating Agreement Peak Hour Megawatt Load Ratio, or Joint Operating Agreement Labor Hours Ratio.

*q) Payment & Reporting**

Description – Processes payments to vendors and prepares statistical reports.

Method of Allocation – Payment & Reporting indirect costs will be allocated to the Operating Companies based on the Invoice Transaction Ratio.

*r) Receipts Processing**

Description – Processes payments received from customers of the Operating Companies and affiliates.

Method of Allocation – Receipts Processing indirect costs will be allocated based on the Customer Bills Ratio.

*s) Payroll**

Description – Processes payroll including but not limited to time reporting, calculation of salaries and wages, payroll tax reporting and compliance reports.

Method of Allocation – Payroll indirect costs will be allocated based on the Employee Ratio.

*t) Rates & Regulation**

Description – Determines the Operating Companies' regulatory strategy, revenue requirements and rates for electric and gas customers. Coordinates the regulatory compliance requirements and maintains relationships with the regulatory bodies.

Method of Allocation – Rates & Regulation indirect costs will be allocated to the Operating Companies based on the Revenue Ratio or the Labor Dollars Ratio.

*u) Energy Supply Engineering and Environmental**

Description – Provides engineering services to the generation business. Establishes policies and procedures for compliance with environmental laws and regulations. Researches emerging environmental issues and monitors compliance with environmental requirements. Oversees environmental cleanup projects.

Method of Allocation – Energy Supply Engineering and Environmental services will be direct charged, and administrative support functions that cannot be direct charged will be allocated using the Total Plant ratios based on the services being provided.

*v) Energy Supply Business Resources**

Description – Provides performance, specialists and analytical services to the Operating Companies' generation facilities.

Method of Allocation – Energy Supply Business Resources indirect costs will be allocated using the MWh Generation Ratio or for administrative support functions that cannot be assigned using the MWh Generations and shall be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*w) Energy Markets Regulated Trading & Marketing**

Description – Provides electric trading services to the Operating Companies' electric generation systems including load management, system optimization and resource acquisition.

Method of Allocation – Energy Markets Regulated Trading & Marketing indirect costs will be allocated to the Operating Companies based on the Total MWh Sales Ratio, or Joint Operating Agreement Peak Hour Megawatt Load Ratio, or Joint Operating Agreement Labor Hours Ratio as may be applicable.

*x) Energy Markets – Fuel Procurement**

Description – Purchases fuel for Operating Companies electric generation systems (excluding nuclear).

Method of Allocation – Energy Markets Fuel Procurement indirect costs will be allocated based on the MWh Generation Ratio.

y) Energy Delivery Marketing

Description – Develops new business opportunities and markets the products and services for the Delivery Business Unit.

Method of Allocation – Energy Delivery Marketing will be direct charged.

z) Energy Delivery Construction, Operations & Maintenance (COM)

Description – Constructs, maintains and operates electric and gas delivery systems.

Method of Allocation – Energy Delivery COM indirect costs will be allocated based on the Delivery Services Gross Plant Ratio.

*aa) Energy Delivery Engineering/Design**

Description – Provides engineering and design services in support of capacity planning, construction, operations and material standards.

Method of Allocation – Energy Delivery Engineering/Design services will be direct charged; administrative support functions that cannot be direct charged will be allocated based on the Delivery Services Gross Plant ratios based on the services being provided.

*bb) Marketing & Sales**

Description – Provides marketing and sales services for the Operating Companies and affiliates for their electric and natural gas customers including

strategic planning, segment identification, business analysis, sales planning and customer service.

Method of Allocation – Marketing & Sales indirect costs will be allocated based on the Revenue Ratio.

*cc) Customer Service**

Description – Provides service activities to retail and wholesale customers. These services include meter reading, customer billing, call center and credit and collections.

Method of Allocation – Customer Service indirect costs will be allocated based on the Customers Ratio.

*dd) Business Systems**

Description – Provides basic information technology services such as: application management, voice and data network operations and management, customer support services, problem management services, security administration and systems management. In addition, Business Systems acts as a single point of contact for delivery of all technical services to Xcel Energy. They partner with vendors to ensure the delivery of benchmarking, continuous improvement, and leadership around strategic initiatives and key developments in the marketplace.

Method of Allocation – Business Systems indirect costs will be allocated using any of the allocation ratios or combination of ratios.

*ee) Aviation Services**

Description – Provides aviation and travel services to employees.

Method of Allocation – Aviation Services will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio, and the Total Assets Ratio.

*ff) Fleet**

Description – Oversees the Operating Companies' Fleet Services Group.

Method of Allocation – Fleet will be direct charged.

*Corporate Governance activities within this Service Function will be allocated using the average of the Assets Ratio including Xcel Energy's per book assets, Revenue Ratio with intercompany dividends assigned to Xcel Energy, and Employee Ratio with number of common officers assigned to Xcel Energy.

Allocation Ratios

The following ratios will be utilized as outlined above.

Revenue Ratio – Based on the sum of the monthly revenue amounts for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Revenue Ratio with intercompany dividends assigned to Xcel Energy – Based on the sum of the monthly revenue amounts for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Xcel Energy will be assigned the amount of intercompany dividends. This ratio will be determined annually, or at such time as may be required due to significant changes.

Employee Ratio – Based on the number of employees at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Employee Ratio with number of common officers assigned to Xcel Energy – Based on the number of employees at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Xcel Energy will be assigned the number of common officers. This ratio will be determined annually, or at such time as may be required due to significant changes.

Total Assets Ratio – Based on the total assets as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Square Footage Ratio – Based on the total square footage as of December 31 for the prior year.

The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable

Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Invoice Transaction Ratio – Based on the sum of the monthly number of invoice transactions processed for the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually or at such time as may be required due to significant changes.

Customer Bills Ratio – Based on the average of the monthly total number of customer bills issued during the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

MWh Generation Ratio – Based on the sum of the monthly electric MWh generated by type of generator during the prior year ending December 31. The numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Total MWh Sales Ratio – Based on the sum of the monthly electric MWh hours sold during the prior year ending December 31. The numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This includes sales to ultimate customers, wholesale customers, and non-requirement sales for resale. This ratio will be determined annually, or at such time as may be required due to significant changes.

Customers Ratio – Based on the average of the monthly total electric customers (and/or gas customers, or residential, business and large commercial and industrial customers where applicable) for the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Labor Dollars Ratio – Based on the XES department (performing center) labor dollars charged to Operating companies and other affiliates for the month. The numerator of which is the labor dollars charged to an Operating Company or affiliate company and the denominator of which is

for all Operating Companies and affiliate companies charged by the department for the month.

Delivery Services Gross Plant Ratio – Based on transmission and distribution gross plant for the Delivery Business unit, both electric and gas or as may be applicable one or a combination of Electric Transmission, Electric Distribution, Gas Transmission and Gas Distribution functional areas for the prior year ending December 31. The numerator of which is an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Meters Ratio – Based on the number of meters at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Customer Contacts Ratio – Based on the total annual number of customer contacts at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Accounts Payable Transactions Ratio – Based on the total annual number of accounts payable transactions by system application at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Inventory Transactions Ratio – Based on the total annual number of inventory transactions by system application at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Work Management Transactions Ratio – Based on the total annual number of work management transactions by system application at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the

denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Purchasing Transactions Ratio – Based on the total annual number of purchasing transactions by system application at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Total Plant Ratio – Based on total property, plant and equipment or applicable combination of Total Electric Production Plant, Total Electric Transmission Plant, Total Electric Distribution Plant, Total Gas Transmission Plant, Total Gas Distribution Plant, and Intangible Plant as may be applicable at the end of the prior year ending December 31. The numerator of which is an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Total Phones Ratio – Based on the number of phones at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually or at such a time as may be required due to significant changes.

Total Radios Ratio – Based on the number of radios at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Total Computers Ratio – Based on the number of computers at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Total Software Applications Users Ratio – Based on the number of users of a specific software application at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all

applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Joint Operating Agreement Peak Hour Megawatt Load Ratio – Based on that certain Joint Operating Agreement among Northern States Power Company, a Minnesota corporation, Northern States Power Company, a Wisconsin corporation, Public Service Company of Colorado, Southwestern Public Service Company, and Xcel Energy Services, as agent, dated as of October 1, 2004, as may be amended from time to time, that designates costs to be allocated based on peak hour of megawatt load for previous year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Joint Operating Agreement Labor Hours Ratio – Based on that certain Joint Operating Agreement among Northern States Power Company, a Minnesota corporation, Northern States Power Company, a Wisconsin corporation, Public Service Company of Colorado, Southwestern Public Service Company, and Xcel Energy Services, as agent, dated as of October 1, 2004, as may be amended from time to time, that designates costs to be allocated based on labor hours at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

SERVICE AGREEMENT

This Service Agreement is made and entered into effective the 12th day of May, 2014, by and between Xcel Energy Southwest Transmission Company, LLC ("Client Company") and Xcel Energy Services Inc. ("Service Company").

WITNESSETH

WHEREAS, Service Company is a subsidiary of Xcel Energy Inc. ("Xcel Energy"), a public utility holding company under the Public Utility Holding Company Act of 2005 ("PUHCA 2005"), that has been formed to provide support services for Xcel Energy and its associate companies in a manner consistent with applicable regulatory requirements; and

WHEREAS, Client Company is a public utility indirect subsidiary of Xcel Energy and an associate company of Service Company; and

WHEREAS, Service Company and Client Company have entered into this Service Agreement whereby Service Company agrees to provide and Client Company agrees to accept and pay for various services as provided on a cost basis, that requires the Service Company to fairly and equitably allocate costs among all associate companies to which it renders services, including the Client company.

NOW THEREFORE, in consideration of the premises and the mutual agreements herein contained, the parties to this Service Agreement covenant and agree as follows:

ARTICLE I - SERVICES

Section 1.1 Service Company shall furnish to Client Company, as requested by Client Company, upon the terms and conditions hereinafter set forth, such of the services described in Appendix A hereto, at such times, for such periods and in such manner as Client Company may from time to time request and that Service Company concludes it is able to perform. Service Company shall also provide Client Company with such special services, in addition to those services described in Appendix A hereto, as may be requested by Client Company and that Service Company concludes it is able to perform. In supplying such services, Service Company may arrange, where it deems appropriate, for the services of such experts, consultants, advisers, and other persons with necessary qualifications as are required for or pertinent to the provision of such services.

Section 1.2 Client Company shall take from Service Company such of the services described in Section 1.1, and such additional general or special services, whether or not now contemplated, as are requested from time to time by Client Company and that Service Company concludes it is able to perform.

Section 1.3 The services described herein or contemplated to be performed hereunder shall be directly assigned or allocated by activity, project, program, work order or other appropriate basis. Client Company shall have the right from time to time to amend, alter or rescind any activity, project, program or work order provided that (i) any such amendment or alteration that results in a material change in the scope of the services to be performed or equipment to be provided is agreed to by Service Company, (ii) the cost for the services covered by the activity, project, program or work order shall include any expense incurred by Service Company as a direct result of such amendment, alteration or rescission of the activity, project, program or work order, and (iii) no amendment, alteration or rescission of an activity, project, program or work order shall release Client Company from liability for all costs already incurred by or contracted for by Service Company pursuant to the activity, project, program or work order, regardless of whether the services associated with such costs have been completed.

Section 1.4 Service Company shall use its best efforts to maintain a staff trained and experienced in the design, construction, operation, maintenance, management and general administration of public utility properties.

ARTICLE II - COMPENSATION

Section 2.1 As compensation for the services to be rendered hereunder, Client Company shall pay to Service Company all costs which reasonably can be identified and related to particular services performed by Service Company for or on its behalf. The methods for assigning or allocating Service Company costs to Client Company, as well as to other associate companies, are set forth in Appendix A.

Section 2.2 Service Company shall periodically review the methods of assignment or allocation of costs described in Appendix A. Such methods of assignment or allocation of costs may be modified or changed by Service Company and Service Company shall advise Client Company from time to time of such changes. Changes will be subject to state regulatory jurisdiction and Federal Energy Regulatory Commission ("FERC") jurisdiction.

Section 2.3 No change in the organization of Service Company, the type and character of the companies to be serviced, the methods of assigning or allocating costs to associate companies, or in the scope or character of the services to be rendered shall be made unless such change is consistent with any applicable regulatory requirements.

Section 2.4 Service Company charges are billed electronically monthly to Client Company. The electronic details reflect the billing information necessary to identify the costs charged for that month. By the twenty-third (23rd) day of the following month the Client Company shall remit to Service Company all charges billed to it the previous month.

Section 2.5 In the event of a dispute between the Client Company and an Service Company regarding a billing methodology and/or amount, representatives from the parties involved along with Service Company Accounting will meet to discuss the issues. If a resolution cannot be reached, the issue will be referred to each party's executive management for final resolution.

Section 2.6 It is the intent of this Service Agreement that the payment for services rendered by Service Company to Client Company under this Service Agreement shall cover all the costs of its doing business (less the costs of services provided to affiliated companies not a party to this Service Agreement and to other non-affiliated companies, and credits for any miscellaneous items), including, but not limited to, salaries and wages, office supplies and expenses, outside services employed, contract labor, property insurance, injuries and damages, employee pensions and benefits, miscellaneous general expenses, rents, maintenance of structures and equipment, depreciation and amortization, and compensation for use of capital.

ARTICLE III - TERM

Section 3.1 This Service Agreement shall become effective upon its execution and shall continue in full force and effect until terminated by Service Company or Client Company, upon not less than one year's prior written notice to the other party. This Service Agreement shall also be subject to termination or modification at any time, without notice, if and to the extent performance under this Service Agreement may conflict with any regulatory requirement of the FERC or state commission applicable to either Service Company or Client Company adopted before or after the effective date of this Service Agreement.

ARTICLE IV - LIMITATION OF LIABILITY AND INDEMNIFICATION

Section 4.1 In performing the services hereunder, Service Company will exercise due care to assure that the services are performed in an appropriate manner, meet the standards and specifications set forth in any applicable request for service and comply with the applicable standards of law and regulation. However, failure to meet these obligations shall in no event subject Service Company to any claims by or liabilities to Client Company other than to reperform the services and be reimbursed at cost for such reperformance. Service Company makes no other warranty with respect to its performance of the services, and Client Company agrees to accept such services without further warranty of any nature.

Section 4.2 To the fullest extent allowed by law, Client Company shall and does hereby indemnify and agree to save harmless and defend Service Company, its agents and employees from liabilities, taxes, losses, obligations, claims, damages, penalties, causes of action, suits, costs and expenses or judgments of any nature, on account of, or resulting from the performance and prosecution of any services performed on behalf of Client Company pursuant to this Agreement, whether or not the same results or allegedly results from the claimed or actual negligence or breach of warranty of, or willful conduct by, Service Company or any of its

employees, agents, clients, or contractors or its or their subcontractors or any combination thereof.

ARTICLE V - MISCELLANEOUS

Section 5.1 All accounts and records of Service Company shall be kept in accordance with either the Regulations under the PUCHA 2005 or the Uniform System of Accounts Prescribed for Public Utilities and Licensees subject to the Provisions of the Federal Power Act promulgated by the FERC, as each is in effect from and after the date hereof.

Section 5.2 New direct or indirect subsidiaries of Xcel Energy, which may come into existence after the effective date of this Service Agreement, may become additional client companies of Service Company and subject to a service agreement with Service Company, or an existing client company may wish to obtain additional services from Service Company. Likewise, an existing direct or indirect subsidiary of Xcel Energy may cease to be a client company or cease to take individual services from Service Company. In either event, the parties hereto shall make such changes in the scope and character of the services to be rendered and the method of assigning or allocating costs of such services as specified in Appendix A, subject to the requirements of Section 2.3, as may become necessary to achieve a fair and equitable assignment or allocation of Service Company costs among all associate companies.

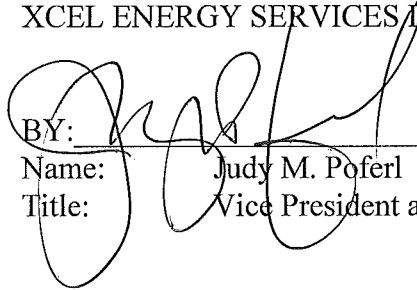
Section 5.3 In the event a Client Company changes the scope of services that it takes from Service Company (pursuant to Section 1.3) or terminates this Service Agreement (pursuant to Section 2.1), the Service Company may bill such Client Company a charge that reflects a proportionate share of any significant residual fixed costs (i.e., incurred costs or commitments to incur costs) that were incurred or committed to incur in contemplation of providing such Client Company service prior to the notice of termination. Examples of fixed costs include, but are not limited to, costs to upgrade computer hardware and software systems to meet Client Company's specifications.

Section 5.4 Service Company shall permit Client Company access to its accounts and records, including the basis and computation of allocations.


Section 5.5 This Service Agreement is the original service agreement for this Client Company.

IN WITNESS WHEREOF, the parties hereto have caused this Service Agreement to be executed, effective as of the date and year first above written.

XCEL ENERGY SERVICES INC.

BY: 
Name: Judy M. Pofel
Title: Vice President and Secretary

XCEL ENERGY SOUTHWEST TRANSMISSION COMPANY, LLC

BY: 
Name: Benjamin G. S. Fowke III
Title: Chairman, President and CEO

Appendix A

DESCRIPTION OF SERVICES TO BE PROVIDED BY XCEL ENERGY SERVICES INC. AND DETERMINATION OF CHARGES FOR SUCH SERVICES TO THE OPERATING COMPANIES AND OTHER AFFILIATES

Version 6/11/2014

Description of Services Provided

A description of the services provided by Xcel Energy Services Inc. ("Service Company") is detailed below. Identifiable costs will be directly assigned to the Operating Companies and other affiliates. For costs that are for services of a general nature and cannot be directly assigned, the method of allocation is described below for each service provided.

*a) Executive Management Services**

Description – Represents charges for Xcel Energy Inc. ("Xcel Energy") executive management and services, including, but not limited to, officers of Xcel Energy.

Method of Allocation – Executive Management indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*b) Investor Relations**

Description – Provides communications to investors and the financial community. Coordinates the transfer agent and shareholder record keeping functions and plans the annual shareholder meeting.

Method of Allocation – Investor Relations indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*c) Internal Audit**

Description – Reviews internal controls and procedures to ensure assets are safeguarded and transactions are properly authorized and recorded. Evaluates contract risks.

Method of Allocation – Internal Audit indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*d) Legal**

Description – Provides legal services related to labor and employment law, litigation, contracts, rates and regulation, environmental matters, real estate and other legal matters.

Method of Allocation – Legal indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*e) Claims Services**

Description – Provides claims services related to casualty, public and company claims.

Method of Allocation – Claims Services costs will be direct charged, and administrative support functions that cannot be direct charged will be allocated using the Labor Dollars Ratio.

*f) Corporate Communications**

Description – Provides corporate communications, speech writing and coordinates media services. Provides advertising and branding development for the companies within the Xcel Energy system. Manages and tracks all contributions made on behalf of the Xcel Energy system.

Method of Allocation – Corporate Communications indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*g) Employee Communications**

Description – Develops and distributes communications to employees.

Method of Allocation – Employee Communications indirect costs will be allocated based on the Employee Ratio.

*h) Corporate Strategy & Business Development**

Description – Facilitates development of corporate strategy and prepares strategic plans, monitors corporate performance and evaluates business opportunities. Develops and facilitates process improvements.

Method of Allocation – Corporate Strategy & Business Development indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*i) Government Affairs**

Description – Monitors, reviews and researches government legislation.

Method of Allocation – Government Affairs indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*j) Facilities & Real Estate**

Description – Operates and maintains office buildings and service centers. Procures real estate and administers real estate leases. Administers contracts to provide security, housekeeping and maintenance services for such facilities. Procures office furniture and equipment.

Method of Allocation – Facilities & Real Estate indirect costs will be allocated to the Operating Companies based on the Employee Ratio.

*k) Facilities Administrative Services**

Description – Includes but is not limited to the functions of Mail Delivery, Duplicating and Records Management.

Method of Allocation – Facilities Administrative Services indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio

*l) Supply Chain**

Description – Includes contract negotiations, development and management of supplier relationships and acquisition of goods and services. Also includes inventory planning and forecasting, ordering, accounting and database management. Warehousing services includes receiving, storing, issuing, shipping, returns, and distribution of material and parts.

Method of Allocation – Supply Chain will be direct charged, and administrative support functions that cannot be direct charged will be allocated using the Labor Dollars Ratio.

*m) Supply Chain Special Programs**

Description – Develops and implements special programs utilized across the company such as procurement cards, travel services, and compliance with corporate MWBE (minority women business expenditures) program goals.

Method of Allocation – Supply Chain Special Programs indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*n) Human Resources**

Description – Establishes and administers policies related to employment, compensation and benefits. Maintains HR computer system, the tuition reimbursement plan, and diversity program. Coordinates the bargaining strategy and labor agreements with union employees. Provides technical and professional development training and general HR support services.

Method of Allocation – Human Resources indirect costs will be allocated based on the Employee Ratio.

*o) Finance & Treasury**

Description – Coordinates activities related to securities issuance, including maintaining relationships with financial institutions, cash management, investing activities and monitoring the capital markets. Performs financial and economic analysis.

Method of Allocation – Finance & Treasury indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio, Joint Operating Agreement Peak Hour Megawatt Load Ratio, or Joint Operating Agreement Labor Hours Ratio.

p) Accounting, Financial Reporting & Taxes

Description – Maintains the books and records. Prepares financial and statistical reports, tax filings and ensures compliance with the applicable laws and regulations. Maintains the accounting systems. Coordinates the budgeting process.

Method of Allocation – Accounting, Financial Reporting & Taxes indirect costs will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio, Joint Operating Agreement Peak Hour Megawatt Load Ratio, or Joint Operating Agreement Labor Hours Ratio.

*q) Payment & Reporting**

Description – Processes payments to vendors and prepares statistical reports.

Method of Allocation – Payment & Reporting indirect costs will be allocated to the Operating Companies based on the Invoice Transaction Ratio.

*r) Receipts Processing**

Description – Processes payments received from customers of the Operating Companies and affiliates.

Method of Allocation – Receipts Processing indirect costs will be allocated based on the Customer Bills Ratio.

*s) Payroll**

Description – Processes payroll including but not limited to time reporting, calculation of salaries and wages, payroll tax reporting and compliance reports.

Method of Allocation – Payroll indirect costs will be allocated based on the Employee Ratio.

*t) Rates & Regulation**

Description – Determines the Operating Companies' regulatory strategy, revenue requirements and rates for electric and gas customers. Coordinates the regulatory compliance requirements and maintains relationships with the regulatory bodies.

Method of Allocation – Rates & Regulation indirect costs will be allocated to the Operating Companies based on the Revenue Ratio or the Labor Dollars Ratio.

*u) Energy Supply Engineering and Environmental**

Description – Provides engineering services to the generation business. Establishes policies and procedures for compliance with environmental laws and regulations. Researches emerging environmental issues and monitors compliance with environmental requirements. Oversees environmental cleanup projects.

Method of Allocation – Energy Supply Engineering and Environmental services will be direct charged, and administrative support functions that cannot be direct charged will be allocated using the Total Plant ratios based on the services being provided.

*v) Energy Supply Business Resources**

Description – Provides performance, specialists and analytical services to the Operating Companies' generation facilities.

Method of Allocation – Energy Supply Business Resources indirect costs will be allocated using the MWh Generation Ratio or for administrative support functions that cannot be assigned using the MWh Generations and shall be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio and the Total Assets Ratio.

*w) Energy Markets Regulated Trading & Marketing**

Description – Provides electric trading services to the Operating Companies' electric generation systems including load management, system optimization and resource acquisition.

Method of Allocation – Energy Markets Regulated Trading & Marketing indirect costs will be allocated to the Operating Companies based on the Total MWh Sales Ratio, or Joint Operating Agreement Peak Hour Megawatt Load Ratio, or Joint Operating Agreement Labor Hours Ratio as may be applicable.

*x) Energy Markets – Fuel Procurement**

Description – Purchases fuel for Operating Companies electric generation systems (excluding nuclear).

Method of Allocation – Energy Markets Fuel Procurement indirect costs will be allocated based on the MWh Generation Ratio.

y) Energy Delivery Marketing

Description – Develops new business opportunities and markets the products and services for the Delivery Business Unit.

Method of Allocation – Energy Delivery Marketing will be direct charged.

z) Energy Delivery Construction, Operations & Maintenance (COM)

Description – Constructs, maintains and operates electric and gas delivery systems.

Method of Allocation – Energy Delivery COM indirect costs will be allocated based on the Delivery Services Gross Plant Ratio.

*aa) Energy Delivery Engineering/Design**

Description – Provides engineering and design services in support of capacity planning, construction, operations and material standards.

Method of Allocation – Energy Delivery Engineering/Design services will be direct charged; administrative support functions that cannot be direct charged will be allocated based on the Delivery Services Gross Plant ratios based on the services being provided.

*bb) Marketing & Sales**

Description – Provides marketing and sales services for the Operating Companies and affiliates for their electric and natural gas customers including

strategic planning, segment identification, business analysis, sales planning and customer service.

Method of Allocation – Marketing & Sales indirect costs will be allocated based on the Revenue Ratio.

*cc) Customer Service**

Description – Provides service activities to retail and wholesale customers. These services include meter reading, customer billing, call center and credit and collections.

Method of Allocation – Customer Service indirect costs will be allocated based on the Customers Ratio.

*dd) Business Systems**

Description – Provides basic information technology services such as: application management, voice and data network operations and management, customer support services, problem management services, security administration and systems management. In addition, Business Systems acts as a single point of contact for delivery of all technical services to Xcel Energy. They partner with vendors to ensure the delivery of benchmarking, continuous improvement, and leadership around strategic initiatives and key developments in the marketplace.

Method of Allocation – Business Systems indirect costs will be allocated using any of the allocation ratios or combination of ratios.

*ee) Aviation Services**

Description – Provides aviation and travel services to employees.

Method of Allocation – Aviation Services will be allocated based on a three-factor formula that is comprised of the average of the Revenue Ratio, the Employee Ratio, and the Total Assets Ratio.

*ff) Fleet**

Description – Oversees the Operating Companies' Fleet Services Group.

Method of Allocation – Fleet will be direct charged.

*Corporate Governance activities within this Service Function will be allocated using the average of the Assets Ratio including Xcel Energy's per book assets, Revenue Ratio with intercompany dividends assigned to Xcel Energy, and Employee Ratio with number of common officers assigned to Xcel Energy.

Allocation Ratios

The following ratios will be utilized as outlined above.

Revenue Ratio – Based on the sum of the monthly revenue amounts for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Revenue Ratio with intercompany dividends assigned to Xcel Energy – Based on the sum of the monthly revenue amounts for the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Xcel Energy will be assigned the amount of intercompany dividends. This ratio will be determined annually, or at such time as may be required due to significant changes.

Employee Ratio – Based on the number of employees at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Employee Ratio with number of common officers assigned to Xcel Energy – Based on the number of employees at the end of the prior year ending December 31, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. Xcel Energy will be assigned the number of common officers. This ratio will be determined annually, or at such time as may be required due to significant changes.

Total Assets Ratio – Based on the total assets as of December 31 for the prior year, the numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Square Footage Ratio – Based on the total square footage as of December 31 for the prior year.

The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable

Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Invoice Transaction Ratio – Based on the sum of the monthly number of invoice transactions processed for the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually or at such time as may be required due to significant changes.

Customer Bills Ratio – Based on the average of the monthly total number of customer bills issued during the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

MWh Generation Ratio – Based on the sum of the monthly electric MWh generated by type of generator during the prior year ending December 31. The numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Total MWh Sales Ratio – Based on the sum of the monthly electric MWh hours sold during the prior year ending December 31. The numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This includes sales to ultimate customers, wholesale customers, and non-requirement sales for resale. This ratio will be determined annually, or at such time as may be required due to significant changes.

Customers Ratio – Based on the average of the monthly total electric customers (and/or gas customers, or residential, business and large commercial and industrial customers where applicable) for the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Labor Dollars Ratio – Based on the XES department (performing center) labor dollars charged to Operating companies and other affiliates for the month. The numerator of which is the labor dollars charged to an Operating Company or affiliate company and the denominator of which is

for all Operating Companies and affiliate companies charged by the department for the month.

Delivery Services Gross Plant Ratio – Based on transmission and distribution gross plant for the Delivery Business unit, both electric and gas or as may be applicable one or a combination of Electric Transmission, Electric Distribution, Gas Transmission and Gas Distribution functional areas for the prior year ending December 31. The numerator of which is an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Meters Ratio – Based on the number of meters at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Customer Contacts Ratio – Based on the total annual number of customer contacts at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Accounts Payable Transactions Ratio – Based on the total annual number of accounts payable transactions by system application at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Inventory Transactions Ratio – Based on the total annual number of inventory transactions by system application at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Work Management Transactions Ratio – Based on the total annual number of work management transactions by system application at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the

denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Purchasing Transactions Ratio – Based on the total annual number of purchasing transactions by system application at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Total Plant Ratio – Based on total property, plant and equipment or applicable combination of Total Electric Production Plant, Total Electric Transmission Plant, Total Electric Distribution Plant, Total Gas Transmission Plant, Total Gas Distribution Plant, and Intangible Plant as may be applicable at the end of the prior year ending December 31. The numerator of which is an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Total Phones Ratio – Based on the number of phones at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually or at such a time as may be required due to significant changes.

Total Radios Ratio – Based on the number of radios at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Total Computers Ratio – Based on the number of computers at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Total Software Applications Users Ratio – Based on the number of users of a specific software application at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all

applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such a time as may be required due to significant changes.

Joint Operating Agreement Peak Hour Megawatt Load Ratio – Based on that certain Joint Operating Agreement among Northern States Power Company, a Minnesota corporation, Northern States Power Company, a Wisconsin corporation, Public Service Company of Colorado, Southwestern Public Service Company, and Xcel Energy Services, as agent, dated as of October 1, 2004, as may be amended from time to time, that designates costs to be allocated based on peak hour of megawatt load for previous year ending December 31. The numerator of which is for an applicable Operating Company or affiliate company and the denominator of which is for all applicable Operating Companies and affiliate companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

Joint Operating Agreement Labor Hours Ratio – Based on that certain Joint Operating Agreement among Northern States Power Company, a Minnesota corporation, Northern States Power Company, a Wisconsin corporation, Public Service Company of Colorado, Southwestern Public Service Company, and Xcel Energy Services, as agent, dated as of October 1, 2004, as may be amended from time to time, that designates costs to be allocated based on labor hours at the end of the prior year ending December 31. The numerator of which is for an applicable Operating Company and the denominator of which is for all applicable Operating Companies. This ratio will be determined annually, or at such time as may be required due to significant changes.

CERTIFICATE OF SERVICE

I, Theresa Sarafolean, hereby certify that I have this day served a summary 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 3rd day of September 2014

/s/

Theresa Sarafolean

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St Duluth, MN 558022191	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
James J.	Bertrand	james.bertrand@leonard.com	Leonard Street & Deinard	150 South Fifth Street, Suite 2300 Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Michael	Bradley	mike.bradley@lawmoss.com	Moss & Barnett	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
Burl W.	Haar	burl.haar@state.mn.us	Public Utilities Commission	Suite 350 121 7th Place East St. Paul, MN 551012147	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Michael	Hoppe	il23@mtn.org	Local Union 23, I.B.E.W.	932 Payne Avenue St. Paul, MN 55130	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
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	N/A	Local Union #160, IBEW	2909 Anthony Ln Minneapolis, MN 55418-3238	Paper Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W Farmington, MN 55024	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
John	Lindell	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Pam	Marshall	pam@energycents.org	Energy CENTS Coalition	823 7th St E St. Paul, MN 55106	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
SaGonna	Thompson	Regulatory.Records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Lisa	Veith	lisa.veith@ci.stpaul.mn.us	City of St. Paul	400 City Hall and Courthouse 15 West Kellogg Blvd. St. Paul, MN 55102	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric