



414 Nicollet Mall
Minneapolis, Minnesota 55401

February 26, 2015

--Via Electronic Filing--

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

RE: REPLY COMMENTS
INTERRUPTIBLE SERVICE TARIFF MODIFICATIONS
DOCKET NO. G002/M-14-540

Dear Mr. Wolf:

Northern States Power Company, doing business as Xcel Energy, submits this Reply to the January 27, 2015 Comments of the Minnesota Department of Commerce – Division of Energy Resources in the above-referenced docket.

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list.

Please contact me at paul.lehman@xcelenergy.com 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

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

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

IN THE MATTER OF THE PETITION OF
NORTHERN STATES POWER COMPANY
FOR APPROVAL OF MODIFICATIONS TO
THE INTERRUPTIBLE SERVICE TARIFFS

DOCKET NO. G002/M-14-540

REPLY COMMENTS

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Reply to the January 27, 2015 Comments of the Minnesota Department of Commerce – Division of Energy Resources on our November 17, 2014 Compliance Filing in the above-referenced Docket.

We appreciate the Department’s recommendation that the Commission accept our Compliance Filing, with modifications. However, we have concerns regarding a proposed modification recommended by the Department and propose an alternative. We provide our Reply to the Department’s recommendation below.

REPLY

A. Disconnection Procedures

The Department recommended that we propose tariff language regarding our curtailment process that is based on internal written procedures but expressed in layman’s terms. In compliance with the Department’s recommendation, we have used their proposed language, with some edits, which are explained below. We have also highlighted the edits in the redline version of tariff sheets included as Attachment A.

Our edits to the tariff language include further clarifications of the curtailment and disconnection situations the changes address. The first situation is when we have reached a “curtailment situation.” As has been discussed, our capacity contracts and

distribution system are sized to serve only firm customers. When we approach these limits, we have reached a curtailment situation and our interruptible customers are notified to curtail their usage.

The second situation occurs when not enough interruptible customers have curtailed their usage in response to the curtailment notification. Our system can support some non-curtailling interruptible customers for a time, but eventually the system can reach a point where we are in danger of losing service to firm customers.¹ When the system reaches this “system critical condition” (referred to as MissionMode in our November 17, 2014 compliance filing), we will implement our procedure to disconnect non-curtailling interruptible customers.

B. Curtailment Notification Procedures and Timing

The Department also recommended that the tariff language include the procedures and timing used to notify customers of the need to temporarily discontinue taking service.

We propose to include the following language on the affected sheets:

Curtailment notifications will be made to customer-provided notification devices (phone, email, text message, fax, pager) a minimum of one hour prior to the curtailment start. Notifications identifying the end of the curtailment period will be made to interruptible gas customers in the same manner.

C. Transfer Customer from Interruptible to Firm Service Procedures

In addition, the Department requested that we add language to our tariff that states:

More than one instance of failure to curtail within one year will result in a transfer of the customer from its current interruptible rate class to a firm rate class.

While the Company appreciates the intent of this proposed modification, we are concerned with the timing of this modification. While we expect a high level of tariff compliance from our customers, particularly following the implementation of the higher failure to interrupt charges, we have not had an opportunity to fully assess the impacts on customers and our system health or educate our customers regarding this proposed process change. To permit a complete evaluation of this modification and customer education regarding this proposal, the Company recommends an alternative.

¹ How long this will take and what volume this happens at are variable and driven by the weather, firm customer usage, and interruptible unauthorized usage.

We propose that the Company be directed to make a filing later this year that addresses a procedure to move customers from interruptible to firm service. Before making this filing we want to thoroughly explore what the change will mean to our system and customers, including, but not limited to:

- what are the appropriate triggers to begin the process to move a customer;
- what are the steps to monitor, trigger, and perform a move;
- how long does it take to move a customer (system load issues);
- how long will a customer have to stay on firm service (tariffs currently state that a Commercial Demand Billed customer must give a 12-month notice before changing rates, but there is no change notice requirement for Commercial Firm customers); and
- how do possible timing issues in moving a customer to firm service affect when a customer can request to be moved back to interruptible service.

We will also address other additional procedure changes in the interruptible and curtailment tariffs if any are identified.

Interruptible customers provide benefits to the system as a whole. We agree with the Department that they should not be allowed to violate our tariffs without penalty or to essentially get firm service without paying for it. We believe the \$5.00 per therm penalty charge has already had a positive effect on customer behavior and, we are also committed to improving customer responsiveness through the alternative outlined above. We are ready to explore other penalties, but will be cognizant that the penalties are balanced with keeping a healthy natural gas system.

D. Tariff Sheets

Below is an updated list of the tariff sheets we are proposing to change.

Minnesota Gas Rate Book – MPUC No. 2:

Sheet No. 5-4, revision 8	Sheet No. 5-29, revision 3
Sheet No. 5-6.1, revision 7	Sheet No. 6-24, revision 4
Sheet No. 5-10, revision 8	Sheet No. 6-26, revision 2
Sheet No. 5-23, revision 1	Sheet No. 6-27, original

Redlined and clean versions of the proposed tariff sheets have been provided as Attachment A.

CONCLUSION

We appreciate the Department's review of our Compliance Filing. We respectfully request that the Commission approve our Compliance Filing, as modified by this Reply.

Dated: February 26, 2015

Northern States Power Company

Redline

MINNESOTA GAS RATE BOOK - MPUC NO. 2

COMMERCIAL DEMAND BILLED SERVICE (Continued)
RATE CODES: SMALL 119, LARGE 103

Section No. 5
~~7th~~^{8th} Revised Sheet No. 4

SUPERCOMPRESSIBILITY ADJUSTMENT

For customers served at 25 PSIG or greater, an adjustment factor or correction device shall be used to correct gas consumption measurements for supercompressibility.

DETERMINATION OF MONTHLY BILLING DEMAND

The demand in Therms for billing purposes for the month in which bill is rendered shall be the greater of:

1. The highest daily consumption recorded during the billing month; or
2. The firm contract quantity specified in the service agreement between Company and customer; or
3. The highest daily consumption previously recorded at customer's meter location.

A customer who installs equipment which would verifiably reduce customer's firm demand under this service schedule may request a restated firm contract quantity by providing such verification to Company and entering into new service agreement with Company.

Where customer has alternate fuel capability for load in excess of contract demand, additional volumes will be provided on an interruptible basis at rates equal to the applicable rates for equivalent interruptible service.

Curtailment notifications will be made to customer provided notification devices (phone, email, text message, fax, pager) a minimum of one hour prior to the curtailment start. Notifications identifying the end of the curtailment period will be made to interruptible gas customers in the same manner.

RESOURCE ADJUSTMENT

All customer bills under this rate are subject to the adjustment provided for in the Conservation Improvement Program Adjustment Rider, the State Energy Policy Rate Rider and the Gas Utility Infrastructure Cost Rider.

SURCHARGE

In certain communities, customer bills under this rate are subject to surcharges provided for in a Surcharge Rider. See additional information on the Surcharge Rider in Section 5.

LOW INCOME ENERGY DISCOUNT RIDER

All customer bills under this rate are subject to the adjustment provided for in the Low Income Energy Discount Rider. For information on the Low Income Energy Discount Rider, see separate sheets in this section.

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

LATE PAYMENT CHARGE

Any unpaid balance over \$10.00 is subject to a 1.5% late payment charge or \$1.00, whichever is greater, after the date due. The charge may be assessed as provided for in Section 6 of the General Rules and Regulations.

(Continued on Sheet No. 5-4.1)

Date Filed: ~~08-01-14~~¹¹⁻¹⁷⁻¹⁴ By: Christopher B. Clark Effective Date: ~~02-01-15~~
President, Northern States Power Company, a Minnesota corporation
Docket No. G002/M-14-~~336~~⁵⁴⁰ Order Date: ~~01-27-15~~

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

LARGE FIRM TRANSPORTATION SERVICE (Continued)
RATE CODE 104

Section No. 5
~~6th~~^{7th} Revised Sheet No. 6.1

DETERMINATION OF MONTHLY BILLING DEMAND

The demand in Therms for billing purposes for the month in which bill is rendered shall be the greater of:

1. The highest daily consumption recorded during the billing month; or
2. The firm contract quantity specified in the service agreement between Company and customer;
or
3. The highest daily consumption previously recorded at customer's meter location.

A customer who installs equipment which would verifiably reduce customer's firm demand under this service schedule may request a restated firm contract quantity by providing such verification to Company and entering into new service agreement with Company. Where customer has alternate fuel capability for load in excess of contract demand, additional volumes will be provided on an interruptible basis at rates equal to the applicable rates for equivalent interruptible service.

Curtailment notifications will be made to customer provided notification devices (phone, email, text message, fax, pager) a minimum of one hour prior to the curtailment start. Notifications identifying the end of the curtailment period will be made to interruptible gas customers in the same manner.

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SURCHARGE

In certain communities, customer bills under this rate are subject to surcharges provided for in a Surcharge Rider. See additional information on the Surcharge Rider in this section.

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

LATE PAYMENT CHARGE

Any unpaid balance over \$10.00 is subject to a 1.5% late payment charge or \$1.00, whichever is greater, after the date due. The charge may be assessed as provided for in Section 6 of the General Rules and Regulations.

(Continued on Sheet No. 5-6.2)

Date Filed: ~~08-01-14~~¹¹⁻¹⁷⁻¹⁴ By: Christopher B. Clark Effective Date: ~~02-01-15~~
President, Northern States Power Company, a Minnesota corporation
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MINNESOTA GAS RATE BOOK - MPUC NO. 2

INTERRUPTIBLE SERVICE

Section No. 5

RATE CODES: SMALL 105 & 111, MEDIUM 106, LARGE 120

~~7th~~^{8th} Revised Sheet No. 10

AVAILABILITY

This rate is available to any interruptible commercial or industrial customer. Customer's rate will be based on peak day demand: Small – less than 2,000 Therms; Medium – more than 2,000 and less than 50,000 Therms; Large – more than 50,000 Therms. Customer agrees:

1. To curtail use within one hour after Company notification,
2. To provide and maintain suitable and adequate alternate fuel capable standby facilities, and
3. To have access to sufficient standby alternate fuel for periods of curtailment of the delivery of gas sold hereunder.

If a portion of a customer's gas usage is for processing or manufacturing, and curtailment would not be in violation of applicable codes, then requirements (2) and (3) above shall not apply to that portion. If customer agrees to confine the use of natural gas for specified end uses under this rate to the months of April through October in any calendar year, requirements (2) and (3) above shall not apply. However, any use under this rate is still curtailable at Company option.

Curtailment notifications will be made to customer provided notification devices (phone, email, text message, fax, pager) a minimum of one hour prior to the curtailment start. Notifications identifying the end of the curtailment period will be made to interruptible gas customers in the same manner.

CHARACTER OF SERVICE

Delivery of gas hereunder shall be subject to curtailment whenever requested by Company. Service shall be provided through a Company owned and maintained meter with telemetering or other automated meter reading capabilities installed. Customer shall provide, install, and maintain a weatherproof phone service and electrical service outlet with appropriate grounding for telemetering equipment.

If the Customer fails to provide phone and/or electrical service that meets Company requirements, then the Company may take one of the following actions and charge the Customer for the costs:

1. Equip customer with cellular meter reading technology, if service is available, for an initial cost of \$1,800 and a monthly cost of \$10.00 for cellular service and maintenance.
2. Equip customer with a recording instrument for an initial cost of \$2,100 and a monthly cost of \$52.44 for reading the recording instrument manually each month by the Company via laptop computer.
3. A Small Interruptible customer that meets size requirements may be moved to service on Commercial Firm Service (does not require telemetering).

(Continued on Sheet No. 5-11)

Date Filed: ~~11-12-09~~¹¹⁻¹⁷⁻¹⁴ By: ~~Judy M. Pifer~~^{Christopher B. Clark} Effective Date: ~~05-01-11~~
President ~~and CEO~~ of Northern States Power Company, a Minnesota corporation
Docket No. G002/~~GR-09-1153~~^{M-14-540} Order Date: ~~12-06-10~~

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

**NEGOTIATED TRANSPORTATION SERVICE
RATE CODE 114**

Section No. 5
Original1st Revised Sheet No. 23

AVAILABILITY

Any commercial / industrial customer able to demonstrate that physical bypass of the Company's distribution system is economically feasible and practical shall be eligible.

Curtailment notifications will be made to customer provided notification devices (phone, email, text message, fax, pager) a minimum of one hour prior to the curtailment start. Notifications identifying the end of the curtailment period will be made to interruptible gas customers in the same manner.

SPECIAL TERMS AND CONDITIONS

1. Customer must provide Company with information documenting the availability of bypass and customer's intent to physically bypass the Company's facilities absent service hereunder.
2. Customer shall enter into a contract with the Company specifying the nature of the service to be supplied, the rates to be paid, and such other Terms and Conditions of Service as are mutually agreeable but not contrary to any of the specific Terms and Conditions set forth on this tariff.
3. The contract term under this service classification shall be no less than one year. During the contract term, the agreed upon distribution and customer charges must be within the Rate ranges stated above. Unless otherwise agreed, upon expiration of term, the Agreement continues in force until terminated by at least 180 days written notice by either party.
4. The rates set forth herein apply only to the transportation of gas by Company. In addition, if Company agrees, customer may purchase gas from the Company during any month at the Company's monthly gas demand (if applicable) cost and commodity rate filed with the Department of Public Service under the Purchased Gas Adjustment. The applicable charge shall be based on the customer's class under which customer would take service as a sales customer of the Company.

CHARACTER OF SERVICE

Service shall be provided through a Company owned meter with telemetering or other automated meter reading capabilities installed. Company will install and maintain the telemetering facilities. Customer shall provide, install, and maintain a weatherproof phone service and electrical service outlet with appropriate grounding for telemetering equipment.

DETERMINATION OF CUSTOMER BILLS

Customer bills under this rate are based on the distribution cost that varies with customer usage determined in Terms, in addition to a monthly minimum charge equal to the monthly customer charge. Details regarding these specific charges are listed below.

MONTHLY MINIMUM CHARGE

The minimum monthly charge is the customer charge. If mutually agreed, the customer may be subject to a minimum annual commodity quantity at the agreed to distribution rate in lieu of a fixed monthly or annual distribution charge.

(Continued on Sheet No. 5-24)

Date Filed: 11-12-0911-17-14 By: Judy M. PoferChristopher B. Clark Effective Date: 05-01-11
President, ~~and CEO~~ of Northern States Power Company, a Minnesota corporation
Docket No. G002/GR-09-1153M-14-540 Order Date: 12-06-10

MINNESOTA GAS RATE BOOK - MPUC NO. 2

**SMALL VOLUME FLEX INTERRUPTIBLE TRANSPORTATION
OF CUSTOMER OWNED GAS (CLOSED)
RATE CODE 157**

Section No. 5
~~2nd~~3rd Revised Sheet No. 29

AVAILABILITY

This rate schedule is available to commercial and industrial customers located in the service areas served by Northern Natural Gas Company.

These service areas are located in Northern Natural Gas Company's Rate Zone 2.

This rate is available on an interruptible basis to any commercial or industrial customer who has made arrangements to have gas or other than normal company pipeline contract supply delivered to a Company city gate station whose daily requirements exceed 50 Mcf per day. Availability of service under this schedule is further limited to those customers that use, for reasons of price from a supplier not regulated by the Commission, an alternate fuel supply other than indigenous biomass energy supplies excluding customers of district heating facilities.

Customers whose only alternative source of energy is gas from a supplier not regulated by the Commission and who must use Company's system to transport the gas cannot take service under flexible tariffs. However, customers who have or can reasonably acquire the capability to bypass Company's system are eligible to take service under flexible tariffs.

Curtailment notifications will be made to customer provided notification devices (phone, email, text message, fax, pager) a minimum of one hour prior to the curtailment start. Notifications identifying the end of the curtailment period will be made to interruptible gas customers in the same manner.

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CHARACTER OF SERVICE

Customer agrees:

1. To curtail use of gas, whenever requested, upon two hours notice by the Company or supplier;
2. To provide and maintain suitable and adequate standby facilities; and
3. To have available at all times sufficient standby fuel to maintain continuous plant operations during periods of curtailment in the delivery of gas sold hereunder.
4. Any customer receiving service under this schedule must accept all gas service according to the terms and conditions contained herein or under the small volume flex interruptible gas service schedule, for an initial period of not less than one year and monthly thereafter.
5. If a customer chooses to change to a nonflexible tariff after the initial year, they must give thirty days written notice prior to that change.

Customer owned gas will be transported on a best efforts basis and delivery of the gas hereunder shall be subject to curtailment whenever requested by Company or supplier, such requests to be made as far in advance as possible. The delivery of customer owned gas is contingent on adequate distribution system capacity.

(Continued on Sheet No. 5-30)

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President, ~~and CEO of~~ Northern States Power Company, a Minnesota corporation
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MINNESOTA GAS RATE BOOK - MPUC NO. 2

GENERAL RULES AND REGULATIONS (Continued)

Section No. 6

~~3rd~~^{4th} Revised Sheet No. 24

SECTION 6 CURTAILMENT OR INTERRUPTION OF SERVICE

6.1 REFUSAL OR DISCONTINUANCE OF SERVICE

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

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

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

6.2 CURTAILMENT OF COMPANY'S RETAIL SUPPLY

The Company may curtail the supply of gas under its retail rate schedule in accordance with the provisions of this section. Curtailment notifications will be made to customer provided notification devices (phone, email, text message, fax, pager) a minimum of one hour prior to the curtailment start. Notifications identifying the end of the curtailment period will be made to interruptible gas customers in the same manner. If a firm customer fails to curtail his use of gas when requested to do so by the Company, customer shall pay to the Company, in addition to the regular rate applicable to the class of service rendered, the amount which equals any payment the Company is required to make to its suppliers, transporters, or for peak shaving costs as a result of such failure to curtail. If an interruptible customer fails to curtail customers use of gas when requested to do so by the Company, customer shall pay to the Company, in addition to the regular rate applicable to the class of service rendered, the amount specified in the "Additional Charge for Use of Gas During Curtailment" provision of the applicable rate schedule. The payment of a penalty shall not, under any circumstances, be considered as giving the customer the right to take unauthorized gas. Nor shall such payment be considered to exclude or limit any other remedies available to the Company, including, but not limited to, shutting off the customer's supply of gas in the event of customer's failure to curtail customer use thereof when requested by the Company to do so.

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

(Continued on Sheet No. 6-25)

Date Filed: ~~06-27-14~~¹¹⁻¹⁷⁻¹⁴ By: ~~David M. Sparby~~^{Christopher B. Clark} Effective Date: ~~11-01-14~~
President, ~~and CEO of~~ Northern States Power Company, a Minnesota corporation
Docket No. G002/M-14-540 Order Date: ~~10-17-14~~

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

GENERAL RULES AND REGULATIONS (Continued)

Section No. 6

~~1st~~^{2nd} Revised Sheet No. 26

6.2 CURTAILMENT OF COMPANY'S RETAIL SUPPLY (Continued)

Schedule of Priority of Service Categories (Continued)

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

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(Continued on Sheet No. 6-27)

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Docket No.	G002/ GR-09-1153M-14-540	President, and CEO of Northern States Power Company, a Minnesota corporation	Order Date:	12-06-10

MINNESOTA GAS RATE BOOK - MPUC NO. 2

GENERAL RULES AND REGULATIONS (Continued)

Section No. 6
 Original Sheet No. 27

6.2 CURTAILMENT OF COMPANY'S RETAIL SUPPLY (Continued)

Policies and Procedures - Disconnection of Service for Unauthorized Gas Consumption Contact Customers of Curtailment

Once the Company's delivery system has reached a **critical condition curtailment situation** requiring customers with interruptible service ~~or~~ (see Rate Codes (see table below)) to curtail, interrupt, or otherwise restrict (partially or totally) use of gas, the Company will notify customer. **Curtailment notifications will be made to customer provided notification devices (phone, email, text message, fax, pager) a minimum of one hour prior to the curtailment start. Notifications identifying the end of the curtailment situation period will be made to interruptible gas customers in the same manner.**

Customer Class	Rate Code
Commercial Demand Billed	
Small	119
Large	103
Interruptible	
Small	105 & 111
Medium	106
Large	120
Large Firm	104
Interruptible Transportation	
Small	123
Medium	107
Large	124
Negotiated Transportation	114
Small Volume Flex Interruptible Transportation of Customer Owned Gas (Closed)	157

Policies and Procedures – Disconnection of Service for Unauthorized Gas Consumption

When the Company enters a system critical condition, the Company will begin the procedure to temporarily disconnect customers who have not curtailed their usage in response to the original curtailment notification.

Once the **system critical condition** period begins, the Company will query customers' meter data to identify any customers failing to curtail, interrupt, or otherwise restrict usage. Should current meter data be unavailable, crews will be dispatched to check meters in order of highest to lowest estimated usage.

Company's Customer Account Representatives shall call customers initially failing to curtail to ensure customer is aware that a curtailment has been implemented and that continued use will result in customer's meter being locked. If unauthorized use continues, crews will be dispatched (if not already on site) to **disconnect service by locking** the meter.

Once system curtailment is released, crews will be dispatched to **reconnect service by unlocking** meters.

More than one instance of failure to curtail within one year will result in a transfer of the customer from its current interruptible rate class to a firm rate class.

Date Filed: 11-17-14

By: Christopher B. Clark

Effective Date:

President, Northern States Power Company, a Minnesota corporation

Docket No. G002/M-14-540

Order Date:

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

COMMERCIAL DEMAND BILLED SERVICE (Continued)
RATE CODES: SMALL 119, LARGE 103

Section No. 5
8th Revised Sheet No. 4

SUPERCOMPRESSIBILITY ADJUSTMENT

For customers served at 25 PSIG or greater, an adjustment factor or correction device shall be used to correct gas consumption measurements for supercompressibility.

DETERMINATION OF MONTHLY BILLING DEMAND

The demand in Therms for billing purposes for the month in which bill is rendered shall be the greater of:

1. The highest daily consumption recorded during the billing month; or
2. The firm contract quantity specified in the service agreement between Company and customer; or
3. The highest daily consumption previously recorded at customer's meter location.

A customer who installs equipment which would verifiably reduce customer's firm demand under this service schedule may request a restated firm contract quantity by providing such verification to Company and entering into new service agreement with Company.

Where customer has alternate fuel capability for load in excess of contract demand, additional volumes will be provided on an interruptible basis at rates equal to the applicable rates for equivalent interruptible service.

Curtailment notifications will be made to customer provided notification devices (phone, email, text message, fax, pager) a minimum of one hour prior to the curtailment start. Notifications identifying the end of the curtailment period will be made to interruptible gas customers in the same manner.

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RESOURCE ADJUSTMENT

All customer bills under this rate are subject to the adjustment provided for in the Conservation Improvement Program Adjustment Rider, the State Energy Policy Rate Rider and the Gas Utility Infrastructure Cost Rider.

SURCHARGE

In certain communities, customer bills under this rate are subject to surcharges provided for in a Surcharge Rider. See additional information on the Surcharge Rider in Section 5.

LOW INCOME ENERGY DISCOUNT RIDER

All customer bills under this rate are subject to the adjustment provided for in the Low Income Energy Discount Rider. For information on the Low Income Energy Discount Rider, see separate sheets in this section.

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

LATE PAYMENT CHARGE

Any unpaid balance over \$10.00 is subject to a 1.5% late payment charge or \$1.00, whichever is greater, after the date due. The charge may be assessed as provided for in Section 6 of the General Rules and Regulations.

(Continued on Sheet No. 5-4.1)

Date Filed: 11-17-14

By: Christopher B. Clark

Effective Date:

President, Northern States Power Company, a Minnesota corporation

Docket No. G002/M-14-540

Order Date:

MINNESOTA GAS RATE BOOK - MPUC NO. 2

LARGE FIRM TRANSPORTATION SERVICE (Continued)
RATE CODE 104

Section No. 5
7th Revised Sheet No. 6.1

DETERMINATION OF MONTHLY BILLING DEMAND

The demand in Therms for billing purposes for the month in which bill is rendered shall be the greater of:

1. The highest daily consumption recorded during the billing month; or
2. The firm contract quantity specified in the service agreement between Company and customer;
or
3. The highest daily consumption previously recorded at customer's meter location.

A customer who installs equipment which would verifiably reduce customer's firm demand under this service schedule may request a restated firm contract quantity by providing such verification to Company and entering into new service agreement with Company. Where customer has alternate fuel capability for load in excess of contract demand, additional volumes will be provided on an interruptible basis at rates equal to the applicable rates for equivalent interruptible service.

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

LATE PAYMENT CHARGE

Any unpaid balance over \$10.00 is subject to a 1.5% late payment charge or \$1.00, whichever is greater, after the date due. The charge may be assessed as provided for in Section 6 of the General Rules and Regulations.

(Continued on Sheet No. 5-6.2)

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

INTERRUPTIBLE SERVICE
RATE CODES: SMALL 105 & 111, MEDIUM 106, LARGE 120

Section No. 5
8th Revised Sheet No. 10

AVAILABILITY

This rate is available to any interruptible commercial or industrial customer. Customer's rate will be based on peak day demand: Small – less than 2,000 Therms; Medium – more than 2,000 and less than 50,000 Therms; Large – more than 50,000 Therms. Customer agrees:

1. To curtail use within one hour after Company notification,
2. To provide and maintain suitable and adequate alternate fuel capable standby facilities, and
3. To have access to sufficient standby alternate fuel for periods of curtailment of the delivery of gas sold hereunder.

If a portion of a customer's gas usage is for processing or manufacturing, and curtailment would not be in violation of applicable codes, then requirements (2) and (3) above shall not apply to that portion. If customer agrees to confine the use of natural gas for specified end uses under this rate to the months of April through October in any calendar year, requirements (2) and (3) above shall not apply. However, any use under this rate is still curtailable at Company option.

Curtailment notifications will be made to customer provided notification devices (phone, email, text message, fax, pager) a minimum of one hour prior to the curtailment start. Notifications identifying the end of the curtailment period will be made to interruptible gas customers in the same manner.

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CHARACTER OF SERVICE

Delivery of gas hereunder shall be subject to curtailment whenever requested by Company. Service shall be provided through a Company owned and maintained meter with telemetering or other automated meter reading capabilities installed. Customer shall provide, install, and maintain a weatherproof phone service and electrical service outlet with appropriate grounding for telemetering equipment.

If the Customer fails to provide phone and/or electrical service that meets Company requirements, then the Company may take one of the following actions and charge the Customer for the costs:

1. Equip customer with cellular meter reading technology, if service is available, for an initial cost of \$1,800 and a monthly cost of \$10.00 for cellular service and maintenance.
2. Equip customer with a recording instrument for an initial cost of \$2,100 and a monthly cost of \$52.44 for reading the recording instrument manually each month by the Company via laptop computer.
3. A Small Interruptible customer that meets size requirements may be moved to service on Commercial Firm Service (does not require telemetering).

(Continued on Sheet No. 5-11)

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**NEGOTIATED TRANSPORTATION SERVICE
RATE CODE 114**

Section No. 5
1st Revised Sheet No. 23

AVAILABILITY

Any commercial / industrial customer able to demonstrate that physical bypass of the Company's distribution system is economically feasible and practical shall be eligible.

Curtailment notifications will be made to customer provided notification devices (phone, email, text message, fax, pager) a minimum of one hour prior to the curtailment start. Notifications identifying the end of the curtailment period will be made to interruptible gas customers in the same manner.

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SPECIAL TERMS AND CONDITIONS

1. Customer must provide Company with information documenting the availability of bypass and customer's intent to physically bypass the Company's facilities absent service hereunder.
2. Customer shall enter into a contract with the Company specifying the nature of the service to be supplied, the rates to be paid, and such other Terms and Conditions of Service as are mutually agreeable but not contrary to any of the specific Terms and Conditions set forth on this tariff.
3. The contract term under this service classification shall be no less than one year. During the contract term, the agreed upon distribution and customer charges must be within the Rate ranges stated above. Unless otherwise agreed, upon expiration of term, the Agreement continues in force until terminated by at least 180 days written notice by either party.
4. The rates set forth herein apply only to the transportation of gas by Company. In addition, if Company agrees, customer may purchase gas from the Company during any month at the Company's monthly gas demand (if applicable) cost and commodity rate filed with the Department of Public Service under the Purchased Gas Adjustment. The applicable charge shall be based on the customer's class under which customer would take service as a sales customer of the Company.

CHARACTER OF SERVICE

Service shall be provided through a Company owned meter with telemetering or other automated meter reading capabilities installed. Company will install and maintain the telemetering facilities. Customer shall provide, install, and maintain a weatherproof phone service and electrical service outlet with appropriate grounding for telemetering equipment.

DETERMINATION OF CUSTOMER BILLS

Customer bills under this rate are based on the distribution cost that varies with customer usage determined in Therms, in addition to a monthly minimum charge equal to the monthly customer charge. Details regarding these specific charges are listed below.

MONTHLY MINIMUM CHARGE

The minimum monthly charge is the customer charge. If mutually agreed, the customer may be subject to a minimum annual commodity quantity at the agreed to distribution rate in lieu of a fixed monthly or annual distribution charge.

(Continued on Sheet No. 5-24)

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

**SMALL VOLUME FLEX INTERRUPTIBLE TRANSPORTATION
OF CUSTOMER OWNED GAS (CLOSED)
RATE CODE 157**

Section No. 5
3rd Revised Sheet No. 29

AVAILABILITY

This rate schedule is available to commercial and industrial customers located in the service areas served by Northern Natural Gas Company.

These service areas are located in Northern Natural Gas Company's Rate Zone 2.

This rate is available on an interruptible basis to any commercial or industrial customer who has made arrangements to have gas or other than normal company pipeline contract supply delivered to a Company city gate station whose daily requirements exceed 50 Mcf per day. Availability of service under this schedule is further limited to those customers that use, for reasons of price from a supplier not regulated by the Commission, an alternate fuel supply other than indigenous biomass energy supplies excluding customers of district heating facilities.

Customers whose only alternative source of energy is gas from a supplier not regulated by the Commission and who must use Company's system to transport the gas cannot take service under flexible tariffs. However, customers who have or can reasonably acquire the capability to bypass Company's system are eligible to take service under flexible tariffs.

Curtailment notifications will be made to customer provided notification devices (phone, email, text message, fax, pager) a minimum of one hour prior to the curtailment start. Notifications identifying the end of the curtailment period will be made to interruptible gas customers in the same manner.

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CHARACTER OF SERVICE

Customer agrees:

1. To curtail use of gas, whenever requested, upon two hours notice by the Company or supplier;
2. To provide and maintain suitable and adequate standby facilities; and
3. To have available at all times sufficient standby fuel to maintain continuous plant operations during periods of curtailment in the delivery of gas sold hereunder.
4. Any customer receiving service under this schedule must accept all gas service according to the terms and conditions contained herein or under the small volume flex interruptible gas service schedule, for an initial period of not less than one year and monthly thereafter.
5. If a customer chooses to change to a nonflexible tariff after the initial year, they must give thirty days written notice prior to that change.

Customer owned gas will be transported on a best efforts basis and delivery of the gas hereunder shall be subject to curtailment whenever requested by Company or supplier, such requests to be made as far in advance as possible. The delivery of customer owned gas is contingent on adequate distribution system capacity.

(Continued on Sheet No. 5-30)

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

GENERAL RULES AND REGULATIONS (Continued)

Section No. 6
4th Revised Sheet No. 24

SECTION 6 CURTAILMENT OR INTERRUPTION OF SERVICE

6.1 REFUSAL OR DISCONTINUANCE OF SERVICE

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

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

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

6.2 CURTAILMENT OF COMPANY'S RETAIL SUPPLY

The Company may curtail the supply of gas under its retail rate schedule in accordance with the provisions of this section. Curtailment notifications will be made to customer provided notification devices (phone, email, text message, fax, pager) a minimum of one hour prior to the curtailment start. Notifications identifying the end of the curtailment period will be made to interruptible gas customers in the same manner. If a firm customer fails to curtail his use of gas when requested to do so by the Company, customer shall pay to the Company, in addition to the regular rate applicable to the class of service rendered, the amount which equals any payment the Company is required to make to its suppliers, transporters, or for peak shaving costs as a result of such failure to curtail. If an interruptible customer fails to curtail customers use of gas when requested to do so by the Company, customer shall pay to the Company, in addition to the regular rate applicable to the class of service rendered, the amount specified in the "Additional Charge for Use of Gas During Curtailment" provision of the applicable rate schedule. The payment of a penalty shall not, under any circumstances, be considered as giving the customer the right to take unauthorized gas. Nor shall such payment be considered to exclude or limit any other remedies available to the Company, including, but not limited to, shutting off the customer's supply of gas in the event of customer's failure to curtail customer use thereof when requested by the Company to do so.

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

(Continued on Sheet No. 6-25)

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

GENERAL RULES AND REGULATIONS (Continued)

Section No. 6
2nd Revised Sheet No. 26

6.2 CURTAILMENT OF COMPANY'S RETAIL SUPPLY (Continued)

Schedule of Priority of Service Categories (Continued)

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

(Continued on Sheet No. 6-27)

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MINNESOTA GAS RATE BOOK - MPUC NO. 2

GENERAL RULES AND REGULATIONS (Continued)

Section No. 6
Original Sheet No. 27

6.2 CURTAILMENT OF COMPANY'S RETAIL SUPPLY (Continued)

Policies and Procedures-Contact Customers of Curtailment

Once the Company's delivery system has reached a curtailment situation requiring customers with interruptible service (see Rate Code table below) to curtail, interrupt, or otherwise restrict (partially or totally) use of gas, the Company will notify customer. Curtailment notifications will be made to customer provided notification devices (phone, email, text message, fax, pager) a minimum of one hour prior to the curtailment start. Notifications identifying the end of the curtailment situation period will be made to interruptible gas customers in the same manner.

<u>Customer Class</u>	<u>Rate Code</u>
Commercial Demand Billed	
Small	119
Large	103
Interruptible	
Small	105 & 111
Medium	106
Large	120
Large Firm	104
Interruptible Transportation	
Small	123
Medium	107
Large	124
Negotiated Transportation	114
Small Volume Flex Interruptible Transportation of Customer Owned Gas (Closed)	157

Policies and Procedures – Disconnection of Service for Unauthorized Gas Consumption

When the Company enters a system critical condition, the Company will begin the procedure to temporarily disconnect customers who have not curtailed their usage in response to the original curtailment notification. Once the system critical condition period begins, the Company will query customers' meter data to identify any customers failing to curtail, interrupt, or otherwise restrict usage. Should current meter data be unavailable, crews will be dispatched to check meters in order of highest to lowest estimated usage.

Company's Customer Account Representatives shall call customers initially failing to curtail to ensure customer is aware that a curtailment has been implemented and that continued use will result in customer's meter being locked. If unauthorized use continues, crews will be dispatched (if not already on site) to disconnect service by locking the meter.

Once system curtailment is released, crews will be dispatched to reconnect service by unlocking meters.

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CERTIFICATE OF SERVICE

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

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

xx electronic filing

DOCKET No. G002/M-14-540

Dated this 26th day of February 2015

/s/

Tiffany Hughes
Records Analyst

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