



May 12, 2016

—Via Electronic Filing—

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

RE: PETITION

REQUESTING APPROVAL OF A REVISION TO THE COMPETITIVE RESPONSE RIDER TARIFF AND A REVISED SERVICE AGREEMENT WITH GERDAU

DOCKET NOS. E002/M-12-163 AND E002/M-16-\_\_\_\_

Dear Mr. Wolf:

Enclosed for filing is the Petition of Northern States Power Company, doing business as Xcel Energy, requesting approval of a revision to the Company's Competitive Response Rider Tariff and a Revised Competitive Response Rider Agreement with Gerdau Ameristeel US, Inc.

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 Amber Hedlund at <a href="mailto:amber.r.hedlund@xcelenergy.com">amber.r.hedlund@xcelenergy.com</a> or (612) 337-2268 or me at <a href="mailto:amy.a.liberkowski@xcelenergy.com">amy.a.liberkowski@xcelenergy.com</a> or (612) 330-6613 if you have any questions regarding this filing.

Sincerely,

/s/

Amy A. Liberkowski Manager, Regulatory Analysis

Enclosures c: Service Lists

# STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger Chair
Nancy Lange Commissioner
Dan Lipschultz Commissioner
Matthew Schuerger Commissioner
John Tuma Commissioner

IN THE MATTER OF THE PETITION OF
NORTHERN STATES POWER COMPANY
FOR APPROVAL OF A REVISED
COMPETITIVE MARKET RIDER TARIFF
AND COMPETITIVE MARKET RIDER
AGREEMENT WITH GERDAU

IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY FOR APPROVAL OF A REVISED COMPETITIVE RESPONSE RIDER TARIFF AND REVISED COMPETITIVE RESPONSE RIDER AGREEMENT WITH GERDAU DOCKET NO. E002/M-16-\_\_\_

**PETITION** 

#### INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this request for approval of a revised Competitive Response Rider (CRR) Agreement with Gerdau Ameristeel US Inc. The current service agreement with Gerdau was approved by the Commission in 2012 in Docket No. E002/M-12-163, under the then-existing Competitive Market Rider (CMR). In our 2012 rate case (Docket No. E002/GR-12-961) the Commission approved the Company's request to merge two tariffs – the CMR and the Competitive Service Rider – into one tariff called the Competitive Response Rider (CRR), which now governs the service agreement with Gerdau. In this filing, the Company is seeking approval of limited revisions to the service agreement with Gerdau and one change to the CRR tariff to accommodate these contract revisions.

The purpose of the original agreement with Gerdau was to facilitate Gerdau's substantial investment in its St. Paul, Minnesota steel recycling facility. Under the

pricing structure in the original agreement, Gerdau was able to make the planned investment in its St. Paul plant. However, since making these investments, market conditions facing Gerdau have been such that production levels, and thus energy usage, have not resulted in the level of discount anticipated under the terms of the original agreement. As a result, Gerdau and the Company have negotiated limited revisions to the service agreement, specifically, a one-year extension of the contract term, and changes to the usage level to which the CRR discount is applied. The revised agreement does not change the anticipated total discount amount, but rather modifies the structure of application of the discount to allow Gerdau the opportunity to achieve the discount level initially anticipated. The revised agreement also includes provisions specifically capping the total discount amount to the amount expected when the Commission first approved the Gerdau agreement in 2012.

We believe Commission approval of the revised agreement is in the public interest because (1) Gerdau has fulfilled its investment commitments under the original agreement, and (2) the revised discount structure can help ensure Gerdau remains viable in the current market. In addition, because the revised agreement includes a limit on the total discount amount, capping it at the level anticipated under the original agreement, and the original analysis which led the Commission to approve the agreement has not materially changed, we believe the revised agreement remains in the best interests of our customers.

To accommodate the revised contract term, we are also requesting Commission approval to change the contract term limit in the CRR from five years to seven years. While Gerdau is the only customer currently taking service under the CRR, this change would provide contract term flexibility for any other similarly situated customers who opt to take service under the CRR rider.

For the reasons described in this filing, we request Commission approval of the revised CRR discount for Gerdau, the revised CRR service agreement between the Company and Gerdau, and the associated CRR tariff revision necessary to accommodate these changes.

### I. SUMMARY OF FILING

A one-paragraph summary of the filing accompanies this Petition pursuant to Minnesota Rule 7829.1300, subp. 1.

### II. SERVICE ON OTHER PARTIES

A copy of this filing has been served on all parties on the service list for Docket No. E002/M-12-163 and our miscellaneous electric service list. Pursuant to Minn. Rule 7829.1300, subp. 2, the Company has served a copy of this filing on the Office of the Attorney General – Antitrust and Utilities Division. A summary of the filing has been served on all parties on the enclosed miscellaneous electric service list.

### III. GENERAL FILING INFORMATION

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

## A. Name, Address, and Telephone Number of Utility

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

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

Mara K. Ascheman Senior Attorney Xcel Energy 414 Nicollet Mall, 401 – 8<sup>th</sup> Floor Minneapolis, Minnesota 55401 (612) 215-4605 mara.k.ascheman@xcelenergy.com

# C. Date of Filing and Date Modified Rates Take Effect

The date of this filing is May 12, 2016. The Company requests an effective date for the revised discount of January 1, 2016, or in the alternative, April 29, 2016 (the date of execution of the agreement). We propose to apply the revised discount to Gerdau's usage retroactively as of the effective date that the Commission approves; however, we will not apply the revised discount to any usage until receiving a Commission order approving a revised discount.

## D. Statute Controlling Schedule for Processing the Filing

By this Petition, the Company seeks a modification of the rates, term, and conditions of its CMR Tariff. Pursuant to Minn. Stat. § 216B.162, subd. 3, the Commission may change a competitive rate schedule through a miscellaneous or general rate filing by the utility.

Under the Commission's rules, the proposed tariff change discussed in this Petition falls within the definition of a miscellaneous filing under Minn. R. 7829.0100, subp. 11, since no determination of Xcel Energy's general revenue requirement is necessary. Minn. R. 7829.1400, subps. 1 and 4, permits comments in response to a miscellaneous filing within 30 days of filing, with reply comments 10 days from the expiration of the original comment period.

The Company also seeks Commission approval of the enclosed CRR Agreement to apply a discount to two of Gerdau's accounts with the Company. Review of the CRR Agreement is governed by Minn. Stat. § 216B.162, subd. 7 pursuant to which the Commission is to approve, modify, or reject the proposed discount within 90 days.

# E. Utility Employee Responsible for Filing

Amy A. Liberkowski Manager, Regulatory Analysis Xcel Energy 414 Nicollet Mall, 401 – 7<sup>th</sup> Floor Minneapolis, Minnesota 55401 (612) 330-6128 amy.a.liberkowski@xcelenergy.com

### IV. MISCELLANEOUS INFORMATION

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

Mara K. Ascheman
Senior Attorney
Xcel Energy
414 Nicollet Mall, 401 – 8<sup>th</sup> Floor
Minneapolis, Minnesota 55401
mara.k.ascheman@xcelenergy.com

SaGonna Thompson Records Analyst Xcel Energy 414 Nicollet Mall, 401 – 7<sup>th</sup> Floor Minneapolis, Minnesota 55401 regulatory.records@xcelenergy.com

Please submit any information requests in this proceeding to Ms. Thompson.

### V. DESCRIPTION AND PURPOSE OF FILING

### A. Background

Gerdau is an international manufacturing company that recycles scrap steel into new products. Gerdau operates 17 steel mills in the United States and southern Canada. One of the products Gerdau manufactures is what is known as a special bar quality (SBQ) product, which is a type of steel that is used to make critical machinery parts such as crankshafts. The Company entered into the original Competitive Market Rider Agreement with Gerdau to facilitate Gerdau's investment in new steel casting facilities necessary to make SBQ products and be able to compete with its competitors on product quality.

The CMR (now the CRR) is intended to address competitive market conditions faced by some of our largest customers. Gerdau's St. Paul plant is one of our largest customers in terms of volume of sales and annual revenues. At the time the current service agreement with Gerdau was approved, Gerdau was considering an approximate [TRADE SECRET BEGINS TRADE SECRET ENDS] investment to replace certain steel recycling facilities at the plant. These replacement facilities would significantly improve the manufacturing efficiency of the plant and improve the quality and potentially the quantity of Gerdau's recycled steel products. Making this investment would help ensure the plant's long-term economic viability and the security of the over 300 jobs at the St. Paul plant.

Because electricity accounts for a large percent of the cost of production for Gerdau's products at the St. Paul plant, the cost of electric service was a significant driver in Gerdau's decision whether to make its investment in the St. Paul Plant or to invest in one of its other plants. As such, Gerdau and the Company negotiated the original agreement to provide electric service at a discount, which allowed Gerdau to make the planned investment in the St. Paul plant. In 2013, Gerdau completed replacement of the steel casting facilities at its St. Paul plant at a cost of approximately [TRADE SECRET BEGINS TRADE SECRET ENDS].

In our petition in Docket No. E002/M-12-163, we provided extensive information on the competitive market conditions faced by Gerdau, a description of the replacement facilities contemplated, and analysis supporting approval of the discount. The Minnesota Department of Commerce provided its analysis of that information in its

Comments dated March 21, 2012, and this analysis was incorporated into the Commission's Order approving the original discount and CMR Agreement. Nothing has materially changed that analysis related to Gerdau's eligibility for service under the CMR (now the CRR).

What has changed is there has been a significant downturn in the steel industry, and Gerdau has had to operate at much lower levels than anticipated, which has also placed a heavy burden on the St. Paul plant to stay in operation during this period. Production levels at the St. Paul plant, and thus energy usage, have not resulted in the level of discount anticipated under the terms of the original agreement. Given these current market conditions, Gerdau approached the Company to request consideration of changes to the original agreement. The Company carefully considered Gerdau's request, and the parties negotiated the revised agreement. The revised agreement recognizes that Gerdau has fulfilled its investment commitments under the original agreement and provides Gerdau the opportunity to achieve the level discount initially anticipated. Gerdau's hope is that the revised discount structure will enable it to weather the current market situation and ultimately allow Gerdau to take advantage of the substantial investment it has made in its St. Paul plant.

The revised agreement, and the associated change to the CRR tariff necessary to accommodate the revised contract term, are subject to Commission approval. We provide a discussion of the proposed changes in the following sections.

# B. Proposed Revised CRR Discount and Agreement

# 1. Original CMR Discount

Following is a description of the original CMR discount approved by the Commission in Docket No. E002/M-12-163. In response to Gerdau's competitive situation, the Company and Gerdau initially agreed on a two-tiered discount over a five-year period that began on January 1, 2013. The first tier of the discount would be a **TRADE** TRADE SECRET ENDS per MWh discount on the first SECRET BEGINS **TRADE SECRET BEGINS** TRADE SECRET ENDS MWh of annual usage. The second tier of the discount would be a [TRADE SECRET BEGINS TRADE SECRET ENDS] per MWh discount on annual usage over [TRADE **SECRET BEGINS TRADE SECRET ENDS**] MWh. After the replacement caster facilities, Gerdau anticipated its annual electric use would be approximately [TRADE SECRET BEGINS TRADE SECRET ENDS MWh. The discount amounts estimated at the time the original CMR Agreement was

approved are shown in the table below. This table is identical to the table presented on page 6 of the Company's Petition in Docket No. E002/M-12-163.

## **[TRADE SECRET BEGINS**

## TRADE SECRET ENDS

The analysis of the revenues after applying the proposed CMR discount, provided in Attachment F of the original CMR Agreement, showed that the Company would recover the incremental cost of providing service to the St. Paul plant, and that the discount did not exceed the difference between the Company's standard tariff rate and the cost to Gerdau of the lowest cost competitive energy supply. Nothing in this analysis has materially changed, and the proposed revised discount discussed below remains consistent with this analysis.

# 2. Proposed Revised CRR Discount

Following is a description of the revised CRR discount we are requesting approval of in this petition. First, where the original discount was applied on a two-tiered basis, the Company and Gerdau have agreed on a flat discount on all usage as of the effective date of the revised agreement. Second, the revised agreement extends the contract term for one year, but caps the total discount at the amount estimated in the original petition. The flat discount would be **[TRADE SECRET BEGINS TRADE SECRET ENDS]** per MWh. The actual discount amounts to date under the current CMR Agreement and the estimated discount amounts based on Gerdau's revised usage estimates going forward are shown in the table below.

## **TRADE SECRET BEGINS**

## TRADE SECRET ENDS]

## 3. Proposed Revised CRR Agreement

The First Revised and Restated Competitive Response Rider Agreement implements the proposed CRR discount as discussed above. We request Commission approval of the revised discount with an effective date of January 1, 2016. We have been actively working with Gerdau to revise the rate since late 2015 and hope to be able to have approval based on that timing. In the alternative, we request an approval date of April 29, 2016, the date of execution of the filing.

A copy of the revised CRR Agreement is provided as Attachment A. A version of the revised CRR Agreement showing in redline format all changes compared to the original CMR Agreement is provided as Attachment B. The substantive changes to the agreement are discussed below.

- *Title.* The agreement has been renamed to reflect that this is a revised and restated version of the original agreement and to indicate the agreement is under the currently effective Competitive Response Rider. References to the CMR have been changed to the CRR as appropriate throughout the agreement.
- Revitals. The recitals on pages 1 and 2 have been updated to reflect the passage of time since the original agreement was executed, and to reflect the current situation and conditions under which the revised agreement has been negotiated.

- Section 1 Definitions. Definitions have been revised to be consistent with the amended discount structure (the flat discount) rather than the two-tiered original discount.
- Section 2 Amended Competitive Response Rider Discount. This section includes changes to reflect the amended, flat discount and specifically includes the cap on the total discount amount.
- Section 3 Term and Effect on Original Agreement. This section provides that this revised and restated agreement supersedes the original agreement as of the effective date approved by the Commission, and extends the contract term for one year through 2018.
- Section 6 Conservation Plan. This section has been updated to reflect the passage of time since the original agreement was executed, and to reflect that Gerdau has developed and implemented a comprehensive energy conservation program.

We note that there are no changes to Section 7 governing regulatory approval and authority. Consistent with the original agreement, this revised agreement is expressly conditioned upon the subsequent approval by the Commission of this agreement and the revision to the Company's CRR tariff necessary to implement the agreement.

# C. Proposed Competitive Response Rider Modification

The Company seeks Commission approval to revise its current CRR Tariff (Minnesota Rate Book – No. 2, Section No. 5, 4<sup>st</sup> Revised Sheet No. 123) to allow for a contract term up to seven years rather than the five years specified in the current tariff. Redline and clean versions of the proposed modified CRR tariff sheet number 5-123 are provided as Attachment C.

The proposed revision will accommodate the one-year extension of the Gerdau CRR Agreement that we have proposed in this filing. While Gerdau is currently the only customer taking service under the CRR, this revision does not provide preferential treatment to Gerdau. Instead, as this tariff is open to other similarly situated customers, we believe this revision can also provide flexibility to other customers who may opt to take service under this contract in the future.

As discussed further below, with the proposed modification, the CRR tariff remains consistent with Minn. Stat. § 216.162 governing competitive rates for electric utilities.

### D. Standard of Review

Below we discuss that with the proposed modifications, both the CRR discount and agreement with Gerdau, as well as the CRR tariff, remain consistent with Minn. Stat. § 216.162 governing competitive rates for electric utilities.

## Approval of Modifications to CRR Tariff — Minn. Stat. § 216.162, subd. 2

Notwithstanding Minnesota Statutes sections 216B.03, 216B.05, 216B.06, 216B.07, or 216B.16, Minnesota Statutes section 216B.162, subd. 2 provides that the Commission shall approve a competitive rate schedule when:

- 1. The provision of service to a customer or class of customers is subject to effective competition; and
- 2. The schedule applies only to customers requesting electric service with a connected load of at least 2,000 kilowatts.

Our proposed modification to the length of the contract term allowed under the CRR does not alter the tariff requirements governing which customers are eligible to take service under the CRR.

## Terms and Conditions of Service under CRR Tariff — Minn. Stat. § 216.162, subd. 4

Minn. Stat. § 216B.162, subd. 4 provides criteria terms and conditions for service under the CRR Tariff. As described below, the Company's proposed modification to the length of the contract term allowed under the CRR does not conflict with these requirements, and the CRR discount for Gerdau continues to meet the statutory requirements of Minn. Stat. § 216B.162, subd. 4.

1. That the minimum rate for the schedule recover at least the incremental cost of providing the service, including the cost of additional capacity that is to be added while the rate is in effect and any applicable on-peak and off-peak differential.

The proposed revised CRR discount allows the Company to recover the incremental cost of providing electric service to Gerdau. Attachment F to the original CMR Agreement with Gerdau demonstrated that the Company would recover the

incremental cost of providing service to the St. Paul plant. Nothing in this analysis has materially changed.

2. That the maximum possible rate reduction under a competitive rate schedule does not exceed the difference between the electric utility's applicable standard tariff and the cost to the customer of the lowest cost competitive energy supply.

Since the total amount of the CRR discount has not changed since the original filing, the proposed CRR discount does not exceed the difference between the applicable rate that Gerdau currently pays for electric service to the St. Paul plant and the cost of electricity to the *[TRADE SECRET BEGINS TRADE SECRET ENDS]*. Attachment F to the original agreement with Gerdau demonstrated that the discount did not exceed the difference between the Company's standard tariff rate and the cost to Gerdau of the lowest cost competitive energy supply. Nothing in this analysis has materially changed.

3. That the electric utility, within a general rate case, be allowed to seek recovery of the difference between the standard tariff and the competitive rate times the usage level during the test year period.

The Company's current rate case (Docket No. E002/GR-15-868) reflects the current CMR discount for Gerdau. If the Commission approves the proposed revised CRR discount for Gerdau, the Company expects that it will propose an adjustment in its rate case rebuttal testimony to reflect recovery of the revised CRR discount for Gerdau.

4. A determination that a rate within a competitive rate schedule meets the conditions of section 216B.03, for other customers in the same customer class.

The Company believes that its proposed modifications to the CRR tariff are just and reasonable and are not unreasonably preferential, unreasonably prejudicial, or discriminatory. The CRR tariff is available to other large industrial customers in similar circumstances to Gerdau.

5. That the rate does not compete with district heating or cooling provided by a district heating utility as defined by section 216B.166, subdivision 2, paragraph (c).

The proposed modifications to the CRR Tariff and proposed CRR discount for Gerdau do not compete with district heating or cooling.

6. That the rate may not be offered to a customer in which the utility has a financial interest greater than 50 percent.

This requirement is not applicable to the proposed modifications to the CRR Tariff. The Company has no financial interest in Gerdau.

Approval of CRR Discount and CRR Agreement - Minn. Stat. 

§ 216B.162, subd. 7

Minn. Stat. § 216.162, subd. 7(b) provides criteria pursuant to which the Commission may determine if the proposed CRR discount and CRR Agreement are consistent with the public interest. The Company's proposal meets all four of these criteria:

1. That the rate meets the terms and conditions in subdivision 4, unless the Commission determines that waiver of one or more terms and conditions would be in the public interest.

As described above, the Company believes that the proposed CRR discount meets all of the terms and conditions of Minn. Stat. § 216B.162, subd. 4.

2. That the customer can obtain its energy requirements from an energy supplier not rate regulated by the Commission under section 216B.16.

Attachment C to the original CMR Agreement with Gerdau provided an in-depth discussion of the competitive market conditions affecting Gerdau. There have been no material changes to that analysis.

3. That the customer is not likely to take service from the electric utility seeking to offer the competitive rate if the customer was charged the electric utility standard tariffed rate.

Attachment C to the original CMR Agreement with Gerdau provided an in-depth discussion of the competitive market conditions affecting Gerdau. There have been no material changes to that analysis.

4. That after consideration of the environmental and socioeconomic impacts it is in the best interest of all other customers to offer the competitive rate to the customer subject to effective competition.

The Company considered the environmental and socioeconomic impacts of the original CMR discount and demonstrated in our initial petition for approval that it was in the best interest of the all of our customers to offer the discount to Gerdau. There have been no material changes to that analysis.

## E. Tariff Requirements

The CRR Tariff requires a showing of competitive market conditions and requires energy costs to be at least 10 percent of the total production costs. In our initial petition and in Attachments C and D to the original CMR Agreement, we demonstrated that Gerdau meets these conditions. There have been no material changes to that analysis.

### VI. EFFECT OF CHANGE UPON XCEL ENERGY REVENUE

Other than the discounts discussed above there are no other impacts on revenues.

### **CONCLUSION**

Xcel Energy respectfully requests that the Commission approve the revised Competitive Response Rider rate discount offered to Gerdau, and the revised CRR Agreement implementing that discount. The Company also requests Commission approval of a change to the length of the contract term allowed under the CRR tariff to accommodate the revised CRR Agreement between the Company and Gerdau.

Dated: May 12, 2016

Northern States Power Company

# STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger Chair
Nancy Lange Commissioner
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Matthew Schuerger Commissioner
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IN THE MATTER OF THE PETITION OF

NORTHERN STATES POWER COMPANY
FOR APPROVAL OF A REVISED

COMPETITIVE MARKET RIDER TARIFF

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AGREEMENT WITH GERDAU

IN THE MATTER OF THE PETITION OF NORTHERN STATES POWER COMPANY FOR APPROVAL OF A REVISED COMPETITIVE RESPONSE RIDER TARIFF AND REVISED COMPETITIVE RESPONSE RIDER AGREEMENT WITH GERDAU DOCKET NO. E002/M-16-\_\_\_

**PETITION** 

### **SUMMARY OF FILING**

Please take notice that on May 12, 2016, Northern States Power Company filed with the Minnesota Public Utilities Commission a Petition for approval of limited revisions to the Competitive Response Rider service agreement with Gerdau Ameristeel US Inc., and one change to the Competitive Response Rider tariff to accommodate the contract revisions.

Attachment A - Page 1 of 7

# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

# FIRST AMENDED AND RESTATED COMPETITIVE RESPONSE RIDER AGREEMENT

between

NORTHERN STATES POWER COMPANY

and

Gerdau Ameristeel US Inc.
for the application of the
COMPETITIVE MARKET Rider DISCOUNT
to certain

**ELECTRIC SERVICE AGREEMENTS** 

THIS FIRST AMENDED AND RESTATED COMPETITIVE RESPONSE RIDER AGREEMENT ("Agreement"), is entered into as of 4/29/2016 between Northern States Power Company, a Minnesota corporation ("Xcel Energy" or the "Company"), and Gerdau Ameristeel US Inc. ("Gerdau" or "Customer"). Company and Customer may each be referred to as a "Party" and together, the "Parties".

### WITNESSETH:

WHEREAS, Customer owns and operates Steel Recycling Facilities ("St. Paul Plant" or "Gerdau Plant") at 1678 Red Rock Road, St. Paul, Minnesota; and WHEREAS, Company provides electric service to Customer at the St. Paul Plant pursuant to a number of Electric Service Agreements ("ESA"); and

WHEREAS, in 2011-12, Customer made the decision to replace certain Steel Recycling Facilities, referred to as the "Replacement Caster Facilities" at a cost of approximately [BEGIN TRADE SECRET]; and

WHEREAS, Replacement Caster Facilities were expected to significantly improve the efficiency, enhance the quality and potentially increase the quantity of steel recycling at the St. Paul Plant, thereby ensuring the long-term economic viability of the St. Paul Plant and the associated employment; and

WHEREAS, similar steel recycling facilities outside of Minnesota are in direct competition with the St. Paul Plant; and

WHEREAS, at that time, Customer desired adjustments to certain rates it paid for electric service for the St. Paul Plant to ensure the long term economic

Attachment A - Page 2 of 7

# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

viability of the St. Paul Plant and to justify additional investment in Replacement Caster Facilities; and

WHEREAS, at that time, the Company's determined continued provision of electric service to meet the current and expanded energy requirements of the Gerdau Plant would not adversely affect the adequacy, reliability or costs of service to the Company's other customers; and

WHEREAS, at that time, the Company determined providing such expanded service at the Gerdau Plant would benefit the Company's other customers as a result of the incremental contributions to Company's fixed costs over the term of this Agreement and beyond; and

WHEREAS, on February 23, 2012, the Company and Customer entered into that certain COMPETITIVE MARKET RIDER AGREEMENT ("Original Agreement") where Customer agreed to install the approximate [BEGIN TRADE SECRET] Replacement Caster Facilities and will continue to purchase all of its electric power and energy from Company during the term hereof;

WHEREAS, Customer has invested approximately [TRADE SECRET

BEGINS

TRADE SECRET ENDS] in its Replacement Caster
Facilities;

WHEREAS, since the time the Parties entered into the Original Agreement, the Company cancelled the Competitive Market Rider and replaced it with a Competitive Response Rider;

WHEREAS, in light of Customer's investment, Company and Customer now desire to modify certain terms and extend the term of the Original Agreement to create the opportunity to capture the equivalent energy savings benefits contemplated by the Original Agreement and to rename the discount to be consistent with the Competitive Response Rider;

NOW, THEREFORE, for and in consideration of the mutual promises hereinafter contained, Customer and Company hereby agree to and with each other as follows:

#### 1. **DEFINITIONS**

Whenever used herein, the following terms shall have the respective meanings set forth below, unless a different meaning is plainly required by the context, and when the defined meaning is intended, the term is capitalized:

- A. "Agreement" shall have the meaning set forth in the introductory paragraph.
- B. "Aggregate Savings" shall mean the total amount of savings received by Customer over the Term of both the Original Agreement and this Agreement calculated as the difference between what customer would have paid for electric service absent the Amended CRR Discount and what Customer actually paid for electric service when the Amended CRR Discount is applied to Customer's usage.
- C. Base Energy" shall mean the MWh per month of energy use, calculated by summing the energy use under the Mill Account and Furnace Account together.
- D. "Commission" shall mean the Minnesota Public Utilities Commission, the regulatory agency having jurisdiction over the retail electric service of Company in the state of Minnesota (including the electric service covered by this Agreement), and shall include any successor regulatory agency.
- E. "Commitment Date" shall have the meaning set forth in Section 3 of this Agreement.
- F. "Company" shall mean Northern States Power Company, an electric public utility organized and existing under the laws of the State of Minnesota, and its successors and assigns, including the electric utility presently providing electric utility service to the Gerdau Plant.
- G. "Amended Competitive Response Rider Discount" or "Amended CRR Discount" shall mean the energy charge discount described in Section 2 below, titled "Amended Competitive Response Rider Discount," which has been agreed to by the Company and Customer under the terms and conditions of the Competitive Response Rider Tariff, which is provided in Attachment "B."
- H. "Customer" shall mean Gerdau Ameristeel, US Inc., with a principal place of business at 4221 W. Boy Scout Blvd., Suite 600, Tampa, FL 33607 and its successors and assigns, including any entity operating the Gerdau Plant at 1678 Red Rock Road, St. Paul, Minnesota and receiving electric utility service from the Company.
- I. "Effective Date" shall have the meaning set forth in Section 3 of this Agreement.
- J. "ESA" shall have the meaning set forth in the recitals.

- K. "Furnace Account" shall mean the Customer's account currently identified by premise number [BEGIN TRADE SECRET] END TRADE SECRET] and to which electric service is provided by Company to Customer pursuant to the certain Electric Service Agreement, Peak Controlled Tiered Services, between Customer and Company dated as of April 1, 1994, as amended from time to time.
- L. "Gerdau Plant" shall mean the Steel Recycling Facilities owned and operated by Customer at the St. Paul Minnesota site described above.
- M. "Mill Account" shall mean Customer's account currently identified by the premise number [BEGIN TRADE SECRET] END TRADE SECRET] and to which electric service is provided by Company to Customer pursuant to the certain Electric Service Agreement, Peak Controlled Tiered Services, between Customer and Company dated as of August 1, 1998, as amended from time to time.
- N. "MWh" shall mean megawatt hour.
- O. "Original Agreement" shall have the meaning set forth in the recitals.
- P. "Replacement Caster Facilities" shall mean those facilities described in Attachment "A."
- Q. "Steel Recycling Facilities" shall mean the existing facilities now served by Company, and any additional facilities at the St. Paul Plant including the Replacement Caster Facilities.
- R. "Term" shall have the meaning set forth in Section 3 of this Agreement.

### 2. AMENDED COMPETITIVE RESPONSE RIDER DISCOUNT

Subject to approval of this Agreement by the Commission, as of the Effective Date and until the earlier of either: (1) the Aggregate Savings achieved by Customer through the application of the Amended CRR Discount under both this Agreement and the Original Agreement are **[TRADE SECRET] BEGINS** 

**TRADE SECRET ENDS**] or (2) the end of the Term of this Agreement, the Amended CRR Discount shall be applied to the energy usage of Customer under the Furnace Account and Mill Account, combined, as follows:

A discount [BEGIN TRADE SECRET]
 END TRADE SECRET] per MWh shall be applied to Base Energy

Attachment A - Page 5 of 7

# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

The Amended CRR Discount shall be prorated and applied to any fractional MWh of Base Energy, as applicable. The Amended CRR Discount shall be applied to Customer's bill for the Furnace Account and Mill Account pursuant to Company's metering and billing practices. For the avoidance of doubt, in no event shall the Aggregate Savings received by Customer from January 1, 2013 to the end of the Term exceed [BEGIN TRADE SECRET

**END TRADE SECRET**]. The

Aggregate Savings received by the Customer will be tracked by the Company.

All rates, terms and conditions of the ESAs pursuant to which Customer takes electric service for the Mill Account and Furnace Account shall continue in full force and effect pursuant to their terms and Customer shall continue to take service under the Mill Account and Furnace Account pursuant to the rates, terms, and conditions of those ESAs.

#### 3. TERM AND EFFECT ON ORGINAL AGREEMENT

This Agreement shall become effective, and the application of the Amended CRR Discount shall begin on date first written above, or such other date as may be ordered by the Commission ("Effective Date") and continue through December 31, 2018 ("Term").

A. Subject to Section 7 of this Agreement, as of the Effective Date, this Agreement shall supersede the Original Agreement and the Original Agreement shall be deemed null and void and of no further effect.

This Agreement shall be non-renewable and shall be of no further force and effect upon its termination, as provided herein; provided, however, that the provisions of this Agreement necessary for either the Company or Customer, as the case may be, to enforce any of its rights and obligations as against Customer or the Company, as the case may be, shall survive the termination of this Agreement for as long a period as is necessary for the Company or Customer, as the case may be, to enforce its rights.

### 4. TERMS AND CONDITIONS

The Amended CRR Discount shall be applied for Customer's use subject to the Terms and Conditions of currently applicable Peak Controlled Service and Energy Controlled Service tariffs, the CRR tariff and the General Rules and Regulations of the Company on file with the Minnesota Public Utilities

Attachment A - Page 6 of 7

# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

Commission as they now exist or may hereafter be changed. A copy of such rules and regulations is available from the Company.

### 5. COMPETITIVE MARKET CONDITIONS

Customer represents and warrants that it has submitted truthful information to Company that justifies the Company application for the Amended CRR Discount and that such application is subject to approval by the Minnesota Public Utilities Commission. The Company is entering into this Agreement in reliance on such representation and warranty.

### 6. CONSERVATION PLAN

Customer and Company agree that they have developed and implemented a comprehensive energy conservation program which ensures that all of Customer's Steel Recycling Facilities are constructed and operated to achieve a maximum economically appropriate efficiency level.

Company acknowledges the fact that Customer has applied for and received from the Commission a permanent exemption from the Conservation Improvement Program as a result of Customer's existing energy conservation program. While such exemption is in effect, Customer consequently qualifies for an exemption from the obligations under this Section 6

### 7. REGULATORY APPROVAL AND AUTHORITY

This Agreement is expressly conditioned upon the subsequent approval by the Commission of this Agreement and any revisions to the Company's tariff necessary to implement this Agreement, which approval shall be on terms and conditions substantially equivalent to those requested in the applications filed for such approval. Customer and Company shall use commercially reasonable efforts to secure such approval from the Commission at the earliest reasonably practicable time. In the event that the Commission does not approve this Agreement in its entirety or otherwise conditions such approval in a way that is not acceptable to either Party or both Parties, then either or both Customer or Company may withdraw from this Agreement by giving to the other Party not less than three (3) days written notice stating the Party's intention to withdraw from this Agreement at the expiration of such three (3) day period. In the event that a Party so withdraws from this Agreement, then this Agreement shall be null and void as of the date of such withdrawal and neither Party shall have any further liability or obligation to the other Party under this Agreement.

- This Agreement has been entered into by the Parties with the mutual intent that this Agreement shall continue in full force and effect in accordance with its terms throughout the Term, subject, however, to the supervision and regulation of the Commission to protect the public interest. Both Parties agree that, during the term of this Agreement, they will not petition the Commission for or otherwise seek or support provisions in any order of the Commission which would cancel, terminate or modify the provisions of this Agreement in any way without the express written consent of the other Party.
- В. Customer agrees that it will participate in any Minnesota retail rate proceedings as necessary, or as requested by Company, to present evidence with regard to this Agreement, including various provisions and rationale thereof. Participation in such rate proceedings shall be at Customer's own cost and expense.
- C. It is understood by the Parties that the approval of this Agreement by the Commission will constitute a determination that this Agreement and Company's provision of service hereunder is in the public interest, the payments Customer will make to Company exceed the incremental cost of providing service, and therefore, contribute to fixed costs and reduce the revenue burden on the other customers of Company.

The provisions of this Agreement shall not apply to or affect Company's or Customer's right to seek rate changes for the applicable service rate for the Mill Account or Furnace Account.

NORTHERN STATES POWER COMPANY \_GERDAU AMERISTEEL US INC.

By Christopher B. Clark

The Sident - MN, ND, SD

Northern States PowerCo

YCEL EVERGY

Its PLANT MANAGER AT Gerdan Coint Paul Mill

Attachment B - Page 1 of 8

# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

# FIRST AMENDED AND RESTATED COMPETITIVE RESPONSEMARKET RIDER AGREEMENT

between
BETWEEN

NORTHERN STATES POWER COMPANY

and AND

Gerdau Ameristeel US Inc.
for the application of the
COMPETITIVE MARKET Rider DISCOUNT
to certain
ELECTRIC SERVICE AGREEMENTS

THIS <u>FIRST AMENDED AND RESTATED</u> COMPETITIVE <u>RESPONSEMARKET</u> RIDER AGREEMENT ("Agreement"), is entered into as of

4/29/2016 (date) between Northern States Power Company, a Minnesota corporation ("Xcel Energy" or the "Company"), and Gerdau Ameristeel US Inc. ("Gerdau" or "Customer"). Company and Customer may each be referred to as a "Party" and together, the "Parties".

#### WITNESSETH:

WHEREAS, Customer owns and operates Steel Recycling Facilities ("St. Paul Plant" or "Gerdau Plant") at 1678 Red Rock Road, St. Paul, Minnesota; and WHEREAS, Company provides electric service to Customer at the St. Paul Plant pursuant to a number of Electric Service Agreements ("ESA"); and

WHEREAS, in 2011-12, Customer made the decision to replace considering replacing certain Steel Recycling Facilities, referred to as the "Replacement Caster Facilities" at a cost of approximately [BEGIN TRADE SECRET]

**END TRADE SECRET]:**] which are described in Exhibit "A" attached hereto; and

WHEREAS, Replacement Caster Facilities were expected towill significantly improve the efficiency, enhance the quality and potentially increase the quantity of steel recycling at the St. Paul Plant, thereby ensuring the long-term economic viability of the St. Paul Plant and the associated employment; and

Attachment B - Page 2 of 8

# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

WHEREAS, similar steel recycling facilities outside of Minnesota are in direct competition with the St. Paul Plant; and

WHEREAS, <u>at that time</u>, Customer desireds adjustments to certain rates it paidys for electric service for the St. Paul Plant to ensure the long term economic viability of the St. Paul Plant and to justify additional investment in Replacement Caster Facilities; and

WHEREAS, at that time, the Company's <u>determined</u> continued provision of electric service to meet the current and expanded energy requirements of the Gerdau Plant <u>wouldwill</u> not adversely affect the adequacy, reliability or costs of service to the Company's other customers; and

WHEREAS, at that time, the Company determined providing such expanded service at the Gerdau Plant wouldwill benefit the Company's other customers as a result of the incremental contributions to Company's fixed costs over the term of this Agreement and beyond; and

WHEREAS, on February 23, 2012, the Company and Customer entered into that certain COMPETITIVE MARKET RIDER AGREEMENT ("Original Agreement") where Customer agreed tobased on the execution of this Agreement and its approval by the Minnesota Public Utilities Commission, Customer will install the approximate [BEGIN TRADE SECRET]

**END TRADE SECRET]** Replacement Caster Facilities and will continue to purchase all of its electric power and energy from Company during the term hereof;

WHEREAS, Customer has invested approximately [TRADE SECRET]

BEGINS
TRADE SECRET ENDS] in its Replacement Caster
Facilities;

WHEREAS, since the time the Parties entered into the Original Agreement, the Company cancelled the Competitive Market Rider and replaced it with a Competitive Response Rider;

WHEREAS, in light of Customer's investment, Company and Customer now desire to modify certain terms and extend the term of the Original Agreement to create the opportunity to capture the equivalent energy savings benefits contemplated by the Original Agreement and to rename the discount to be consistent with the Competitive Response Rider;

Attachment B - Page 3 of 8

# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

NOW, THEREFORE, for and in consideration of the mutual promises hereinafter contained, Customer and Company hereby agree to and with each other as follows:

### 1. **DEFINITIONS**

Whenever used herein, the following terms shall have the respective meanings set forth below, unless a different meaning is plainly required by the context, and when the defined meaning is intended, the term is capitalized:

- A. "Agreement" shall have the meaning set forth in the introductory paragraph.
- B. "Aggregate Savings" shall mean the total amount of savings received by Customer over the Term of both the Original Agreement and this Agreement calculated as the difference between what customer would have paid for electric service absent the Amended CRR Discount and what Customer actually paid for electric service when the Amended CRR Discount is applied to Customer's usage.
- B.C. Base Energy" shall mean the first [BEGIN TRADE SECRET]

  END TRADE SECRET] MWh per year or [BEGIN TRADE]

  SECRET END TRADE SECRET] MWh per month of energy use, depending on how Customer is billed, calculated by summing the energy use under the Mill Account and Furnace Account together.
- C.D. "Commission" shall mean the Minnesota Public Utilities Commission, the regulatory agency having jurisdiction over the retail electric service of Company in the state of Minnesota (including the electric service covered by this Agreement), and shall include any successor regulatory agency.
- D.E. "Commitment Date" shall have the meaning set forth in Section 3 of this Agreement.
- E.F. "Company" shall mean Northern States Power Company, an electric public utility organized and existing under the laws of the State of Minnesota, and its successors and assigns, including the electric utility presently providing electric utility service to the Gerdau Plant.
- F.G. "Amended Competitive Response Market Rider Discount" or "Amended CRRCMR Discount" shall mean the energy charge discount described in Section 2 below, titled "Amended Competitive Response Market Rider Discount," which has been agreed to by the Company and Customer under the

terms and conditions of the Competitive Response Market Rider Tariff, rate schedule \_\_\_\_\_, which is provided in Attachment "B."

- G.H. "Customer" shall mean Gerdau Ameristeel, US Inc., with a principal place of business at 4221 W. Boy Scout Blvd., Suite 600, Tampa, FL 33607 and its successors and assigns, including any entity operating the Gerdau Plant at 1678 Red Rock Road, St. Paul, Minnesota and receiving electric utility service from the Company.
- H.I. "Effective Date" shall have the meaning set forth in Section 3 of this Agreement.
- <u>L.J.</u> "ESA" shall have the meaning set forth in the recitals.
- J. "Excess Energy" shall mean energy used by Customer under the Furnace Account and Mill Account, combined, in excess of the Base Energy, as described above in paragraph B.
- K. "Furnace Account" shall mean the Customer's account currently identified by premise number [BEGIN TRADE SECRET] END TRADE SECRET] and to which electric service is provided by Company to Customer pursuant to the certain Electric Service Agreement, Peak Controlled Tiered Services, between Customer and Company dated as of April 1, 1994, as amended from time to time.
- L. "Gerdau Plant" shall mean the Steel Recycling Facilities owned and operated by Customer at the St. Paul Minnesota site described above.
- M. "Mill Account" shall mean Customer's account currently identified by the premise number [BEGIN TRADE SECRET] END TRADE SECRET] and to which electric service is provided by Company to Customer pursuant to the certain Electric Service Agreement, Peak Controlled Tiered Services, between Customer and Company dated as of August 1, 1998, as amended from time to time.
- N. "MWh" shall mean megawatt hour.
- O. "Original Agreement" shall have the meaning set forth in the recitals.
- O.P. "Replacement Caster Facilities" shall mean those facilities described in Attachment "A."

Attachment B - Page 5 of 8

# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

P.Q. "Steel Recycling Facilities" shall mean the existing facilities now served by Company, and any additional facilities at the St. Paul Plant including the Replacement Caster Facilities.

Q.R. "Term" shall have the meaning set forth in Section 3 of this Agreement.

# 2. <u>AMENDED</u> COMPETITIVE <u>RESPONSEMARKET</u> RIDER DISCOUNT

Subject to approval of this Agreement by the Commission, as of the Effective Date and until the earlier of either: (1) the Aggregate Savings achieved by Customer through the application of the Amended CRR Discount under both this Agreement and the Original Agreement are [TRADE SECRET]

BEGINS

TRADE SECRET ENDS] or (2) the end of the Term of this Agreement, the Amended CRR through the Term of this Agreement, the CMR Discount shall be applied to the energy usage of Customer under the Furnace Account and Mill Account, combined, as follows:

- A discount [BEGIN TRADE SECRET]
   END TRADE SECRET] per MWh shall be applied to Base Energy;
- A discount [BEGIN TRADE SECRET]
   END TRADE SECRET] per MWh shall be applied to Excess Energy.

The Amended CRRCMR Discount shall be prorated and applied to any fractional MWh of Base Energy and Excess Energy, as applicable. The Amended CRRCMR Discount shall be applied to Customer's bill for the Furnace Account and Mill Account pursuant to Company's metering and billing practices. For the avoidance of doubt, in no event shall the Aggregate Savings received by Customer from January 1, 2013 to the end of the Term exceed [BEGIN TRADE SECRET]

**END TRADE SECRET].** The Aggregate Savings received by the Customer will be tracked by the Company.

All rates, terms and conditions of the ESAs pursuant to which Customer takes electric service for the Mill Account and Furnace Account shall continue in full force and effect pursuant to their terms and Customer shall continue to take service under the Mill Account and Furnace Account pursuant to the rates, terms, and conditions of those ESAs.

Attachment B - Page 6 of 8

# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

# 3. TERM <u>AND EFFECT ON ORGINAL AGREEMENT</u> OF AGREEMENT

This Agreement shall become effective, and the application of the <u>Amended CRRCMR</u> Discount shall begin on <u>date first written above January 1, 2013</u>, or such other date as may be ordered by the Commission ("Effective Date") and continue through December 31, 20187 ("Term").

A. Subject to Section 7 of this Agreement, as of the Effective Date, this Agreement shall supersede the Original Agreement and the Original Agreement shall be deemed null and void and of no further effect.

Customer shall demonstrate to the Company, in a form reasonably acceptable to the Company, that it will have made the approximately [BEGIN TRADE SECRET]—END TRADE SECRET] dollar investment for the Replacement Caster Facilities (the "Investment") on or before December 31, 2014 ("Commitment Date"). In the event that Customer does not make the Investment by the Commitment Date, the amount of CMR Discount provided by Company to Customer through and on the Commitment Date shall be returned to Company by Customer and this Agreement shall terminate. The amount to be returned will be determined by calculating the difference between the billing at the otherwise applicable rate minus the billing at the discounted rate for the period in which the CMR Discount was applied. This shall be the sole and exclusive remedy of Company in the event that Customer does not proceed with its investment in and/or construction of the Replacement Caster Facilities for any reason.

This Agreement shall be non-renewable and shall be of no further force and effect upon its termination, as provided herein; provided, however, that the provisions of this Agreement necessary for either the Company or Customer, as the case may be, to enforce any of its rights and obligations as against Customer or the Company, as the case may be, shall survive the termination of this Agreement for as long a period as is necessary for the Company or Customer, as the case may be, to enforce its rights.

### 4. TERMS AND CONDITIONS

The <u>Amended CRRCMR</u> Discount shall be <u>asupplied</u> for Customer's use subject to the Terms and Conditions of currently applicable Peak Controlled Service and Energy Controlled Service tariffs, the CMRR tariff and the General Rules and Regulations of the Company on file with the Minnesota Public

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# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

Utilities Commission as they now exist or may hereafter be changed. A copy of such rules and regulations is available from the Company.

#### 5. COMPETITIVE MARKET CONDITIONS

Customer represents and warrants that it has submitted truthful information to Company that justifies the Company application for the <u>Amended CRRCMR</u> Discount and that such application is subject to approval by the Minnesota Public Utilities Commission. The Company is entering into this Agreement in reliance on such representation and warranty.

### 6. CONSERVATION PLAN

Customer and Company agree that they have developed to develop and implemented a comprehensive energy conservation program which ensures will ensure that all of Customer's Steel Recycling Facilities are constructed and operated to achieve a maximum economically appropriate efficiency level. At a minimum, Customer agrees to cooperate with Company in identifying and applying all of Company's cost effective Demand Side Management programs applicable to Customer's Steel Recycling Facilities.

Company acknowledges the fact that Customer has applied for and received from the Commission a permanent exemption from the Conservation Improvement Program as a result of Customer's existing energy conservation program. While such exemption is in effect, Customer consequently qualifies for an exemption from the obligations under this Section 6

#### 7. REGULATORY APPROVAL AND AUTHORITY

This Agreement is expressly conditioned upon the subsequent approval by the Commission of this Agreement and any revisions to the Company's tariff necessary to implement this Agreement, which approval shall be on terms and conditions substantially equivalent to those requested in the applications filed for such approval. Customer and Company shall use commercially reasonable efforts to secure such approval from the Commission at the earliest reasonably practicable time. In the event that the Commission does not approve this Agreement in its entirety or otherwise conditions such approval in a way that is not acceptable to either Party or both Parties, then either or both Customer or Company may withdraw from this Agreement by giving to the other Party not less than three (3) days written notice stating the Party's intention to withdraw from this Agreement at the expiration of such three (3) day period. In the

Attachment B - Page 8 of 8

# PUBLIC DOCUMENT TRADE SECRET DATA EXCISED

event that a Party so withdraws from this Agreement, then this Agreement shall be null and void as of the date of such withdrawal and neither Party shall have any further liability or obligation to the other Party under this Agreement.

- A. This Agreement has been entered into by the Parties with the mutual intent that this Agreement shall continue in full force and effect in accordance with its terms throughout the Term, subject, however, to the supervision and regulation of the Commission to protect the public interest. Both Parties agree that, during the term of this Agreement, they will not petition the Commission for or otherwise seek or support provisions in any order of the Commission which would cancel, terminate or modify the provisions of this Agreement in any way without the express written consent of the other Party.
- B. Customer agrees that it will participate in any Minnesota retail rate proceedings as necessary, or as requested by Company, to present evidence with regard to this Agreement, including various provisions and rationale thereof. Participation in such rate proceedings shall be at Customer's own cost and expense.
- C. It is understood by the Parties that the approval of this Agreement by the Commission will constitute a determination that this Agreement and Company's provision of service hereunder is in the public interest, the payments Customer will make to Company exceed the incremental cost of providing service, and therefore, contribute to fixed costs and reduce the revenue burden on the other customers of Company.

The provisions of this Agreement shall not apply to or affect Company's or Customer's right to seek rate changes for the applicable service rate for the Mill Account or Furnace Account.

NORTHERN STATES POWER COM	PANY _GERDAU AMERISTEEL US INC
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# Redline

#### COMPETITIVE RESPONSE RIDER (Continued)

Section No. 5

4th5th Revised Sheet No. 123

#### TERMS AND CONDITIONS OF SERVICE

- Customer must execute an Electric Service Agreement with Company, or amend its existing Electric (Continued)
  - b. The term of service under this Rider, which must be no less than one year and no longer than fiveseven years, beginning on the date the customer begins taking service under this rider,
  - c. The size of the load served under this Rider,
  - d. Verification that customer has been fully informed of the availability of energy audits. If no energy audit is performed for customer, an explanation of why an energy audit was not necessary will be included.
  - e. Establishing the effective date of the rate, which must be at least 60 days after the date upon which the Company files its petition for Commission approval of the Electric Service Agreement,
  - f. If the Customer requests that the rate be implemented on an interim rate basis, a statement that the rate will be treated as an interim rate as of the effective date and until Commission approval, modification or disapproval is received. If a modified rate is approved and accepted by the customer and Company, or if the rate is disapproved, the Company will recover the difference between the interim rate and the approved rate (modified or base) from the customer, and
  - g. Requirements for a bond or other security acceptable to the Company to provide full recovery of any portion of any interim rate discount disallowed by the Commission.
- 4. For existing customers receiving a discount, the Company, within a general rate case, is allowed to seek recovery of the difference between the applicable commercial and industrial tariff and this Rider times the usage level during the test year period.
- A rate under this Rider shall meet the conditions of Minnesota Statutes, Section 216B.03, Reasonable Rate, for other customers in this same customer class.
- Unless the Commission determines that it would be in the public interest, a rate under this Rider shall not compete with district heating or cooling provided by a district heating utility defined by Minnesota Statutes, Section 216B.166, Subdivision 2, Paragraph (c).
- 7. A rate offered under this Rider may not be offered to a customer in which the Company has a financial interest greater than 50%.

(Continued on Sheet No. 5-124)

Date Filed: <del>11-04-13</del>05-12-16 By: Christopher B. Clark Effective Date: 11-01-15

President, Northern States Power Company, a Minnesota corporation

Docket No. E002/GR-13-868M-16-Order Date: 08-31-15



#### **COMPETITIVE RESPONSE RIDER (Continued)**

Section No. 5 5th Revised Sheet No. 123

#### TERMS AND CONDITIONS OF SERVICE

- Customer must execute an Electric Service Agreement with Company, or amend its existing Electric (Continued)
  - b. The term of service under this Rider, which must be no less than one year and no longer than seven years, beginning on the date the customer begins taking service under this rider,
  - c. The size of the load served under this Rider,
  - d. Verification that customer has been fully informed of the availability of energy audits. If no energy audit is performed for customer, an explanation of why an energy audit was not necessary will be included.
  - e. Establishing the effective date of the rate, which must be at least 60 days after the date upon which the Company files its petition for Commission approval of the Electric Service Agreement,
  - f. If the Customer requests that the rate be implemented on an interim rate basis, a statement that the rate will be treated as an interim rate as of the effective date and until Commission approval, modification or disapproval is received. If a modified rate is approved and accepted by the customer and Company, or if the rate is disapproved, the Company will recover the difference between the interim rate and the approved rate (modified or base) from the customer, and
  - g. Requirements for a bond or other security acceptable to the Company to provide full recovery of any portion of any interim rate discount disallowed by the Commission.
- 4. For existing customers receiving a discount, the Company, within a general rate case, is allowed to seek recovery of the difference between the applicable commercial and industrial tariff and this Rider times the usage level during the test year period.
- 5. A rate under this Rider shall meet the conditions of Minnesota Statutes, Section 216B.03, Reasonable Rate, for other customers in this same customer class.
- 6. Unless the Commission determines that it would be in the public interest, a rate under this Rider shall not compete with district heating or cooling provided by a district heating utility defined by Minnesota Statutes, Section 216B.166, Subdivision 2, Paragraph (c).
- 7. A rate offered under this Rider may not be offered to a customer in which the Company has a financial interest greater than 50%.

(Continued on Sheet No. 5-124)

Date Filed: 05-12-16 By: Christopher B. Clark Effective Date:

President, Northern States Power Company, a Minnesota corporation

Docket No. E002/M-16- Order Date:

С

### **CERTIFICATE OF SERVICE**

I, Carl Cronin, hereby certify that	I have this	day served	copies	of the	foregoing
document on the attached list of p	oersons.				

- <u>xx</u> 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 Nos. E002/M-12-163
E002/M-16-\_\_\_
Xcel Energy Miscellaneous Electric Service List

Dated this 12th day of May 2016

/s/
Carl Cronin
Regulatory Administrator

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Julia	Anderson	Julia.Anderson@ag.state.m n.us	Office of the Attorney General-DOC	1800 BRM Tower 445 Minnesota St St. Paul, MN 551012134	Electronic Service	Yes	OFF_SL_12-163_Official
Sharon	Ferguson	sharon.ferguson@state.mn .us	Department of Commerce	85 7th Place E Ste 500  Saint Paul, MN 551012198	Electronic Service	Yes	OFF_SL_12-163_Official
Mara	Koeller	mara.n.koeller@xcelenergy .com	Xcel Energy	414 Nicollet Mall 5th Floor Minneapolis, MN 55401	Electronic Service	Yes	OFF_SL_12-163_Official
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	Yes	OFF_SL_12-163_Official
Darren	MacDonald	Darren.MacDonald@Gerda u.com	Gerdau	4221 W Boy Scout Blvd, #600 Tampa, Florida 33607	Electronic Service	No	OFF_SL_12-163_Official
SaGonna	Thompson	Regulatory.records@xcele nergy.com	Xcel Energy	414 Nicollet Mall FL 7  Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_12-163_Official
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_12-163_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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
Julia	Anderson	Julia.Anderson@ag.state.m n.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
James J.	Bertrand	james.bertrand@stinson.co m	Stinson Leonard Street LLP	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
Jeffrey A.	Daugherty	jeffrey.daugherty@centerp ointenergy.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
lan	Dobson	ian.dobson@ag.state.mn.u s	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
Emma	Fazio	emma.fazio@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
Sharon	Ferguson	sharon.ferguson@state.mn .us	Department of Commerce	85 7th Place E Ste 500 Saint Paul, MN 551012198	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Michael	Норре	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
Richard	Johnson	Rick.Johnson@lawmoss.co m	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

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Mark J.	Kaufman	mkaufman@ibewlocal949.o	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	Koehler	TGK@IBEW160.org	Local Union #160, IBEW	2909 Anthony Ln  St Anthony Village, MN 55418-3238	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Michael	Krikava	mkrikava@briggs.com	Briggs And Morgan, P.A.	2200 IDS Center 80 S 8th St Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
Douglas	Larson	dlarson@dakotaelectric.co m	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	andrew.moratzka@stoel.co m	Stoel Rives LLP	33 South Sixth St Ste 4200  Minneapolis, MN 55402	Electronic Service	No	GEN_SL_Northern States Power Company dba Xcel Energy-Elec_Xcel Miscl Electric
David W.	Niles	david.niles@avantenergy.c om	Minnesota Municipal Power Agency	Suite 300 200 South Sixth Stree 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
Ken	Smith	ken.smith@districtenergy.c om	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

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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