

Electric Rate Savings

MINNESOTA AND NORTH DAKOTA CONTROL PERIOD GUIDELINES

PEAK-CONTROLLED TIER 1 WITH ENERGY SERVICE RIDER

Control Periods

We offer the peak-controlled tier 1 energy service rider to customers who agree to control their demand at our request. The discount is available through our Electric Rate Savings program. Control periods for peak-controlled tier 1 with energy service rider customers can occur at any time and during any season for the following reasons:

- When more expensive fuel is required for generation (which we call an energy-controlled day)
- For peak demand reduction in summer (which we call a peak-controlled day)
- For a system emergency

Energy-Controlled Day

On an **energy-controlled day**, peak-controlled tier 1 with energy service rider customers have the buy-through option of not reducing their electric use, and paying a higher price for their energy.

Peak-Controlled Day

However, on a **peak-controlled day** or **during service emergencies**, these customers do not have the option to buy through and must reduce their demand to their predetermined demand level (PDL).

Peak-controlled days typically occur on hot, humid summer days, when the Xcel Energy system is operating at peak demand. The typical peak control season is June 1 to September 30. However, control periods may be called at any time of the year. In general, control days are called when the daily temperature and/or heat index cause customers to use more energy than normal, or when system conditions warrant.

Notification of a Control Period

Xcel Energy will notify customers of a control period as early as possible. We use a flexible, completely automated notification system that allows each customer to designate up to three unique contacts. Each contact may have up to four different methods or types of communication including phone, cell phone, email, numeric pager, text message/page or fax. Our notification system allows faster notification in formats that match your need for information even if you're not able to answer your phone.

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Our notification system also can dial extension numbers, allowing us to reach you automatically even if you don't have a direct-dial phone number. The end result for you is notification within minutes of when we declare a control period. This faster notification will give you more time to plan and respond to curtailments.

How will we notify you?

Each customer will be asked to provide:

- A work phone number (including extension, if applicable),
- A home phone number
- And then choose two other methods of contact (either cell phone, email, numeric page, text message/page or fax).

Xcel Energy will immediately send an email, numeric page and text message/page to all contacts when a control event is called. Numeric pagers will be sent a toll-free hotline number to call and hear details about the control period. Xcel Energy will attempt to reach all of the numbers provided at predefined five-minute intervals. Attempts to reach a particular number will stop if a message is played to a voice or answering system or after five minutes of trying to reach the same number (at least three attempts will be made during this five-minute period).

All attempts to reach a customer will stop when a positive acknowledgement is received or after all attempts to reach the customer at all numbers provided are exhausted. Because the system plays a recorded message with instructions, a person (not a recording or voice mail) must answer the phone and respond to the instructions. If all attempts to reach a customer fail, and a subsequent control period violation occurs, penalties will be enforced.

Periodic test calls will be performed to verify customer contact phone numbers. These notification test calls generally will occur in the spring.

Since control periods may occur on any day throughout the year or during off-peak hours, please be certain the contact phone numbers you provide to Xcel Energy contain off-hour contacts, including weekends and holidays.

Penalty for Not Reaching Your PDL

The penalty charge for not reaching your predetermined demand level (PDL) is \$10 per kW in excess of your PDL for each specified control period. The penalty is calculated by multiplying the \$10 penalty charge by the maximum kW in excess of your PDL for each control period.

In addition, you do not receive the peak-controlled tier 1 rate discount on the maximum kW in excess of your PDL for that billing cycle.

For example:				
Date	PDL	Peak Demand	Excess Demand	Penalty Charge
8/26	50	60 kW	10 kW	\$10 x 10 = \$100
8/28	50	70 kW	20 kW	\$10 x 20 = \$200
Total monthly penalty charges — \$300				

Plus, in this example, the penalty also will include paying full price for demand charge for 70 kW.

Therefore, the total penalty in the example is about \$300 plus the full price for the additional demand charge of 20kW.

Note: If multiple control periods occurred in one billing cycle, the customer could incur multiple penalties. Higher demands will yield a significantly higher penalty.

Control Period Scenarios:

Each morning throughout the year, Xcel Energy makes a determination on the daily peak load forecast and whether a control period will be required. One of these three scenarios then may occur.

1. No control periods needed for that day.
2. Xcel Energy requests an **energy-controlled day**. Peak-controlled tier 1 with energy service rider customers will be called and asked to control demand. Customers have the option to not control demand on that particular day and will be allowed to purchase electricity, but at a higher rate (buy through).
3. On a **system peak day**, all peak-controlled tier 1 with energy service rider customers will be called, and you will not have the option to buy through for the scheduled peak-controlled hours. If an energy-controlled period was declared earlier in the day, you will receive an additional call declaring the **updated peak-controlled period**. Once it has been declared a peak-controlled day, you will no longer have the option to buy through during the scheduled peak-controlled hours and must reduce demand to your PDL. System reliability issues can occur at any time, and system peak days can occur during any season.

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