# GENERAL RULES AND REGULATIONS

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Order Date: 11-30-10
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SECTION 1   GENERAL SERVICE RULES

1.1   APPLICATION FOR SERVICE
A party desiring gas service must make application to the Company before commencing the use of the Company's service. The Company reserves the right to require a signed application or written contract for service to be furnished. All applications and contracts for service must be made in the legal name of the party desiring the service. The Company may refuse an applicant or terminate service to a customer who fails or refuses to furnish reasonable information requested by the Company for the establishment of a service account. Any person who uses gas service in the absence of application or contract shall be subject to the Company's rates, rules, and regulations and shall be responsible for payment of all service used.

When required by governmental authority, a customer desiring new service or expanded service first must make application for and receive written approval from the Company.

Subject to its rates, rules, and regulations, the Company will continue to supply gas service until notified by customer to discontinue the service. The customer will be responsible for payment of all service furnished through the date of discontinuance.

1.2   SERVICE CHARGES

A.   Service Processing Charge
The Company will assess a $7.00 processing charge for the initial establishment of service for each customer.

B.   Service Reconnection Charge
The Company will charge $22.50 for reconnecting service which has been disconnected for non-payment.

C.   Service Relock Charge
The Company will charge $100.00 for reconnecting service where the Company has disconnected service for non-payment and subsequently returned to relock the service after it was reconnected without Company authorization.
1.2 SERVICE CHARGES (Continued)

D. Service Reestablishment Charge
If a customer requests reestablishment of service at a location where the same customer discontinued the
same service within the preceding 12 month period, an additional reconnection fee will be assessed equal
to the sum of the monthly minimum charges applicable during the period service was not taken. The
charge will not apply to a new owner if a change of ownership occurs during a lapse in service.

If any combination of the Company's electric or gas services requested by a customer and furnished by the
Company are established or reestablished at the same time and location, only the greater of the corresponding
electric or gas utility service charges will apply.

1.3 ACCESS TO CUSTOMER'S PREMISES
From time to time, the Company representative will require access to the customer's premises at reasonable
times for the purpose of reading meters, making repairs, making inspections, removing the Company's property,
or for any other purpose incident to the service. At all times, the Company’s ability to access customer's
premise is governed by Minnesota Public Utilities Commission Rule 7820.3100, which provides that when
properly identified, the Company representative can enter a customer's premises if: the customer has consented
either orally or in writing to entry; the utility has obtained a court order authorizing entry; or an emergency
situation involving imminent danger to life or property reasonably appears to exist. In the event that the
Company's representative is entering the customer's premise without consent, the Company shall give notice to
law enforcement.

1.4 CONTINUITY OF SERVICE
The Company will endeavor to provide continuous service but does not guarantee an uninterrupted or
undisturbed supply of gas. The Company shall not be responsible for any loss or damage resulting from the
interruption or disturbance of service for any cause other than the gross negligence of the Company. The
Company shall not be liable for any loss of profits or other consequential damages resulting from the use of
service or any interruption or disturbance of service.

1.5 DEPOSITS AND GUARANTEES
A. General: The Company will not require a deposit as a condition of service if the customer has
established good credit;
1.5 DEPOSITS AND GUARANTEES (Continued)

B. New Service: The Company may require a deposit for the new service if the applicant has an unsatisfactory credit or service standing due to (A) an outstanding prior account with the Company at the time of request that is not disputed; or (B) a previous disconnection for any permissible reason which is not in dispute; (C) the credit history for the applicant demonstrated that payment cannot be assured. In determining credit history, the provisions of Minnesota Rule Part 7820.4700 will apply and the Company will only use credit reports reflecting the purchase of utility services unless the applicant consents in writing to the use of additional credit reports. Any credit history used shall be mailed to the applicant. A refusal to permit use of a credit rating or credit services other than that of a utility will not affect the determination of the Company as to the applicant’s credit history.

C. Existing Service: The Company may require a deposit from an existing customer with an unsatisfactory credit or service standing due to: (A) a previous disconnection or liability for disconnect for nonpayment of a bill which is not in dispute; or (B) a previous disconnection for any permissible reason that is not in dispute.

D. Deposit Amount: If a deposit is required, the amount of the deposit shall not exceed an estimated two months’ gross bill or existing two months’ bill, as determined by the Company.

E. Notice: Whenever a deposit is required, the Company will provide the customer an explanation in writing why a deposit is required and under what conditions, if any, the deposit will be diminished return.

F. Interest on Deposits and Refunds: On such customer deposits, the Company will pay interest. The rate of interest will be set annually and will be equal to the weekly average yield of one-year United States Treasury securities adjusted for constant maturity for the last full week in November. The Interest rate will be rounded to the nearest tenth of one percent. By December 15th of each year, the Commissioner of Commerce will announce the rate of interest that must be paid on deposits held during all or part of the subsequent year. The Company will refund by direct payment, or as a credit on the customer’s bill, a customer’s deposit after 12 consecutive months of prompt payment of all utility bills.

G. Additional Requirements: If a customer’s credit standing becomes unsatisfactory after a deposit has been refunded or if the deposit is inadequate to cover two months’ bill, a new or additional deposit may be required upon reasonable written notice by the Company. Deposits will not be considered as advance payments on account. Service to a customer who fails to comply with these requirements may be discontinued upon reasonable written notice.
1.5 DEPOSITS AND GUARANTEES (Continued)

H. Payment Guarantee Permissible: The Company may accept, in lieu of a deposit, a contract signed by a guarantor satisfactory to the Company whereby payment of a specified sum not exceeding the deposit requirement is guaranteed. The term of such contract shall be for no longer than 12 months, but shall automatically terminate after the customer has closed and paid the customer's account with the Company, or at the guarantor's request upon 60 days' written notice to the Company. Upon termination of a guarantee contract or whenever the Company deems same insufficient as to amount or surety, a cash deposit or a new or additional guarantee may be required for good cause upon reasonable written notice to the customer.

I. Disconnection: The service of any customer who fails to comply with these requirements may be disconnected upon notice as prescribed in Minnesota Rule part 7820.2400 and Section 3. The Company shall mail the guarantor copies of all disconnect notices sent to the customer whose account the grantor has guaranteed unless the guarantor waives such notice in writing.
1.5 DEPOSITS AND GUARANTEES (Continued)
Upon request by a customer to discontinue service, the customer's deposit, less any amounts due by the
customer to the Company for gas service, will be returned to that customer within 45 days of the date of
discontinuance of service. In lieu of cash deposit, a guarantee satisfactory to the Company for a like amount will
be acceptable.

In case of discontinuance of service for non-payment of amounts payable when due, the Company will not
restore service until all arrears are paid in full and a cash deposit as required above is made, or until other
satisfactory credit arrangement is made.

1.6 SERVICE CALLS
When a customer calls and reports a gas problem, such as inadequate gas pressure or a suspected gas leak,
the Company will, as soon as reasonably possible, send out a serviceman to determine the necessary action to
correct the problem. Priority will be given to emergency requests where there is danger to life and property. The
Company's response may be limited to temporary repairs because of the work load or weather conditions.
1.9 SERVICE QUALITY

A. Definitions

1. "Accurate Invoices" measures the percent of accurate invoices the Company issues to its customers. This is calculated by determining the number of invoices canceled for controllable reasons divided by the total number of invoices issued. The Company defines controllable reasons as 1) human errors made by field or office personnel, 2) billing system and metering system communications errors, and 3) malfunctioning meter equipment.

2. "Answer and Talk Time" [in the context of measuring natural gas emergency response] is measured for calls answered, and begins the instant the Customer's call connects to the Company's natural gas emergency number, or the Customer selects the option from a mechanized menu to report a natural gas emergency. Data is gathered at the aggregate level (rather than for each individual call) and is used to calculate the average time involved with answering a potential natural gas emergency call, taking the customer's information and concluding that call. Specifically, Answer and Talk Time is measured in the following manner:

3. "Answer Time" [in the context of measuring natural gas emergency response] starts when the caller connects to the Company's natural gas emergency number or selects the option to report a natural gas emergency, and ends when a natural gas dispatcher or call center representative picks up the call. Once a natural gas dispatcher or call center representative answers the call, the Talk Time begins and will continue until the call concludes. These two segments are then combined to form Answer and Talk Time.

4. "Total Answer and Talk Time" [in the context of measuring natural gas emergency response] is the first element used to calculate the natural gas emergency response metric. Calculated by first dividing total Answer time for all Minnesota gas calls by the total number of Minnesota natural gas calls handled. Next, total Talk time for all Minnesota natural gas calls is divided by the total number of Minnesota natural gas calls handled. These two averages are added together for an average Answer and Talk Time for the month. The monthly average Answer and Talk Time is multiplied by the total number of natural gas emergency calls handled for the respective month, which results in the total Answer and Talk Time for the month.
1.9 SERVICE QUALITY (Continued)

A. Definitions (Continued)

5. "Average Number of Customers" [in the context of measuring SAIDI and SAIFI] is defined as the annual average of the monthly electric meter count from the Company's outage management system.

6. "Customer"
   A. For purposes of calculating SAIDI and SAIFI, "Customer" is defined as an electric service meter.
   B. For purposes of Customer Complaints, "Customer" is defined as an electric or a natural gas customer that receives a bill for utility service from the Company or a representative of that customer. A representative includes an individual designated with Power of Attorney for the Customer, an attorney retained to represent the Customer, or an individual authorized by the Customer to act on his/her account.

7. "Customer Complaint" is defined as any complaint submitted, in writing, by US Mail, e-mail, or by fax, registered by the Minnesota Public Utilities Commission’s Consumer Affairs Office to the Company, regarding a complaint submitted by an Xcel Energy customer in which the customer states a grievance related to the Company’s provision of service to that customer.

Customer Complaints will be reported in the following categories:
- Billing & Credit
- Customer Service
- Meter Reading
- Trouble Orders
- Reliability Duration
- Reliability Frequency
- Other

This is calculated by dividing the total number of Customer Complaints in the performance year by the product of the total number of Minnesota customers, as reported in the Company’s electric and gas jurisdictional reports, divided by 1,000.

8. "Customer Minutes" [in the context of measuring SAIDI and SAIFI] is defined as the total number of minutes of a service interruption multiplied by the total number of Customers experiencing the interruption. Customer Minutes include Step Restoration.
1.9  SERVICE QUALITY (Continued)

A. Definitions (continued)

79. "Dispatch Time" [in the context of measuring natural gas emergency response] consists of the time from when a natural gas emergency order is received by the Company’s natural gas dispatch system or created in that system, until the first responder acknowledges the receipt of the natural gas emergency order from the natural gas dispatch system by pressing an "enroute" button on the mobile data terminal. In the event of a wireless service interruption affecting operation of the mobile data terminal, the acknowledge time will be recorded in the company’s natural gas dispatch system by the natural gas dispatcher based on the voice acknowledgement received from the first responder by radio.

10. "Natural Gas Emergency Calls" [in the context of measuring natural gas emergency response] includes all calls received by the Company related to a potential natural gas emergency, regardless of the identity of the caller (customer, fire & police departments, contractors, etc.).

11. "Natural Gas Emergency Response" measures the Company’s annual average response to natural gas emergency calls. The average response time to natural gas emergency calls shall be calculated by adding the total Answer and Talk Time, Dispatch Time, and Travel Time for these calls and dividing the total response time for all natural gas emergency calls by the total number of natural gas emergency calls received. The natural gas emergency response time for the following internal response categories of natural gas emergencies will be included:

(Continued on Sheet No. 6-7.2b)
1.9 SERVICE QUALITY (Continued)

A. Definitions (continued)

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
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<tr>
<td>EBG</td>
<td>Blowing natural gas; Broken / hit natural gas line (natural gas blowing); Covers all natural gas mains and service laterals that are broken. Natural gas must be blowing. Includes instances of hissing or blowing natural gas and/or occurrences of strong or sudden odor. Also covers any natural gas blowing situations such as meters/ reg stations struck by cars, lightning or other natural disasters.</td>
</tr>
<tr>
<td>EEX</td>
<td>Explosion; any natural gas explosion and/or any explosion, we will respond to protect and investigate our interests</td>
</tr>
<tr>
<td>EFR</td>
<td>Fire (when natural gas related); any natural gas fire or whenever requested by the fire department; all fire calls are handled the same with immediate response and there basically is no difference between the orders. Initially one work order type applied for working fires and the other for when we were called to make our checks after the fact (fire out)</td>
</tr>
<tr>
<td>EFI</td>
<td>Fire (when natural gas related); any natural gas fire or whenever requested by the fire department; all fire calls are handled the same with immediate response and there basically is no difference between the orders. Initially one work order type applied for working fires and the other for when we were called to make our checks after the fact (fire out)</td>
</tr>
<tr>
<td>ETX</td>
<td>Carbon monoxide order with symptoms; Customer feels that they have Carbon Monoxide symptoms. Company techs would call 911 upon arrival if they felt medical assistance was needed for the affected customers.</td>
</tr>
<tr>
<td>EOI</td>
<td>Customer smells natural gas odor inside; any Customer odor initiated order. When odor is faint and no sound (ie. blowing or hissing) is reported. If odor is strong or there is a hissing sound reported, call is upgraded to an EBG. Also, excavation occurring nearby may warrant an upgrade to EBG.</td>
</tr>
<tr>
<td>EOO</td>
<td>Customer smells natural gas odor outside; any Customer odor initiated order. When odor is faint and no sound (ie. Blowing or hissing) is reported. If odor is strong or there is a hissing sound reported, call is upgraded to an EBG. Also, excavation occurring nearby may warrant an upgrade to EBG.</td>
</tr>
<tr>
<td>ENG</td>
<td>No natural gas: no natural gas due to Company equipment. In the winter months, this code will receive a higher priority since Customer’s heat could be dependent on natural gas.</td>
</tr>
<tr>
<td>NOGAS</td>
<td>No natural gas: no natural gas due to Company equipment. In the winter months, this code will receive a higher priority since Customer’s heat could be dependent on natural gas.</td>
</tr>
<tr>
<td>EPR</td>
<td>Pressure, High or Low Pressure; high pressure natural gas on Customer fuel line and equipment usually indicated by caller with unusually high/loud pilots or a noise associated with the pilots. Poor pressure; Problem with Regulator, may need change or adjusted. Such calls are prioritized higher in the winter.</td>
</tr>
<tr>
<td>EIR</td>
<td>Ice and/or snow on regulator; Problem of ice and snow on the regulator and regulator vent (pressure problems) These are given a very high priority because blockage of the vent on the regulator by snow or ice build-up can cause the regulator to fail and possibly allow the street pressure (60 pounds) to pass thru the meter and into the building which can lead to many undesirable conditions (explosions/fires/etc)</td>
</tr>
<tr>
<td>ECO</td>
<td>Carbon Monoxide Check/Alarm Only: Customer has C.O alarm going off and does not have any symptoms.</td>
</tr>
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(Continued on Sheet No. 6-7.3)
1.9 SERVICE QUALITY (Continued)

A. Definitions (continued)

12. “Interruption” [in the context of measuring electric service interruptions] is defined as an interruption of electric service to a customer with a duration greater than five minutes.

13. “Invoice Adjustment Timeliness” measures the average number of canceled billing periods on invoices rebilled for controllable reasons. This will be calculated by determining the number of elapsed days between the original invoice issue date and the issue date of the rebilled invoice. To determine the number of billing periods on the rebilled invoice, the total elapsed days is divided by 30.5, which is representative of the average number of days in a billing period. The Company defines controllable reasons as 1) human errors made by field or office personnel, 2) billing system and metering system communications errors, and 3) malfunctioning meter equipment.

14. “Major Event Day” or “MED” [in the context of measuring electric service interruptions] is the IEEE 1366-2033 2.5 beta qualifying storm days. MEDs are determined by using the IEEE 1366-2003 2.5 beta methodology after removing Transmission Line level events.

15. “Performance Year” is defined as calendar year.

16. “Public Damage” [in the context of measuring electric service interruptions] is defined as an outage resulting from the actions of an individual or contractor beyond Xcel Energy’s control and is coded as such when recording the outage cause.

17. “Step Restoration” [in the context of measuring electric service interruptions]: restoration of customers downstream from an interrupted device occurs in steps, the Customer Minutes will be calculated to reflect the incremental restoration.

18. “System Average Interruption Duration Index” or “SAIDI” is defined as the total duration of interruptions, in minutes, that an average customer experiences during the performance year. It is determined by dividing the sum of Customer Minutes by the average number of Customers.

SAIDI shall be calculated based on the following assumptions:

a. All non-transmission line outages.

b. The IEEE 1366-2003 2.5 beta method is used for determining MEDs.

c. Step Restoration is incorporated.

d. All outage causes, except as specified in a above, are included.
1.9 SERVICE QUALITY (Continued)

A. Definitions (Continued)

19. "System Average Interruption Frequency Index" or “SAIFI” is defined as how often the average customer experiences an interruption during the performance year. It is determined by dividing the sum of Customer interruptions by the average number of Customers.

SAIFI shall be calculated based on the following assumptions:

a. All non-transmission line outages.

b. The IEEE 1366-2003 2.5 beta method is used for determining MEDs.

c. MED days are calculated on a regional level and applied at a regional level.

d. Step Restoration is incorporated.

e. All outage causes, except as specified in a above, are included.

20. "Telephone Response Time" measures the time to answer all customer initiated calls directed to the Company’s call center or to its business office, regardless of whether the call is answered by a Company representative or the Company’s Interactive Voice Response (IVR) system. If a customer chooses to talk to a Company representative, Telephone Response Time is measured from the time the call is routed to a Customer Service Representative (CSR), after the customer first verifies their identity and selects the reason for the call, to the time the call is responded to by a CSR.

a. “Answer” in the context of measuring Telephone Response Time means that an operator or representative is ready to render assistance or accept the information to handle the call. Acknowledging that the customer is waiting on the line and will be served in turn is not an answer. Answer may mean connecting the caller to a recording providing, to the extent practicable, at least the following information:

   A. the number of customers affected by the interruption;

   B. the cause of the interruption;

   C. the location of the interruption; and

   D. the Company’s best estimate of when service will be restored, by geographical area.

21. "Travel Time" [in the context of measuring natural gas emergency response] consists of the time from when the first responder acknowledges the receipt of the natural gas emergency order from the natural gas dispatch system by pressing an "enroute" button on the mobile data terminal, to when the first responder arrives on site and presses the "arrive" button on the mobile data terminal. In the even of a wireless service interruption affecting operation of the mobile data terminal, the acknowledge time and arrive time will be recorded in the company’s natural gas dispatch system by the natural gas dispatcher based on the voice acknowledgement received from the first responder by radio.

22. "Work Center" is defined as one of four regional areas comprising Xcel Energy’s Minnesota service area. The four Work Centers are Metro East, Metro West, Northwest, and Southeast. There are also additional customers served by our North and South Dakota work centers that are in the state of Minnesota and are included in the Northwest and Southeast regions for purposes of calculating MEDs as well as SAIDI and SAIFI.
1.9 SERVICE QUALITY (Continued)

B. Under Performance Payments

The under performance payments are as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Customer Complaints</td>
<td>$1.0 million</td>
</tr>
<tr>
<td>Telephone Response Time</td>
<td>$1.0 million</td>
</tr>
<tr>
<td>SAIDI</td>
<td>$1.0 million</td>
</tr>
<tr>
<td>SAIFI</td>
<td>$1.0 million</td>
</tr>
<tr>
<td>Natural Gas Emergency Response</td>
<td>$1.0 million</td>
</tr>
<tr>
<td>Customer Outage Refunds</td>
<td>$1.0 million</td>
</tr>
<tr>
<td>Accurate Invoices</td>
<td>$1.0 million</td>
</tr>
<tr>
<td>Invoice Adjustment Timeliness</td>
<td>$1.0 million</td>
</tr>
</tbody>
</table>

Xcel Energy shall pay for periodic audits of the accuracy of the outage duration data by an independent firm overseen by the Minnesota Department of Commerce and the Minnesota Office of Attorney General and Commission Staff. The firm will have expertise in reliability reporting and electric industry practices and will evaluate the Company’s outage records in light of reasonable and prudent utility practices. The verification of the Company’s records by an independent firm shall identify whether the sufficiency of the documentation and/or errors in the documentation resulted in a problem that materially compromised the integrity of the annually reported value for outage duration. The results of these audits will inform the decision regarding the application of any under-performance payments required under this tariff.

The SAIDI under performance payment shall be triggered for a given reporting year in the event that the underlying outage records used by the Company to determine the annually reported SAIDI value are found to be insufficient or inaccurate on completion of the audit process. The determination of a required payment under this provision will be made, after notice and hearing, by the Minnesota Public Utilities Commission.

Any underperformance payments incurred by Xcel Energy pursuant to Section B of this Service Quality Tariff will be borne by shareholders and will not be eligible for cost recovery in any future rate proceeding.
1.9 SERVICE QUALITY (Continued)

C. Under Performance Payment Disbursement

50% of any under performance payments assessed will be applied to customer bills during the following July billing cycle of a given performance year. Any bill credit amounts not remitted by the end of the July billing cycle shall accrue interest beginning after the September billing cycle of the applicable year at a rate equal to that applied to the Company’s customer deposits.

50% of any under performance payments assessed will be added to the amount budgeted for the maintenance and repair of the Company’s natural gas and electric distribution system. The Company shall maintain records sufficient to enable tracking, by Work Center, the amounts budgeted, amounts added due to under performance payments incurred, and amounts expended in a given year.

D. Reporting Requirements

By May 1 of each year, the Company will file a report with the Minnesota Public Utilities Commission detailing the Company’s actual performance as compared with the thresholds established for each metric.

This report will be accompanied by supporting data. All metrics shall be reported statewide, with the following additional reporting provided:

- SAIDI and SAIFI shall be presented by Work Center.
- Customer Complaints shall be presented by complaint category.
- The report shall specify the number of customers qualifying for Customer Outage Credits and the associated bill credit calculations.
- Natural Gas Emergency Response shall include the averages for Answer and Talk Time, Dispatch Time, Travel Time, and total response time by each call type and in total for all call types. If the Company adjusts any of its internal guidelines for dispatching and responding to natural gas emergency calls, those changes shall be noted.
- The report shall include data on municipal pumping outages. The Company shall work with the Department and Commission staff to ensure that the information included will assist the Commission’s decision making.
1.9 SERVICE QUALITY (Continued)

E. Under Performance Measures

1. Customer Complaints
   This metric measures the number of Customer Complaints submitted by the Commission’s Consumer Affairs Office. An under performance payment will be assessed in any year in which the number of complaints exceeds 0.2059 complaints per 1,000 customers.

   Exclusions
   Customer complaints will be recorded and reported with no exclusions. The Company may request exclusion of Customer Complaints that the Company can demonstrate are the result of an event beyond the Company’s control, which the Company took reasonable steps to address.

2. Telephone Response Time
   This metric measures the Company’s time to answer customer calls directed to the Company’s call center or to its business office. The benchmark is 80 percent of the calls are answered within 20 seconds. The under performance payment will be assessed in any performance year in which less than 80 percent of calls are answered within 20 seconds.

   Exclusions
   Telephone Response Time will be recorded and reported with no exclusions. The Company may request exclusion of certain calls that the Company can demonstrate are the result of an event beyond the Company’s control, which the Company took reasonable steps to address.
1.9  SERVICE QUALITY (Continued)

E.  Under Performance Measures (Continued)

3.  **SAIDI**

   This metric measures the duration of Interruptions Customers experience during the performance year. The under performance payment will be assessed in any performance year in which the Company's annual statewide SAIDI exceeds 133.23 minutes.

   Xcel Energy shall pay for periodic audits of the accuracy of the outage duration data by an independent firm overseen by the Minnesota Department of Commerce and the Minnesota Office of the Attorney General and Commission Staff. The firm will have expertise in reliability reporting and electric industry practices and will evaluate the Company's outage records in light of reasonable and prudent utility practices. The verification of the Company's records by an independent firm shall identify whether the sufficiency of the documentation and/or errors in the documentation resulted in a problem that materially compromised the integrity of the annually reported value for outage duration. The results of these audits will inform the decision regarding the application of any under performance payments required under this tariff.

   The SAIDI under performance payment shall be triggered for a given reporting year in the event that the underlying outage records used by the Company to determine the annually reported SAIDI value are found to be insufficient or inaccurate on completion of the audit process. The determination of a required payment under this provision will be made, after notice and hearing, by the Commission.

   **Exclusions**

   SAIDI will be reported as defined in this tariff. However, the Company may request exclusion of customer outage events that occur as a result of Illegal work stoppages, civil unrest, criminal acts, actions or orders of any government branch or governing body that restricts vehicle movement or deployment of resources (road closures, etc.), natural disaster (flood, earthquake, etc.), or loss of service from a foreign utility.
1.9 SERVICE QUALITY (Continued)

E. Under Performance Measures (Continued)

4. SAIFI
This metric measures the frequency of Interruptions that Customers experience during the performance year. The under performance payment will be assessed in any performance year in which the Company's annual statewide SAIFI exceeds 1.21 events.

Exclusions
SAIFI will be reported as defined in this tariff. However, the Company may request exclusion of customer outage events that occur during periods of, or as a result of illegal work stoppages, civil unrest, criminal acts, actions or orders of any government branch or governing body that restricts vehicle movement or deployment of resources (road closures, etc.), natural disasters (flood, tornado, etc.), or loss of service from a foreign utility.

5. Natural Gas Emergency Response
This metric measures the Company's average annual response time to natural gas emergency calls. The under performance payment will be assessed in any year in which the Company's annual average natural gas emergency response time exceeds 60 minutes.

Exclusions
Natural Gas Emergency Response will be recorded and reported with no exclusions. The Company may request exclusion of certain events if the Company can demonstrate circumstances that are beyond the Company's control, which the Company took reasonable steps to address.
1.9 SERVICE QUALITY (Continued)

E. Under Performance Measures (Continued)

6. Customer Outage Credits

This service quality provision is intended to compensate individual customers whose premises incur outages unrelated to MEDs that occur at the premises they occupy, and that exceed the following performance year standards:

**Single Year Outages**
- $50 annual credit to individual customers experiencing at least six (6) Interruptions.
- $50 credit to individual customers per Interruption lasting 24 hours or more.
- $200 credit to municipal pumping customers for any outage unrelated to MEDs that exceeds one (1) minute in duration.

**Consecutive Year Outages**
The credits below shall be in addition to Single Year Outage credits. This subsection shall not apply to municipal pumping customers.
- $75 to a customer after the second year if the customer experiences five (5) or more interruptions in two (2) consecutive years.
- $100 to a customer after the third year if the customer experiences four (4) or more Interruptions for three (3) consecutive years.
- $125 to a customer after the fourth year, and after each consecutive year thereafter, if the customer experiences four (4) or more Interruptions for four (4) or more consecutive years.

Only customers who have continuously resided at the address experiencing the Interruptions for the consecutive years are eligible to receive the customer credits.

**Exclusions**
In addition to customer outage event exclusion for MEDs, the Company may request, on a case-by-case basis, that the commission limit the applicability of or exclude customer outage events that 1) result from storms or other large scale outage events occurring in close proximity to each other so as to restrict the Company’s ability to effectively respond with Company and supplemental resources, or 2) were not reasonably within the control of the Company and the Company can demonstrate extraordinary circumstances warranting an exclusion. If the Company makes a request for exclusion, it shall provide public notice of the request by posting the relevant information on www.xcelenergy.com, and direct notice by bill insert to each city in which customers reside whose entitlement to credits may be affected by the outage exclusion. Such public and bill insert notices shall be published at least thirty (30) days prior to the hearing date on which the commission will hear the Company’s request.

7. Accurate Invoices

This metric measures the level of accurate invoices issued to customers during the performance year. The under performance payment will be assessed in any performance year in which the annual accuracy rate is less than 99.3%.
1.9 SERVICE QUALITY (Continued)

E. Under Performance Measures (Continued)

8. Invoice Adjustment Timeliness
   This metric measures the Company’s average number of cancelled billing periods on a rebilled invoice. The under performance payment will be assessed in any performance year in which the average annual number of cancelled billing periods exceeds 2.35.

   Exclusions
   Invoice Accuracy and Invoice Adjustment Timeliness will be recorded and reported with no exclusions, but the Company may request exclusion of certain events affecting the accuracy rate or canceled billing periods if the Company can demonstrate circumstances that are beyond the Company’s control, which the Company took reasonable steps to address.
SECTION 2  RATE APPLICATION

2.2 AVAILABILITY OF SERVICE UNDER RATE SCHEDULES
Rate schedules are available from the Department of Commerce, on the Company’s website (www.xcelenergy.com) or by request to 1-800-895-4999. The Company shall provide notice as directed by the Commission. Availability of a rate schedule with respect to the purpose for which service thereunder may be used and the class or classes of customers to which the schedule applies shall be as specified in the rate schedule.

Availability of service under a rate schedule at any particular location in a community or territory where the schedule is shown to be effective, depends upon the proximity of the particular location to the Company facilities of adequate delivery capacity at suitable pressure and the limitations of the Company’s extension rules and regulations. The extent to which the Company will extend, enlarge, or change its facilities to supply service is determined by Section 5, EXTENSION RULES.

2.3 CHOICE OF OPTIONAL RATES
Where more than one rate schedule is available or the same class of service, as indicated by the complete copy of the Company's rates open to public inspection in the Company's office, the Company will assist the customers in making their selection of the rate schedule or schedules which will result in the lowest cost for estimated consumption, based on 12 months' service and on the information at hand. New customers may change to another rate schedule after a reasonable trial of the rate schedule originally selected. The Company is not required to change a customer from one rate schedule to another more often than once in 12 months unless there is a material change in the customer's load, or unless a change, becomes necessary as a result of an order issued by the Public Utilities Commission or a court having jurisdiction. The Company will not be required to make any change in a fixed term contract except as provided therein.

2.4 STANDBY SERVICE
Standby Service is service provided to a customer through a permanent connection solely for use in the event of failure or curtailment of another thermal energy source. Standby Service will be provided only under those rate schedules which specifically allow such service or by individual contract.

2.5 RESALE, BREAKDOWN, SUPPLEMENTARY OR AUXILIARY SERVICE
Unless specifically provided for in the rate schedule, service will not be supplied for resale, breakdown, supplementary or auxiliary purposes.
SECTION 3  METERING AND BILLING

3.1  METERING AND TESTING
The Company will furnish, install, and maintain one set of metering equipment installed only on Company owned piping, for each account or rate schedule under which service is supplied. The location, number of meters and appurtenances, and specifics of installation will depend on the service arrangements and requirements of the rate schedules.

The Company will maintain and test its metering equipment in accordance with the Minnesota Public Utilities Commission's rules. In the event the Company's test shows a meter to have an average error of 2% fast or slow, the Company, will adjust the bills for service during the period of registration error, if known, in accordance with Public Utilities Commission rules. If the error period is not known, an adjustment will be made for a period equal to one-half of the time since the most recent test, not to exceed six months. If the average meter error cannot be determined because of failure of part or all of the metering equipment, the customer shall pay an amount based upon registration of check metering equipment or an estimated amount based upon the customer's consumption for comparable operations over a similar period.

3.2  MONTHLY BILLING
Bills will normally be rendered monthly and may be paid by mail, at the office of the Company, or to its duly authorized agents, during regular business hours. A "month," as used for billing purposes, does not mean a calendar month, but means the interval between two consecutive periodic meter reading dates which are, as nearly as practicable, at 30 day intervals. The Company may read certain meters less frequently than once each billing month for customers under the Company's self meter reading procedure, or when the Company and customers otherwise mutually agree, except that a Company representative will read the meter at least once each 12 months. If the billing period is longer or shorter than the normal billing period by more than five days, the billed charges shall be prorated on a daily basis, except for the November, December and January billing periods whereby the billed charges shall be prorated on a daily basis whenever the billing period is less than 25 days or more than 40 days.

(Continued on Sheet No. 6-10.1)
3.3 AVERAGED MONTHLY PAYMENT PLAN

Qualified customers may, at their request, be billed under the Company's Averaged Monthly Payment Plan. Such plan will provide for 11 equal monthly payments based on the customer's previous use. The billing for the twelfth month will reflect the actual billing for that month adjusted for the credit or debit balance carried forward from the previous month. The Company will review the account during the Plan year to ascertain the reasonableness of the Plan amount under current rates or conditions of use of service, and the monthly payment may be adjusted accordingly. After 12 months, the customer will be automatically re-enrolled in the Averaged Monthly Payment Plan, unless the customer notifies the Company that they wish to cancel.

Averaged Monthly Payment Plan is subject to the following conditions:

- **Qualified Customers:** To qualify for the Averaged Monthly Payment Plan, a customer must have a current payment status with the Company's utility bill and request to be enrolled in the Plan.

- **Removal from Plan:**
  a. Customer shall automatically be removed from the Plan if any billed amount remains unpaid for two consecutive billing periods.
  b. Customer shall automatically be removed from the Plan if the customer closes their account.
  c. Customer shall be removed from the Averaged Monthly Payment Plan at any time at their request.

- **Account Balance:** If participation in the Plan is terminated or canceled for any reason, the total amount owed on the account becomes due. The Company will refund any account credit as a credit on the customer's bill or, at the customer's request, by direct payment.
3.4 LATE PAYMENT CHARGE
The bill balance is due on the date due printed on the bill. A late payment charge of 1.5% or $1.00, whichever is greater, will be added to the unpaid balance two working days after the due date or as allowed by law. Customers under the Averaged Monthly Payment Plan or payment arrangement will be assessed the late payment charge on the lesser of the outstanding scheduled payments or the outstanding account balance. If any unpaid balance is $10.00 or less, the late payment charge will not be applied. All payments received will be credited against the oldest outstanding total account balance before application of the late payment charge.

Residential customers, with limited fixed income may request waiver of the late payment charge on the "current bill" portion of each monthly bill. Limited fixed income customers are defined as those receiving social security or governmental assistance, pensions, disability, or fuel assistance.

The late payment charge will be waived in instances where a Company error is involved, where complications arise with financial institutions in processing automatic electronic payments, or where the bill is disputed. The Company will, for residential customers, waive the assessment of a late payment charge for one billing period in any 12 month period, at customer's request.

3.5 BILL DATE DUE
Bills are due and payable upon presentation. For purposes of applying the late payment charge, the date due shown on the customer's bill shall be:

<table>
<thead>
<tr>
<th>Rate Schedule</th>
<th>Date Due</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential Firm Service, Commercial Firm Service</td>
<td>Not more than five days before next scheduled billing date.</td>
</tr>
<tr>
<td>All Other Rate Schedules</td>
<td>Not less than 15 days from current billing date.</td>
</tr>
</tbody>
</table>

Residential Firm Service and Small and Large Commercial Firm Service customers have the option of selecting a modified due date for paying their bill. The due date can be extended up to a maximum of 14 calendar days from the normal date. Customers selecting a modified due date will remain on that due date for a period not less than 12 months or may change back to the normal due date anytime. Customers receiving cold weather protection are not eligible for this option.
3.6 ESTIMATED BILLS
An estimated bill will be rendered if access to the meter cannot be gained and the customer does not provide
the information in time for the billing operation. Estimated bills shall be based on the customer's normal
consumption for a corresponding period during the preceding months or any other method authorized by the
Public Utilities Commission.

3.7 BILLING ADJUSTMENTS

In General:
In the event that a meter is inaccurate, fails to register, or registers intermittently, and this meter error results in
a billing error, the Company shall recalculate the customer's bill consistent with the Public Utilities Commission's
rules and its tariffs. An inaccurate meter is defined as one that is found upon test to be in error by more than 2%
fast or slow. Adjustments of bills will be made in accordance with the rules prescribed by the Commission.

Underbilled
In the event the customer was under-billed, the Company may recalculate the bills for service during the period
of the error, up to a maximum of one year from the date of discovery if the error results in under-charges.

In compliance with Minn. Stat. §216B.098, if a customer inquiry or complaint results in the Company's discovery of the
undercharge, the Company may bill for undercharges incurred after the date of the inquiry or complaint only if the
Company began investigating the inquiry or complaint within a reasonable time after when it was made.

Overbilled
In the event the customer was over-billed, the Company shall recalculate bills for service during the period of the
error, up to a maximum of three years from the date of discovery. Adjustments of bills will be made in
accordance with the rules prescribed by the Commission. Interest will be calculated as prescribed by Minn. Stat.
§325E.02(b).

Threshold Amounts
If an existing customer was overcharged more than $1.00 or a person no longer a customer was overcharged
more than $2.00 as a result of the error, the recalculated amount will be refunded or, where applicable, a credit
on a bill shall be made. If a customer has been undercharged as a result of the error, the Company may bill the
customer if the amount due exceeds $10.00.

Billing Format
The first billing of the recalculated amount due will be separately billed on a form different from the normal bill
form and include a complete explanation of the billing.

For payment arrangement terms, see Section 5 of the Company's Customer Rights Tariff.
3.8 RETURNED CHECK CHARGE
There shall be a charge of $15.00 for any check or draft submitted to the Company for payment which is dishonored or returned by the financial institution on which it is drawn.

3.9 ACCOUNT HISTORY CHARGE
There shall be a charge of $5.00 per account to the authorized requesting party for providing account history when such request involves 10 or more accounts, regardless of the type of account or number of meters.

3.10 SYNCHRONIZED BILL SERVICE
Customers billed under the Company’s Synchronized Bill Service will receive one bill each month for either residential or commercial service. Such service will provide one or more monthly synchronized bills which combine all premises for a customer into selected multi-site account bill statements. Customers need make only one payment covering the total amount due for all the accounts included in each synchronized bill. The Company may, at its sole discretion, select the bill date of a synchronized bill, limit the number of accounts included in any one synchronized bill and exclude accounts based on rate class or type, amount of bill, account arrearages, bill date or participation in other programs. Accounts can be combined from more than one bill date resulting in a delay of the bill statement mailing for all accounts until the synchronized bill date is reached. Customers may revert to standard billing upon request. Customers may request modifications to how their accounts are set up under synchronized bill service.
3.11 METER EQUIPMENT MALFUNCTIONS

A. DEFINITIONS

“Meter Equipment Malfunction” means the confirmed inaccurate measurement of a customer’s natural gas or electric usage by the Xcel Energy meter or other Company-installed usage measurement equipment installed for billing purposes at the customer location.

“Investigate and Remediate” means a field investigation of potentially malfunctioning meter equipment during which the technician either determines the equipment is not malfunctioning or resolves immediately in the field.

“Investigate and Refer” means a field investigation of potentially malfunctioning meter equipment that the technician confirms is malfunctioning, but is unable to resolve immediately in the field.

“Remediate upon Referral” means the resolution of a confirmed meter equipment malfunction, as referred from an initial field investigation.

B. PERFORMANCE MEASURES

The Company will track and report its average annual performance time for both Electric and Natural Gas Meter Equipment Malfunction Investigations and Remediation.

1. Natural Gas Meters

The Company will report and compare its average annual performance for Natural Gas Meter Equipment Investigations and Meter Equipment Remediation against the following average annual response targets:

- Investigate and Remediate - 9 calendar days from the point the potential meter equipment issue is identified and a malfunctioning meter equipment order is issued.
- Investigate and Refer - 9 calendar days from the point the potential meter equipment issue is identified and a malfunctioning meter equipment order is issued.
- Remediate upon Referral - 15 calendar days from the point a meter equipment issue is confirmed via field investigation and a referral order is issued.

2. Electric Meters

The Company will compare its average annual performance for Electric Meter Equipment Investigations and Meter Equipment Remediation against the following average annual response targets:

- Investigate and Remediate - 9 calendar days from the point the potential meter equipment issue is identified and a malfunctioning meter equipment order is issued.
- Investigate and Refer - 9 calendar days from the point the potential meter equipment issue is identified and a malfunctioning meter equipment order is issued.
- Remediate upon Referral - 1 calendar day from the point a meter equipment issue is confirmed via the field investigation and a referral order is issued.
3.11 METER EQUIPMENT MALFUNCTIONS (Continued)

C. BILLING ADJUSTMENTS

If the Company does not repair or replace natural gas or electric meter equipment found to be malfunctioning within ten calendar days (20 calendar days for natural gas Remediate upon Referral malfunctions), the Company will not rebill the customer for any under-billing amount owed for service occurring between the date the potential issue was identified and the date the Company remedied the meter equipment malfunction.

However, the Company may rebill for the amount owed for service occurring between the date the potential issue was identified and the date the Company remedied the meter equipment malfunction if the Company’s actions were delayed as a result of any Exclusions identified in Section E below.

Subject to the requirements of the Meter Equipment tariff, the Company will apply its Billing Adjustments tariff language in Section No. 6 of the Company’s GENERAL RULES AND REGULATIONS to any rebilling resulting from malfunctioning meter equipment.

D. EXCLUSIONS

In the case where the Company’s field investigation identifies malfunctioning meter equipment, but the Company otherwise obtains accurate and consistent customer billing meter readings, the prescribed timeframes in Sections B and C above are not applicable.

The Company will make its best efforts to meet the prescribed timeframes in Sections B and C above. However, the following issues may cause delays in the Company’s ability to investigate or remedy malfunctioning meter equipment in those prescribed timeframes, and make B and C above not applicable:

Meter Access

- Meter is inaccessible due to a physical object built around it or blocking it;
- Meter is inaccessible due to locked fence or other property access problem;
- Customer appointment is needed to gain access to meter and Company makes reasonable attempts but is unable to obtain timely access to meter and/or access to inside of premise;
- Property re-modeling prevents access;
- Vacant or unknown property ownership; or
- Customer refuses the Company access to meter and/or access to inside of premise;
3.11 METER EQUIPMENT MALFUNCTIONS

D. EXCLUSIONS (Continued)

Volume and Environmental

- Periods of emergency; Company work stoppages; catastrophe, natural disaster, civil unrest; or severe winter or other weather conditions (flood, etc.) preventing access to meter equipment, causing unusual levels of potential meter malfunctions, or causing difficulties in deployment of resources; or
- Significant or unusual events requiring metering resources to be deployed to other critical activities;

Equipment

- Equipment availability (appropriate meter/automated meter reading module not available);
- Catastrophic or systemic meter equipment failures or recalls;
- Instances requiring specially-made meter equipment;
- Customer non-compliance with established Codes and/or Company requirements; or
- Repair or replacement of other equipment and systems necessary to collect and transmit usage data such as AMR communication network equipment and associated devices.

E. REPORTING

The Company will file an annual Meter Equipment Malfunction Investigation and Remediation Report with the Minnesota Public Utilities Commission. The report will be filed as part of the Company’s Annual Electric and Natural Gas Service Quality Reports due April 1 and May 1 of each year, respectively.
SECTION 4    USE OF SERVICE RULES

4.1 USE OF SERVICE

A. Definitions

1. Individual Company Metering. Direct measurement by the Company, using a Company meter, of all gas delivered by Company.

2. Redistribution. The provision of unmetered gas supply by a customer to customer's tenant or other occupant.

3. Submetering. The provision of metered gas supply through a customer owned meter to a customer's tenants, cooperative or condominium owners, other occupants, or to a portion of the customer's own gas consumption.

4. Outside Sale. The sale or provision of gas supply by a customer to any other person outside the customer's building or property.

5. Building. A self-contained complete structure, including movable and temporary structures separated by space or an area separation wall (as defined in the Uniform Building Code) from all other structures. Two or more structures shall not be considered a single building merely by the existence of skyways, tunnels, common heating or cooling facilities, common garages, entry halls or elevators, or other attachments.

6. Occupancy Unit. A room, office, apartment, or other space separated by walls or partitions that enclose the area, or a contiguous grouping thereof when occupied by a single customer.

B. General Rules

Gas service may be used only for the purposes set forth in the respective rate schedules. Within its service area, the Company is in the business of providing retail gas to the ultimate consumer. Gas is supplied for use by customer's household or business, and outside sale of such service is not permitted. The Company permits redistribution and submetering where allowed by law but a landlord may not charge the tenants more than the landlord is charged by the Company.
4.1 USE OF SERVICE (Continued)

B. General Rules

The gas service equipment and associated building or buildings may be arranged by the owner to facilitate individual metering of the gas consumption of each building and occupancy unit. If desired by the owner, the Company will install and maintain necessary individual Company meters to measure consumption and render bills on the applicable rate schedules to each customer and separately occupied buildings and occupancy units. Installation and maintenance of individual Company meters by the Company shall not relieve the owner or landlord of responsibility for gas service equipment and associated building plumbing, nor shall it relieve the owner or landlord of responsibility to notify the Company of a single-metered residential building.

Gas is normally supplied to each separate customer through a single service and meter. The Company does not engage in the practice of doing interior piping on customer’s premises except for the installation and maintenance of Company’s property.

Gas service in a single-metered residential building, as defined pursuant to Minn. Stat. 504B.215, shall be billed to the landlord/building owner. (Minnesota Statute 504B.215 Subd. 2 requires the landlord of a single-metered residential building shall be the bill payer responsible, and shall be the customer of record contracting with the utility, and requires the landlord to advise the utility of the existence of single-metered residential building). A single-metered residential building includes the following situations: “shared meter” in which a utility meter measures service provided to a tenant’s dwelling and also measures such service to areas outside that dwelling; or “mixed plumbing” in which included on an individual meter are devices consuming or potentially consuming gas utility service other than for the individual unit. The Company shall respond to a tenant customer’s request for a shared meter investigation within ten (10) business days.
4.1 USE OF SERVICE (Continued)

B. General Rules (Continued)
Upon discovery of a single-metered residential building, as defined pursuant to Minn. Stat. § 504B.215, whether shared metering or mixed plumbing in which individual metered service had been established and billed, the Company shall, within thirty (30) business days, recognize and make adjustments to its records to reflect that the landlord/building owner is the bill payer responsible and customer of record. The Company shall strike from the tenant’s account any outstanding charges billed for usage at the single-metered residential building address no matter how old the charges. The Company may rebill all or part of these charges to the landlord/building owner’s account as of the date of discovery. Additionally, the tenant or landlord/building owner may seek additional adjustment of charges or challenge the Company’s finding of a shared meter situation by filing a complaint with the Minnesota Public Utilities Commission or by court action. Upon request, the Company will provide to the tenant available billing history in relation to such additional actions. The Minnesota Public Utilities Commission has determined that regardless of how or by whom an investigation is initiated leading to utility account adjustments, credits and/or refunds as herein described, the investigation and any resulting adjustments, credits and/or refunds shall implicate the protections of Minn. Stat. §§ 504B.285 subds. 2 and 3, and 504B.441.
4.1 USE OF SERVICE (Continued)

B. General Rules (Continued)

In the event the landlord/building owner denies access to the building or fails to cooperate with an investigation to determine whether a single-metered residential building exists, as defined pursuant to Minn. Stat. § 504B.215, the building shall be presumed to be a single-metered residential building, as defined pursuant to Minn. Stat. § 504B.215, and the landlord/building owner shall be the bill payer responsible. The Company shall recognize and make adjustments to its records to reflect that the landlord/building owner is the bill payer responsible and customer of record. The Company shall strike from the tenant’s account any outstanding charges billed for usage at the single-metered residential building address no matter how old the charges. The Company may rebill all or part of these charges to the landlord/building owner’s account as of the date of discovery. Additionally, the tenant or landlord/building owner may seek additional adjustment of charges or challenge the Company’s finding of a shared meter situation by filing a complaint with the Minnesota Public Utilities Commission, or by court action. The Minnesota Public Utilities Commission has determined that regardless of how or by whom an investigation is initiated leading to utility account adjustments, credits and/or refunds as herein described, the investigation and any resulting adjustments, credits and/or refunds shall implicate the protections of Minn. Stat. §§ 504B.285 subds. 2 and 3, and 504B.441.

In order to reestablish individual metered service for the individual tenant units, the landlord/building owner shall be required to provide certification of a licensed electrician and/or plumber that the building has been inspected sufficiently to determine that all instances of mixed wiring, shared meterings and mixed plumbing have been eliminated. Additionally, the landlord/building owner may be required by the Company to post a deposit equal to the expected charges for up to two months of usage for electric and/or gas service to the building. The Company shall have the right to verify the certification at the building owner’s expense prior to establishing metered service for individual units. Such verification shall not relieve the building owner of its responsibility to be the bill payer of record of a single-metered residential building.
4.1 USE OF SERVICE (Continued)

B. General Rules (Continued)
In the event of discovery of single-metered residential service, as defined pursuant to Minn. Stat. § 504B.215, after previous certification to reestablish individual metered service for tenants, in addition to the above adjustments, the building shall be ineligible for individual metered service for tenants without petition to the Minnesota Public Utilities Commission by the Building Owner and a showing by the building owner by clear and convincing evidence justifying the reestablishment of individual metered service for tenants. Additionally, the MPUC may require consent of the building’s tenants in determining that reestablishment of the individual metered service for tenants is appropriate.

4.2 CUSTOMER’S PIPING AND EQUIPMENT
Customer will install, maintain, and keep in repair its piping and equipment as prescribed by any public authority with jurisdiction over the installation of gas facilities. In the event customer fails to do so, or if the Company finds that the customer’s piping or equipment, in the Company’s opinion, is not adequate and safe, or that the operation thereof under existing conditions is not safe, the Company may discontinue the supply of gas.

Any inspection of a customer’s piping and equipment by the Company is for the purpose of avoiding unnecessary interruptions of service to its customers or damage to its property and for no other purpose, and will not be construed to impose any liability upon the Company to a customer or any other person by reason thereof. In addition, the Company will not be liable or responsible for any loss, injury, or damage that may result from the use of or defects in a customer’s piping or equipment.

The Company may, however, at any time require a customer to make such changes in customer’s equipment or use thereof as may be necessary to eliminate any hazardous condition or any adverse effect which the operation of the customer’s equipment may have on said customer, other customers of the Company, the public, or the Company’s employees, equipment, or service. In lieu of changes by the customer, the Company may perform such changes and require reimbursement from the customer of the cost incurred by the Company in alleviating an adverse effect on the Company’s facilities caused by the Customer’s property.

The customer will not make a material increase in customer’s load or equipment without first making arrangements with the Company for additional gas supply. The piping, meters, and appurtenances used in furnishing gas service to a customer have a definite capacity, and any increase in load or equipment may require a change in the Company’s equipment.

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SECTION 5 EXTENSION RULES

5.1 GENERAL EXTENSION POLICY
The Company operates under the general principle that subject to the availability of gas supply the Company will extend its gas mains and services to an applicant provided the extension is within allowable footage limits for residential customers or is cost justified for commercial and industrial customers or upon request by City for facilities to serve residential load within an incorporated municipality where sewer and water facilities are being installed, provided the extension is within allowable footage limits. When such conditions are not met, an extension may be constructed if applicant makes appropriate advance payment to the Company. In determining whether the extension is appropriate, the Company will apply the general principle that the rendering of service to an applicant will not create an undue burden on other customers.

The customer, without expense to the Company, will grant the Company right-of-way on his premises for the installation and maintenance of the necessary pipes and appurtenances, and will provide and maintain on the premises, at a location satisfactory to the Company, proper space for the Company's piping, meters, regulators, and appurtenances.

The service and meter connections as installed by the Company will be the Company's property and will be maintained by the Company at its own expense.

The customer will provide for the safekeeping of the Company's meters and other facilities and reimburse the Company for the cost of any alterations to the Company's property necessitated by the customer and for any loss or damage to the Company's property located on the premises, except when the loss or damage is caused solely by the Company's negligence or other causes beyond the control of the customer.

The Company shall waive any CIAC of $5.00 or less. The Company cannot at any time recover these costs from existing ratepayers.

Once the Company waives any contribution by new customers for main and service extension costs, the Company cannot at any time recover those costs from existing ratepayers.

(Continued on Sheet No. 6-17.1)
5.2 COMMERCIAL AND INDUSTRIAL SERVICE AND MAIN EXTENSION POLICY

In determining whether the expenditure for commercial and industrial gas service is economically feasible, Xcel Energy shall take into consideration the total cost of serving the applicant and the expected revenue from the applicant.

All commercial and industrial service and main extensions, except as provided in Section 5.1, will be justified using the following formula:

\[
\text{Cost Justification Formula}
\]

\[
\text{Maximum Expenditure} = \frac{\text{ACC} + (\text{AEM times DC})}{\text{LARR} + \text{O & M}}
\]

Where:  
ACC = Annual Customer Charge  
AEM = Annual Estimated Therms  
DC = Distribution Charge per Therm  
LARR = Levelized Annual Revenue Requirement Factor = 0.11670  
O & M = Operating and Maintenance Factor = 0.02728

The Company will designate the location of, and at its own expense, up to an amount cost justified by the anticipated annual revenues, furnish a commercial/industrial service of proper capacity to the nearest practical point of entry to the building. If the customer has a preferred service location, the customer will be charged the excess footage from the Company designated location to the customer-preferred location. Excess footage charges shall be as provided in the Service Excess Footage Charges shown below in Section 5.4.

Payment for unjustified expenditures and excess footage of commercial/industrial service extensions will be made in advance to the Company. All gopher-sleeved service footage will be charged an extra $1.15 / ft. In addition, a non-refundable payment in advance must be made covering the specified additional cost of any unusual construction.
5.2 COMMERCIAL AND INDUSTRIAL SERVICE AND MAIN POLICY (Continued)

The Company will extend, enlarge, or modify its gas mains or other facilities for supplying gas service when the anticipated revenue from the sale of additional service will justify the expenditure, except as provided in Section 5.1. When the expenditure is not so justified, the extension, enlargement, or modification of facilities will be made only if the customer:

A. Pays in advance to the Company for the additional installation costs in cash or by promissory note acceptable to the Company, the portion of the capital expenditure not justified by the anticipated annual revenue with provision for refund of all or part of such payment,

B. Agrees to pay a special monthly charge,

C. Agrees to pay annually a specified minimum charge, or

D. Agrees to a combination of the above methods.

In addition, a non-refundable payment in advance must be made covering the specified additional cost of any unusual construction or required excess footage.

For each additional customer served directly from the main extension within five years from the date of its completion, the person who made the advance payment will receive refunds based on the revenue to be received from the additional customers served from the extension and the costs required to serve such customers. The total of such refunds will in no event exceed the total advance payment. No refunds will be made for additional customers served by additional main extensions connected at any point to the first customer's original extension.
5.3 RESIDENTIAL MAIN EXTENSION POLICY
The Company will extend, enlarge, or modify its gas mains or other facilities for the purpose of supplying gas service when the conditions of this Section are met, except as provided in 5.1 of this section. The amount of main required to serve a proposed project will determine which one of the following methods apply:

I. Standard Service Installation

If the request for natural gas service requires an average of 100 feet of main (4” diameter pipe or less)* or less per home, the Company will install up to 100 feet per home at no cost for the homes projected to be connected within 12-months from the start of construction. The main footage required for homes connected beyond the first 12-months, will be charged as excess footage at the following rate:

Excess Footage Charge: $5.00 per foot of main

The excess footage charge will be collected prior to the start of construction on a refundable basis (see “Refunding” below). The excess footage charge is the price per foot to be determined each year in March via Docket No. G002/GR-04-1511, Compliance Filing, Updated Schedule 9.

II. Excess Service Installation

If the request for natural gas service requires an average of more than 100 feet of main (4” diameter pipe or less)* per home, and is located less than 4,000 feet from existing Company infrastructure to the project lead-in, the Company may require a Contribution in Aid of Construction (CIAC) payment as calculated by the Commission-approved Residential Extension Model (REM). A non-refundable payment for CIAC is required in advance as established by the REM. (see “Method” below).

III. Extended Service Installation

If a request for natural gas service requires gas main of 4,000 feet or more to connect existing Company infrastructure to the project lead-in, service will be provided only at Company’s discretion. Consideration for approval of these projects will include:

a. Cost per connection as related to annual system average cost;
b. Future growth opportunities in surrounding area;
c. Availability of Company resources.

*The cost of pipe greater than 4” diameter will be determined on an individual basis.
5.3 RESIDENTIAL MAIN EXTENSION POLICY (Continued)

METHOD
A residential extension model ("REM") will be used to evaluate requests to serve individuals or projects requiring an average of more than 100 feet of main (4" diameter of pipe or less) per home. The REM is designed to calculate the total revenue requirement for each year of the book service life of the project. For project requests under this tariff, the calculation of revenue requirements will include the weighted cost of capital as approved by the Commission in the Company’s most recent gas general rate proceeding, and a discount rate equal to the Commission authorized overall rate of return in the most recent gas general rate proceeding. A capital contingency factor of five percent will be applied to estimated project construction costs to allow for cost overruns. In addition, an annual escalation rate will be applied to estimated annual operating and maintenance costs for a project. The escalation rate is based on the "Chained price index—household natural gas" adopted by the Minnesota Department of Commerce ("DOC") from time to time for use in the BENCOST FOR GAS CIPs (BENCOST) model.

The REM will compare the total revenue requirement for each year with the retail revenues generated from the expected customer connections and calculates a net present value (NPV) revenue deficiency that will represent the amount of CIAC payment required from the customer(s) or developer on a non-refundable basis.

The variables used to run the Residential Extension Model include:

1. Number of customers used to calculate the revenue and retail margin revenue.
2. Average use (in therms) expected per customer.
3. Estimated amount of time over which the project is expected to be complete.
4. The estimated capital costs for the project.

The CIAC amount with items one through four listed above will be provided to customers in writing.

When the extension exceeds 100 feet, the extension, enlargement, or modification of facilities may be made only if the customer pays cash in advance to the Company for the unjustified installation as determined by the Residential Extension Model.

* The cost of pipe greater than 4" diameter will be determined on an individual basis.

REFUNDING
Excess footage charges applied to Residential Main Extensions may be refunded when additional customers are connected beyond the initial 12-month period, through 5 years from the start of construction. Any refunds will be made on an annual basis, and be based on the number of new connections multiplied by the excess footage amount per connection and the excess footage charge used to calculate the original customer contribution. Refunds will be granted to the person who made the advance payment, and will in no event exceed the total advance payment. No refunds will be made for additional customers served by additional main extensions connected at any point to the first customer’s original extension.
5.3 RESIDENTIAL MAIN EXTENSION POLICY (Continued)

Residential Extension Model (REM) Definitions

All terms describe the contents and general operation of the REM used to determine potential CIAC for a project.

Description

1. **Time Period.** A 12-month calendar interval, which is one year of the project life. The year in which the project is constructed is designated as year zero.

2. **Plant-in-Service Additions.** Additions to plant-in-service in any particular year shall be all costs to provide pipeline interconnects, pressure regulating facilities, measurement and instrumentation, lateral delivery lines, distribution mains, mapping, customer service lines, meters, and regulators.

3. **CIAC Payment.** A one time, up-front, non-refundable, contribution collected from a customer or developer to offset the cost of constructing facilities to serve a new project.

4. **Total Capital Investment.** The cost of all plant-in-service additions, less all customer CIAC contribution. Total capital investment will include an additional 5% contingency provision.

5. **Net Investment Rate Base.** The total capital investment, less the accumulated reserve for book depreciation, less accumulated deferred income taxes.

6. **Equity Return.** The average of beginning and end-of-year net investment rate base, multiplied by the weighted costs of preferred equity capital and common equity capital established in the Company’s most recent gas general rate proceeding.

7. **Debt Return.** The average of beginning and end-of-year net investment rate base, multiplied by the weighted costs of long term and short term debt capital established in the Company’s most recent gas general rate proceeding.

8. **Book Depreciation.** The straight-line cost recovery over the life of the asset for total capital investment as defined above plus the cost of removal (negative salvage). The book depreciation rate is adjusted to recognize the effect of customer provided CIAC payment(s).
5.3 RESIDENTIAL MAIN EXTENSION POLICY (Continued)

Residential Extension Model (REM) Definitions (Continued)

9. **Tax Depreciation.** The income tax basis of cost recovery. The sum of all vintages of the product of plant-in-service additions as defined above and the appropriate value from the Internal Revenue Service's "Depreciation Schedule 20 Year Property MACRS Method".

10. **Deferred Income Taxes.** The difference between tax depreciation and the book depreciation and salvage value (if any) for that year, multiplied by the income tax rate. Deferred taxes will be reduced in any year by the current tax effect of the customer provided CIAC payment(s) (income taxes are in effect prepaid and will be recovered over the life of the project through the book and tax timing differences. Accumulated deferred income taxes in any year shall be the sum of the deferred income taxes for the current year and all prior years.

11. **Salvage.** A positive amount for salvage represents that proceeds from the disposal of an asset removed from service. A negative amount for salvage represents the cost of removal incurred for an asset removed from service.

12. **Income Taxes.** The income tax calculation provides an amount of income tax to cover the equity return; and customer provided CIAC payment(s); considers the timing difference between book depreciation and tax depreciation; includes the current provision for deferred income taxes; and considers income tax provisions related to salvage. The income tax calculation formula is:

\[
\text{Income Taxes} = \left( \frac{T}{1-T} \right) \times (\text{Customer provided CIAC} + [\text{Book depreciation} - \text{Tax depreciation}] + \text{Deferred Income Tax} + \text{Salvage}) + (T \times \text{Equity Return})
\]

\(T=\) Minnesota jurisdiction income tax rate established in the most recent gas general rate proceeding.

13. **Operating Expenses.** Operating expenses includes provisions for transmission and distribution system operation and maintenance expenses, and provisions to cover customer accounting expenses such as meter reading, customer accounting and collection. A cost escalation factor is applied to all operating expenses. The escalation factor is derived from the "Chained price index—household natural gas" provided to the "DOC" by Global Insight via the Minnesota Department of Finance. Property taxes are also included as a component of operating expenses. All components of operating expense herein are driven by the amount of plant-in-service additions.
5.3 RESIDENTIAL MAIN EXTENSION POLICY (Continued)

Residential Extension Model (REM) Definitions (Continued)

14. *Total Revenue Requirement.* The total revenue requirement is the sum of the required equity return, debt return, book depreciation, current provision for deferred income taxes, income taxes, and operating expenses.

15. *Retail Revenues.* This amount represents the retail revenue generated by applying the various retail billing rates (customer service charge and commodity margin) approved in Company’s most recent gas general rate proceeding to the market derived from the expected number of customers connected.

16. *Revenue Deficiency or (Excess).* Revenue deficiency is the difference between the total revenue requirement and the amount of the retail revenues. Deficiency occurs when the total revenue requirement in a given year is greater than the total retail revenues generated. Excess occurs when the total revenue requirement in a given year is less than the total retail revenues generated. The total revenue requirement less retail results in a revenue deficiency or excess.

17. *Present Value of Revenue Deficiency or (Excess).* The cash flow from the various years of the project life that produce either revenue deficiencies or revenue excesses are discounted to a present value using a discount rate equal to the overall rate of return established in the most recent gas general rate proceeding.

If the sum of the present value calculation over the life of the project is zero or as close to zero as possible, the model proves that the project is "self-supporting", that is, the customer provided CIAC is the proper amount of customer contributed capital necessary to support the project at the projected (or actual) level of retail revenues.
5.4 RESIDENTIAL SERVICE EXTENSION POLICY

The Company will designate the location of and, at its own expense, furnish and install a residential service of proper capacity for a maximum straight line distance of 75 feet inside the property boundary, as platted, or property abutting upon any public street, highway, lane, or road along which the Company has or will install gas mains or, in the case of a mobile home, for a maximum straight line distance of 75 feet from the property boundary, for the following metering:

Indoor: From its gas main to and including the first fitting or valve inside customer's building wall.

Outdoor: From its gas main to the service riser.

The Company designated meter location will be the nearest practical point of entry to the building. Footage in excess of 75 feet, and any additional footage requested by the customer, even though the total horizontal distance is less than 75 feet, will be extended if customer will share in the cost. Excess footage charges shall be determined as provided in the Service Excess Footage Charges shown below in this Section. All gopher-sleeved service footage will be charged an extra $1.15/ft.

Payment for excess footage of residential service extensions to newly constructed homes will be billed to customer as soon as construction is complete and the Company has prepared a drawing to determine the actual service footage and appropriate charges.

In addition, a non-refundable payment in advance must be made covering the specified additional cost of any unusual construction, regardless of whether the service is 75 feet or less.

Excess footage charges will be waived if NSP gas and electric service extensions are both installed jointly to an NSP-designated service location. However, gas services installed with any NSP electric facility other than an electric service extension (such as primary or secondary electric cable) will be subject to excess footage charges as provided above.

The Company will, at its own expense for all customers, furnish and install piping for a distance not to exceed five feet for the following metering:

Indoor: From the service to the meter header or meter bar.

Outdoor: From the end of the horizontal service pipe to the outside of the customer's building wall.
If this distance exceeds five feet in length, the Company may extend the piping if the customer will share the cost as provided below in the Service Excess Footage Charges.

**Service Excess Footage Charges**

- 1 Inch or Under Pipe: $3.50 per foot
- Over 1 Inch Pipe: Determined Individually
5.5 WINTER CONSTRUCTION

When the service or main is installed between October 1 and April 15, inclusive, because of failure of customer to meet all requirements of the Company by September 30 or because the customer's property, or the streets leading thereto, are not ready to receive the service pipe or gas main by such date, such work will be subject to a winter construction charge when winter conditions of six inches or more of frost exist, snow removal or plowing is required to install service or burners must be set at the main or underground facilities in order to install service for the entire length of service or gas main installed. Winter construction will not be undertaken by the Company where prohibited by law or where it is not practical to install gas main or gas service pipe during the winter season. The charges immediately below apply to frost depths of 18” or less. At greater frost depths, the Company will individually determine the job cost. The Company reserves the right to charge for any unusual winter construction expenses. All winter construction charges are non-refundable and are in addition to any normal construction charges.

<table>
<thead>
<tr>
<th>Winter Construction Charge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thawing</td>
</tr>
<tr>
<td>$400 per frost burner</td>
</tr>
<tr>
<td>Main &amp; Service Extensions</td>
</tr>
<tr>
<td>4 Inch or Under Pipe</td>
</tr>
<tr>
<td>$3.00 per foot</td>
</tr>
<tr>
<td>Over 4 Inch Pipe</td>
</tr>
<tr>
<td>Determined Individually</td>
</tr>
</tbody>
</table>

If NSP gas and electric services are installed in a joint trench for any portion of a service run to an NSP-designated service location, the Company will waive the lower of the gas and electric winter construction charges on the joint portion.

5.6 LIMITATIONS ON THE AVAILABILITY OF GAS

New and existing customers requiring service for new or increased firm or interruptible gas loads must make an application for such service. The Company shall apply the applicable limitations set forth in this section in determining whether to approve an application. When supplies of gas and delivery capacity are adequate, Company will authorize connection of qualifying customers in the order that their application is received. When an applicant is one for which a main extension is required, the application will be held until the main extension is approved, at which time it shall be processed the same as an on-main customer.

A. New and Existing Firm Customers

1. New customers will be added in accordance with Section 5, EXTENSION RULES, of the General Rules and Regulations in this section.

2. Existing loads, except as noted below, may be increased and new loads added only with the approval of the Company based upon the adequacy of gas supplies and gas delivery capacity.

3. Increases in existing loads for non-heating requirements not in excess of 0.50 Therm per hour do not require Company approval in accordance with Section 1.1, APPLICATION FOR SERVICE, of the General Rules and Regulations.

(Continued on Sheet No. 6-20)
5.6 LIMITATIONS ON THE AVAILABILITY OF GAS (Continued)

B. New and Existing Interruptible Customers
   1. New customers will be added in accordance with Section 5, EXTENSION RULES, of the General
      Rules and Regulations in this section.
   2. Existing interruptible loads may be increased only with the approval of the Company based upon
      adequacy of gas delivery capacity.
   3. Customer shall have access to sufficient standby alternate fuel for periods of curtailment of the
      delivery of gas. However, standby fuel supply is not required for natural gas vehicles which can
      operate using a readily available alternate fuel, nor for interruptible customers who agree to confine
      their use of natural gas to the months of April through October in any calendar year, nor for
      interruptible customers if a portion of gas usage is for processing or manufacturing and curtailment
      would not be in violation of applicable codes.

5.7 TEMPORARY SERVICE
The following special requirement is prescribed to govern temporary service:

A customer taking temporary service (less than five years) will pay the rate applicable to the class of service
rendered and will pay in advance the Company's specified cost, figured on a time and material basis, of the
installation and removal of the facilities, including the meter required to furnish the desired service, less the
salvage value of such facilities.
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 (e.g. 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)
6.2 CURTAILMENT OF COMPANY’S RETAIL SUPPLY (Continued)
The Company may curtail the supply of gas to all customers according to the following schedule of priority of service categories in emergency situations where Company’s firm suppliers are not available. In order to avoid exceeding contract demand on any billing day, the Company may curtail the supply of gas to those customers receiving service under interruptible gas service agreements according to the following schedule of priority of service categories. Over a reasonable period of time, all customers purchasing gas under the same rate schedule within each category will be treated alike as far as practicable. The customer shall supply the Company with names of persons authorized to receive and effectuate such curtailment requests. Curtailment of supply of gas shall begin with Priority Category 8 and progress to Priority Category 1.

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

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

2. Requirements for essential process and feedstock uses and plant protection other than when production operations are shutdown, except where the requirements can be satisfied through the utilization of existing alternate fuel capability. Propane is not considered an alternate fuel for establishing user priorities.

3. All commercial and industrial requirements from 2,000 Therms per day through 4,999 Therms per day, not otherwise classified.
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.

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 (e.g. 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.

<table>
<thead>
<tr>
<th>Customer Class</th>
<th>Rate Code</th>
</tr>
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<tbody>
<tr>
<td>Commercial Demand Billed</td>
<td></td>
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<tr>
<td>Small</td>
<td>119</td>
</tr>
<tr>
<td>Large</td>
<td>103</td>
</tr>
<tr>
<td>Interruptible</td>
<td></td>
</tr>
<tr>
<td>Small</td>
<td>105 &amp; 111</td>
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<tr>
<td>Medium</td>
<td>106</td>
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<td>Large</td>
<td>120</td>
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<td>Large Firm</td>
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<td>Interruptible Transportation</td>
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<td>Medium</td>
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<td>Large</td>
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<tr>
<td>Negotiated Transportation</td>
<td></td>
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<tr>
<td>Small</td>
<td>114</td>
</tr>
<tr>
<td>Small Volume Flex Interruptible Transportation of Customer Owned Gas (Closed)</td>
<td>157</td>
</tr>
</tbody>
</table>

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.
SECTION 7  COMPANY'S RIGHTS

7.1 WAIVER OF RIGHTS OR DEFAULTS
No delay by the Company in enforcing any of its rights may be deemed a waiver of such rights, nor may a waiver by the Company of any of a customer's defaults be deemed a waiver of any other or subsequent defaults.

7.2 MODIFICATION OF RATES, RULES, AND REGULATIONS
The Company reserves the right, in any manner permitted by law, to modify any of its rates, rules, and regulations or other provisions now or hereafter in effect.

7.3 CUSTOMER RIGHTS
Customer Rights are defined in section 9 of this tariff.